

CONFERENCE CS FOR HOUSE BILL NO. 366
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE CONFERENCE COMMITTEE

Offered: 5/8/06

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act making appropriations for the operating and capital expenses of the state's**
2 **integrated comprehensive mental health program; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

1 * **Section 1.** The following appropriation items are for increases in operating expenditures
 2 from the general fund or other funds as set out in section 3 of this Act to the agencies named
 3 for the purposes expressed for the fiscal year ending June 30, 2007, unless otherwise
 4 indicated. A departmentwide, agency-wide, or branch-wide unallocated reduction set out in
 5 this section may be allocated among the appropriations made in this section to that
 6 department, agency, or branch.

	Appropriation	General	Other
	Allocations	Items	Funds
	Funds	Funds	Funds
	*****	*****	
	*****	*****	
	***** Department of Administration *****		
	*****	*****	
12	Legal and Advocacy Services	1,811,400	1,705,300
			106,100
13	Office of Public Advocacy	1,554,700	
14	Public Defender Agency	256,700	
15	*****	*****	
16	***** Department of Corrections *****		
17	*****	*****	
18	Administration and Support	611,600	565,600
			46,000
19	Offender Habilitation	611,600	
20	Programs		
21	Inmate Health Care	5,835,300	5,600,300
			235,000
22	Inmate Health Care	5,835,300	
23	*****	*****	
24	***** Department of Education and Early Development *****		
25	*****	*****	
26	Teaching and Learning Support	344,300	119,300
			225,000
27	Student and School	344,300	
28	Achievement		
29	*****	*****	
30	***** Department of Health and Social Services *****		
31	*****	*****	

	Appropriation	General	Other
	Allocations	Items	Funds Funds

3 No money appropriated in this appropriation may be expended for an abortion that is not a
4 mandatory service required under AS 47.07.030(a). The money appropriated for Health and
5 Social Services may be expended only for mandatory services required under Title XIX of the
6 Social Security Act and for optional services offered by the state under the state plan for
7 medical assistance that has been approved by the United States Department of Health and
8 Human Services. This statement is a statement of the purpose of the appropriation and is
9 neither merely descriptive language nor a statement of legislative intent.

10 It is the intent of the legislature that the Department continues to aggressively pursue
11 Medicaid cost containment initiatives. Efforts should continue where the Department
12 believes additional cost containment is possible including further efforts to contain travel
13 expenses. The Department must continue efforts imposing regulations controlling and
14 materially reducing the cost of Personal Care Attendant (PCA) services. Efforts must be
15 initiated utilizing existing resources to impose regulations screening applicants for Residential
16 Psychiatric Treatment Center (RPTC) services, especially for out-of-state services. The
17 department must address the entire matrix of optional Medicaid services, reimbursement rates
18 and eligibility requirements that are the basis of the Medicaid growth algorithm. This work is
19 to utilize the results of the Medicaid Assessment and Planning analysis. The legislature
20 requests that by January 2007 the Department be prepared to present projections of future
21 Medicaid funding requirements under our existing statute and regulations and be prepared to
22 present and evaluate the consequences of viable policy alternatives that could be implemented
23 to lower growth rates and reducing projections of future costs.

24 It is the intent of the legislature that the Department of Health and Social Services actively
25 participate in the development and growth of Alaska's therapeutic courts.

26 It is the intent of the legislature that the Department of Health and Social Services work
27 cooperatively with the Legislature's professional contractor to assist in providing information
28 needed for the contractor to review Medicaid program and complete its scope of work.

29 **Alaskan Pioneer Homes** **12,559,200** **12,559,200**

30 It is the intent of the legislature that the Department establishes regulations requiring all
31 residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state
32 subsidy being provided for their care from the State Payment Assistance program.

33 It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall

1	Appropriation	General	Other
2	Allocations	Items	Funds
3		Funds	Funds

3 complete any forms to determine eligibility for supplemental program funding, such as
 4 Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant
 5 is not able to complete the forms him/herself, or if relatives or guardians of the applicant are
 6 not able to complete the forms, Department of Health and Social Services staff may complete
 7 the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility
 8 per AS 47.25.120.

9 It is the intent of the legislature that the Pioneers' Home program administration review the
 10 actual full cost of care for services provided at the Pioneers' Homes and develop a proposal to
 11 increase rates to reflect the system wide average of full cost of care at the three different care
 12 levels. In order to maximize Medicaid recovery, a proposed rate increase should be
 13 considered for implementation July 1, 2007.

14	Alaska Pioneer Homes	64,300		
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15	Management			
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16	Pioneer Homes	12,494,900		
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17	Behavioral Health		85,471,500	60,669,600	24,801,900
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18	Alcohol Safety Action	105,000			
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19	Program (ASAP)				
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20	Behavioral Health Medicaid	32,156,100			
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21	Services				
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22	Behavioral Health Grants	16,873,500			
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23 It is the intent of the legislature that the department reviews its procedures surrounding the
 24 awarding of recurring grants to assure that applicants are regularly evaluated on their
 25 performance in achieving the missions of the Department related to their specific grant and
 26 that the recipients' performance be measured and incorporated in to the decision whether to
 27 continue awarding grants.

28	Behavioral Health	2,369,700			
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29	Administration				
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30	Community Action Prevention	958,100			
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31	& Intervention Grants				
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32	Rural Services and Suicide	2,115,200			
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33	Prevention				
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	Appropriation	General	Other
	Allocations	Funds	Funds
		Items	
1			
2			
3	Psychiatric Emergency	6,153,400	
4	Services		
5	Services to the Seriously	9,837,900	
6	Mentally Ill		
7	Designated Evaluation and	1,211,900	
8	Treatment		
9	Services for Severely	6,526,200	
10	Emotionally Disturbed Youth		
11	It is the intent of the legislature that the Department of Health and Social Services provide a		
12	detailed five year plan for the Bring the Kids Home initiative that will include: infrastructure		
13	requirements in Alaska, number of beds needed identified by level of intensity, five year		
14	funding forecast, and the anticipated improvement of life for clients.		
15	Alaska Psychiatric Institute	7,164,500	
16	Children's Services		11,548,700
17	Children's Medicaid Services	3,830,000	
18	Children's Services	64,200	
19	Management		
20	Front Line Social Workers	148,600	
21	Foster Care Augmented Rate	500,000	
22	Foster Care Special Need	747,900	
23	Residential Child Care	1,956,300	
24	Infant Learning Program	4,301,700	
25	Grants		
26	Juvenile Justice		370,200
27	McLaughlin Youth Center	159,500	
28	Fairbanks Youth Facility	95,000	
29	Bethel Youth Facility	55,700	
30	Probation Services	60,000	
31	Public Health		217,000
32	Certification and Licensing	118,700	
33	Community Health Grants	98,300	

1	Appropriation	General	Other
2	Allocations	Items	Funds
3	Senior and Disabilities	14,011,700	13,033,900
4	Services	977,800	Funds

5 It is the intent of the legislature that the department examine their procedure for maintaining
6 the disabilities waitlist to assure that criteria for listing are consistent, objective and
7 meaningful, that the list is accurately maintained without unnecessary action by individuals on
8 the list, that the list identify services already being received by those on the list and that the
9 list be managed to promote parity in the provision of services through out the social services
10 system.

11 It is the intent of the legislature that the department utilize funds referenced as available to
12 begin the Inventory of Client and Agency Planning (ICAP) process as recommended in the
13 Ad Hoc Committee on the Developmental Disability Waitlist Recommendations for Change
14 report. It is further the intent of the legislature that the Department move forward with
15 implementation of the report recommendations as appropriate and submit a progress report to
16 the Legislature by January 15, 2007, which includes information regarding the number of
17 individuals on the waiting list that have had an ICAP completed as well as the Department's
18 recommended action for those recommendations contained in the Ad Hoc report with which
19 they may disagree.

20	Senior and Disabilities	2,272,200		
21	Services Administration			
22	Protection and Community	740,300		
23	Services			
24	Senior Community Based	3,024,400		
25	Grants			
26	Community Developmental	7,974,800		
27	Disabilities Grants			
28	Departmental Support Services	1,426,400	1,334,300	92,100
29	Agency-wide Unallocated	-187,000		
30	Reduction			
31	Administrative Support	394,300		
32	Services			
33	Health Planning and	50,000		

	Appropriation	General	Other
	Allocations	Funds	Funds
		Items	
1			
2			
3	Infrastructure		
4	Information Technology	819,100	
5	Services		
6	HSS State Facilities Rent	350,000	
7	Boards and Commissions	1,284,900	590,800
8	AK Mental Health & Alcohol	809,200	
9	& Drug Abuse Boards		
10	Commission on Aging	120,000	
11	Governor's Council on	230,000	
12	Disabilities and Special		
13	Education		
14	Suicide Prevention Council	125,700	
15	*****	*****	
16	***** Department of Law *****		
17	*****	*****	
18	Civil Division	76,900	76,900
19	Human Services Section	76,900	
20	*****	*****	
21	***** Department of Natural Resources *****		
22	*****	*****	
23	Resource Development	1,443,900	1,443,900
24	Mental Health Trust Lands	1,443,900	
25	Administration		
26	*****	*****	
27	***** Department of Revenue *****		
28	*****	*****	
29	Alaska Mental Health Trust	1,738,100	1,738,100
30	Authority		
31	Mental Health Trust	1,738,100	
32	Operations		

1	Appropriation	General	Other
2	Allocations	Funds	Funds
3	*****	*****	
4	***** University of Alaska *****		
5	*****	*****	
6	It is the intent of the legislature that the University of Alaska continues its partnership with		
7	the Department of Education and Early Development in support of the Alaska Statewide		
8	Mentor Project.		
9	University of Alaska	1,025,800	200,800
10	Budget Reductions/Additions	45,000	
11	- Systemwide		
12	Statewide Services	100,000	
13	Anchorage Campus	488,500	
14	Fairbanks Campus	287,300	
15	Juneau Campus	105,000	
16	*****	*****	
17	***** Alaska Court System *****		
18	*****	*****	
19	Alaska Court System	693,100	227,800
20	Budget requests from agencies of the Judicial Branch are transmitted as requested.		
21	Trial Courts	693,100	
22	(SECTION 2 OF THIS ACT BEGINS ON PAGE 9)		

1 * **Sec. 2** The following appropriation items are for operating expenditures from the general
 2 fund or other funds as set out in the fiscal year 2007 budget summary by funding source to the
 3 state agencies named and for the purposes set out in the new legislation for the fiscal year
 4 beginning July 1, 2006 and ending June 30, 2007. The appropriation items contain funding
 5 for legislation assumed to have passed during the second session of the twenty-fourth
 6 legislature and are to be considered part of the agency operating budget. Should a measure
 7 listed in this section either fail to pass, its substance fail to be incorporated in some other
 8 measure, or be vetoed by the governor, the appropriation for that measure shall lapse. A
 9 department-wide, agency-wide, or branch-wide unallocated reduction or increase set out in
 10 the New Legislation section may be allocated among the appropriations made in this section
 11 to that department, agency, or branch.

12	Appropriation	General	Other
13	Items	Funds	Funds
14	HB 105 Medicaid for Adult Dental Services	425,000	425,000
15	appropriated to Department of Health and Social		
16	Services		

17 (SECTION 3 OF THIS ACT BEGINS ON PAGE 10)

1 * **Sec. 3.** The following sets out the funding by agency for the appropriations made in sec. 1
 2 and sec. 2 of this Act.

			New	
	Funding Source	Operating	Legislation	Total
5	Department of Administration			
6	1037 General Fund / Mental Health	1,705,300	0	1,705,300
7	1092 Mental Health Trust Authority	106,100	0	106,100
8	Authorized Receipts			
9	*** Total Agency Funding ***	\$1,811,400	\$0	\$1,811,400
10	Department of Corrections			
11	1037 General Fund / Mental Health	6,165,900	0	6,165,900
12	1092 Mental Health Trust Authority	281,000	0	281,000
13	Authorized Receipts			
14	*** Total Agency Funding ***	\$6,446,900	\$0	\$6,446,900
15	Department of Education and Early Development			
16	1037 General Fund / Mental Health	119,300	0	119,300
17	1092 Mental Health Trust Authority	225,000	0	225,000
18	Authorized Receipts			
19	*** Total Agency Funding ***	\$344,300	\$0	\$344,300
20	Department of Health and Social Services			
21	1037 General Fund / Mental Health	100,323,700	0	100,323,700
22	1092 Mental Health Trust Authority	7,673,200	425,000	8,098,200
23	Authorized Receipts			
24	1180 Alcohol and Other Drug Abuse	18,892,700	0	18,892,700
25	Treatment & Prevention Fund			
26	*** Total Agency Funding ***	\$126,889,600	\$425,000	\$127,314,600
27	Department of Law			
28	1037 General Fund / Mental Health	76,900	0	76,900
29	*** Total Agency Funding ***	\$76,900	\$0	\$76,900
30	Department of Natural Resources			
31	1092 Mental Health Trust Authority	1,443,900	0	1,443,900

			New	
	Funding Source	Operating	Legislation	Total
1				
2				
3	Authorized Receipts			
4	*** Total Agency Funding ***	\$1,443,900	\$0	\$1,443,900
5	Department of Revenue			
6	1094 Mental Health Trust	1,738,100	0	1,738,100
7	Administration			
8	*** Total Agency Funding ***	\$1,738,100	\$0	\$1,738,100
9	University of Alaska			
10	1037 General Fund / Mental Health	200,800	0	200,800
11	1092 Mental Health Trust Authority	825,000	0	825,000
12	Authorized Receipts			
13	*** Total Agency Funding ***	\$1,025,800	\$0	\$1,025,800
14	Alaska Court System			
15	1037 General Fund / Mental Health	227,800	0	227,800
16	1092 Mental Health Trust Authority	465,300	0	465,300
17	Authorized Receipts			
18	*** Total Agency Funding ***	\$693,100	\$0	\$693,100
19	* * * * * Total Budget * * * * *	\$140,470,000	\$425,000	\$140,895,000
20	(SECTION 4 OF THIS ACT BEGINS ON PAGE 12)			

1 * **Sec. 4.** The following sets out the statewide funding for the appropriations made in sec. 1
 2 and sec. 2 of this Act.

Funding Source	Operating	New Legislation	Total
General Funds			
1037 General Fund / Mental Health	108,819,700		108,819,700
Total General Funds	\$108,819,700	\$0	\$108,819,700
Federal Funds			
Total Federal Funds	\$0	\$0	\$0
Other Non-Duplicated Funds			
1092 Mental Health Trust Authority Authorized Receipts	11,019,500	425,000	11,444,500
1094 Mental Health Trust Administration	1,738,100		1,738,100
1180 Alcohol and Other Drug Abuse Treatment & Prevention Fund	18,892,700		18,892,700
Total Other Non-Duplicated Funds	\$31,650,300	\$425,000	\$32,075,300
Duplicated Funds			
Total Duplicated Funds	\$0	\$0	\$0

(SECTION 5 OF THIS ACT BEGINS ON PAGE 13)

1 * **Sec. 5.** The following appropriation items are for capital projects and grants from the
 2 general fund or other funds as set out in section 6 of this Act by funding source to the
 3 agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise
 4 noted.

	Appropriation	General	Other
	Allocations	Items	Funds
	*****	*****	
	***** Department of Health and Social Services *****		
	*****	*****	
10	Alaska Psychiatric	3,000,000	3,000,000
11	Institute Asbestos		
12	Abatement (HD 17-32)		
13	This appropriation is for costs associated with fulfilling the obligation of the State of Alaska		
14	related to the demolition and asbestos abatement of the old Alaska Psychiatric Institute.		
15	Cost Share Match for Bring	5,000,000	5,000,000
16	the Kids Home (HD 1-40)		
17	Home and Community-Based	400,000	400,000
18	Group Home Development (HD		
19	1-40)		
20	Home Modification and	200,000	200,000
21	Design Upgrades (HD 1-40)		
22	Transitional Housing for	1,200,000	1,200,000
23	Substance Abuse (HD 1-40)		
24	*****	*****	
25	***** Department of Natural Resources *****		
26	*****	*****	
27	Mental Health Trust Land	550,000	550,000
28	Development (HD 1-40)		
29	Mental Health Trust Land	350,000	350,000
30	Facilities Maintenance (HD		
31	1-40)		

1	Appropriation	General	Other
2	Allocations	Items	Funds
3	*****	*****	
4	***** Department of Revenue *****		
5	*****	*****	
6	Alaska Housing Finance		
7	Corporation		
8	AHFC Beneficiary and	1,750,000	1,750,000
9	Special Needs Housing (HD		
10	1-40)		
11	AHFC Homeless Assistance	2,000,000	2,000,000
12	Program (HD 1-40)		
13	*****	*****	
14	***** Department of Transportation/Public Facilities *****		
15	*****	*****	
16	Coordinated Transportation	400,000	400,000
17	and Vehicles (HD 1-40)		
18	(SECTION 6 OF THIS ACT BEGINS ON PAGE 15)		

1 * **Sec. 6.** The following sets out the funding by agency for the appropriations made in sec. 5 of
2 this Act.

3	Funding Source	Amount
4	Department of Health and Social Services	
5	1037 General Fund / Mental Health	8,000,000
6	1092 Mental Health Trust Authority Authorized Receipts	350,000
7	1139 Alaska Housing Finance Corporation Dividend	250,000
8	1180 Alcohol and Other Drug Abuse Treatment & Prevention Fund	1,200,000
9	*** Total Agency Funding ***	\$9,800,000
10	Department of Natural Resources	
11	1092 Mental Health Trust Authority Authorized Receipts	900,000
12	*** Total Agency Funding ***	\$900,000
13	Department of Revenue	
14	1092 Mental Health Trust Authority Authorized Receipts	1,000,000
15	1139 Alaska Housing Finance Corporation Dividend	2,750,000
16	*** Total Agency Funding ***	\$3,750,000
17	Department of Transportation/Public Facilities	
18	1092 Mental Health Trust Authority Authorized Receipts	400,000
19	*** Total Agency Funding ***	\$400,000
20	* * * * * Total Budget * * * * *	\$14,850,000

21 (SECTION 7 OF THIS ACT BEGINS ON PAGE 16)

1 * **Sec. 7.** The following sets out the statewide funding for the appropriations made in sec. 5 of
2 this Act.

3	Funding Source	Amount
4	General Funds	
5	1037 General Fund / Mental Health	8,000,000
6	***Total General Funds***	\$8,000,000
7	Federal Funds	
8	***Total Federal Funds***	\$0
9	Other Non-Duplicated Funds	
10	1092 Mental Health Trust Authority Authorized	2,650,000
11	Receipts	
12	1139 Alaska Housing Finance Corporation Dividend	3,000,000
13	1180 Alcohol and Other Drug Abuse Treatment &	1,200,000
14	Prevention Fund	
15	***Total Other Non-Duplicated Funds***	\$6,850,000
16	Duplicated Funds	
17	***Total Duplicated Funds***	\$0

18 (SECTION 8 OF THIS ACT BEGINS ON PAGE 17)

1 * **Sec. 8.** In accordance with AS 37.14.003 and 37.14.005, the appropriations made by this
2 Act are for the state's integrated comprehensive mental health program.

3 * **Sec. 9.** NONGENERAL FUND RECEIPTS. (a) Alaska Mental Health Trust Authority
4 authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) that exceed the
5 amounts appropriated by this Act are appropriated conditioned upon compliance with the
6 program review provisions of AS 37.07.080(h).

7 (b) If Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or
8 administration receipts (AS 37.14.036) fall short of the estimates appropriated in this Act, the
9 affected appropriation is reduced by the amount of the shortfall in receipts.

10 * **Sec. 10.** SALARY AND BENEFIT ADJUSTMENTS. (a) The appropriations made in sec.
11 1 of this Act include amounts for salary and benefit adjustments for public officials, officers,
12 and employees of the executive branch, Alaska Court System employees, employees of the
13 legislature, and legislators and to implement the terms for the fiscal year ending June 30,
14 2007, of the following collective bargaining agreements:

15 (1) Alaska Public Employees Association, for the Confidential Unit;

16 (2) Alaska Public Employees Association, for the Supervisory Unit;

17 (3) Alaska State Employees Association, for the General Government Unit;

18 (4) Marine Engineers Beneficial Association, representing licensed engineers
19 employed by the Alaska marine highway system;

20 (5) Public Employees Local 71, for the Labor, Trades and Crafts Unit;

21 (6) Inlandboatmen's Union of the Pacific, representing the unlicensed marine
22 unit;

23 (7) International Organization of Masters, Mates, and Pilots, for the Masters,
24 Mates, and Pilots Unit;

25 (8) Public Safety Employees Association, representing regularly
26 commissioned public safety officers;

27 (9) Alaska Correctional Officers Association, representing correctional
28 officers;

29 (10) Alaska Vocational Technical Center Teachers' Association - National
30 Education Association, representing employees of the Alaska Vocational Technical Center.

31 (b) The appropriations made in sec. 1 of this Act include the arbitration award

- 1 increasing the employer health insurance contribution amount for employees in the Alaska
- 2 State Employees Association Health Benefits Trust.
- 3 * **Sec. 11.** This Act takes effect July 1, 2006.