

CONFERENCE CS FOR HOUSE BILL NO. 59

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SPECIAL SESSION

BY THE CONFERENCE COMMITTEE

Offered: 6/12/17

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)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2017 and ending June 30, 2018, unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated reduction set out in this section may be allocated among the appropriations made in this section to that department, agency, or branch.

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
	* * * * *	* * * * *		
	* * * * * Department of Administration * * * * *			
	* * * * *	* * * * *		
Legal and Advocacy Services		2,319,100	2,125,300	193,800
Office of Public Advocacy	1,944,900			
Public Defender Agency	374,200			
	* * * * *	* * * * *		
	* * * * * Department of Corrections * * * * *			
	* * * * *	* * * * *		
Population Management		1,000,000	1,000,000	
It is the intent of the legislature that the Commissioner of the Department of Corrections prioritize funding and implement solutions to the disparity in Alaska Native incarceration rates throughout the state.				
Community Residential Centers	1,000,000			
Health and Rehabilitation Services		9,144,700	8,756,800	387,900
Behavioral Health Care	6,530,500			
Substance Abuse Treatment Program	2,614,200			
	* * * * *	* * * * *		
	* * * * * Department of Education and Early Development * * * * *			
	* * * * *	* * * * *		
Teaching and Learning Support		427,800	377,800	50,000

		Appropriation	General	Other
		Allocations	Items	Funds
1				
2				
3	Student and School	427,800		
4	Achievement			
5		* * * * *	* * * * *	
6		* * * * * Department of Health and Social Services * * * * *		
7		* * * * *	* * * * *	
8	At the discretion of the Commissioner of the Department of Health and Social Services, up to			
9	\$25,000,000 may be transferred between all appropriations in the Department of Health and			
10	Social Services, except Medicaid Services.			
11	It is the intent of the legislature that the Department of Health and Social Services submit a			
12	report of transfers between appropriations that occurred in the first half of FY2018 by January			
13	30, 2018, and a report of transfers in the second half of FY2018, by September 1, 2018, to the			
14	Legislative Finance Division.			
15	Alaska Pioneer Homes		16,073,000	16,073,000
16	Alaska Pioneer Homes	64,200		
17	Management			
18	Pioneer Homes	16,008,800		
19	The amount allocated for Pioneer Homes includes the unexpended and unobligated balance			
20	on June 30, 2017, of the Department of Health and Social Services, Pioneer Homes care and			
21	support receipts under AS 47.55.030.			
22	Behavioral Health		81,634,100	80,242,300
23	Behavioral Health Treatment	54,670,200		
24	and Recovery Grants			
25	Alcohol Safety Action	1,460,400		
26	Program (ASAP)			
27	Behavioral Health	5,572,700		
28	Administration			
29	Behavioral Health	5,915,100		
30	Prevention and Early			
31	Intervention Grants			
32	Designated Evaluation and	3,794,800		
33	Treatment			

		Appropriation	General	Other
		Allocations	Funds	Funds
1				
2				
3	Alaska Psychiatric	6,404,200		
4	Institute			
5	Alaska Mental Health Board	905,400		
6	and Advisory Board on			
7	Alcohol and Drug Abuse			
8	Suicide Prevention Council	654,500		
9	Residential Child Care	2,256,800		
10	Children's Services		2,191,900	2,191,900
11	Children's Services	69,500		
12	Management			
13	Front Line Social Workers	148,500		
14	Family Preservation	726,000		
15	Foster Care Augmented Rate	500,000		
16	Foster Care Special Need	747,900		
17	Health Care Services		422,100	129,600
18	Residential Licensing	129,600		292,500
19	Medical Assistance	292,500		
20	Administration			
21	Juvenile Justice		1,416,700	1,256,800
22	McLaughlin Youth Center	736,700		159,900
23	Fairbanks Youth Facility	116,800		
24	Bethel Youth Facility	64,100		
25	Probation Services	499,100		
26	Public Assistance		13,200	
27	Public Assistance	13,200		
28	Administration			
29	Public Health		1,705,600	1,455,600
30	Nursing	98,200		250,000
31	Women, Children and Family	795,800		
32	Health			
33	Emergency Programs	801,600		

		Appropriation	General	Other
		Allocations	Funds	Funds
1				
2				
3	Chronic Disease Prevention	10,000		
4	and Health Promotion			
5	Senior and Disabilities Services	19,196,800	17,935,000	1,261,800
6	Early Intervention/Infant	7,424,500		
7	Learning Programs			
8	Senior and Disabilities	3,510,200		
9	Services Administration			
10	General Relief/Temporary	740,300		
11	Assisted Living			
12	Senior Community Based	300,000		
13	Grants			
14	Community Developmental	6,698,500		
15	Disabilities Grants			
16	Commission on Aging	119,600		
17	Governor's Council on	403,700		
18	Disabilities and Special			
19	Education			
20	Departmental Support Services	552,100	552,100	
21	Commissioner's Office	202,100		
22	HSS State Facilities Rent	350,000		
23	Medicaid Services	64,622,700	62,707,700	1,915,000
24	No money appropriated in this appropriation may be expended to pay for provider rate			
25	increases that are the result of an annual inflation adjustment. For purposes of this section,			
26	"annual inflation adjustment" means a revision required by regulation to an existing Medicaid			
27	payment rate that results in a new Medicaid payment rate that differs from the existing			
28	Medicaid payment rate by a percentage value or overall average net change value that is either			
29	listed in regulation or listed in the Consumer Price Index for all Urban Consumers, Global			
30	Insight's Healthcare Cost Review, or the Medicare Economic Index.			
31	Behavioral Health Medicaid	64,620,200		
32	Services			
33	Health Care Medicaid	2,500		

		Appropriation	General	Other
		Allocations	Funds	Funds
1	Services			
2				
3				
4		* * * * *	* * * * *	
5		* * * * * Department of Labor and Workforce Development * * * * *		
6		* * * * *	* * * * *	
7	Commissioner and Administrative		76,500	76,500
8	Services			
9	Labor Market Information	76,500		
10	Employment and Training Services		125,000	125,000
11	Workforce Services	125,000		
12		* * * * *	* * * * *	
13		* * * * * Department of Law * * * * *		
14		* * * * *	* * * * *	
15	Civil Division		100,200	100,200
16	Human Services	100,200		
17		* * * * *	* * * * *	
18		* * * * * Department of Natural Resources * * * * *		
19		* * * * *	* * * * *	
20	Administration & Support Services		4,213,200	4,213,200
21	Mental Health Trust Lands	4,213,200		
22	Administration			
23		* * * * *	* * * * *	
24		* * * * * Department of Public Safety * * * * *		
25		* * * * *	* * * * *	
26	Council on Domestic Violence and		2,000,000	2,000,000
27	Sexual Assault			
28	Council on Domestic	2,000,000		
29	Violence and Sexual Assault			
30	It is the intent of the legislature that recidivism reduction funding appropriated in this			
31	allocation may be used to fund victim services programs.			
32		* * * * *	* * * * *	
33		* * * * * Department of Revenue * * * * *		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
	* * * * *	* * * * *		
4	Taxation and Treasury	40,000		40,000
5	Treasury Division	40,000		
6	Of the amount appropriated in this allocation, up to \$500,000 of budget authority may be			
7	transferred between the following fund codes: Group Health and Life Benefits Fund 1017,			
8	FICA Administration Fund Account 1023, Public Employees Retirement Trust Fund 1029,			
9	Teachers Retirement Trust Fund 1034, Judicial Retirement System 1042, National Guard			
10	Retirement System 1045.			
11	Alaska Mental Health Trust Authority	4,830,700	963,300	3,867,400
12	Mental Health Trust	4,367,400		
13	Operations			
14	Long Term Care Ombudsman	463,300		
15	Office			
16	Alaska Housing Finance Corporation	100,000		100,000
17	AHFC Operations	100,000		
18	* * * * *	* * * * *		
19	* * * * * University of Alaska * * * * *			
20	* * * * *	* * * * *		
21	It is the intent of the legislature that cuts or reallocations of unrestricted general funds to the			
22	University of Alaska Anchorage, University of Alaska Fairbanks and University of Alaska			
23	Southeast, on a percentage basis, not exceed cuts or reallocations of unrestricted general funds			
24	to the University of Alaska Statewide Administration.			
25	University of Alaska	2,593,400	805,800	1,787,600
26	Anchorage Campus	2,543,400		
27	Fairbanks Campus	50,000		
28	* * * * *	* * * * *		
29	* * * * * Judiciary * * * * *			
30	* * * * *	* * * * *		
31	Alaska Court System	227,000	227,000	
32	It is the intent of the legislature that the court system raise the filing fee from \$200 to \$500 for			
33	Superior Court monetary damage claims of \$100,000 or more.			

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Trial Courts	227,000		
4	Therapeutic Courts		2,840,500	219,400
5	Therapeutic Courts	3,059,900		
6	(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)			

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

Funding Source	Amount
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Department of Administration

1037	General Fund / Mental Health	2,125,300
1092	Mental Health Trust Authority Authorized Receipts	193,800
***	Total Agency Funding ***	2,319,100

Department of Corrections

1037	General Fund / Mental Health	7,756,800
1092	Mental Health Trust Authority Authorized Receipts	387,900
1246	Recidivism Reduction Fund	2,000,000
***	Total Agency Funding ***	10,144,700

Department of Education and Early Development

1037	General Fund / Mental Health	377,800
1092	Mental Health Trust Authority Authorized Receipts	50,000
***	Total Agency Funding ***	427,800

Department of Health and Social Services

1037	General Fund / Mental Health	156,932,700
1092	Mental Health Trust Authority Authorized Receipts	5,271,000
1180	Alcohol and Other Drug Abuse Treatment & Prevention Fund	23,624,500
1246	Recidivism Reduction Fund	2,000,000
***	Total Agency Funding ***	187,828,200

Department of Labor and Workforce Development

1092	Mental Health Trust Authority Authorized Receipts	201,500
***	Total Agency Funding ***	201,500

Department of Law

1037	General Fund / Mental Health	100,200
***	Total Agency Funding ***	100,200

Department of Natural Resources

1092	Mental Health Trust Authority Authorized Receipts	4,213,200
***	Total Agency Funding ***	4,213,200

1	Department of Public Safety	
2	1246 Recidivism Reduction Fund	2,000,000
3	*** Total Agency Funding ***	2,000,000
4	Department of Revenue	
5	1037 General Fund / Mental Health	463,300
6	1092 Mental Health Trust Authority Authorized Receipts	140,000
7	1094 Mental Health Trust Administration	3,867,400
8	1180 Alcohol and Other Drug Abuse Treatment & Prevention Fund	500,000
9	*** Total Agency Funding ***	4,970,700
10	University of Alaska	
11	1037 General Fund / Mental Health	805,800
12	1092 Mental Health Trust Authority Authorized Receipts	1,787,600
13	*** Total Agency Funding ***	2,593,400
14	Judiciary	
15	1037 General Fund / Mental Health	2,549,500
16	1092 Mental Health Trust Authority Authorized Receipts	219,400
17	1180 Alcohol and Other Drug Abuse Treatment & Prevention Fund	518,000
18	*** Total Agency Funding ***	3,286,900
19	* * * * * Total Budget * * * * *	218,085,700
20	(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)	

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Unrestricted General	
1037 General Fund / Mental Health	171,111,400
*** Total Unrestricted General ***	171,111,400
Designated General	
1180 Alcohol and Other Drug Abuse Treatment & Prevention Fund	24,642,500
1246 Recidivism Reduction Fund	6,000,000
*** Total Designated General ***	30,642,500
Other Non-Duplicated	
1092 Mental Health Trust Authority Authorized Receipts	12,464,400
1094 Mental Health Trust Administration	3,867,400
*** Total Other Non-Duplicated ***	16,331,800

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

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

	Appropriation	General	Other
	Allocations	Funds	Funds
	* * * * *	* * * * *	
	* * * * * Department of Health and Social Services * * * * *		
	* * * * *	* * * * *	
MH Deferred Maintenance and	250,000		250,000
Accessibility Improvements (HD 1-40)			
MH Home Modification and Upgrades to	1,050,000	750,000	300,000
Retain Housing (HD 1-40)			
	* * * * *	* * * * *	
	* * * * * Department of Revenue * * * * *		
	* * * * *	* * * * *	
Alaska Housing Finance Corporation			
MH: AHFC Beneficiary and Special Needs	1,700,000	1,500,000	200,000
Housing (HD 1-40)			
MH: AHFC Homeless Assistance Program	7,800,000	6,850,000	950,000
(HD 1-40)			
	* * * * *	* * * * *	
	* * * * * Department of Transportation and Public Facilities * * * * *		
	* * * * *	* * * * *	
MH Coordinated Transportation and	1,300,000	1,000,000	300,000
Vehicles (HD 1-40)			

(SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Health and Social Services	
1037 General Fund / Mental Health	750,000
1092 Mental Health Trust Authority Authorized Receipts	550,000
*** Total Agency Funding ***	1,300,000
Department of Revenue	
1004 Unrestricted General Fund Receipts	2,871,000
1037 General Fund / Mental Health	1,334,700
1092 Mental Health Trust Authority Authorized Receipts	1,150,000
1139 Alaska Housing Finance Corporation Dividend	4,144,300
*** Total Agency Funding ***	9,500,000
Department of Transportation and Public Facilities	
1037 General Fund / Mental Health	1,000,000
1092 Mental Health Trust Authority Authorized Receipts	300,000
*** Total Agency Funding ***	1,300,000
* * * * * Total Budget * * * * *	12,100,000

(SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Unrestricted General	
1004 Unrestricted General Fund Receipts	2,871,000
1037 General Fund / Mental Health	3,084,700
1139 Alaska Housing Finance Corporation Dividend	4,144,300
*** Total Unrestricted General ***	10,100,000
Other Non-Duplicated	
1092 Mental Health Trust Authority Authorized Receipts	2,000,000
*** Total Other Non-Duplicated ***	2,000,000

(SECTION 7 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 * **Sec. 7. PURPOSE.** In accordance with AS 37.14.003 and 37.14.005, the appropriations
2 made in this Act are for the state's integrated comprehensive mental health program.

3 * **Sec. 8. 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 in 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 used as the basis of the
9 appropriation, the affected appropriation is reduced by the amount of the shortfall in receipts.

10 * **Sec. 9. RECIDIVISM REDUCTION FUND.** (a) If the balance of the recidivism reduction
11 fund (AS 43.61.010(c)) is insufficient to fund the appropriations made in sec. 1 of this Act
12 from the recidivism reduction fund (AS 43.61.010(c)), the amount necessary to fully fund the
13 appropriations made in sec. 1 of this Act from the recidivism reduction fund
14 (AS 43.61.010(c)) is appropriated from the general fund from the taxes collected on alcoholic
15 beverages that are not deposited into the alcohol and other drug abuse treatment and
16 prevention fund (AS 43.60.050) to the recidivism reduction fund (AS 43.61.010(c)).

17 (b) If an appropriation is made under (a) of this section to cover a shortfall in the
18 recidivism reduction fund (AS 43.61.010(c)) and there is a balance in the recidivism reduction
19 fund (AS 43.61.010(c)) on June 30, 2018, the amount of the shortfall is appropriated from the
20 recidivism reduction fund (AS 43.61.010(c)) to the general fund.

21 * **Sec. 10. SALARY AND BENEFIT ADJUSTMENTS.** (a) The appropriations made in sec.
22 1 of this Act include amounts for salary and benefit adjustments for public officials, officers,
23 and employees of the executive branch, Alaska Court System employees, employees of the
24 legislature, and legislators and to implement the terms for the fiscal year ending June 30,
25 2018, of the following ongoing collective bargaining agreements:

- 26 (1) Alaska Correctional Officers Association, representing the correctional
27 officers unit;
- 28 (2) Alaska State Employees Association, for the general government unit;
- 29 (3) Alaska Public Employees Association, for the supervisory unit;
- 30 (4) Public Employees Local 71, for the labor, trades, and crafts unit;
- 31 (5) Alaska Vocational Technical Center Teachers' Association, National

1 Education Association, representing the employees of the Alaska Vocational Technical
2 Center;

3 (6) Confidential Employees Association, representing the confidential unit;

4 (7) Marine Engineers' Beneficial Association, representing licensed engineers
5 employed by the Alaska marine highway system;

6 (8) Teachers Education Association of Mt. Edgecumbe;

7 (9) Inlandboatmen's Union of the Pacific, Alaska Region, representing the
8 unlicensed marine unit;

9 (10) Public Safety Employees Association, representing the regularly
10 commissioned public safety officers unit;

11 (11) International Organization of Masters, Mates, and Pilots, representing the
12 masters, mates, and pilots unit.

13 (b) The appropriations made to the University of Alaska in sec. 1 of this Act include
14 amounts for salary and benefit adjustments for the fiscal year ending June 30, 2018, for
15 university employees who are not members of a collective bargaining unit and to implement
16 the terms for the fiscal year ending June 30, 2018, of the following collective bargaining
17 agreements:

18 (1) University of Alaska Federation of Teachers (UAFT);

19 (2) Alaska Higher Education Crafts and Trades Employees, Local 6070;

20 (3) Fairbanks Firefighters Union, IAFF Local 1324;

21 (4) United Academic - Adjuncts - American Association of University
22 Professors, American Federation of Teachers.

23 (c) If a collective bargaining agreement listed in (a) of this section is not ratified by
24 the membership of the respective collective bargaining unit, the appropriations made in this
25 Act applicable to the collective bargaining unit's agreement are reduced proportionately by the
26 amount for that collective bargaining agreement, and the corresponding funding source
27 amounts are reduced accordingly.

28 (d) If a collective bargaining agreement listed in (b) of this section is not ratified by
29 the membership of the respective collective bargaining unit and approved by the Board of
30 Regents of the University of Alaska, the appropriations made in this Act applicable to the
31 collective bargaining unit's agreement are reduced proportionately by the amount for that

1 collective bargaining agreement, and the corresponding funding source amounts are reduced
2 accordingly.

3 (e) Appropriations made in sec. 1 of this Act for salary and benefit adjustments as
4 described in (a) and (b) of this section are for the benefit of the state's integrated
5 comprehensive mental health program only and do not necessarily affect every group of
6 noncovered employees or every collective bargaining unit listed in (a) and (b) of this section.

7 * **Sec. 11.** This Act takes effect July 1, 2017.