

Introduced: 2/9/84
Referred: Health, Education and
Social Services and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 431

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the purchase of residential child
7 care services; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 37.05.230 is amended by adding a new paragraph to read:

10 (11) The provisions of this section relative to competitive
11 bids do not apply to the purchase of residential child care services
12 under AS 47.40.

13 * Sec. 2. AS 47.40.010 -- 47.40.080 are repealed.

14 * Sec. 3. AS 47.40 is amended by adding new sections to read:

15 Sec. 47.40.005. PURCHASE OF SERVICES. (a) When the department
16 purchases residential services for minors for whom the state has
17 assumed responsibility under AS 47.10, the department shall

18 (1) purchase the services only under grants to local gov-
19 ernmental units or nonprofit corporations;

20 (2) award grants for a specified number of beds as provided
21 in AS 47.40.035.

22 (b) The department shall adopt regulations necessary to carry
23 out the provisions of AS 47.40.005 -- 47.40.045, including regulations
24 establishing the procedures to be followed in awarding grants, the
25 types of services for which payment may be made, costs that may be
26 paid with grant money, and the method of payment.

27 (c) Services of jails and other penal institutions may not be
28 included in services purchased by the state under this chapter.

29 Sec. 47.40.015. LICENSING AND SUPERVISION. Facilities providing

1 services which are purchased by the department under this chapter,
2 shall, if required by the department, be licensed and supervised as
3 provided for in AS 47.35.010 -- 47.35.080.

4 Sec. 47.40.025. REQUIRED ACCOUNTING PROCEDURES. Facilities
5 which solicit or receive money from the department for the cost of
6 services provided under this chapter shall

7 (1) meet accepted standards of fiscal accountability for
8 public money and shall, upon request, submit a complete financial
9 statement by an independent, certified public accountant to the de-
10 partment and to the division of legislative audit;

11 (2) demonstrate the actual cost of services provided using
12 cost-accounting procedures in accordance with department regulations;

13 (3) upon request, furnish the department and the division
14 of legislative audit all fiscal information, books, records, and
15 accounts pertaining to services paid for under this chapter.

16 Sec. 47.40.035. GRANTS. (a) The department will award grants
17 in accordance with regulations adopted by the department. To the
18 maximum extent possible, grants shall be for a period of three years.
19 Multi-year grants shall be adjusted annually to include a cost-of-
20 living allowance.

21 (b) Notices published by the department regarding the opening of
22 the application process for an impending grant award will specify the
23 geographical area in which services are needed, the type of services,
24 the number of beds anticipated to be needed, the maximum number of
25 days of care, and any other requirements established by the depart-
26 ment. Grants authorized under this section are exempt from the com-
27 petitive bid requirements of AS 37.05.230.

28 (c) Grants may not include payment for

29 (1) costs, including salaries and fees, incurred in raising

1 funds or lobbying;

2 (2) original and replacement costs of facilities, major
3 equipment, and other capital assets, including those capital assets
4 obtained by purchase, construction, or lease with option to purchase,
5 other than costs for depreciation or use allowance, as specified in
6 regulations;

7 (3) costs of academic education which duplicates the public
8 education system except as provided for in regulation;

9 (4) costs of religious training;

10 (5) costs of services provided which are substandard to, or
11 exceed, the requirements of the department; and

12 (6) costs which are funded by other government sources.

13 Sec. 47.40.045. DEFINITIONS. In this chapter,

14 (1) "bed" means space in a facility which is usable for
15 occupancy by a minor for 365 days a year;

16 (2) "cost-of-living allowance" means the percentage change
17 from the preceding calendar year based on the U.S. Department of
18 Labor's All-Urban Consumer Price Index (CPI) for Anchorage for January
19 1 through December 31, 1983, or a comparable index specified in regu-
20 lations;

21 (3) "department" means the Department of Health and Social
22 Services;

23 (4) "nonprofit corporation" means a corporation organized
24 under AS 10.20;

25 (5) "residential services" means 24-hour care and super-
26 vision of minors in residential child care facilities, which are
27 otherwise known as group homes and institutions.

28 * Sec. 4. TRANSITION. Grants awarded under sec. 3 of this Act during
29 fiscal year 1985 may be for periods of one, two, or three years.

1 * Sec. 5. AS 47.05.010(14) is repealed.

2 * Sec. 6. Section 1, ch. 138, SLA 1982 is amended to read:

3 Section 1. FINDINGS. The legislature finds that the present
4 method for establishing payment rates under AS 47.40 for residential
5 child care services is inadequate. The Department of Health and
6 Social Services shall conduct a study of alternatives to the method of
7 establishing payment rates under AS 47.40. The study shall be con-
8 ducted by a committee of five members appointed by the commissioner of
9 the Department of Health and Social Services. Three members of the
10 committee shall be employees of the Department of Health and Social
11 Services and two members shall be providers of residential child care
12 services. The study shall contain, among other matters determined by
13 the department, a suggested redefinition of the manner in which rates
14 for residential child care services are calculated, a consideration of
15 the method and amount of reimbursement for capital costs of residen-
16 tial child care facilities, and the availability and use of other
17 sources of money to finance residential child care services and to
18 finance the construction of residential child care facilities. The
19 committee shall report its findings to the legislature on or before
20 the 30th day of the Second Session of the Thirteenth Legislature. The
21 legislature further finds that the rates established under AS 47.40
22 should be suspended from June 30, 1982 to the effective date of regu-
23 lations adopted by the Department of Health and Social Services under
24 AS 47.40.005(b) [JULY 1, 1984].

25 * Sec. 7. Section 2, ch. 138, SLA 1982, is amended to read:

26 Sec. 2. The operation of AS 47.05.010(14), AS 47.40.010, 47.40.-
27 040, and 47.40.050 is suspended from July 1, 1982 to the effective
28 date of regulations adopted by the Department of Health and Social
29 Services under AS 47.40.005(b) [THROUGH JUNE 30, 1984]. During the

1 period of suspension, payment for services provided by residential
2 child care facilities shall be made solely in accordance with the
3 provisions of secs. 3 and 4 of this Act.

4 * Sec. 8. Section 4, ch. 138, SLA 1982, is amended to read:

5 Sec. 4. For fiscal year 1985 [1984] the payment rates for res-
6 idential child care services shall be the amounts set out in sec. 3 of
7 this Act increased by 10 [FIVE] percent.

8 * Sec. 9. AS 47.40.005(b), enacted in sec. 3 of this Act, and secs.
9 6 -- 9 of this Act take effect immediately in accordance with AS 01.10.-
10 070(c).

11 * Sec. 10. AS 47.40.005(a) and (c) and 47.40.015 -- 47.40.045, enacted
12 in Sec. 3 of this Act, and secs. 1, 2, 4, and 5 of this Act take effect on
13 the effective date of regulations adopted by the Department of Health and
14 Social Services under AS 47.40.005(b), enacted in sec. 3 of this Act.