

Offered: 5/7/84  
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 431 (Finance)  
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 (1) the provisions of this section concerning 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 is amended by adding new sections to read:

14 Sec. 47.40.011. PURCHASE OF SERVICES. (a) When the department  
15 purchases residential services for minors for whom the state has  
16 assumed responsibility under AS 47.10, the department shall

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

19 (2) award grants for a specified number of beds as provided  
20 in AS 47.40.041.

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

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

28 Sec. 47.40.021. LICENSING AND SUPERVISION. Facilities providing  
29 services that are purchased by the department under this chapter,

1 shall, if required by the department, be licensed and supervised under  
2 AS 47.35.

3 Sec. 47.40.031. REQUIRED ACCOUNTING PROCEDURES. Facilities that  
4 solicit or receive grants from the department for the cost of services  
5 provided under this chapter shall

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

10 (2) keep records of the expenditures for the services  
11 provided, using cost-accounting procedures in accordance with depart-  
12 ment 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. 47.40.041. GRANTS. (a) The department shall award grants  
17 in accordance with its regulations. The department may award grants  
18 for periods not to exceed three years. The department may adjust  
19 grant amounts annually, using a cost-of-living allowance formula  
20 adopted in its regulations. Grant awards are subject to legislative  
21 appropriation. If insufficient money is appropriated to fund all  
22 grants awarded, the department shall prorate grant amounts, reduce the  
23 number of beds contracted for, or otherwise adjust grants to the  
24 extent of the appropriated funds.

25 (b) Notices published by the department concerning the opening  
26 of the application process for a grant award shall specify the geo-  
27 graphical area in which services are needed, the type of services, the  
28 number of beds anticipated to be needed, the maximum number of days of  
29 care, and any other requirements established by the department.

1 Grants authorized under this section are exempt from the competitive  
2 bid requirements of AS 37.05.230.

3 (c) Grants may not include payment for

4 (1) costs, including salaries and fees, incurred in raising  
5 funds or lobbying;

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

11 (3) costs of academic education that duplicate the public  
12 education system, except as provided for in regulations;

13 (4) costs of religious training; and

14 (5) costs that are funded by other government sources.

15 Sec. 47.40.200. DEFINITIONS. In this chapter

16 (1) "bed" means space in a facility that may be occupied by  
17 a minor for 365 days a year;

18 (2) "department" means the Department of Health and Social  
19 Services;

20 (3) "nonprofit corporation" means a corporation organized  
21 under AS 10.20;

22 (4) "residential services" means 24-hour care and super-  
23 vision of minors in residential child care facilities that are com-  
24 monly known as group homes or institutions.

25 \* Sec. 3. Section 1, ch. 138, SLA 1982 is amended to read:

26 Section 1. FINDINGS. The legislature finds that the present  
27 method for establishing payment rates under AS 47.40 for residential  
28 child care services is inadequate. The Department of Health and  
29 Social Services shall conduct a study of alternatives to the method of

1 establishing payment rates under AS 47.40. The study shall be con-  
2 ducted by a committee of five members appointed by the commissioner of  
3 the Department of Health and Social Services. Three members of the  
4 committee shall be employees of the Department of Health and Social  
5 Services and two members shall be providers of residential child care  
6 services. The study shall contain, among other matters determined by  
7 the department, a suggested redefinition of the manner in which rates  
8 for residential child care services are calculated, a consideration of  
9 the method and amount of reimbursement for capital costs of residen-  
10 tial child care facilities, and the availability and use of other  
11 sources of money to finance residential child care services and to  
12 finance the construction of residential child care facilities. The  
13 committee shall report its findings to the legislature on or before  
14 the 30th day of the Second Session of the Thirteenth Legislature. The  
15 legislature further finds that the rates established under AS 47.40  
16 should be suspended from June 30, 1982 to January 1, 1985 [JULY 1,  
17 1984].

18 \* Sec. 4. Section 2, ch. 138, SLA 1982, is amended to read:

19 Sec. 2. The operation of AS 47.05.010(14), AS 47.40.010, 47.40.-  
20 040, and 47.40.050 is suspended from July 1, 1982 through January 1,  
21 1985 [JUNE 30, 1984]. During the period of suspension, payment for  
22 services provided by residential child care facilities shall be made  
23 solely in accordance with the provisions of secs. 3 and 4 of this Act.

24 \* Sec. 5. Section 4, ch. 138, SLA 1982, is amended to read:

25 Sec. 4. For fiscal year 1984 the payment rates for residential  
26 child care services shall be the amounts set out in sec. 3 of this Act  
27 increased by five percent. For fiscal year 1985 the payment rates for  
28 child care services shall be the amounts set out in sec. 3 of this Act  
29 increased by 10 percent.

1       \* Sec. 6. AS 47.05.010(14) is repealed.

2       \* Sec. 7. AS 47.40.010, 47.40.020, 47.40.030, 47.40.040, 47.40.050, and  
3 47.40.080 are repealed.

4       \* Sec. 8. AS 47.40.011(b), enacted in sec. 2 of this Act, and secs. 3 -  
5 5 of this Act take effect immediately in accordance with AS 01.10.070(c).

6       \* Sec. 9. AS 47.40.011(a) and (c) and AS 47.40.021 - 47.40.200, enacted  
7 in sec. 2 of this Act, and secs. 1, 6 and 7 of this Act take effect  
8 January 1, 1985.

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