

HB

224

DEPARTMENT OF HEALTH AND WELFARE

POSITION PAPER ON HOUSE BILL 224

The Department of Health and Welfare has reviewed Committee Substitute for House Bill 224 and supports the concept of providing legislation which would stimulate local planning for the delivery of social services at the local level.

There is some question concerning the relationship between grants which would be awarded under Article 1 of the Bill and the purchase of services from local corporations by the Department. Section 47.41.010(a)(2) provides for grants to meet the cost of first-year operations while (3) provides for grants to meet continuing costs of providing selected services.

In Article 2, Section 47.41.040(b) there are provisions for the purchase of services under the provisions of AS 47.40. This statute provides that when the Department purchases services for persons for whom the State has assumed responsibility it shall pay all expenses related directly to the full cost of services. The items listed in the statute which may be excluded from the full cost determination do not suggest the exclusion of the grants contemplated by House Bill 224. It is not considered that it is intended that this legislation provide on the one hand grants to meet the cost of first-year operation and/or grants for continuing costs of operation while on the other hand requiring purchase of services by the State based upon the full cost concept outlined in AS 47.40.

This Department would suggest that Section 47.41.040(b) be amended by adding language substantially as follows:

*Handwritten initials: J. W. P. 2/11*

"except that full cost of services determined under 47.40.040 shall be reduced by an amount equal to the total amount of grants awarded under 47.41.010(2) and (3) for the year or years that the grant is effective."

It is understood that no attempt will be made to fund this legislation during this session; therefore, a fiscal note is not appropriate. If the legislation is enacted, a realistic cost appraisal could be developed for consideration in the next session, based upon planning and grant proposals which are developed in the coming year.