

"An Act providing for the issuance of general obligation bonds in the amount of \$5,000,000 for the purpose of paying the cost of constructing and equipping a pioneers' home in Ketchikan; and providing for an effective date."

1/30/75

COMMITTEE REPORT

FINANCE

HOUSE

Mr. Speaker:

Date Feb. 21, 1975

The Committee on HESS has had HB 104

under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT  
CS FOR \_\_\_\_\_ DO PASS
- "and" recommends it BE REFERRED TO THE \_\_\_\_\_  
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

Susan Sullivan \_\_\_\_\_  
Richard Pan \_\_\_\_\_  
Helen Benson \_\_\_\_\_  
Steen Hackney \_\_\_\_\_  
Leslie E. Swanson \_\_\_\_\_  
Wesley Osterback \_\_\_\_\_

Members NOT concurring in the Majority report:

- \_\_\_\_\_ recommends:
- \_\_\_\_\_ recommends:
- \_\_\_\_\_ recommends:
- \_\_\_\_\_ recommends:
- \_\_\_\_\_ recommends:

Susan Sullivan Chairman

"An Act providing for the issuance of g.o. bonds in the amount of \$5,000,000 for the purpose of paying the cost of constructing and equipping a pioneers' home in Ketchikan; and providing for an effective date."

## COMMITTEE REPORT

2/25/75

HOUSE

Mr. Speaker:

Date \_\_\_\_\_

The Committee on FINANCE has had HB 104

under consideration A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ Chairman

Introduced: 1/30/75  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY GARDINER AND FREEMAN

2 HOUSE BILL NO. 104

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
7 tion bonds in the amount of \$5,000,000 for the purpose  
8 of paying the cost of constructing and equipping a  
9 pioneers' home in Ketchikan; and providing for an  
10 effective date."

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

12 \* Section 1. For the purpose of paying the cost of constructing and equip-  
13 ing a pioneers' home in Ketchikan, general obligation bonds of the state in  
14 the principal amount of not more than \$5,000,000 shall be issued and sold.  
15 The full faith, credit and resources of the state are pledged to the payment  
16 of the principal of and interest and redemption premium, if any, on these  
17 bonds. These bonds shall be issued under the provisions of AS 37.15 as  
18 those provisions read at the time of issuance.

19 \* Sec. 2. If the issuance of these bonds is authorized by the qualified  
20 voters of the state, a special fund of the state to be known as the "Ketchikan  
21 Pioneers' Home Construction Bond Fund" shall be established, to which shall  
22 be credited the proceeds of the sale of the bonds described in sec. 1 of  
23 this Act except for the accrued interest and premiums. There is appropriated  
24 from the "Ketchikan Pioneers' Home Construction Bond Fund" to the Department  
25 of Public Works the amount of \$5,000,000. The proceeds of these bonds  
26 shall be used for the constructing and equipping of a pioneers' home in  
27 Ketchikan.

28 \* Sec. 3. If the issuance of these bonds is authorized by the qualified  
29 voters of the state, the amount of \$18,000 or as much of that amount as is

1 found necessary is appropriated from the general fund of the state to the  
2 state bond committee to carry out the provisions of this Act and to pay  
3 expenses incident to the sale and issuance of the bonds authorized in this  
4 Act. The amounts expended from the appropriation authorized by this  
5 section shall be reimbursed to the general fund from the proceeds of the  
6 sale of the bonds authorized by this Act.

7 \* Sec. 4. The question whether the bonds authorized in this Act are to  
8 be issued shall be submitted to the qualified voters of the state at the  
9 next general election and shall read substantially as follows:

10 Proposition

11 State General Obligation Ketchikan Pioneers'

12 Home Construction Bonds \$5,000,000

13 Shall the State of Alaska issue its general obligation bonds  
14 in the principal amount of not more than \$5,000,000 for the  
15 purpose of paying the cost of constructing and equipping a  
16 pioneers' home in Ketchikan?

17 Bonds Yes [ ]

18 Bonds No [ ]

19 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10-  
20 070(c).

ALASKA STATE LEGISLATURE

. NINTH Legislature . FIRST Session

HOUSE ..... BILL ..... NO. ...104..

By GARDINER AND FREEMAN.....

"An Act providing for the issuance of general obligation bonds in the amount of \$5,000,000 for the purpose of paying the cost of constructing and equipping a pioneers' home in Ketchikan; and providing for an effective date."

GO Bonds/Pion. Home/Ketchikan

Introduced in the House ..... 1/30/....., 19...75

HISTORY IN THE HOUSE

19 75	Read first time and referred to Committee on
Jan 30	Health, Education & Social Services and Finance Reported back with recommendation that
	Read second time and
	Read third time and
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reconsideration
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reported correctly engrossed
	Signed by Speaker
	Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
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	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
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	Reported correctly engrossed
	Signed by President
	Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Received from Senate
	Reported correctly enrolled
	Sent to Governor
	..... By Governor
	Filed with Lt. Governor
	Chapter No. ....

Introduced: 1/30/75  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY GARDINER AND FREEMAN

2 HOUSE BILL NO. 104

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-  
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20 070(c).

HB 104

# STATE OF ALASKA

**DEPT. OF HEALTH AND SOCIAL SERVICES**

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

Pouch H01, Juneau 99811

~~POUCH H01, JUNE 99811~~

March 5, 1975

The Honorable Susan Sullivan  
Chairman, House HESS Committee  
Pouch V  
Juneau, Alaska 99801

Dear Ms. Sullivan:

This is in response to your letter dated January 31, 1975 concerning HB 104 - Ketchikan Pioneers' Home proposition. The following may prove helpful in your consideration of this bill:

Based on the "Alaska Longevity Bonus System Statistics," January 29, 1975, it is estimated that there are approximately 1,675 persons in Southeastern Alaska who have lived in the State 15 years or longer, who are 65 and over, and therefore would be eligible for admission to an Alaska Pioneers' Home. The "Alaska Comprehensive Study on Aging," April 1972, indicates that "...one in twelve of Alaska's elderly would like to live in nursing homes," or approximately 8% of the elderly population. Consequently, it could be assumed that approximately 134 elderly Alaskans of Southeastern may be interested in living at a facility such as a Pioneers' Home.

The Sitka Pioneers' Home which serves Southeastern Alaska presently has a maximum capacity of 105 and has historically operated at maximum occupancy. The Home is presently undergoing renovations which will increase its maximum capacity to 160 accommodations in March 1975.

The Sitka Home presently has 23 applicants for forthcoming accommodations, therefore, it could be assumed that approximately 111 of elderly Alaskans

Honorable Susan Sullivan

-2-

March 5, 1975

may need residential care of a similar nature after the Sitka Home would achieve maximum capacity.

Two nursing homes are planned for Southeastern Alaska (Juneau-\$1,500,000.00, and Ketchikan-\$1,000,000.00). However, these facilities are presently oriented toward the provision of skilled nursing care.

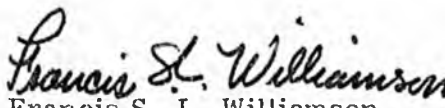
I've been informed that the Tlingit and Haida Development Corporation plans to develop small housing complexes in rural communities throughout Southeastern Alaska for the elderly. These are reportedly residential living units which will house predominately elderly Native Alaskans due to their geographic locations, e.g., Hoonah, Angoon, Hydaburg, etc. It is estimated that the immediate planned complexes will provide 25 to 30 accommodations. While these will help reduce the immediate need for elderly residential care services, it does appear that they will not eliminate the estimated requirements as indicated above.

Residential care facilities are essentially non-existent in Southeastern Alaska except for the existing Sitka Pioneers' Home and a 6 unit self-contained living complex constructed by the Tlingit and Haida Development Corporation in Yakutat.

Alaska Statute 47.25.010(a) states that "the principal Home shall be maintained at Sitka, and a branch may be maintained at a site or sites designated by the Commissioner of Administration north and west of Yakutat." This section appears to firmly indicate that a branch of the Pioneers' Homes will not be located south or east of Yakutat. Consequently, it seems that before other Pioneers' Homes could be constructed in Southeastern Alaska, this statute would require amendment.

I would like to thank you for your inquiry and hope that this has been of some assistance. If I can provide further information, please do not hesitate to contact me.

Sincerely,

  
Francis S. L. Williamson  
Commissioner

The Legislature of the State of Alaska  
FISCAL NOTE

First Session - Ninth Legislature



I. REQUEST

Bill No. House Bill No. 104  
 Title: Ketchikan Pioneers' Home  
 Requested by: Kellus Sewell, Admn. Off., Dept. of Admt. Date: 3/6/75  
 Return Date Requested: Within 5 days  
 Agency: Dept. of Health and Social Svcs. Program: Alaska Pioneers' Homes  
Div. of Family and Children

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Alaska Pioneers' Homes

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	0	0	0	0	0	1019.2
200 TRAVEL	0	0	0	0	0	3.1
300 CONTRACTUAL	0	0	0	0	0	153.4
400 COMMODITIES	0	0	0	0	0	202.1
500 EQUIPMENT	0	0	0	0	0	10.0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	9.1
TOTAL	0	0	0	0	0	1396.9

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	0	0	0	0	1396.9
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	52 / 7
MAN MONTHS (P./T.)	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	594 / 42 m

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)  
(See Attachment 1)

IV. ATTACHMENTS

(1)

V. DATE: March 11, 1975

PREPARED BY: Gary L. Sheridan

Gary L. Sheridan  
 Administrative Assist. III  
 Alaska Pioneers' Homes

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 House Finance (Attn: Jim R. Moore)

*J. McG. 3/13/75*  
*RWJ 3/20/75*

Ketchikan Pioneers' Home  
House Bill No. 104  
Attachment I

Assumptions:

1. The proposed \$5,000,000.00 constructing and equipping cost would provide approximately between 60 and 90 accommodations (per Division of Buildings). This estimate is based on inflation factors, etc., and should be considered an estimate only because of the many variables involved.
2. It is assumed that if this proposal went to the people of Alaska in the form of a Bond in November 1976, a completed facility would not be available until July 1, 1979 (FY 80).
3. For fiscal purposes, the estimated operational costs are based on an 80 bed facility.
4. The Sitka Pioneers' Home FY 76 Operational Budget estimates are based on it being a 160 bed facility. To arrive at estimated operational expenditures for a new Ketchikan Home, appropriate reductions were made to the Sitka Home's needs. While the proposed Home would have an estimated one half of the capacity of the Sitka Home, the operational costs do not reduce proportionately.
5. Inflation will increase costs approximately 12% per year (FY 76 Budget instructions-Form 9).
6. It is assumed that approximately 40% of the available beds will be in the nursing category.
7. It is assumed that federal financial participation will not be available to the Alaska Pioneers' Homes program.

100 - Personnel Services - Proposed Ketchikan Pioneers' Home  
 (Estimated Personnel Needs For Approximately 80 Beds (32 Nursing Care & 48 Ambul.))

	Position (Permanent Full-Time)	Range/Step	New Positions	Salary X Total No. of Positions	Plus 18% Benefits/FY
	Admin. Officer II	R 19 A	1	19,356	22840
- Admin.	Admin. Assist. I	R 12 B	1	12,096	14273
	Clerk Typist III	R 8 B	1	9,408	11101
Personal - Services	Recreational Therapist	R 16 A	1	15,516	18309
	Public Service Aide	R 6 E	2	18,240	21523
	Supvsr. Nurse II	R 17 A	1	16,704	19711
	Nurse II	R 13 B	1	12,900	15222
- Nursing	Nurse I	R 12 B	3	36,288	42820
	Prac. Nurse II	R 10 B	1	10,656	12574
	Prac. Nurse I	R 8 B	3	28,224	33304
	Nursing Aide	R 6 E	5	45,600	53808
	Maintenance Mech. WG II	R 52 B	1	16,072	21325
- Maintain.	Maintenance Man WG V	R 55 B	1	11,772	13891
	Custodial Worker WG VIII	R 58 B	2	23,280	27470
	Janitor WG IX	R 59 B	2	21,722	25632
	Groundsman WG VII	R 57 B	1	12,420	14656
	Hskpg. Spvsr. WG V	R 55 B	1	11,772	13891
House- - keeping	Hskpg. Aide WG VIII	R 58 B	2	23,280	27470
	Hskpg. Aide WG X	R 60 B	6	59,316	69993
	Cook WG III	R 53 B	1	16,712	19720
	Cook WG VI	R 56 B	1	13,392	15803
Food - Service	Cook WG VII	R 57 B	2	24,840	29311
	Cook WG XI	R 59 B	1	10,861	12816
	Food Svc. Wkr. WG X	R 60 B	6	59,316	69993

Subtotal: 47

579023

Position	Range/Step	New Positions	Total # of Positions	Plus 18% Benefit FY 76
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6 Months

Nursing Aide	R 6 E	1	4,560	5381
Cook WG VII	R 57 B	1	6,210	7328
Cook WG IX	R 59 B	1	5,430	6407
Janitor WG IX	R 59 B	2	10,860	12815
Subtotal: <u>5</u>				<u>31931</u>

Temporary  
6 Months Each

Plus 7.25% Benef  
FY 76

Nursing Aide	R 6 E	2	9,120	9781
Janitor WG IX	R 59 B	1	5,430	5824
Food Svcs. Wkr WG X	R 60 B	2	9,876	10592
Hskpg. Aide WG X	R 60 B	2	9,876	10592
Subtotal: <u>7</u>				<u>36789</u>
TOTAL: <u>59</u>				<u>647748</u>

Ketchikan Personal Services/Projected inflation at 12% to FY 80

FY 76	FY 77	FY 78	FY 79	FY 80
	12%	12%	12%	12%

Personal Services 647,748--725,478---812,535----910,039----1,019,244--

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE      JUNEAU 99801

March 27, 1975

AUDIT DIVISION  
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF — STATE CAPITOL

### MEMORANDUM

TO:            The Honorable Hugh Malone, Chairman  
                 House Finance Committee

FROM:         Milt Barker, Fiscal Analyst  
                 Legislative Finance

SUBJECT:      Ketchikan Pioneers Home, HB 104

This memo attempts to answer your questions about the need and cost of a Ketchikan Pioneers Home and possible alternatives to building such a home.

#### NEED:

Inasmuch as roughly 40% of Pioneer Home beds are devoted to nursing care as opposed to residential care, more than one measure is required to determine need.

The Steinle Report (1973) projects the need for nursing beds only as follows:

	Existing or Under Construction	1975	1980	1985
Pioneer Homes				
Total	218	138	167	200
Southeastern	55	18	19	19
Nursing Homes and General Hospital				
Total	702	711	831	980
Southeastern	<u>70</u>	<u>93</u>	<u>95</u>	<u>96</u>
All Nursing Beds				
Total	920	849	998	1,180
Southeastern	125	111	114	115

The Steinle Report applies historical utilization rates in Alaska to projected populations.

Another study, the "Alaska Comprehensive Study on Aging" analyzed the need for both nursing and residential care facilities based upon a survey. 10.9% of those over 60 indicated a desire to live in a nursing home (7.9%) or retirement home (3.0%).

(continued)

(over 60)	Existing or Under Construction	Needed		
		1975	1980	1985
Nursing	920	1,129	1,370	1,642
Retirement	<u>328</u>	<u>429</u>	<u>520</u>	<u>623</u>
Total	1,248	1,558	1,890	2,265

Of those over 65, 15.3% desired to live in a nursing home (11.1%) or retirement home (4.2%).

(over 65)	Existing or Under Construction	Needed		
		1975	1980	1985
Nursing	920	896	1,086	1,301
Retirement	<u>328</u>	<u>339</u>	<u>412</u>	<u>494</u>
Total	1,248	1,235	1,498	1,795

Totals are shown because beds can be shifted from residential to nursing and vice versa, at least within Pioneer's Homes which account for 546 of the beds. Eligibility for Pioneer's Homes is limited to those over 65 of Alaskan residence for fifteen years or more except for destitute individuals. Thus, while the over 60 measure may reflect total need, the over 65 measure might be said to reflect the need for Pioneer Homes since 66% of those over 65 receive a Longevity Bonus indicating residence of more than 25 years and therefore probably 90% or more have been here fifteen years (i.e., come to Alaska before age 50) while the remaining 10% might be equated with destitute cases.

It should be noted that if the Pioneer's Homes were to devote more beds to residential care, the available beds (546) would meet the needs for retirement home living beyond 1985.

In Southeastern, the "Comprehensive Study on Aging" figures produce the following results:

(over 60)	Existing or Under Construction	Needed		
		1975	1980	1985
Nursing	125	335	395	469
Retirement	<u>105</u>	<u>128</u>	<u>150</u>	<u>178</u>
Total	230	463	545	647
(over 65)				
Nursing	125	267	313	372
Retirement	<u>105</u>	<u>100</u>	<u>118</u>	<u>141</u>
Total	230	367	431	513

(continued)

Again it should be noted that the Sitka Pioneers' Home (160 beds) could provide the retirement home needs for Southeast beyond 1985.

One must also decide how much weight to give to the Steinle method as opposed to the Aging survey. Another survey of Ketchikan only, performed by the Senior Citizens' Committee, identified 33 citizens desiring admission to a nursing home.

Currently, the Palmer Pioneer Home is full while 80 of 119 beds are filled at Fairbanks and 128 of 160 at Sitka. The latter two homes will take time to fill up since they have recently expanded and potential guests will need time to apply and arrange for moving in according to HSS. Waiting lists may not be meaningful since persons often are set up in other arrangements.

As noted in Commissioner Williamson's letter, money for nursing beds in Juneau (\$1,500,000) and Ketchikan (\$1,000,000) is available from State bonds (Chapter 132 SLA 1974); there is \$1,000,000 each for Kodiak, Tanana, and Dillingham under the same law. The Commissioner's letter also indicated 25 to 30 residential care units are being built by the Tlingit and Haida Development Corporation. No beds have been included in the need statistics relating to these developments.

This discussion of need has been outlined in some detail because the analysis heretofore has been minimal as far as I can discern from existing documentation.

#### COST:

Similarly, there has been no detailed cost analysis of the project. Correspondence indicates there may be State land (two acres in Alder Park) available at no cost if someone else doesn't get to it first.

Assuming 60-90 guests as indicated in a fiscal note for HB 104, and 650 square feet per guest as estimated by Public Works, the Home would be 39,000 to 58,500 square feet at a cost of \$128 to \$85 per square foot if the total cost of construction comes to \$5 million.

The fiscal note also addresses operational costs.

#### ALTERNATIVES:

One alternative to building additional Pioneers' Homes is to move nursing patients out of Pioneers' Homes and into nursing homes. Some cost reductions could be made in Pioneers' Homes since nursing services would no longer be provided. Patients moved into nursing homes could be reimbursed under Medicaid and Medicare with the total result that more people might possibly be served at the same State cost. A study conducted by the nursing home industry examines this alternative in some detail.

(continued)

March 27, 1975

Another alternative is to seek Medicaid and Medicare certification of Pioneers' Homes if they are to continue nursing services so that Federal reimbursement can be received. This was an issue analysis studied by HSS. This alternative contemplates other agencies providing additional capacity for residential as well as nursing care, again with State and Federal reimbursement for a portion of the nursing population.

MB:mw