

COMMITTEE REPORT

3/18/75

SENATE

Mr. President:

Date

4/10/75

The Committee on FINANCE has had SB 285 supplemental appropriation for Alaska Retarded Citizens work activities center 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:

<u>Geo Ray</u>	_____	<u>Harold</u>
<u>Shirley</u>	<u>K. Parson</u>	_____
<u>John</u>	_____	_____
<u>Steve Chance</u>	_____	_____

Members NOT concurring in the Majority report:

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

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

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

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

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

Geo Ray Chairman

Introduced: 3/18/75  
Referred: Finance

1 IN THE SENATE

BY CHANCE, BRADLEY, COLLETTA, CROFT,  
RADER, RODEY AND WILLIS

2 SENATE BILL NO. 285

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Health and Social Services, Alaska  
8 Retarded Citizens Association work activities center;  
9 and providing for an effective date."

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

11 \* Section 1. The sum of \$40,500 is appropriated from the general fund to  
12 the Department of Health and Social Services for operating expenses for the  
13 sheltered and work activities center; Alaska Retarded Citizens Association.

14 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
15 070(c).

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FISCAL NOTE

First Session - 14th Legislature

I. REQUEST

Bill No. SB 285

Title: Supplemental Appropriation to MISS; ARCA; + Effective Date

Requested By: Senate Finance Committee

Date: April 1, 1975

Return Date Requested: April 1, 1975

Agency: Dept. of Health & Social Services Program: Division of Mental Health

II. FISCAL DETAIL

Budget Request Unit(s) Affected: 03-32-0103

A. EXPENDITURES: (Thousands of Dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	40,500					
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	40,500					

B. FUNDING: (Thousands of Dollars)

GENERAL FUND	40,500					
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

SB-285 adds \$40,050 to \$58,000 currently (1974-75) allocated to fund a contract (#06-2922) with the Association for Retarded Citizens of Anchorage (ARCA) for the rehabilitation workshop and work activities programs for approximately 22 mentally retarded clients. The contract is currently administered by the Division of Mental Health (DMH).

[During 1973-74, the contract was administered by the Division of Family and Children Services. The amount of the 1973-74 contract was over 200,000 (using Title IV-A and XVI funds) for approximately 55 clients. Early in the 1974-75 year, it was found that the Division of Vocational Rehabilitation (DVR) in the Department of Education was able to fund services for more than they had in 1973-74. Because of DVR's capability for an increased level of funding

IV. ATTACHMENTS (see attached ANALYSIS continued)

V. DATE: 4-30-75

PREPARED BY: *James L. Hunter*

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

### III. ANALYSIS (continued)

for 1974-75, the Department of Health and Social Services (DHSS) was able to reduce its level of expenditures for 1974-75 commensurate with the increase by DWR. As a result, the figure of \$58,000 for 1974-75 was determined to be an equitable amount by DHSS. Subsequently, it was learned that ARCA had misjudged its needs for 1974-75 by 40,050 claiming that even with the increase in OVR funds, a maintenance budget for 1974-75 would necessitate a contract for \$98,050 rather than \$58,000 (shortfall of \$40,050). By that time DHSS had committed all funds and was unable to increase the contract amount. Also, by that time the contract administration was transferred from DFCS to DWH and the Title IV-A and XVI reimbursement was dropped (i.e., the \$58,000 for 1974-75 comes from the general fund). ]

Even though the need for an additional \$40,050 for 1974-75 is recognized, the Governor's budget does not include an equal amount to be carried over into 1975-76. It is possible that federal Vocational Education funds could be used during 1975-76 to partially offset the 1975-76 costs. This depends on the availability of funds in the Department of Education and a pending interpretation on the use of Vocational Education funds by Region X.

STATE OF ALASKA  
Inter-Department Route Slip

TO:  
MAIL STATION NUMBER 3100

DEPARTMENT Senate, Finance Committee

ATTENTION 423 Capitol

- |  |  |
|--|--|
| <input type="checkbox"/> Approval      | <input type="checkbox"/> Note & Return       |
| <input type="checkbox"/> Signature     | <input type="checkbox"/> Initial & Return    |
| <input type="checkbox"/> Comment       | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me    | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action    |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information    |

Remarks:

0600  
Office of the Commissioner  
FROM: Dept. of Health & Social Services  
MAIL STATION NUMBER Pouch H 01  
DEPARTMENT Juneau, Alaska 99811  
BY A Foster DATE 4-14-75

POSTLETT PAPER  
OF  
SENATE BILL 285

This bill supplements by \$40,050 a current contract with the Anchorage Retarded Citizens Association (ARCA) for the current year (1974-75).

ARCA has provided a high quality of rehabilitation services to mentally retarded citizens for several years. These services substantially assist mentally retarded citizens in their effort to achieve as normal and as productive a life as possible. This program was funded in prior years through Title IV-A and XVI funds from the Division of Family and Children Services.

The amount of the 1973-74 contract was over 200,000 for approximately 55 clients. Early in the 1974-75 year, it was found that the Division of Vocational Rehabilitation (DVR) in the Department of Education was able to fund services for more than they had in 1973-74. Because of DVR's capability for an increased level of funding for 1974-75, the Department of Health and Social Services (DHSS) was able to reduce its level of expenditures for 1974-75 commensurate with the increase by DVR. As a result, the figure of \$58,000 for 1974-75 was determined to be an equitable amount by DHSS. Subsequently, it was learned that ARCA has misjudged its needs for 1974-75 by \$40,050 claiming that even with the increase in DVR funds, a maintenance budget for 1974-75 would necessitate a contract for \$98,050 rather than \$58,000 (shortfall of \$40,050). By that time DHSS had committed all funds and was unable to increase from DRCSS to DEH and the Title IV-A and XVI reimbursement was dropped (i.e., the \$58,000 for 1974-75 comes from the general fund).

Even though the need for an additional \$40,050 for 1974-75 is recognized, the Governor's budget does not include an equal amount to be carried over into 1975-76. It is possible that federal Vocational Education funds can be used during 1975-76 to offset the 1975-76 costs. This depends on the availability of funds in the Department of Education and a pending interpretation on the use of Vocational Education funds by Region 1.

The Department recommends approval of this bill.

Recommended by:

*David J. Johnson*  
Director

*4-3-75*  
(date)

Approval by:

*David J. Johnson*  
for Commissioner Williamson.

*4/10/75*  
(date)

Comments by Governor's Office:

By: \_\_\_\_\_

(date)