

HB-906

"An Act making a special appropriation to the Department of Community and Regional Affairs for the subsidy for housing in cottage homes; and providing for an effective date."

COMMITTEE REPORT

4/9/76

HOUSE

FINANCE

Mr. Speaker:

Date 4/9/76

COMMUNITY & REGIONAL
AFFAIRS

The Committee on _____ has had HB 906

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 41276 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>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____

Members NOT concurring in the Majority report:

_____	recommends:	
<u>[Signature]</u>	recommends:	<u>Worse</u>
<u>[Signature]</u>	recommends:	<u>no bc</u>
_____	recommends:	
_____	recommends:	

[Signature] Chairman

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

April 12, 1976

Chairman Cotten called the meeting to order at 9:00 am for discussion of CSHB 883 and HB 906. Present were:

Rep. Cotten	Harvey Pitts, DC&RA
Rep. Davis	Erik Lee, DC&RA
Rep. Freeman	Joe Guthrie, Legislative Affairs
Rep. Hackney	Barbara Englert Thomas, Staff
Rep. Ostrosky	Vicci Hansen, Staff
Rep. Ose	

Eric Lee discussed the provision in the bill for a caretaker in the cottage for every five persons in residence. Most villages have only one health aide therefore the language in the bill should be changed: Page 2 Line 12 which reads "shall" be changed to "may", this would allow flexibility where needed. Ose moved for an amendment as such.

Eric Lee suggested another language change on Page 2 Line 17: add "that houses persons" between "home" and "receiving" since the state is paying a subsidy to people rather than a facility.

Chairman Cotten asked if the subsidy would be paid by HESS. Mr. Lee stated the subsidy would be paid by C & R A. If it is a cottage home that is housing people that are eligible under this chapter then it defines preference will be given to people receiving assistance under those other programs in HESS. Chairman Cotten asked about the non-contiguous to another institution language. Mr. Lee stated if it is part and parcel of a hospital or a nursing home there may be a question: is it institutionalized care? If it is institutionalized care it would create a problem with the federal government and their assistance payments. Chairman Cotten asked how the subsidy payments are made. Mr. Lee explained the appropriation would be the limiting factor.

Rep. Hackney asked how they came up with the figure \$212,500 for the cost of building such a cottage. Mr. Lee explained they used current building costs in the Bering Straits Region they arrived at a figure based upon a 4 - 5 bedroom unit in Nome, 2 units in a community the size of Unalakleet and one in a smaller village. They then broke down what the cost would be to advertize the building costs and fixed the rent and then a subsidy based upon an 80% figure as the state portion. Rent figure was figured by taking the building, maintenance, administration costs total for an annual cost per unit, then divided it into a monthly rental per unit. Chairman Cotten stated a pilot project will let us see how the whole thing works and at a later point it could be expanded to include other areas of the state. Total bill for the whole state would be \$50 million. Harvey Pitts explained this was the figure for nine communities throughout the state. \$50 million would be amortized over a 20 year period. Mr Lee stated the people receiving the subsidy would be eligible to receive up to 100% of their rent. The money would be from the General Fund. Bering Straits Regional Corp. would construct the facility, and this bill would subsidize the rent with no guarantee that this program would continue for more than one year. No profit margin allowed, just recovery cost.

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Cotten stated anyone with a building meeting the regulations would be set up for this program. Ose mentioned the facility in Palmer where the state is paying to house old folks in an 18 bed facility, run by the Salvation Army. Hackney expressed concern that no limit is put on the amount spent on the facility in the first place. The department will pick up the tab that is over and above what that person can pay. No upper limit on the construction cost is set. Rep. Davis stated that can be taken care of by the rules and regulations of the department.