

SB

142

COMMITTEE REPORT

SENATE

2/13/79

FURTHER: FINANCE

Date: 2-23-79

Mr. President:

The Committee on HESS has had SB 142 making a supplemental appropriation to the Department of Health and Social Services; and providing for an effective date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
[Signature]

[Signature]
CHAIRMAN

A M E N D M E N T

OFFERED IN THE SENATE:

By: Senate Hess

To: _____ SENATE BILL No. SB 1,2

HOUSE BILL No. _____

PAGE: (1)

LINE: 20

Line 20 change \$1,353,800 to \$1,310,500

A M E N D M E N T

OFFERED IN THE SENATE:

By: Senate Hess

To: _____ SENATE BILL No. SB 142

HOUSE BILL No. _____

PAGE: (1)

LINE: 15

Line 15 change \$38,000 to \$47,300

SB 142
By: Rules Com.
Request of Gov.
"Collect making a ^{S. HESS 79-80} ~~request~~ ^{to Dept of HBS & providing for} ~~request~~ ^{an effective date"}

Introduced 2-13-79

Logged 2-13-79

Reviewed in Finance

Comm. meeting 2-23-79

Comm. Action Passed with amendment - taken Senate floor 2-26-79 @ 8:00 AM

Bank Kelly - have been some before committee

Funding Information:
General Fund: \$1,441,800
Other Funds: -0-
\$1,441,800

Stingelenski

Introduced: 2/13/79
Referred: Health, Education & Social Services and Finance
fiscal audit v. performance audit
BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 142

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH 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; and pro-
8 viding for an effective date."

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

10 * Section 1. The sum of \$1,441,800 is appropriated from the general
11 fund to the Department of Health and Social Services, to be allocated as
12 follows:

13 Office of Internal Review -

14 Replacing shortfall of federal
15 funds for FY 79

\$ 38,000 *delete insert*

16 Division of Social Services -

17 Replacing shortfall of federal
18 funds for FY 79 and cover
19 excess expenditures of FY 79

→ * 47,300

20 appropriation

1,353,800 *delete*

21 * Sec. 2. The unexpended and unobligated portion of the appropriation
22 made in sec. 1 of this Act lapses June 30 1979. * 1,310.5 *insert*

23 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).

show their request in for this one. → 1 mil, 332.1K on 1 mil, 310.5K on, 500K un- done

w/ the above amend

MEMORANDUM

Extra
SBI 42
C. Spivey

TO: Ron Lind, Director
Division of Budget & Management
Office of the Governor

DATE: December 18, 1978

FILE NO:

TELEPHONE NO:

FROM: *Catherine M. Long*
Helen D. Beirne, Commissioner
Department of Health
and Social Services

SUBJECT: FY 1979 Supplemental Appropriation
Request - Office of Internal Review

A supplemental appropriation request for \$12,200 of State general funds for the Office of Internal Review, Administration Component is forwarded for your review and action.

- A. REASON FOR THE SUPPLEMENTAL: Children in Foster Care and Institutional Care for the most part, are no longer considered AFDC eligible by the Federal criteria. Reimbursement for activities related to children in care of the Department can no longer be claimed. The change in eligibility criteria by the Federal Agency was not known until after after the FY 1979 budget was passed by the Legislature. General funds to replace the appropriation Title IVA Funds are requested.
- B. CONSEQUENCES OF NOT FUNDING THE SUPPLEMENTAL: Support services for the other components of this BRU would be cut off. This component is comprised of one Administrator and two Clerical support positions. Without funding, employees would have to be laid off to stay within the appropriation level of State General Funds.
- C. OTHER INFORMATION: No lapse in another BRU is anticipated, therefore, no funds can be identified which could be transferred to reduce this supplemental need.

FY 79 SUPPLEMENTAL REQUEST ANALYSIS

	FY 77 ACTUAL	FY 78 FINAL AUTH.	FY 78 ACTUAL	FY 79 GOV. BUDGET	FY 79 INITIAL AUTH.	FY 79 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1/-11/30	OTHER OBLIGATIONS 7/1/-11/30	PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 79 (DEFICIT) OR EXCESS	FY 80 CONTINUATI.
PERSONAL SERVICES	61.0	78.6	79.9	84.7	84.7	84.1	32.4	3.6	48.1	-0-	92.0
TRAVEL	2.9	6.0	3.0	3.9	3.9	3.9	1.0	-0-	2.8	.1	4.1
CONTRACTUAL SERVICES	.2	6.2	4.3	6.5	6.5	6.5	5.2	-0-	1.3	-0-	8.1
COMMODITIES	.8	1.0	.6	.7	.7	.7	.5	-0-	.2	-0-	.7
EQUIPMENT	.2	1.4	.6				.1			(.1)	
LANDS, BLDG. ...											
GRANTS, CLAIMS, ...	4.7										
MISCELLANEOUS											
TOTAL	69.8	93.2	88.4	95.8	95.8	95.2	39.2	3.6	52.4	-0-	104.9
FEDERAL RECEIPTS	234.4	38.5	259.5	39.6	39.6	39.6	.1		27.3	12.2	20.6
REQUIRED GF MATCHING	76.0	38.4	36.5	39.5	39.5	39.5	.1		27.3	12.2	20.6
PER GENERAL FUND	(240.6)	16.3	(207.6)	16.7	16.7	16.1	39.0	3.6	(2.2)	(24.4)	63.7
INTER-AGENCY RECEIPTS											

AGENCY: Health and Social Services BRU: Office of Internal Review COMPONENT: Administration REVISED: _____

MEMORANDUM

TO: F Ron Lind, Director
Division of Budget and Management
Office of the Governor

DATE: December 18, 1978

FILE NO:

TELEPHONE NO:

FROM: *Catherine M. Lloyd*
Helen D. Beirne, Commissioner
Department of Health
and Social Services

SUBJECT: FY 1979 Supplemental Appropriation
Request - Office of Internal Review

A supplemental appropriation request for \$75,800 of State general funds for the Office of Internal Review, Audit Component is forwarded for your review and action.

- A. REASON FOR THE SUPPLEMENTAL: Children in Foster Care and Institutional Care, for the most part, are no longer considered AFDC eligible by the Federal criteria. Reimbursement for activities related to children in care of the Department can no longer be claimed. The change in eligibility criteria by the Federal Agency was not known until after the FY 1979 budget was passed by the Legislature. General funds to replace the appropriated Title IVA Funds are requested.
- B. CONSEQUENCES OF NOT FUNDING THE SUPPLEMENTAL: The required audits will not get completed. The backlog of audits to be completed will increase sharply. Two current employees would have to be laid off immediately.
- C. OTHER INFORMATION: Expenditures for this component have been less than one-twelfth of authorized per month. Vacant positions which have been filled during this fiscal year have been considered in this request. The total of Title IVA funding authorized for this component is \$96,200, but vacancies resulting in approximately \$40,000 has resulted in the lower Supplemental Request. No lapse in another BRU is anticipated, therefore, no funds can be identified which could be transferred to reduce this supplemental need.

FY 79 SUPPLEMENTAL REQUEST ANALYSIS

	FY 77 ACTUAL	FY 78 FINAL AUTH.	FY 78 ACTUAL	FY 79 GOV. BUDGET	FY 79 INITIAL AUTH.	FY 79 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1/-11/30	OTHER OBLIGATIONS 7/1/-11/30	PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 79 (DEFICIT) OR EXCESS	FY 80 CONTINJ.
PERSONAL SERVICES	148.8	215.5	152.7	305.1	305.1	303.0	69.3	9.2	184.5	40.0	321.5
TRAVEL	17.7	32.4	18.9	43.0	43.0	43.0	16.6	4.0	22.4	-0-	45.6
CONTRACTUAL SERVICES	9.7	12.2	8.9	65.5	65.5	65.5	11.4	6.5	47.6	-0-	71.3
COMMODITIES	1.8	3.2	2.7	4.9	4.9	4.9	.3		2.9	1.7	5.2
EQUIPMENT	.8	2.5	2.5				1.0			(1.0)	
LAND, BLDG. ...											
GRANTS, CLAIMS, ...											
MISCELLANEOUS											
TOTAL	178.8	265.8	185.7	418.5	418.5	416.4	98.6	19.7	275.4	40.7	444.1
FEDERAL RECEIPTS	22.9	86.1	-0-	148.5	148.5	148.5	-0-	-0-	72.7	75.8	62.9
REQUIRED GF MATCHING	22.9	86.1	60.1	148.6	148.6	148.6	-0-	-0-	72.8	72.8	62.9
OTHER GENERAL FUND	133.0	93.6	125.6	121.4	121.4	119.3	98.6	19.7	111.9	(110.9)	318.3
INTER-AGENCY RECEIPTS											

AGENCY: Health & Social Services BRU: Office of Internal Review COMPONENT: Audit REVISED: _____

POSITION PAPER

SENATE BILL NO. 142

"An Act making a supplemental appropriation to the Department of Health and Social Services; and providing for an effective date."

Office of Internal Review

Senate Bill No. 142, in regard to the Office of Internal Review, provides for replacing a shortfall of federal funds with state general funds. The AFDC eligibility for children in foster care and institutional care changed drastically since the preparation of the FY 1979 budget. Activities by the Administration and Audit Components of the Office of Internal Review relating to children in foster care and institutional care are no longer eligible for Title IV-A federal reimbursement. A significant amount of effort by this unit is made in auditing and rate setting of AS 47.40 related services.

If state general funds are not made available to replace the lost federal receipts, all Administrative and Audit staff will be subject to layoff by mid-April.

Division of Social Services

Senate Bill No. 142 provides for supplemental funding of \$1,353,800 to replace unclaimable federal Title IV-A funds and to meet the increased costs of the foster care and institutional care programs. Recent projections based upon actual expenditures, the first six months of the fiscal year, indicate it may be possible to reduce the supplemental request to \$1,332,000.

Under AS 47.10.230 and 47.40.040, the Division is required to provide 24-hour care and supportive costs for children in need of aid. Children placed in foster and institutional care are committed to the Division's custody, and the Division has no control over the number of children for who care must be provided or the rates paid (see attached audited rates).

Supportive costs, such as travel to and from placements, witnesses at court hearings, initial placement clothing purchases, medical care and psychiatric and psychological evaluations and treatment (the majority of which are court ordered for the child and parent(s)) must also be provided. The majority of the costs for evaluation, testing, examinations and other medically related care were borne by the Division of Public Assistance's Medicaid program in the past; however, such costs must now be assumed by the program. This policy change was enforced in FY 79 and therefore, the increases were not anticipated at the time the original budget request was prepared.

Replacement of \$880,900 federal Title IV-A funds with general funds is required. Federal representatives conducted a review of the cases for which Title IV-A funds were being claimed, resulting in a drastic reduction in revenues for FY 78. The number of children meeting the federal criteria for AFDC-FC eligibility (45 CFR 233.110(a)(1) and (a)(2), has decreased drastically. Therefore, Title IV-A funds appropriated for FY 79 will far exceed actual revenues. Total replacement of these funds with general funds is requested, however, both the Divisions of Social Services and Public Assistance will continue determining eligibility and claiming all possible federal reimbursement.

If general funds are not appropriated to cover the above, we will be unable to meet foster care costs beyond mid-May, and institutional care costs beyond mid-April.

Supplemental need for travel are based upon a one-month payment lag; professional costs upon actual contract limitations; clothing, provider payments and medical upon a two-month lag in Foster Care and a one-month lag, plus recent encumbrances, in Institutional Care. The total request is as follows:

	200	300	400	700	Fed Shortfall	GF Total
Foster Care	\$51.8	\$58.1	\$26.4	-0-	\$314.6	\$450.9
Institutional Care	30.3	-	9.9	274.6	566.3	881.1
	<u>82.1</u>	<u>58.1</u>	<u>36.3</u>	<u>274.6</u>	<u>880.9</u>	<u>1,332.0</u>

Enactment of Senate Bill No. 142 is recommended.

RECOMMENDED BY: Roger C. Lange DATE: Feb. 22, 1979
 Roger C. Lange, Administrator
 Office of Internal Review

RECOMMENDED BY: Art Holmberg DATE: 2/22/79
 Art Holmberg, Director
 Division of Social Services

APPROVED BY: Catherine M. Floyd DATE: 2/22/79
 Helen D. Beirne, Commissioner
 Department of Health and Social Services

Attachment

18

Explanation

FY 79

FY 80

Institutional Care Daily Rates

Facility	FY 76 Audited Rate	FY 77 Audited Rate	Provisional FY 78 Rate	Est. FY 78 Revised Rate	Estimated FY 79 Rate	FY 78 Audited Rate	FY 79 Provisional Rate	FY 80 Esti Rate - 6%
Alaska Children's Services Inc.								
Jesse Lee	42.83	61.55	75.43	83.73	88.75	81.59	91.1	96.63
North Star House	33.91	39.88	64.52	71.62	75.92	67.01	40.56	42.99
Aquarius	27.43	36.26	45.79	50.83	53.88	47.61	47.01	49.83
Colletti	27.16	36.94	48.70	54.06	57.30	50.42	38.98	41.32
Youth Services Center	45.99	54.26	69.57	77.22	81.85	71.76	109.99	116.59
Alaskan Youth Village	31.17	37.19	44.06	48.91	51.84	-	53.24	56.43
Arrow Receiving Home			Rate not yet established			57.93	52.15	55.28
Bethel Receiving	24.68	44.09	Closed in FY 77					
Booth Memorial Home	50.30	60.65	75.63	83.95	88.99	110.19	110.19	116.80
Covenant High School		14.89	*			36.04	46.96	49.78
Fullcrest Receiving Home	35.32	33.55	Rate not yet established			75.63	92.26	97.80
Fulltop Home	35.47	42.43	46.30	51.39	54.47	18.42	16.52	17.51
Hope Center*	40.51	55.01	*			46.30	51.00	54.00
Hope Cottage "A"*	28.70	31.70	*					
Jesuit Volunteer Corps Group Home	29.53	26.21	36.04	40.00	42.40	62.04	66.03	69.99
Kaneau Receiving Home	26.76	47.81	Rate not yet established					
Kaneau Teen Home								
Boys	22.52	39.67	40.88	45.38	48.10	39.57	46.12	48.89
Girls	32.71	39.67	40.88	45.38	48.10	39.57	46.12	48.89
Kenai Peninsula Community Care Center	36.58	48.06	51.54	57.21	60.64	51.54	55.96	59.32
Ketchikan Children's Home						48.50	60.52	64.15
Receiving Home	39.22	43.30	48.50	53.84	57.07	20.72	18.19	19.28
Teen Home	34.95	43.30	48.50	53.84	57.07	62.25	59.97	63.57
Lodiak Baptist Mission & Group Home	14.89	20.56	20.72	23.00	24.38	42.45	40.83	43.28
Lodiak Home Receiving Home	42.87	43.67	Closed in FY 77			65.52	64.86	68.75
North Star Home	18.94	22.92	Closed			46.81	65.51	69.44
Presbyterian Hospitality House	61.48	62.36	Rate not yet established			42.26	57.32	60.70
Stafffield House (Hope Center)*	22.91	22.46	*			68.71	68.71	72.8
St. Mary's High School	7.71		*					
Turning Point Boys Ranch	44.92	43.31	46.81	51.96	55.08			
Not under Institutional Care								

U Program Services - Institutional Care Dept. of Health & Social Services BRU CODE Health & Social Services REVISD NT Institutional Care DATE REVISED

18 EXPLANATION

000591

000

our copy

Introduced: 2/13/79
Referred: Health, Education
& Social Services and Finance

Funding Information:
General Fund: \$1,441,800
Other Funds: -0-
\$1,441,800

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 142

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH 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; and pro-
8 viding for an effective date."

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

10 * Section 1. The sum of \$1,441,800 is appropriated from the general
11 fund to the Department of Health and Social Services, to be allocated as
12 follows:

13 Office of Internal Review -

14 Replacing shortfall of federal
15 funds for FY 79

\$ 88,000

47.3
35.1
12.2

16 Division of Social Services -

17 Replacing shortfall of federal
18 funds for FY 79 and cover
19 excess expenditures of FY 79
20 appropriation

1,353,800

1,310.5
43.3

21 * Sec. 2. The unexpended and unobligated portion of the appropriation
22 made in sec. 1 of this Act lapses June 30, 1979.

23 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).

25
26
27
28
29

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

February 23, 1979

TO: Senator Hackney
FROM: John Lucas
SUBJECT: SB 142

The following changes should be considered for SB 142:

1. Section 1. The FY 79 supplemental request for for the Division of Social Services should be reduced from \$1,353,800 to \$1,310,500. A Revised Program is in process which would transfer \$43.4 from Day Care to Foster Care.
2. Section 1. The FY 79 supplemental request for the Office of Internal Review should be reduced by \$40.7 to a total of \$47.3. In submitting their request, they did not take into account the fact that they expect to lapse \$40.7 in the audit component.

In addition this bill only takes into account the amounts required by the Division of Social Services for FY 79. I have attached the additional funds which the Division will require for FY 78. This amounts to \$704,600 to replace the shortfall in federal and program dollars. It is basically comprised of the following:

	<u>Foster Care</u>	<u>Institutional Care</u>	<u>Total</u>
FY 78 Expenditures	.2	(.2)	-0-
Fed. Receipts shortfall	194.8	441.3	636.1
Pgm. Receipts shortfall	<u>59.6</u>	<u>8.9</u>	<u>68.5</u>
Totals	<u>254.6</u>	<u>450.0</u>	<u>704.6</u>

STATE
of ALASKA

MEMORANDUM

TO: Art Peterson
Assistant Attorney General
Department of Law

DATE: February 2, 1979

FILE NO:

TELEPHONE NO:

FROM: Ron Lind, Director
Division of Budget & Management
Office of the Governor

SUBJECT: Supplemental Appropriation
Department of Health & Social
Services

RL
Please prepare a bill for the Governor's introduction making a Supplemental appropriation in the amount of \$704,600 to the Department of Health & Social Services for the purpose of replacing a shortfall in federal dollars during FY 78 in the program services BRU in the Division of Social Services.

This \$704,600 should be appropriated from the general fund.

This act should take effect immediately and include a lapse date of June 30, 1979.

FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 77 ACTUAL	FY 78 FINAL AUTH.	FY 78 ACTUAL	FY 79 GOV. BUDGET	FY 79 INITIAL AUTH.	FY 79 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1/-11/30	OTHER OBLIGATION: 7/1/-11/30	PROJECTED EXPENDI- TURES + ENCUMBRANCE: 12/1-6/30	FY 78 (DEFICIT) OR EXCESS	FY 80 CONTINUING
PERSONAL SERVICES											
TRAVEL	42.5	65.3	87.8							(22.5)	
CONTRACTUAL SERVICES	51.3	101.0	211.1							(105.1)	
COMMODITIES	21.8	22.1	37.2							(5.1)	
EQUIPMENT	.2										
LANDS, BLDG. ...											
GRANTS, CLAIMS	1,341.8	1,906.7	1,764.2							142.5	
MISCELLANEOUS										(.2)	
TOTAL	1,457.6	2,100.1	2,100.3							(194.8) IV A shortfall 0 RCF to OCF (59.6) Prop. Act. shortfall (254.6) Total supplement (194.8)	
FEDERAL RECEIPTS	337.4	437.4	242.6								
REQUIRED GF MATCHING	234.4	372.3	98.0							(40.8)	
OTHER GENERAL FUND	616.1	1,107.8	1,636.7							(295.4)	
INTER-AGENCY RECEIPTS											
Program Receipts	128.4	182.6	123.0							(59.6)	
Other Funds	141.1										

AGENCY: Health & Social Services BRU: Program Services COMPONENT: Foster Care REVISED: _____

FY 79 SUPPLEMENTAL REQUEST ANALYSIS

	FY 77 ACTUAL	FY 78 FINAL AUTH.	FY 78 ACTUAL	FY 79 GOV. BUDGET	FY 79 INITIAL AUTH.	FY 79 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1/-11/30	OTHER OBLIGATIONS 7/1/-11/30	PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 78 (DEFICIT) OR EXCESS	FY 80 CONTINUATIO:
PERSONAL SERVICES											
TRAVEL	41.5	45.2	45.2							0	
CONTRACTUAL SERVICES	17.7	(138.0)								(138.0)	
COMMODITIES	5.3	12.4	10.3							2.1	
EQUIPMENT											
LANDS, BLDG. ...											
GRANTS, CLAIMS	2,891.4	4,298.0	4,161.9							136.1	
MISCELLANEOUS											
TOTAL	2,955.9	4,217.6	4,217.4							.2 (441.3) IV (8.9) RCF (450.0) Pro to OGF (451.3) Total Supplement	shortfall
FEDERAL RECEIPTS	421.9	719.3	278.0								
REQUIRED GF MATCHING	464.6	719.3	278.0							164.3	
OTHER GENERAL FUND	1,902.2	2,751.2	3,929.4							(891.3)	
INTER-AGENCY RECEIPTS											
Program Receipts	26.1	27.8	18.9							(8.9)	
Other Funds	161.1										

AGENCY: Health & Social Services BRN: Program Services COMPONENT: Institutional Care REVISED: _____

12

- ① At what point did info arrive re Federal criteria change? Do you have a letter? How advised?
- ② Were you only auditing to conform to a Federal requirement?
- ③ 75,800 was audit cost
12,200 was adm.
- ④ What posits. would be elim.?
- ⑤ What happens if you
- ⑥ Is audit reqd. before reimbursement to agencies or

① Seabone

② What employees would be laid off?

Simplified solution on HB 142

Would it be possible to mandate that individual parents of children from the middle class be made responsible for the costs of foster care, custodial care or institutional care for children of this class who require it since they are not covered by AFDC?