

Introduced: 3/20/81
Referred: Finance

1 IN THE SENATE

BY RODEY AND KERTTULA

2 SENATE CONCURRENT RESOLUTION NO. 18

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Requesting the Governor to propose
6 social services programs and submit
7 recommended budgets which exclude
8 receipt of money under Title XX of
9 the Social Security Act.

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

11 WHEREAS Title XX of the Social Security Act is a program by which, in
12 return for grants to a state for the support of services to low-income
13 individuals, federal law imposes complicated planning, needs assessment,
14 monitoring, and specific service reporting requirements on social services
15 programs administered by the state; and

16 WHEREAS the delivery of effective social services programs in the state
17 is handicapped by a large land mass, a sparse population, and the absence of
18 regional governments to share administrative costs and responsibility for
19 providing services; and

20 WHEREAS Title XX regulations are generally predicated on social service
21 delivery plans of more densely populated states which, typically, are
22 characterized by decentralized delivery of services and the purchase of
23 needed services from local providers without centralized oversight; and

24 WHEREAS Title XX regulations have the effect of limiting those who may
25 be served by state programs because of income, eligibility, and service
26 restrictions based on national needs and income standards; and

27 WHEREAS federal regulation under Title XX results in added difficulty
28 in developing programs appropriate to the social services needs of Alaskans;
29 and

1 WHEREAS the amount of federal support received by the state under
2 Title XX provides less than one-third of the financing for all Title XX
3 programs, while program regulations prepared by the United States Department
4 of Health and Human Services impose virtually all program requirements; and

5 WHEREAS acceptance of Title XX support restricts rather than enhances
6 the ability of the state to plan and deliver efficient and effective social
7 services;

8 BE IT RESOLVED by the Alaska State Legislature that the Governor is
9 respectfully requested to prepare and submit a budget for social services
10 programs of the Department of Health and Social Services for fiscal year
11 1983 that excludes federal support under Title XX of the Social Security
12 Act.

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COMMITTEE COPY

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST... Session

SENATE CONCURRENT RESOL. NO. 18.....

By RODEY AND KERTTULA.....

Requesting the Governor to propose social services programs and submit recommended budgets which exclude receipt of money under Title XX of the Social Security Act.

Introduced in the Senate 3/20, 19... 81

HISTORY IN THE SENATE

19	81	Read first time and referred to Committee on Finance										
3	20	Reported back with recommendation that										
		Read second time and										
		Read third time and										
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		Reported correctly engrossed										
		Signed by President										
		Sent to House										
SECRETARY OF THE SENATE												

HISTORY IN THE HOUSE

19		Read first time and referred to Committee on										
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		Signed by Speaker										
		Returned to Senate										
CHIEF CLERK OF THE HOUSE												

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
	 by Governor
		Filed with Lt. Governor
		Chapter No.

SENATE CONCURRENT RESOLUTION NO. 18

"Requesting the Governor to propose social services programs and submit recommended budgets which exclude receipt of money under Title XX of the Social Security Act."

This Resolution calls for the development and proposal of social service programs and concomitant budgets which exclude Federal financial participation under Title XX and which consequently are not limited or directed by Federal regulatory constraints.

Senate Concurrent Resolution No. 18 is predicated upon several assumptions. These are: that Title XX and its attendant regulations impose complicated planning, needs assessment, monitoring, reporting, and administrative requirements upon the Department; that these requirements are designed for appropriate application to more densely populated states and are consequently not sensitive to the unique qualitative and quantitative characteristics of Alaska's geography, environment, and society; and that Title XX law and regulations result in limitations in social service program development and delivery in Alaska, while Title XX funds provide a much smaller portion of the total social service budget than do State funds. These assumptions are valid and are the basis for the Department's support of the intent of Senate Concurrent Resolution No. 18.

Acceptance of Title XX funds requires that social service programs in which these funds are utilized conform to Federal regulatory requirements in administration, design, and delivery. The ultimate result is de facto Federal domination of the planning, administration, and provision of social services. This domination is briefly characterized in the following.

1. Federal regulations require the single State agency designated by the Governor with authority to administer and supervise programs utilizing Title XX programs to:
 - a. maintain an approved State administrative plan;
 - b. produce each year or program period a Comprehensive Social Service Plan in proposed and final forms;
 - c. produce quarterly and annually fiscal and social service reports;
 - d. operate the programs statewide "in every part of every political subdivision of the state;" and
 - e. maintain overall supervision, control, and oversight of Title XX activities utilizing approved methods.

Extensive regulations govern each of the above activities delineating further detailed requirements for each and restricting flexibility of design, administration, and methods of delivery of social service programs.

2. Title XX regulations require that at least three services be offered to recipients of SSI on a statewide basis.

Again, this regulation restricts of program design by limiting the types of services offered to those which can be provided effectively on a statewide basis to serve SSI clients. The fact that the greatest portion of social service program funds must be expended in meeting these requirements prohibits the development of more flexible programs or those which meet localized needs. This is of particular importance when consideration is given to the vast differences in the social needs of Alaska's widely dispersed citizenry which are the result of tremendous variance in environmental, economic, and social conditions and the great disparity in available local resources to meet those needs.

- 3. Regulations require that one-half of Title XX monies utilized by the State be expended in providing services to clients who meet the eligibility requirements for Medicaid, AFDC, or SSI.

This regulation restricts program design by requiring that programs be designed to serve the Federal target population - Medicaid, AFDC, SSI eligible clients. This criteria, known as the "Fifty Percent Rule," has been particularly difficult to meet in Alaska due to Alaska's high cost of living. Many individuals with income low by Alaskan standards do not meet eligibility requirements for the Federal categorical programs mentioned.

- 4. Federal regulations establish income eligibility criteria for services other than certain specified services which may be offered without regard to income.

In order to utilize Federal funds to provide services other than those few which may be offered without regard to income, it would be necessary to establish income eligibility criteria and fee schedules which are expensive and cumbersome to administer and which are governed by further detailed Federal regulations. This is in conflict with the Department's policy of providing services to Alaskans without regard to income. Provision of programs utilizing Title XX funds has thus been restricted to Information and Referral Services, Child Protective Services, Adult Protective Service, and Family Planning.

It is particularly important to understand that the regulations illustrated above are not isolated from each other in their effects upon program planning, administration, or delivery. Rather, the regulations overlap and interact in complex ways so that the cumulative effect of the regulations is far more severely restrictive than would be apparent when the regulations are analyzed individually.

The Department presently anticipates the receipt of approximately \$4.1 million in Title XX funds in FY 1982. This is a 25% reduction from the Department's initial estimate of \$5.5 million due to President Reagan's proposed budget cuts. Although these funds constitute only one-fourth (1/4) of the Department's total social services budget, they comprise approximately one-half (1/2) of expenditures for the direct provision of social services, such as adult and child protective and information and referral services.

Senate Concurrent Resolution No. 18 requests the exclusion of Title XX funds from future budgets and would result in a reduction in Federal receipts of \$5.4 million. Attendant to this would be the elimination of Federal regulatory control and a reduction in costs associated with regulatory compliance. However, the continuing need for the services for which Federal funds are utilized would preclude a substantial reduction in social service costs and would require a State appropriation comparable to the lost Title XX funds. Rather than a major cost reduction, the benefit which might be expected to result from Senate Concurrent Resolution No. 18 would be the increased effectiveness of revised social service programs in meeting the needs of Alaskans.

While the Department supports the intent of Senate Concurrent Resolution No. 18, the increased costs are significant and should be considered in light of recent Presidential proposals which are consistent with the intent of the Resolution and the objectives of the Department. President Reagan has proposed combining approximately 40 categorical programs into several block grants to states. Included in one such proposed block grant are funds currently designated for Title XX programs and funds from other entitlement programs which are sources of the Department's Federal receipts for social service programs. An integral part of these proposals is the reduction of Federal regulations governing receipt of such funds and a consequent reduction in Federal direction of the State programs for which the monies are expended. In conjunction with these proposals for reduced Federal regulatory control, the President has proposed a 25% reduction in funding from FY 1981 levels for the combined programs. This level of funding is proposed to continue through FY 1986.

The degree to which these proposals will be enacted by Congress cannot be judged at this time and their ultimate effect in reducing Federal control in the management of social service programs cannot be predicted. However, the intent of the proposals - the reduction in Federal control of State program design, administration, and delivery, and increased State responsibility for program results - is substantially in accord with the intent of Senate Concurrent Resolution No. 18 and the objectives of the Department. The fiscal implications for the State of President Reagan's proposals contrast significantly from those of this Resolution. President Reagan's proposal, if enacted by Congress, would result in increased costs to the State of approximately \$1.4 million. Increased costs which might be expected to result from Senate Concurrent Resolution No. 18 would approximate \$5.5 million.

The Department supports the intent of Senate Concurrent Resolution No. 18 and the concepts it embodies, but suggests inaction on the Resolution pending an analysis of Congressional action on the President's block grant proposals. These proposals could result in substantial achievement of the Resolution's intent with a significantly smaller increase in costs to the State.

RECOMMENDED BY: John R. Pugh
John R. Pugh, Director
Division of Family and
Youth Services

DATE: 4/6/81

APPROVED BY: Helen D. Beirne
Helen D. Beirne
Commissioner

DATE: 5/3/81

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SENATE CONCURRENT RESOLUTION NO. 18
 Title "requesting Gov. to propose \$\$ programs & recommend exclusion of Title XX monies...."
 Requested by Rodev and Kertulla Date 3/20/81

II. FISCAL DETAIL
 Agency Affected Department of Health and Social Services
 Program Category Affected Social Services
 BRU, Program, or Subprogram(s) Affected Title XX Offset BRU
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	5,289.4	5,289.4	5,289.4	5,289.4	5,289.4	5,289.4
FEDERAL FUNDS	(5,289.4)	(5,289.4)	(5,289.4)	(5,289.4)	(5,289.4)	(5,289.4)
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

Title XX Offset BRU: Implementation of SCR 18 would result in the reduction of \$5,289.4 of Federal Title XX ceiling funds currently contained in the Governor's budget. An increase in SGF of \$5,289.4 is necessary to zero this BRU out. SGF of \$5,289.4 are included in other BRU's where the expenditures will be made. (Since submittal of the Governor's budget, a tentative allotment of \$5,250.3 has been made for FY 82).

IV. DATE 4/27/81 PREPARED BY John R. Pugh John R. Pugh, Director
 AGENCY Division of Family and Youth Services
 PHONE 465-3170
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) M&B Approval W. H. ... Date 4/27/81

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE CONCURRENT RESOLUTION NO. 18
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TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	110.7	110.7	110.7	110.7	110.7	110.7
FEDERAL FUNDS	(110.7)	(110.7)	(110.7)	(110.7)	(110.7)	(110.7)
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

Social Services Administration BRU, Staff Development Component: \$110.7 of Title XX training funds are included in the Governor's budget. It will be necessary to appropriate SGF of \$110.7 to replace the loss in order to continue training for staff and providers, if SCR 18 is implemented.

IV. DATE 4/24/81 PREPARED BY John R. Pugh, Director
 AGENCY Division of Family and Youth Services
 PHONE 465-3170
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) M&B Approval [Signature] Date 4/23/81

Introduced: 3/20/81
Referred: Finance

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BY RODEY AND KERTTULA

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