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# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION  
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF—STATE CAPITOL

JUNEAU, ALASKA 99811

February 25, 1981

To: Senator Bob Mulcahy  
Chairman  
Senate Labor and Commerce  
Committee

From: Gerald L. Wilkerson, CPA *GLW*  
Legislative Auditor  
Division of Legislative Audit

Subject: Sunset Termination of Alaska Boards  
and Commissions

Per your request, I am enclosing the status and termination dates of Alaska activities that have been terminated by law.

The following agencies had a June 30, 1980 termination date and will discontinue at ~~June 30, 1981~~ unless revived this session:

Collection Agency Board (AS 08.24.011)  
Guide Licensing and Control Board (AS 08.08.040)  
Board of Governors of the Alaska Bar Association  
(AS 08.08.040)  
State Board of Parole (AS 33.15.010)

The following agencies have a June 30, 1981 termination date and unless continued by law will have until ~~June 30, 1982~~ to wind up their affairs:

Board of Welding Examiners (AS 08.99.010)  
Alcoholic Beverage Control Board (AS 04.06.010)  
Alaska Pipeline Commission (AS 42.06.010)

The following agencies have a June 30, 1982 termination date and unless continued by law will have until June 30, 1983 to wind up their affairs:

Board of Dental Examiners (AS 08.36.010)  
Board of Psychologist and Psychological Associate  
Examiners (AS 08.86.010)

Board of Electrical Examiners (AS 08.40.010)  
Real Estate Commission (AS 08.88.011)  
Alaska Renewable Resource Corporation (AS 37.12.010)  
Alaska Code Revision Commission (AS 24.20.075)

The following agencies have a June 30, 1983 termination date and unless continued by law will have until June 30, 1984 to wind up their affairs:

State Medical Board (AS 08.64.010)  
Board of Nursing (AS 08.68.010)  
Board of Marine Pilots (AS 08.62.010)  
Alaska Transportation Commission (AS 42.07.011)  
Alaska Council on Science and Technology (AS 44.19.181)

The following agencies have a June 30, 1984 termination date and unless continued by law will have until June 30, 1985 to wind up their affairs:

Board of Chiropractic Examiners (AS 08.20.010)  
Board of Examiners in Optometry (AS 08.72.010)  
Board of Pharmacy (AS 08.80.010)  
Board of Public Accountancy (AS 08.04.010)  
Board of Barbers and Hairdressers (AS 08.13.010)  
State Board of Registration for Architects, Engineers,  
and Land Surveyors (AS 08.48.011)

The following agencies have a June 30, 1985 termination date and unless continued by law will have until June 30, 1985 to wind up their affairs:

Board of Veterinary Examiners (AS 08.98.010)  
Alaska Public Utilities Commission (AS 42.05.010)  
Board of Dispensing Opticians (AS 08.71.010)

The following agencies have a June 30, 1986 termination date and unless continued by law will have until June 30, 1987 to wind up their affairs:

Board of Nursing Home Administrators (AS 08.70.010)  
State Physical Therapy Board (AS 08.84.010)

The Rural Development Council (AS 44.47.160-44.47.190) has a June 30, 1987 termination date and unless continued by law will have until June 30, 1988 to wind up its affairs.

Senator Bob Mulcahy  
February 25, 1981  
Page 3

If you need additional information on the "sunset" process,  
please contact me.

cc: ✓ Senator Arliss Sturgulewski  
Chairman  
Legislative Budget and Audit Committee

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION  
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF—STATE CAPITOL

JUNEAU, ALASKA 99811

February 23, 1981

To: The Legislative Budget and Audit  
Committee

FROM: Gerald L. Wilkerson, CPA *GLW*  
Legislative Auditor  
Division of Legislative Audit

Subject: Selection of Programs for Sunset Review  
within the Health and Social Services  
Budget Categories

At the February 13, 1981 Legislative Budget and Audit Committee meeting, the Audit Division was requested to recommend a list of programs to be subjected to the "sunset" process.

After discussions with the appropriate budget analysts for the Legislature and Governor's office, and meetings held with the applicable departments' budget officers, the Division recommends those programs listed in the latter part of this memorandum for "sunset" review. Though we acknowledge it is unlikely that certain programs listed could be discontinued unless prior policy is significantly redirected, this Division feels that all recommendations should be reviewed from performance, public need, and cost-effective perspectives.

In addition to activities selected from the health and social services budget categories, the Legislature will be required during the 1982 session to oversight the following entities which will terminate on June 30, 1982:

Board of Dental Examiners  
Board of Psychologists  
Board of Electrical Examiners  
Real Estate Commission  
Alaska Renewable Resource Corporation

We recommend the following programs and activities be subject to the "sunset" process:

Health Budget Category

Department of Health and Social Services

Alaska Psychiatric Institute (API)

Background

API, located in Anchorage, maintains 121 beds for care for the acute mentally ill. The general purpose of this institution is to provide institutional services not available in the local communities because of complexity, small number of clientele, or the need for security.

Financial Data

The Institution has a 1981 authorized budget of \$8,574,100 and is requesting a 1982 budget of \$10,574,000, which represents a 23% increase. Average daily census report was 115 patients. Average cost per patient bed utilized was \$67,030 for Fiscal Year 1980. This computes to \$184/patient day. The Institution employs approximately 250 people.

Selection Criteria

Due to the high cost of institutional care, API should be reviewed for cost effectiveness.

Over the last few years, local communities have been encouraged to provide services with State financial support and technical assistance. The 1982 budget requests over \$8 million for financial assistance to varying types of local community mental health programs. Though this decentralization of services claims to decrease the propensity to place people in institutions, API's budget indicates a census increase of patients.

Legislative Audit conducted a limited review of API in 1980 which indicated that management and personnel problems existed.

Office of Information Systems

Background

This BRU provides research capabilities and data processing support to all divisions within the Department, particularly public assistance programs.

Financial Data

These programs have an authorized 1981 budget of \$2,286,200. They employ approximately 40 people. Approximately 48% of the budget is contractual service, predominantly with the Department of Administration Data Processing Unit.

Selection Criteria

A performance review to determine if decentralization of data processing services from the Statewide data processing unit is efficient and cost effective.

Parts of the Medicaid data processing system were contracted out to a California-based company rather than done in-house.

State Health Planning and Development Agency

Background

The primary functions are Statewide health service and facility planning and development, including certification of need, Statewide health facilities survey, licensing and certification on an annual basis to assure quality health care, and for Medicaid/Medicare payment eligibility.

Financial Data

This BRU was authorized \$1,332,200 for FY 1981 with \$571,000 being funded by federal receipts. Approximately 21 employees work in this agency.

Selection Criteria

We have been told an excellent chance exists that the federal government will phase out its funding over the next three-year period. A performance review conducted now might

ascertain that various functions should be allowed to terminate as federal funding diminishes or, conversely, that a real need exists for the continuance of part or all of the applicable programs.

### Holistic Health

#### Background

Holistic Health deals with the preventive method, as opposed to the curative method, of improving health. This concept is based on the regulation of environment, sociological and psychological factors, and on information and awareness programs.

#### Financial Data

In FY 1981, \$500,000 was appropriated from the general fund to establish one coordinator position and pilot projects specifically directed toward prevention of disease. The BRU's FY 1982 budget request is \$701,100, a 40% increase over the prior year.

#### Selection Criteria

As this was a pilot program for FY 1981, now would be an excellent time to conduct a performance audit to determine if this activity is a duplication of other health programs, or if the State should be providing this service.

### Social Service Budget Category

#### Department of Health and Social Services

### Juvenile Custody - Social Service Institutional Care

This is a full-cost-of-care program administered under the authority of Alaska Statutes, Title 47. This service is provided to those individuals who are victims of abuse, neglect, or exploitation, or have lost their families through death or abandonment and require more intensive treatment for emotional or behavioral problems that can best be provided in a 24-hour group home or institution.

### Financial Data

The general fund appropriations in this program have been increasing at an alarming rate. For FY 1981, \$7,333,600 was appropriated, a 32% increase over the prior year budget of \$5,558,800. The Department has requested \$10,101,800 for payment to private institutions for FY 1982, a 38% increase over FY 1981.

Average daily costs per person, according to the Department's budget documents, has increased from \$28/person in FY 1976 to \$75/person in FY 1980. FY 1981 is estimated at \$99/person and FY 1982 at \$137/person.

### Selection Criteria

A performance review should be conducted to review this program and the related Alaska Statutes to determine if the programs and laws are cost effective and in the best interest of the State, or if more efficient alternatives exist.

### Adult and Aging Services - Adult Services (Formerly Program Services - Homemaker Services and Adult Supportive Services)

#### Background

This activity provides services to adults, ranging from preventative services and in-home services to placement. Specific services include information and referral, adult protection, homemaker and home health aid services, shelter and counseling services, women's resource centers, and adult residential care.

#### Financial Data

The adult services sub-program for FY 1982 is requesting \$6,127,300, of which 89% is grant monies. Related grant monies in the homemaker service program increased from \$1,267,900 in FY'80 to \$2,438,900 in FY 1981, a 92% increase. In adult supportive services, grant monies increased from \$892,300 in FY'80 to \$2,865,000 in 1981 authorized budget, a 221% increase.

#### Selection Criteria

With the significant budget increase in these programs, a performance review should be done to determine if a public need exists for these programs and if the related monies are being spent in an efficient and effective manner.

# STATE OF ALASKA

AUDIT DIVISION  
POUCH W—ALASKA OFFICE BUILDING

## THE LEGISLATURE

FINANCE DIVISION  
POUCH WF—STATE CAPITOL

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

January 19, 1981

**DRAFT**

To: The Legislative Budget and Audit Committee

From: Gerald L. Wilkerson, CPA *GLW*  
Legislative Auditor  
Division of Legislative Audit

Subject: Legislative Responsibilities for Identifying  
Agency Programs to be Subjected to Sunset Review

According to AS 44.66.030, the Legislative Budget and Audit Committee is to designate, not later than March 1, 1981, the programs and activities within the Health and Social Services Budget Categories which shall be subject to termination in the next fiscal year. In addition, it is our interpretation that the Committee may select any program from within the Executive Branch.

The programs and sub-programs of the Budget Category mentioned above are listed in Attachment A.

Suggested criteria that may be helpful in selecting programs are listed in Attachment B.

Based upon the Division's workload, it is recommended the Committee not select more than eight to ten programs or activities for sunset review.

ATTACHMENT A

HEALTH BUDGET CATEGORY

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Nursing

Field Nursing  
Home Health Service  
Administration  
Early Screening

Contract Services - Mauneluk

Communicable Disease Control

TB Control  
Venereal Disease Control  
Immunization  
Epidemiology

Environmental Health

Child and Family Health

Maternal and Child Health  
Handicapped Children  
Communicative Disorders  
Child Development Service  
Administration  
Nutrition  
Special Education Grants

Laboratories

Regional Labs  
Administration

Public Health Administration

Administration  
Health Education  
Grant to GAAB  
Anchorage Education Programs for the Handicapped

Emergency Medical Services

Administration  
Advisory Council  
Grants

DEPARTMENT OF HEALTH AND SOCIAL SERVICES (cont'd)

Medicaid

Hospitals  
Physician Services  
Other Services  
Early Services  
Nursing Homes  
Indian Health Service

General Relief Medical

Hospitals  
Physicians Services  
Other Services  
Nursing Homes  
Catastrophic  
Residential Home Care

Public Assistance Administration and Collection

Administration  
Collection

Information Systems

Data Services  
Vital Statistics

State Health Planning and Development Agency

Health Planning and Development  
Certification and Licensing  
Administration  
Health Planning Committee  
Health Systems Agencies Grants

Alcohol and Drug Abuse

Administration  
Alcohol Abuse Grants  
Drug Abuse Grants

Alaska Psychiatric Institute

Contract Forensic Services

Community Mental Health Services

Regional Administration  
Juneau Regional Mental Health Clinic  
Community Mental Health Grants

DEPARTMENT OF HEALTH AND SOCIAL SERVICES (cont'd)

Harborview

Governor's Council on Handicapped

Community Developmental Disabilities Services

Client Program Management

Residential Care

Family Support

- Mental Health Administration and Support

Central Office Administration

Mental Health Council and Land Board

Demonstration Grants

STATE BOND COMMITTEE

Department Service

Health Facilities

SOCIAL SERVICES BUDGET CATEGORIES

OFFICE OF THE GOVERNOR

Alaska Plan

DEPARTMENT OF ADMINISTRATION

Longevity Bonus

Pioneers Homes

Sitka

Fairbanks

Palmer

Kotzebue

Anchorage

Central Office

DEPARTMENT OF EDUCATION

Youth Employment Services

SOCIAL SERVICES BUDGET CATEGORIES (cont'd)

DEPARTMENT OF REVENUE

Child Support Enforcement

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Assistance Payments

Aid to Families with Dependent Children  
Aid to the Blind  
Aid to the Disabled  
General Relief

Energy Assistance Program

Public Assistance Eligibility

Eligibility Determination  
Staff Development

Program Services

Homemaker Services  
Day Care  
Youth Services  
Adult Supportive Services

Foster Care

Institutional Care

Social Services

South Central Region  
Northern Region  
Southeastern Region  
Western Region  
Northwestern Region  
Southern Region

Social Services Administration

Central Office  
Staff Development

Work Incentive Program

SOCIAL SERVICES BUDGET CATEGORIES (cont'd)

Office of the Aging

Administration  
Grants

Old Age Assistance Payments

Commissioner's Office

Administration

Director's Office  
Personnel  
Supply  
Finance  
Graphic Arts  
Audit  
Fraud Investigation  
Management and Budget

Quality Control

Title XX Offset

DEPARTMENT OF LABOR

Employment Security

Employment Services  
Unemployment Insurance  
Fraud Investigation  
CETA Services  
Director's Office  
Data Processing Applications  
Data Processing Operations

Work Incentive Program

Commissioner's Office

Administrative Services

Management Services  
Labor Market Information  
Research Contracts

SOCIAL SERVICES BUDGET CATEGORIES (cont'd)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

Veterans Services

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Senior Citizens Tax Relief

Homeowner's Property Tax Exemption  
Renter's Equivalency Rebate  
Water and Sewer Assessment Defer.  
Motor Vehicle Exemption

Child Assistance

Day Care  
Head Start Grants

CETA

Classroom Training  
On the Job Training  
Work Experience  
Public Service Employment  
Services to Economic Disadvantaged  
Services and Administration

Senior Citizens Housing Development

Community Services

STATE BOND COMMITTEES

Department Service

Pioneers Homes  
Senior Citizen Housing

Attachment B

RECOMMENDED CRITERIA FOR SELECTING PROGRAMS  
SUBJECT TO SUNSET REVIEW

1. Duplication of program's objectives.
2. Duplication of efforts.
3. Degree of public exposure.
4. Dollars spent/Source of Funding
5. Dollar impact on consumer and/or private industry.
6. Availability/success of complaint function.
7. Results of assessment of alternative methods to achieve program's objectives.
8. Question of who should provide the service - State government, local government, or private sector.
9. Age of program.
10. Number of positions in program.
11. Existence of recent legislative review.
12. Indication of program deficiencies through internal or external audits.
13. Recent change in Legislation affecting the responsibilities of the program.

SB 226 (cont'd)

Bill adds new section to AS 27.09 entitled "REFINANCING," which states: "The department may refinance a loan under this chapter by making a loan to pay outstanding debts. The terms in AS 27.09-.040 apply to debts refinanced under this section." Provides Act effective immediately.

Introduced March 2 and referred to Resources and Finance.

Inset Review  
(programs in  
Dept. H&SS)

SENATE BILL NO. 227, by the Rules Committee by request of the Legislative Budget and Audit Committee. Designates certain programs in the Dept. of Health & Social Services for legislative review. Terminates the following activities and programs of the Dept. of Health & Social Services funded in the FY 81 budget:

--Activities and programs funded under the "homemaker services" and "adult supportive services" allocation of the program services appropriation (Sec. 51, p. 26, lines 10 & 18, Ch. 120, SLA 1980).

--Activities and programs funded by the Alaska Psychiatric Institute appropriation (Sec. 51, p. 36, line 14, Ch. 120, SLA 1980).

--Activities and programs funded by the State Health Planning and Development Agency appropriation (Sec. 51, p. 35, line 24, SLA 1980).

--Activities and programs funded by the information systems appropriation (Sec. 51, p. 35, line 21, Ch. 120, SLA 1980).

--Activities and programs funded by the holistic health project (Sec. 53, p. 75, line 13, Ch. 120, SLA 1980).

--Activities and programs relating to institutional care of juveniles funded by the appropriation for institutional care (Sec. 51, p. 27, line 11, Ch. 120, SLA 1980).

Terminations are effective July 1, 1982.

Introduced March 2 and referred to State Affairs.

Property Tax  
(partial ex-  
emption)

SENATE BILL NO. 228, by Senators Ferguson and Stimson. Exempts from municipal property taxation "the real property owned and occupied as a permanent place of abode by a resident, not exceeding \$85,000 in value." (Amends AS 29.53.020(a), Required Exemptions.) Amends AS 29.53.020(e) (exemption for residents over 65) to exempt from taxation the real property "which exceeds the exemption granted by (a)(9) of this section [\$85,000]." Thus bill allows all residents a property tax exemption for up to \$85,000 worth of property (used as permanent place of abode) and allows residents who are 65 or over an exemption for the full assessed value. Bill repeals AS 29.53.025(a) which allows municipalities to exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election. Effective January 1, 1982.

Introduced March 3 and referred to Community & Regional Affairs then to Finance.



# Alaska State Legislature

## Senate

### Committee on State Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

Official Business

April 2, 1981  
1:30 p.m.

Behrends Bldg.  
Juneau

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MEMBERS PRESENT: SENATOR FISCHER, CHAIR  
SENATOR COLLETTA  
SENATOR STIMSON

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AGENDA: CSHB 36 (Jud) "An Act relating to the privilege not to disclose sources of information; and providing for an effective date."

SB 93 "An Act relating to the decentralization of the executive branch of the state government; and providing for an effective date."

SB 227 "An Act designating programs and activities for review and termination under AS 44.66; and providing for an effective date."

SB 323 Taken up at evening hearing on this date

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Chairman Fischer called the meeting to order at 1:48 p.m. and invited testimony on CSHB 36 (Jud).

Representative Fred Brown, prime sponsor of the original and Chair of the House Judiciary Committee which provided a committee substitute, presented an overview of the bill. Discussion centered around the purpose of the legislation (to extend the conditional privilege not to disclose sources of information now enjoyed by reporters to still and TV news photographers) and on the House Judiciary Committee's determination that no change in Court Rules would be required. There had been some consideration given to changing Rule #501 to prevent a conflict arising between the provisions of the bill and rules governing court procedure under which the privilege is invoked in court. It was determined (and explained in the House Judiciary Committee's letter of intent) that the bill addresses the substantive law which defines when a privilege does or does not exist on the part of a journalist or a public official.

Chairman Fischer interjected that the Alaska Newspaper Association had sent written testimony in support of the legislation, and included some constructive suggestions to correct potential problems in

the language in Section 2; this section would permit a judge to deny privilege merely by finding that withholding testimony or evidence would be "contrary to the public interest".

Chairman Fischer stated that he felt the measure was an important one; he cited the importance of protecting news sources and the freedom of the press in order that the public should have adequate information. He suggested that notes of reporters, computer tapes and "any other documentation of news stories should also be protected.

Rep. Brown stated that the AG's office had described the language of the bill as both expanding and limiting. It is not clear from the language in the bill exactly what is meant by materials gathered while one is "acting in the course of his duties as a reporter".

Committee members determined that the definition of "reporter" should be expanded to include camera operators, production crews, editors and publishers of news organizations. Chairman Fischer recommended a letter of intent accompany the bill to reference House findings, and that a committee substitute be drafted which would reflect discussion at the hearing.

#### SB 193

Senator Parr, prime sponsor of Senate Bill 93, provided testimony in support of the measure, intended to address the problem of over-centralization of state functions. The bill requires decentralization and requires that regional/local offices be established so that only 15% of the state employees would be working in the capital. Enactment of the measure would promote decentralization of the decision making process in addition to personnel. The location of the capital, he stated, was not applicable to the bill. In response to the question, "What kinds of obstacles have you run into, what opposition?" Senator Parr stated that it was regarded by some people as a "pro-move" bill; if fully implemented it would considerably reduce the number of state employees in Juneau. A safeguard mechanism in the bill is gubernatorial approval of the plan.

Chairman Fischer suggested that state agencies be asked to respond substantively to the proposed legislation; it needs to be determined where employees are located in the state, where the decision making process takes place and a game plan needs to be developed for decentralization.

Senator Parr knew of no agency offhand which now meets the intention of the bill.

#### SB 227

Senator Sturgulewski, chair of the Legislative Budget and Audit Committee, provided testimony on this legislation, which falls in the category of "sunset legislation". She outlined the process

and purpose of sunset review, and stated support for the concept of having the ability to critically review a program.

Senator Colletta stated that programs could not be reviewed in this manner unless one took the position of considering terminating the program, thus forcing one to take positive action (by recreating a worthwhile program). He stated support for the measure.

Senator Fischer stated a need for conducting a policy and performance review of Health and Social Services.

Merle Jensen, of the Division of Legislative Audit, answered questions of Committee members relating to the conduct of audits, including those done on entire departments; one of the more common means of doing this is through a financial compliance audit, which measures compliance with the law in spending and accountability.

Allen Korhoner, of the Department of Health and Social Services, provided committee members with a letter describing the programs and indicated the Department's support of the activity. He declared his willingness to provide information and to work with auditors if the bill becomes law.

Meeting adjourned.

