



Original sponsor: Rules/Governor

Funding Information

General Fund	\$ -0-
Other Funds	1,137,800
	<u>\$1,137,800</u>

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 196 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making emergency appropriations to increase  
7 fiscal year 1985 appropriations for essential health  
8 and social services programs and reducing fiscal year  
9 1985 operating budget appropriations; and providing  
10 for an effective date."

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

12 \* Section 1. Section 21, ch. 122, SLA 84, page 4, lines 15 - 19 is  
13 amended to read:

14 Sec. 21. The sum of \$483,398,400 [\$486,645,200] is appropriated  
15 to the Department of Education for foundation program entitlements for  
16 fiscal year 1985 from the following funding sources:

17 Public Law 81-874 Funds \$11,900,000

18 General Fund \$471,498,400 [\$474,745,200]

19 \* Sec. 2. Section 22, ch. 122, SLA 1984, page 20, lines 17 - 20 is  
20 amended to read:

	ALLOCATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
21 Assistance	<u>56,473,400</u>	<u>36,004,900</u>	<u>20,468,500</u>
22 Payments	[52,506,400]	[33,175,700]	[18,330,700]
23 Aid to Families with			
24 Dependent Children	<u>42,628,400</u>		
25	[38,661,400]		
26 General Relief	537,000		
27 Adult Public			

1 Assistance 13,308,000

2 \* Sec. 3. The sum of \$417,600 is appropriated from the general fund to  
3 the Department of Health and Social Services, General Relief Medical Pro-  
4 gram, for payment of nursing home coverage for Alaskans who have lost  
5 Medicaid eligibility because of receipt of the longevity bonus for the  
6 fiscal year ending June 30, 1985.

7 \* Sec. 4. Section 22, ch. 122, SLA 1984, page 22, lines 18 - 20 is  
8 amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
Juvenile Custody		<u>16,815,200</u>	<u>16,815,200</u>	
		[16,139,400]	[16,139,400]	
Foster Care (5 positions)	<u>5,978,900</u>			
	[5,303,100]			
Institutional Care	10,836,300			

13  
14  
15  
16  
17  
18 \* Sec. 5. Section 22, ch. 122, SLA 1984, page 22, line 21 is amended  
19 to read:

	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
Social Services		<u>-4,902,900</u>	<u>4,902,900</u>
Block Grant Offset		[-4,227,100]	[4,227,100]

20  
21  
22  
23  
24 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
25 10.070(c).

# MEMORANDUM

# State of Alaska

TO: Jay Hogan  
Associate Director  
Office of Budget Review  
Office Management and Budget

DATE: January 28, 1985

FILE NO: 465-3030.

TELEPHONE NO:

FROM: *John R. Pugh*  
John R. Pugh  
Commissioner  
Department of Health & Social Services

SUBJECT: FY 85 Delete/Add  
Supplemental for Child  
Foster Care - Formula -  
funded Program

*RP06-85-0191*

A supplemental in the amount of \$675,800 G.F. is being requested in FY 85 for the Foster Care Component of the Juvenile Custody BRU. Funds would be expended for provider payments and related placement costs including clothing, client and escort travel, medical and special needs.

A supplemental is necessitated due to the dramatic increase in the Department's child protection caseload. The increased demand for out-of-home care reflects the increased complexity of the cases which the Division of Family & Youth Services is serving, and consequently, the higher number of children in state custody.

Foster care is a mandated service for children and juveniles who must reside away from their own home in order to be protected from abuse and neglect, or to be provided rehabilitative care. Foster care is an essential component of the Department's continuum of services, and adequate placement options must be available in order to protect children from the risk of harm. Foster care is the Department's preferred placement option when out-of-home care is required as it is the least restrictive setting and often prevents the need for more costly and intensive treatment services.

The demand for foster care has grown as shown below:

<u>Fiscal Year</u>	<u>Full-Time Equivalents</u>
80	455
81	465
82	475
83	516
84	617
85	670 (estimate)

This chart reflects the fact that the most pronounced increases in placements occurred in FY 84, and that the trend is projected to continue this year although it will not be as dramatic.

January 28, 1985

A supplemental was averted last year by expending some \$400,000 in reappropriated FY 83 Juvenile Custody funds for provider payments and support costs.

The Department has no realignment options within the Juvenile Custody BRU. There is only one other component, Institutional Care, and all funds have been expended or encumbered through grants to providers as prescribed by the recently enacted residential child care purchasing statute. However, the Department can receive an additional \$675,800 in Federal Social Services Block Grant funds which will counter-balance the need in foster care.

This supplemental request meets all three criteria for consideration identified in your memo of January 10, 1985: 1) This is a formula funded program which is impacted by circumstances beyond the Department's control, 2) services cannot be delayed, and 3) the Governor has identified child protection as one of his highest priorities, and per his request, he has appeared recently in a public service announcement promoting the recruitment of foster homes.

Without this supplemental, the Department will run out of foster care funds by May 15, 1985, requiring approximately 640 children be returned to harmful conditions. Clearly, this is not a desirable option.

JRP/FH/bs



FY 85 - REVISED PROGRAM SUMMARY  
 BY  
 BUDGET COMPONENT

BUDGET STRUCTURE: 02-21-33-00  
 COLLOCATION CODE: 06-21-3-940

CATEGORY	SOCIAL SERVICES
COVER PROGRAM	SOCIAL & ECONOMIC ASSISTANCE FOR THE GEN POP.
AGENCY	DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION	FAMILY AND YOUTH SERVICES
APPROPRIATION	S.S. BLOCK GRANT OFFSET
BRU	S.S. BLOCK GRANT OFFSET
ALLOCATION	S.S. BLOCK GRANT OFFSET
COMPONENT	S.S. BLOCK GRANT OFFSET

	Revenue APPROVAL DATES:			AUTO. JV.	RP# 06- 85-0		RP# 06- 85-0		RP# 06- 85-0	
	RP06-84 0397 FCC	GOV. VETO	AUTHOR. CHAP. SLA 84		BALANCE	JV	BALANCE	JV	BALANCE	
000 Unallocated										
01 Personal Svcs.										
02 Travel										
03 Contractual										
04 Commodities										
05 Equipment										
06 Lands, Bldgs.										
07 Grants, Claims										
08 Misc.										
TOTAL:	-0-		-0-	-0-	-0-	-0-				
Federal	4,227.1		4,227.1	4,227.1	675.8	4,902.9				
Federal										
Federal										
Federal										
002 Federal Total	4,227.1		4,227.1	4,227.1	675.8	4,902.9				
003 G/F Match										
004 General Fund	(4,227.1)		(4,227.1)	(4,227.1)	(675.8)	(4,902.9)				
005 I/A Rec.										
Deferred Rev.										
5 Full Time										
6 PI/Seasonal										
7 Non-permanent										
8 Months Auth.										
*Unrestr. Rev.										

(Rev.6/84) \* Unrestricted Revenue is a non-add.

Indirect Cost Rate: % Date

FY 85 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 83 ACTUAL	FY 84 FINAL AUTH.	FY 84 ACTUAL	FY 85 GOV. AMEND. BUDGET	FY 85 INITIAL AUTH.	FY 85 CURRENT AUTH.	FY 85 EXPENDITURES + ENCUMBRANCES 7/1 TO 12/31	FY 85 OTHER OBLIGATIONS 7/1 TO 6/30	FY 85 PROJECTED EXPENDI- TURES 7/1 TO 6/30	FY 85 PROJECTED EXCESS OR (DEFICIT)	FY 86 GOVERNOR'S RECOMMENDED
PERSONAL SERVICES					196.1	196.1	48.7	-0-	155.5	40.6	
TRAVEL			.3		3.0	3.0	.1	-0-	3.0	-0-	
CONTRACTUAL SERVICES		50.0	.3		4.8	349.8	304.3	-0-	349.8	-0-	375.0
SUPPLIES			.3		2.0	2.0	.0	-0-	2.0	-0-	
EQUIPMENT											
LANDS, BLDG.											
GRANTS, CLAIMS	3,993.7	4,667.6	4,717.0*	5,227.2	5,097.2	4,752.2	2,164.7	-0-	5,468.6	(716.4)	6,241.9
MISCELLANEOUS											
TOTAL	3,993.7	4,717.6	4,717.3	5,227.2	5,303.1	5,303.1	2,517.8	-0-	5,978.9	(675.8)	6,616.9
FEDERAL RECEIPTS											
REQUIRED GF MATCHING											
OTHER GENERAL FUND	3,993.7	4,717.6	4,717.3	5,227.2	5,303.1	5,303.1	2,517.8	-0-	5,978.9	(675.8)	6,616.9
INTER-AGENCY RECEIPTS											

AGENCY: Health and Social Services

BRU: Juvenile Custody

COMPONENT: Foster Care

REVEISED \_\_\_\_\_

\*Does not reflect \$400.0 charged to FY 83 Reappropriated funds.

FY 85 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 83 ACTUAL	FY 84 FINAL AUTH.	FY 84 ACTUAL	FY 85 COV. AMEND. BUDGET	FY 85 INITIAL AUTH.	FY 85 CURRENT AUTH.	FY 85 EXPENDITURES + ENCUMBRANCES 7/1 TO	FY 85 OTHER OBLIGATIONS 7/1 TO	FY 85 PROJECTED EXPENDI- TURES 7/1 TO 6/30	FY 85 PROJECTED EXCESS OR (DEFICIT)	FY 86 GOVERNOR'S RECOMMENDED
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
SUPPLIES											
EQUIPMENT											
LANDS, BLDG.											
GRANTS, CLAIMS											
MISCELLANEOUS											
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL RECEIPTS	3,376.0	4,227.1	4,203.9	4,227.1	4,227.1	4,227.1	2,479.9	-0-	4,902.2	675.8	4,727.5
REQUIRED GF MATCHING											
OTHER GENERAL FUND	(3,376.0)	(4,227.1)	(4,203.9)	(4,227.1)	(4,227.1)	(4,227.1)	(2,479.9)	-0-	(4,902.2)	(675.8)	(4,727.5)
INTER-AGENCY RECEIPTS											

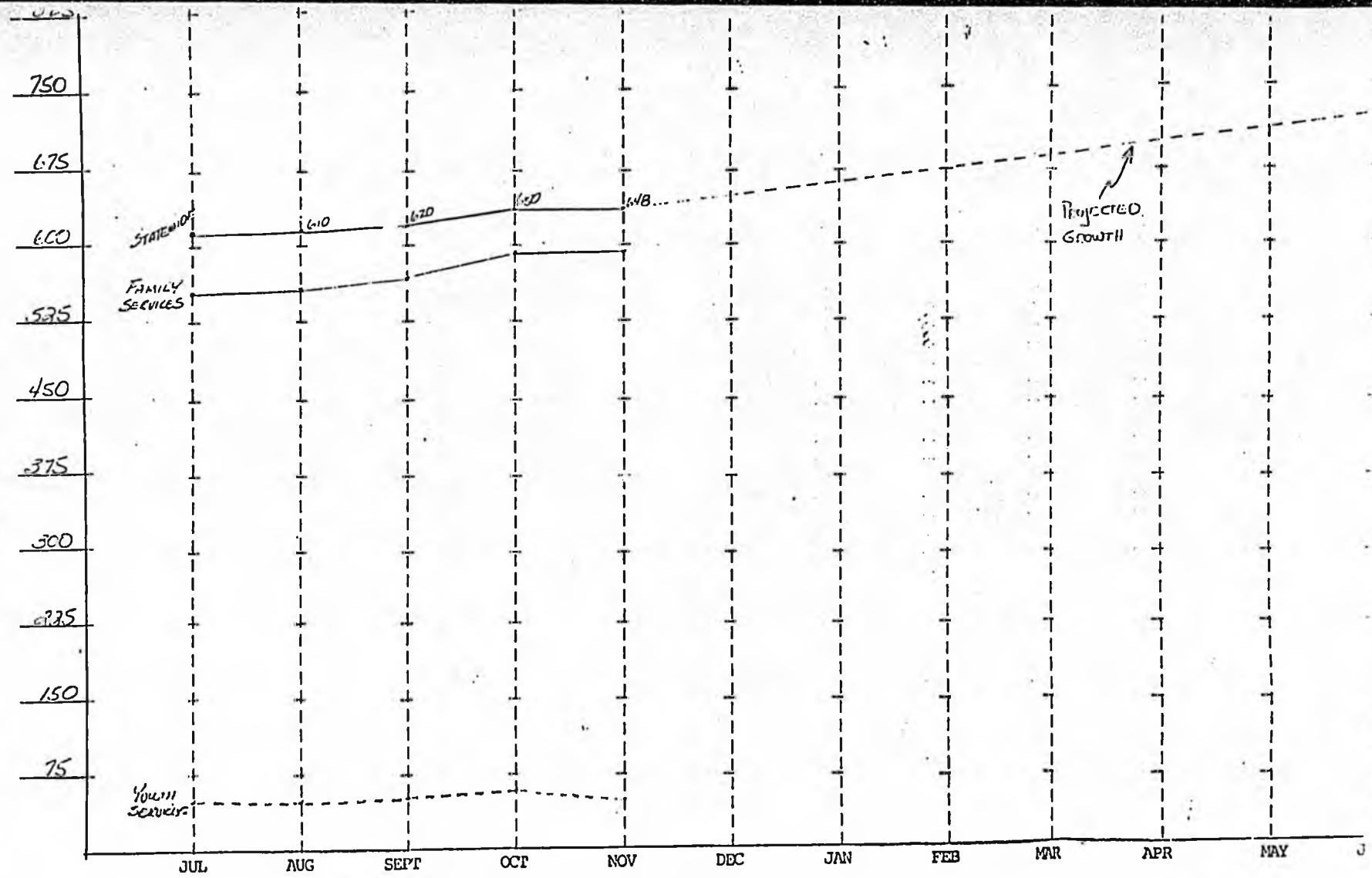
AGENCY: Health and Social Services

BRU: S.S. Block Grant Offset

COMPONENT: S.S. Block Grant Offset

REVEISED

FTE'S



FOSTER CARE

FAMILY SERVICES \_\_\_\_\_  
YOUTH SERVICES - - - - -

Projected Growth

# MEMORANDUM

State of Alaska

to: Mary Capobianco  
Budget Analyst  
Division of Budget Review  
Office of Management & Budget

DATE: January 30, 1985

FILE NO:

TELEPHONE NO:

FROM: Frank Hickey *FH*  
Social Services Field Administrator  
Division of Family & Youth Services

SUBJECT: Social Services  
Block Grant

Attached is a copy of the Pre-expenditure plan for FY 85 Social Services Block Grant. We had submitted the plan based on a February Federal Register which had the projected allocations for FFY 85. Please note that these monies have been appropriated by Congress; this is not a pending authorization.

Also attached is a worksheet showing how we computed for the SFY 85 Social Services Block Grant.

Attached are copies of the first and second quarter allotments.

If you have any questions, please contact me.

FH/PJ/bs

cc: Dick Renniger

Social Services Block Grant  
FY 85

Federal FY <del>84</del> Allocation	\$4,824,122 ÷ 4 quarters = \$1,206,031
Federal FY <del>85</del> Allocation	\$5,079,295 ÷ 4 quarters = \$1,269,824

State FY85:

07/01/84 - <del>06</del> 30/84	\$1,206,031 x 1 quarter = \$1,206,031 (FY <del>84</del> )
10/01/84 - 06/30/85	\$1,269,824 x 3 quarter = \$3,809,471 (FY85)
	<u>\$5,015,502</u>

Budgeted in FY85

Block Grant Offset	\$4,227,100
Staff Development	\$ 96,600
	<u>\$4,323,700</u>

Amount claimable in excess of amount budgeted \$691,802 \*

\* FY85 is the first year in many in which the Social Services Block grant award was increased. Because of the concern about the stability of these funds, the Department will request the balance in FY86.

**hds**  
human  
development  
services

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Office of the Assistant Secretary

1. Log No. HDS-IM-84- 2	2. Issuance Date: 09/14/84
3. Originating Office: Office of Management Services	
4. Key Word: Entitlement	5.
6.	7.

CORRECTED  
09-24-84

INFORMATION MEMORANDUM

TO: Senior State Officials Responsible for Title XX  
Block Grants to States for Social Services

SUBJECT: Additional Federal Allotments to States for Social  
Services Expenditures Pursuant to the Title XX -  
Block Grants to States for Social Services

LEGAL AND RELATED  
REFERENCES: Social Security Act: Section 2003

Attachment: Schedule promulgating each State's maximum share of  
the additional \$25 million for Fiscal Year 1984  
authorized by Public Law 98-396 for Social Services  
Block Grants.

INFORMATION: The attached promulgation sets forth each States share  
of the \$25 million supplemental appropriation authorized  
by Public Law 98-396, enacted August 22, 1984, for the  
Social Services Block Grant. This supplemental brings  
each States Allotment for Fiscal Year 1984 to the level  
established by Public Law 98-135, enacted October 24,  
1983.

EFFECTIVE DATE: ~~October 1, 1984~~ October 1, 1983

INQUIRIES TO: Regional Administrators, HDS

*Dorcas R. Hardy*  
Dorcas R. Hardy  
Assistant Secretary for  
Human Development Services

Distribution made gmb  
to Orlando  
Mike Rice, Du 146  
V



FISCAL YEAR 1984 ADDITIONAL FEDERAL ALLOTMENTS  
TITLE XX SOCIAL SERVICES BLOCK GRANTS

FFY 84

	INITIAL APPROPRIATION P.L. 98-139	SUPPLEMENTAL APPROPRIATION P.L. 98-396	AUTHORIZED LEVEL P.L. 98-135
TOTAL	\$2,675,000,000	\$ 25,000,000	\$2,700,000,000
Alabama	45,439,617	424,670	45,864,287
Alaska	4,779,455	44,667	4,824,122
Arizona	32,412,124	302,917	32,715,041
Arkansas	26,635,017	248,925	26,883,942
California	280,688,534	2,623,257	283,311,791
Colorado	34,395,830	321,457	34,717,287
Connecticut	36,356,335	339,779	36,696,114
Delaware	6,937,170	64,833	7,002,003
District of Columbia	7,319,990	68,411	7,388,401
Florida	118,129,085	1,104,010	119,233,095
Georgia	64,661,841	604,316	65,266,157
Guam	461,207	4,310	465,517
Hawaii	11,380,206	106,357	11,486,563
Idaho	11,124,992	103,972	11,228,964
Illinois	132,966,275	1,242,676	134,208,951
Indiana	63,432,176	592,824	64,025,000
Iowa	33,630,190	314,301	33,944,491
Kansas	27,644,271	258,357	27,902,628
Kentucky	42,481,460	397,023	42,878,483
Louisiana	49,975,459	467,061	50,442,520
Maine	13,143,499	122,836	13,266,335
Maryland	49,453,431	462,182	49,915,613
Massachusetts	66,970,364	625,891	67,596,255
Michigan	106,772,080	997,870	107,769,950
Minnesota	47,492,927	443,859	47,936,786
Mississippi	29,361,163	274,403	29,635,566
Missouri	57,318,650	535,689	57,854,339
Montana	9,199,290	85,974	9,285,264
Nebraska	18,294,173	170,973	18,465,146
Nevada	9,802,521	91,613	9,894,134
New Hampshire	10,858,178	101,478	10,959,656
New Jersey	85,890,969	802,720	86,693,689
New Mexico	15,405,619	143,978	15,549,597
New York	204,194,064	1,908,355	206,102,419
North Carolina	69,058,474	645,406	69,703,880
North Dakota	7,633,207	71,338	7,704,545
No. Mariana Islands	92,241	863	93,104
Ohio	125,066,253	1,168,844	126,235,097
Oklahoma	35,961,914	336,092	36,298,006
Oregon	30,753,236	287,413	31,040,649
Pennsylvania	137,710,926	1,287,019	138,997,945
Puerto Rico	13,836,207	129,310	13,965,517

Rhode Island	11,055,389	103,321	11,158,710
South Carolina	36,739,155	343,357	37,082,512
South Dakota	7,958,023	74,374	8,032,397
Tennessee	53,502,047	500,019	54,002,066
Texas	171,294,713	1,600,885	172,895,598
Utah	17,609,737	164,577	17,774,314
Vermont	5,985,918	55,944	6,041,862
Virgin Islands	461,207	4,310	465,517
Virginia	62,991,352	588,704	63,580,056
Washington	48,919,803	457,194	49,376,997
West Virginia	22,644,405	211,630	22,856,035
Wisconsin	55,010,127	514,114	55,524,241
Wyoming	5,707,504	53,342	5,760,846

NOV 05 1984

Office of Assistant Secretary  
Washington DC 20201

Department of Health and Social Services  
Attention: Commissioner  
Pouch H-01  
Juneau, Alaska 99801



The grant award listed below is available for State expenditures made in accordance with the State's plan under Title XX of the Social Security Act as amended for the period beginning October 1, 1984, and ending September 30, 1986:

Cash Support This Award	\$	<u>1,269,824.00</u>
Cash Support Previous Awards	\$	<u>-0-</u>
Total Awards to Date	\$	<u>1,269,824.00</u>
Remaining Allotment	\$	<u>3,809,471.00</u>

With the acceptance of this award, you agree to be responsible for limiting the drawing of funds to the actual time of disbursement and to submitting timely reports as required. Further, you agree that when these funds are advanced to secondary recipients, you will be responsible for effectively controlling their use of cash in compliance with Federal requirements. Federal funds to meet the current disbursing needs may be drawn by presentation of payment vouchers against the letter-of-credit issued for this block grant and certified to the U. S. Treasury Department. Withdrawals of funds are not to exceed the total grant award shown above under provisions of Treasury Department Circular No. 1075. Failure to adhere to these requirements may cause the undrawn portion of your letter-of-credit to be revoked.

Payments under this award will be made available through the HHS Departmental Federal Assistance Financing System (DFAFS). DFAFS is administered by the Office of the Deputy Assistant Secretary for Finance, Federal Assistance Financing Branch, Post Office Box 6005, Rockville, Maryland 20852, 301-443-1250.

Any questions you may have in connection with this grant should be referred to the Regional Administrator, Office of Human Development Services.

Please transmit the attached copy of this letter to the State Official authorized to sign vouchers on the letter-of-credit.

Sincerely,

David A. Rust  
Director  
Office of Policy and Legislation

*AD mb*  
OBLIGATION DATA

APPROPRIATION 7551634	CAN 5-1992342	DOCUMENT NO. 01-81BLAKSOSR
QUARTER October 1, 1984	ALLOTMENT \$5,079,295.00	EIN 1-92-600-1185-A7



DEPARTMENT OF HEALTH & HUMAN SERVICES

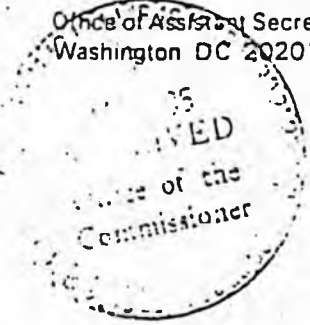


Office of  
Human Development Services

Department of Health and Social Services  
Attention: Commissioner  
Pouch H-01  
Juneau, Alaska 99801

JAN 7 1985

Office of Assistant Secretary  
Washington DC 20201



The grant award listed below is available for State expenditures made in accordance with the State's plan under Title XX of the Social Security Act, as amended, for the period beginning October 1, 1984, and ending September 30, 1986:

Cash Support This Award	\$ 1,269,824.00
Cash Support Previous Awards	1,269,824.00
Total Awards to Date	\$ 2,539,648.00
Remaining Allotment	\$ 2,539,647.00

With the acceptance of this award, you agree to be responsible for limiting the drawing of funds to the actual time of disbursement and to submitting timely reports as required. Further, you agree that when these funds are advanced to secondary recipients, you will be responsible for effectively controlling their use of cash in compliance with Federal requirements. Federal funds to meet the current disbursing needs may be drawn by presentation of payment vouchers against the letter-of-credit issued for this block grant and certified to the U.S. Treasury Department. Withdrawals of funds are not to exceed the total grant award shown above under provisions of Treasury Department Circular No. 1075. Failure to adhere to these requirements may cause the undrawn portion of your letter-of-credit to be revoked.

Payments under this award will be made available through the HHS Departmental Payment Management System (PMS). PMS is administered by the Office of the Deputy Assistant Secretary for Finance, Federal Assistance Financing Branch, Post Office Box 6005, Rockville, Maryland 20852, 301-443-1250.

Any questions you may have in connection with this grant should be referred to the Regional Administrator, Office of Human Development Services.

Please transmit the attached copy of this letter to the State Official authorized to sign vouchers on the letter-of-credit.

Sincerely,

David A. Rust, Director  
Office of Policy and Legislation

OBLIGATION DATA

APPROPRIATION 7551634	CA: 5-1992342	DOCUMENT NO. 01-85BLAKSOSR
QUARTER January 1, 1985	ALLOTMENT \$5,079,295.00	EII: 1-92-600-1185-A7

FY 85 FOSTER CARE PROJECTIONS

<u>MONTH</u>	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>
<u>FTE'S</u>	606.0	611.0	631.0	650.0
<u>COST PER UNIT</u>	\$18.40	\$18.48	\$18.60	\$18.55

First 5 months of FY 85 averaging 625.0 FTE's at \$18.48 CPU.

ASSUMPTION: With increase in FTE's projected by staff, for FY 85  
670 FTE's      \$18.50 CPU

670 FTE's X 365 days X \$18.50 CPU	\$4,524,175
Other costs (averaging 18%)	
Medical, travel, clothing	814,351
Contracts-Foster parent training	349,800
Subsidized Adoptions	130,000
Personal Services, Travel, Supplies	<u>160,500</u>
Total projected expenditures	\$5,978,826
Total projected expenditures 700 line only	\$5,468,526
Total authorized - 700's	<u>4,752,200</u>
Benefits deficit	(\$716,326)

*See 2  
short bill*

# MEMORANDUM

# State of Alaska

TO: Jay Hogan, Director  
Office of Management & Budget

DATE: January 17, 1985

FILE NO:

FROM: *J.R.P.*  
John R. Pugh, Commissioner  
Department of Health & Social Services

TELEPHONE NO: 465-3355

SUBJECT: FY85 Supplemental/General  
Relief Medical

The Department of Health and Social Services requests an FY85 Supplemental Appropriation of \$417,600 for the Medical Assistance BRU, General Relief Medical component to pay for nursing home coverage of Alaskans whose Longevity Bonus payment caused them to lose Medicaid eligibility.

The problem stems from a recent federal decision requiring all elderly to apply for the Longevity Bonus even if its receipt would endanger their continued eligibility for Medicaid. As you may recall, Governor Sheffield had requested DHHS Secretary Margaret Heckler to permit Alaskans to forgo their Longevity Bonus to protect their Medicaid eligibility.

At the time this federal decision was received, the Administration took the position that these individual's nursing home benefits should continue to be met pending the Legislature considering the problem.

Approximately 19 nursing home residents have lost Medicaid coverage thus far because of their Bonus. At present, the cost of nursing home care in Alaska averages \$130 per day or \$4000 per month per recipient. Nursing home coverage under Medicaid is normally funded at 60% state and 40% federal funds. This supplemental seeks to replace the lost federal funds only.

In addition to the 19 Alaskans currently being covered as exception, an additional 13 nursing home residents may be transferred from Medicaid to General Relief Medical Exception status in early 1985 due to their Bonus payment. This supplemental would protect all 32 potential exception cases.

Please note that the department is not funded to continue these nursing home exceptions into FY86. This supplemental request will not only fund FY85 costs, but will provide a vehicle to stimulate discussion with the Legislature on a course of action for the FY86 budget year.

Your consideration of this request is appreciated. Please contact Mr. Rod Betit directly if you need any further details. Thank you.

cc: Mr. Rod Betit, Director, Division of Medical Assistance

OFFICE OF  
MANAGEMENT & BUDGET

JAN 17 1985

BUDGET REVIEW



FY 05 - REVISED PROGRAM SUMMARY  
 BY  
 BUDGET COMPONENT

BUDGET STRUCTURE: 02-21-16-01  
 COLLOCATION CODE: 02-21-6-798

CATEGORY	Social Services
COVER PROGRAM	Soc. & Econ. Asst. Prog. for the Gen. Pop.
AGENCY	DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION	Medical Assistance
APPROPRIATION	Medical Assistance
ERD	Medical Assistance
ALLOCATION	Medicaid
ELEMENT	Medicaid

APPROVAL DATES:

	FCC	GOV. VETO	AUTHOR. CHAP.122 SLA 84	AUTO. JV.	RP# 06- 85-0181 JV	BALANCE	RP# 06- 85-0 JV	BALANCE	RP# 06- 85-0 JV	BALANCE
000 Unallocated										
01 Personal Svcs										
02 Travel										
03 Contractual										
04 Commodities										
05 Equipment										
06 Lands, Bldgs.										
07 Grants, Claims	61,539.5		61,539.5	61,539.5	<626.5>	60,913.0				
08 Misc.										
TOTAL	61,539.5		61,539.5	61,539.5	<626.5>	60,913.0				
1730) Federal XIV	29,292.8		29,292.8	29,292.8		29,292.8				
( ) Federal										
( ) Federal										
( ) Federal										
1002 Federal Total	29292.8		29292.8	29292.8		29292.8				
1003 G/T Hatch	32,246.7		32,246.7	32,246.7	<626.5>	31,620.2				
1007 General Fund										
( ) T/A Receipts										
Deferred Rev.										
15 Full Time										
16 PT/Seasonal										
17 Non-permanent										
18 Months Auth.										
*Unrestr. Rev.										

(Rev.6/84)

\* Unrestricted Revenue is a non-add.

Indirect Cost Rate: \_\_\_\_\_ % \_\_\_\_\_ Date

FY 85 - REVISED PROGRAM SUMMARY  
 BY  
 BUDGET COMPONENT

BUDGET STRUCTURE: 02-21-16-02  
 COLLOCATION CODE: 06-21-6-898

CATEGORY	Social Services
COVER PROGRAM	Soc. & Econ. Asst. Prog. for the Gen. Pop.
AGENCY	DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION	Medical Assistance
APPROPRIATION	Medical Assistance
BRU	Medical Assistance
ALLOCATION	General Relief Medical
COMPONENT	General Relief Medical

	APPROVAL DATES:			AUTO. JV.	RP# 06- 85-0 181 JV	BALANCE	RP# 06- 85-0 JV	BALANCE	RP# 06- 85-0 JV	BALANCE
	FCC	GOV. VETO	AUTHOR. CHAP.122 SLA 84							
000 Unallocated										
01 Personal Svcs										
02 Travel										
03 Contractual										
04 Commodities										
05 Equipment										
06 Lands, Bldgs.										
07 Grants, Claims	10,259.5		10,259.5	10259.5	1044.1	11303.6				
08 Misc.										
TOTAL	10,259.5		10,259.5	10259.5	1044.1	11303.6				
) Federal										
) Federal										
) Federal										
) Federal										
002 Federal total										
003 G/F Match										
004 General Fund	10,259.5		10,259.5	10259.5	1044.1	11303.6				
) I/A Receipts										
Deferred Rev.										
15 Full Time										
16 PT/Seasonal										
17 Non-permanent										
18 Months Auth.										
*Unrestr. Rev.										

(Rev. 6/84)

\* Unrestricted Revenue is a non-add.

Indirect Cost Rate: \_\_\_\_\_ % \_\_\_\_\_ Date

FY85 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6
	FY83 ACTUAL EXPEND	FY84 FINAL AUTH	FY84 ACTUAL EXPEND TO 11/30/84	FY85 GOV. AMEND. BUDGET	FY85 INITIAL AUTH.	FY85 CURRENT AUTH.  *
GRANTS, CLAIMS	44,441.0	57,513.6	51,870.1	63,031.9	61,539.5	60,913.0
TOTAL	44,441.0	57,513.6	51,870.1	63,031.9	61,539.5	60,913.0
FEDERAL RECEIPTS	22,144.6	27,411.4	24,721.1	30,004.9	29,292.8	29,292.8
REQUIRED GF MATCHING	22,296.4	30,102.2	27,148.4	33,027.0	32,246.7	31,620.2
PROGRAM RECEIPTS						

AGENCY: DIVISION OF MEDICAL ASSISTANCE      BRU: MEDICAL ASSISTANCE      COMPONENT: MED

\* After tranfer of 626.5 of SGFM portion to GRM.

\*\* Expenditures for these clients reflected in GRM.

**POSITION PAPER**

**Committee Substitute for House Bill No. 196 (Finance)**

"An Act making emergency appropriations to increase Fiscal Year 1985 appropriations for essential health and social services programs and reducing fiscal year 1985 operating budget appropriations; and providing for an effective date".

**I. Introduction**

Section 1 of CSHB 196 would delete \$3,246,800 in unexpended funds from the FY85 budget of the Department of Education. This deletion balances out with the increased general fund appropriations in Sections 2 and 3.

Section 2 of CSHB 196 would appropriate a FY85 supplemental total of \$3,967,000 in order to meet the formula program need for the Assistance Payments BRU, Aid to Families with Dependent Children (AFDC) component. (\$2,829,200 in general funds and \$1,137,800 in additional federal funds.)

The FY85 AFDC appropriation increase is based on the projected increase of 934 families receiving monthly AFDC cash assistance above the initial FY85 C.C. Authorization. AFDC program funding need is dependent on the number of eligible cases and the cash assistance amount issued monthly. Legislative intent associated with the FY85 AFDC appropriation stated "if funding for program is insufficient to meet demand, service and eligibility are not to be reduced or eliminated and the Department is to request supplemental funding."

AFDC caseloads and expenditures increased significantly between January 1984 and June 1984. During July through February 1985 (FY85) the statewide increase trend leveled during July - October, and then exhibited seasonal increases beginning November 1984. The recent AFDC caseload increases are not unique from a historical standpoint, but do represent a major increase from the low, relatively stable, caseload impact of the period January 1982 through December 1983. The Department is projecting AFDC service demand and caseload trends to exhibit 6-8% annual increases through fiscal year 1986.

Section 3 of CSHB 196 would appropriate the sum of \$417,600 from the general fund to the Department of Health & Social Services, General Relief Medical Program, for payment of nursing home coverage for Alaskans who have lost Medicaid eligibility due to receipt of the Longevity Bonus for the fiscal year ending July 30, 1985.

This problem was created by a recent federal decision requiring all elderly to apply for the Longevity Bonus even if its receipt would endanger their continued eligibility for Medicaid. Governor Sheffield asked U.S. Department of Health & Human Services Secretary Margaret Heckler to permit Alaskans to forgo their Longevity Bonus to protect

their Medicaid eligibility. When this request was denied, the Administration determined that these individual's nursing home benefits should continue to be met pending the Legislature addressing the problem. A total of 32 nursing home residents would have lost their Medicaid nursing home coverage due to their Longevity Bonus if the Administration had not taken this action to protect their care. The Administration is presently covering nursing home care for these persons under the State General Relief Medical program at 100% State expense.

Section 4 would appropriate a FY85 supplemental total of \$675,800 to the Foster Care Component of the Juvenile Custody BRU. Funds would be expended for provider payments and related placement costs including clothing, client and escort travel, medical and special needs. A supplemental is necessitated due to the dramatic increase in the Department's child protection caseload.

Foster care is a mandated service for children and juveniles who must reside away from their own home in order to be protected from abuse and neglect, or to be provided rehabilitative care. Foster care is the Department's preferred option when out-of-home placement is required as it is the least restrictive setting and often prevents the need for more costly and intensive treatment services.

The demand for foster care has grown as shown below:

<u>Fiscal Year</u>	<u>Full-Time Equivalents</u>
80	455
81	465
82	475
83	516
84	617
85	670 (Estimate)

This chart reflects the fact that the most pronounced increase in placements occurred in FY84, and that the trend is projected to continue this year although it will not be as dramatic. (A supplemental request was averted in FY84 by extending some \$400,000 in reappropriated FY83 Juvenile Custody funds for provider payments and support costs.)

The Department has no realignment options with the Juvenile Custody BRU. There is only one other component, Institutional Care, and all funds have been expended or encumbered through grants to providers as prescribed by the recently enacted residential child care purchasing statute. However, the Department can receive an additional \$675,800 in Federal Social Services Block Grant funds to counterbalance the need for foster care, as reflected in Section 5 of CSHB 196.

Without this supplemental appropriation the Department would run out of foster care funds by May 15, 1985 for the approximately 640 children in state foster care. Five hundred and seventy of these

children would return to their potentially harmful home situations; the others would prematurely leave rehabilitative treatment, potentially still a danger to the community or to themselves.

Section 5 of CSHB 196 would increase the Department's appropriation of federal funds from the Title XX Social Services Block Grant by \$675,800, which decreases the general fund appropriation in the block grant offset account by the same amount. These funds would be used as explained above, to fund Foster Care costs in the Juvenile Custody BRU.

II. Departmental Position:

The Department strongly supports passage of CSHB 196 (Finance).

Recommended By: Randy Cup  
FOR: Rod Betit, Director  
Division of Medical Assistance

Date: April 1, 1985

Recommended By: John R. Taber  
John R. Taber, Director  
Division of Public Assistance

Date: 4-1-85

Recommended By: Michael L. Price  
Michael L. Price, Director  
Division of Family and Youth  
Services

Date: April 1, 1985

Approved By: John R. Pugh  
John R. Pugh, Commissioner  
Department of Health & Social  
Services

Date: 4-2-85

**STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: CSHB 196 (Finance)  
Title: An Act making emergency  
 approp. to increase FY85  
Sponsor: Rules  
Requestor: \_\_\_\_\_  
Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Health & Social Services  
Program Category Affected: Social & Econ  
 Assistance Prog. for General Population  
BRU, Program or Subprogram(s) Affected:  
 Assistance Payments BRU - Aid to Families  
 with Dependent Children (AFDC)

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	3967.0	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	3967.0	-0-	-0-	-0-	-0-	-0-

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE</b>						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	2829.2	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	1137.8	-0-	-0-	-0-	-0-	-0-
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** Attach a separate page if necessary

See attached analysis.

Prepared By: John R. Taber, Director  
 Division: Public Assistance

Phone: 465-3347  
 Date: 4/1/85

Approved by Commissioner: John R. Taber  
 Agency: Health & Social Services

Date: 4-2-85 jcc

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ANALYSIS OF CSHB 196 (FINANCE)

Section 2

The Division of Public Assistance requests a FY85 supplemental appropriation of 3967 (FED 1137.8, GFM 2829.2) in order to meet AFDC formula program need in FY85. The authorization increase is based on the projected increase of 934 families receiving monthly AFDC cash assistance above the initial FY85 budget authorization:

	(1) FY85 AFDC <u>Authorization</u>	(2) PFD Hold Harmless <u>Authorization</u>	(3) FY85 Formula Need	(4) Deficit Supplemental <u>Request</u>
AFDC Program	38661.4	1691.4	44319.8	(3967.0)
<u>AFDC Funding Service:</u>				
Federal	19330.7		20468.5	(1137.8)
General Fund @ 50%	19330.7		22159.9	(2829.2)
AFDC PFD-Hold				
Harmless		1691.4	1691.4	-0-
Federal Replacements				
AFDC Average Monthly Caseload	5429		6403	(934)

The FY85 AFDC supplemental appropriation need is 3967.0 (FED 1137.8 and GFM 2829.2). This supplemental is based on the projected increase of 934 families receiving monthly AFDC cash assistance above the initial FY85 authorization. The FY85 C.C. AFDC authorization includes excess federal funds of 1691.4 due to the effect of the Permanent Fund Dividend Hold Harmless program. AFDC program expenditures are funded at 50% federal and 50% GFM. However, due to the PFD Hold Harmless program impact, 1691.4 in federal funds cannot be claimed. Based on the projected FY85 AFDC total expenditures of 44319.8, the federal reimbursement would be 20468.5 which, combined with 1691.4 charged to the PFD Hold Harmless BRU, equals 22159.9 or 50% of the AFDC program expenditure.

As a general observation most of the caseload and expenditure increase has occurred in the Southcentral area, however, AFDC caseloads in all locations statewide have continued to increase over the period. The cause of the increase in caseload that led to this supplemental need is the higher demand for AFDC services by needy Alaskans.

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: CSHB 196(Fin)  
 Title: An Act making emergency  
approp.to increase FY85 appropriations.  
 Sponsor: Finance Committee  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Health & Social Services  
 Program Category Affected: Social Services  
 BRU, Program or Subprogram(s) Affected:  
Juvenile Custody; S.S. Block Grant Offset

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	675.8	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>675.8</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL</b>						
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<b>REVENUE</b>						
----------------	--	--	--	--	--	--

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Title 20)	675.8	-0-				
<b>TOTAL</b>	<b>675.8</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** Attach a separate page if necessary

A projected additional need of 675.8 general funds for Foster Care can be offset by an increased authorization of Title XX receipts for the Social Services Block Grant Offset BRU. Additional federal receipts are available as a result of increased allocations for the Social Services Block Grant. See attached analysis.

Prepared By: Michael Price *Michael Price* Phone: 465-3170  
 Division: Family & Youth Services Date: 4/2/85

Approved by Commissioner: J.R. Oy Date: 4-2-85 *JCC*  
 Agency: Department of Health and Social Services

Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

7/1/84

Sections 4 and 5 CS for HB 196 (Finance)

FY 85 FOSTER CARE PROJECTIONS

<u>MONTH</u>	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>	<u>JANUARY</u>
<u>FTE</u>	606	611	631	650	678	661	668
<u>COST PER UNIT</u>	\$18.40	\$18.48	\$18.60	\$18.55	\$18.60	\$18.44	\$18.46

First 7 months of FY 85 averaging 644 FTEs at \$18.57 CPU.

ASSUMPTION: With an anticipated increase in FTEs projected by staff over and above the normal spring increase, 670 FTEs are projected at \$18.50 CPU for FY 85.

<u>Line Item</u>		
100,200,400	Personal Services, Travel, Supplies	160,500
300	Contracts-Foster parent training	349,800
700	Subsidized Adoptions	130,000
700	670 FTEs X 365 days X \$18.50 CPU	4,524,175
700	Other costs (averaging 18%) Medical, travel, clothing	814,351
	TOTAL projected expenditures	<u>\$5,978,826</u>

<u>Foster Care</u>	<u>FY 85 Authorized</u>	<u>FY 85 Projected</u>	<u>FY 85 Projected Excess (Deficit)</u>
100	\$ 196.1	\$ 155.5	40.6
200	3.0	3.0	.0
300	349.8	349.8	.0
400	2.0	2.0	.0
700	<u>4,752.2</u>	<u>5,468.6</u>	<u>&lt;716.4&gt;</u>
General Fund	\$5,303.1	\$5,978.9	<675.8>

Social Services Block Grant Offset

General Fund	<4,227.1>	<4,902.2>	675.8
Title XX	4,227.1	4,902.2	<675.8>

**STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: CSHB 196 Fin.  
 Title: An Act making emergency  
approp. to Increase FY85  
 Sponsor: Rules Committee  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Health & Social Services  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected:  
Medical Assistance - General Relief Medical

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	417.6	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	417.6	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	417.6	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	417.6	-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** Attach a separate page if necessary

SEE ATTACHED ANALYSIS

Prepared By: Rod Betit, Director *R Betit*  
 Division: Medical Assistance

Phone: 465-3355  
 Date: 2/15/85

Approved by Commissioner: John R. Poy  
 Agency: HEALTH & SOCIAL SERVICES

Date: 4-2-85 *JCC*

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

ANALYSIS CSHB 196 SECTION 3

The Division of Medical Assistance has identified 19 nursing home residents who have lost Medicaid coverage due to receipt of the Alaska Longevity Bonus (ALB). An additional 13 nursing home residents are anticipated to lose their Medicaid coverage due to receipt of the ALB in early 1985.

These residents have been moved from the Medicaid program to the General Relief Medical program as exceptions to protect their status pending Legislative consideration of the ALB problem.

At the present time nursing home care in Alaska averages \$130 per day or \$4000 per month per recipient. Nursing home coverage under Medicaid is normally funded 60% state and 40% federal funds. This appropriation would replace only the lost federal funds.

<u>Number</u> <u>Recipients</u>	<u>Average</u> <u>Monthly</u>	<u>Number</u> <u>of Months</u>	<u>Total</u> <u>Cost</u>	<u>40%</u> <u>Federal</u>
19	4,000	11	\$836,000	\$334,400
13	4,000	4	<u>208,000</u>	<u>83,200</u>
				\$417,600

See 1  
short bill

# MEMORANDUM

# State of Alaska

TO: Jay Hogan, Associate Director  
Office of Management and Budget  
Division of Budget Review  
Office of the Governor

FROM: *John R. Pugh*  
John R. Pugh, Commissioner  
Department of Health and Social Services

DATE: January 16, 1985  
OFFICE OF MANAGEMENT & BUDGET  
JAN 16 1985

FILE NO:

TELEPHONE NO: 3030

SUBJECT: ~~FY85 Supplemental~~  
BUDGET REVIEW  
Assistance Payments  
BRU - AFDC Component

The Department of Health and Social Services requests a FY85 supplemental appropriation of 3967.0 (Fed 1137.8, GFM 2829.2) in order to meet the projected program need for the Assistance Payments BRU, AFDC component. This request replaces the FY85 Supplemental request forwarded to your office on December 5, 1984.

### AFDC Expenditure Trend

<u>Monthly Caseload and Expenditure</u>	<u>12 Months Ago 12/83</u>	<u>9 Months Ago 3/84</u>	<u>6 Months Ago 6/84</u>	<u>Current 12/84</u>
AFDC Cases (families)	5456	5868	6005	6372
Expenditure	2981.5	3305.7	3326.4	3564.8

During the two year period January 1982 through December 1983, AFDC monthly caseload and expenditure remained fairly stable. However, in the period January - June 1984, AFDC program caseloads increased at a rate significantly above any level in the preceding 30 months. In the six months beginning February 1984 and ending July 1984, the AFDC caseload increased by approximately 500 cases.

<u>FY85 AFDC FORMULA NEED</u>	(1) <u>FY85 AFDC Authorized</u>	(2) <u>PFD Hold Harmless Auth</u>	(3) <u>FY85 Formula Need</u>	(4) <u>(Deficit) Supp Request</u>
AFDC Program	38661.4	1691.4	44319.8	(3967.0)
AFDC Funding Source				
FED	19330.7		20468.5	(1137.8)
General Fund @ 50%	19330.7		22159.9	(2829.2)
AFDC PFD-Hold Harmless FED Replacement		1691.4	1691.4	-0-
AFDC Average Monthly Caseload	5429		6403	(934)

The FY85 AFDC supplemental appropriation need is 3967.0 (Fed 1137.8 and GFM 2829.2). This supplemental is based on the projected increase of 934 families receiving monthly AFDC cash assistance above the initial FY85 authorization. The FY85 C.C. AFDC authorization includes excess federal funds of 1691.4 due to the effect of the Permanent Fund Dividend Hold Harmless program. AFDC program expenditures are funded at 50% federal and 50% GFM. However, due to the PFD Hold Harmless program impact 1691.4 in federal funds can not be claimed. Based on the projected FY85 AFDC total expenditures of 44319.8, the federal reimbursement would be 20468.5 which combined with 1691.4 charged to the PFD Hold Harmless BRU equals 22159.9 or 50% of the AFDC program expenditure.

As a general observation most of the caseload and expenditure increase has occurred in the Southcentral area, however, AFDC caseloads in all locations statewide have continued to increase over the period. The cause of the increase in caseload that led to this supplemental request is the higher demand for AFDC services by needy Alaskans.

In summary, AFDC caseloads and expenditures increased sharply between January 1984 and June 1984. During the period June through December 1984 (FY85) the Statewide increase leveled during July-October and then exhibited significant seasonal increases beginning November.

AFDC program funding need is dependent on the number of eligible cases and the cash assistance amount issued monthly. Legislative intent associated with the FY85 appropriation stated "if funding for program is insufficient to meet demand, service and eligibility are not to be reduced or eliminated and the Department is to request supplemental funding."

If a FY85 AFDC Supplemental is determined not feasible then the Department would be forced to immediately promulgate regulations providing for a ratable reduction of each AFDC recipient family's monthly payment amount.

The available AFDC GFM balance ending January 1985 will be approximately 71% of the AFDC projected formula need for the remaining February-June 1985 period. The net FY85 deficit of 5658.4 includes 1691.4 in excess federal funds which are not available unless matched with supplemental state general fund. The table below summarizes the impact on AFDC monthly level of cash assistance with respect to varying implementation dates beginning February 1, 1985:

	Implement <u>Feb 1st</u>	Implement <u>March 1st</u>	Implement <u>April 1st</u>	Implement <u>May 1st</u>
Implement Ratable				
TOTAL Reduction Required	5658.4	5658.4	5658.4	5658.4
Per Cent Available vs. Need	71%	64%	52%	29%
TOTAL Expenditure Reduction Each Month	1131.6	1414.6	1886.1	2829.2
Current Formula Average Payment \$	583	583	583	583
Average Payment Reduction \$	(170)	(210)	(280)	(414)
Average Payment With Ratable \$	413	373	303	169
Current Adult Included (AI) and 1 Child (AI-2) Maximum Payment Standard	638	638	638	638
Ratable Reduction Needed \$	(185)	(230)	(306)	(453)
Revised AI-2 Maximum Standard \$	453	408	332	185

If a ratable reduction were implemented prior to the February 1 regular monthly benefit distribution, then the average payment reduction per family would be \$163.00 each month for the final five months of FY85. Based on the projected expenditure pattern and assuming a ratable reduction is not implemented, then, the AFDC component general fund authorization will be nearly exhausted by the end of April 1985. In this case, in order to process and mail the May 1985 regular monthly AFDC issuance, this supplemental request would have to be approved no later than April 25.

The AFDC component is not the only public assistance formula program experiencing increased service demand, in fact all Assistance Payments BRU components, including Adult Public Assistance (APA) and General Relief Assistance (GRA) have exhibited very significant caseload and expenditure increases. The magnitude of the caseload increases in both APA and GRA have substantially increased the potential need for a FY85 supplemental in these two components as well.

The Department strongly recommends following the legislative intent which supports a supplemental appropriation in lieu of reducing service levels within the Assistance Payments BRU. However, in the event the Governor elects not to support and pursue a FY85 supplemental appropriation for the AFDC component, then the Department's only option would be to implement a ratable reduction effective February 1, 1985. Thank you.

Attachments

TO: Jay Hogan, Associate Director  
Division of Budget Review

FROM: Mary Capobianco, Budget Analyst *MC*  
Division of Budget Review

DATE: January 31, 1985

SUBJECT: FY 85 AFDC Request

It should be noted that while \$44,319,800 is described in the chart on the first page of the request memo from the Department of Health & Social Services as the revised full formula need, the total request for funds has been adjusted by the amount of the offset from the Permanent Fund Dividend Hold Harmless program.

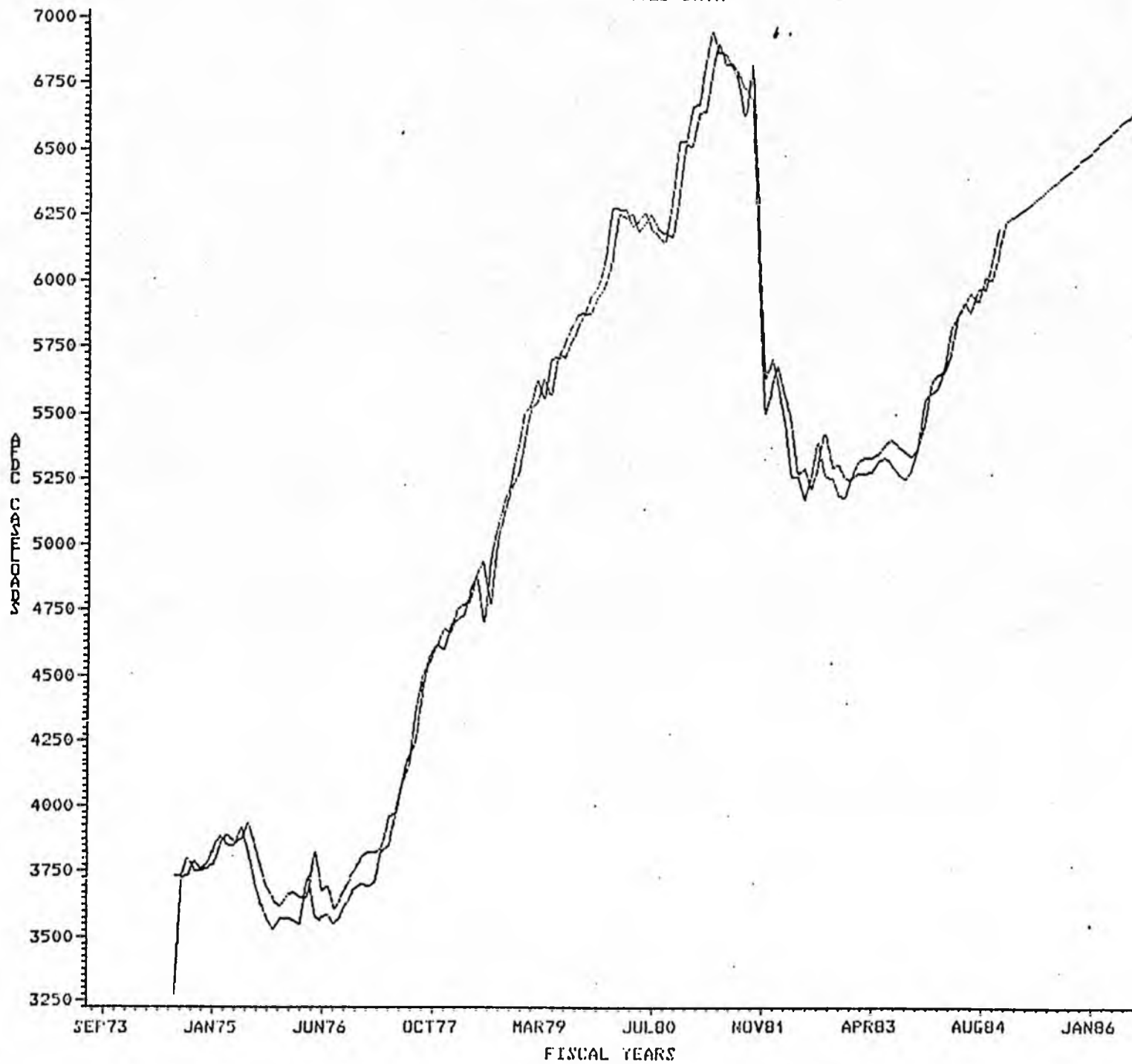
While AFDC expenditures are funded at 50 percent general funds and 50 percent federal funds, a total of \$1,691,400 in federal funds cannot be claimed. AFDC clients who receive a permanent fund dividend often become over income for period of time. The 1982 Legislature determined that these clients should be "held harmless" from the effects of receipt of the permanent fund dividend. For a period of up to four months the Permanent Fund Dividend Hold Harmless program will pick up the costs of the lost federal eligibility with state general funds.

Although the replacement of federal funds was not displayed in the FY 85 authorization for AFDC, it should be taken into account when reviewing the revised formula need because it decreases the actual amount of federal funds needed.

It should be understood that while \$44,319,800 is the full formula need based on increased caseload, the actual need, when factoring in the PFD Hold Harmless offset, is \$42,628,400 as reflected in the bill. The following chart may be helpful in understanding the formula need described in this memo, as it is offset by the Permanent Fund Dividend Hold Harmless program:

<u>FY85</u> <u>Auth.</u>	<u>FY85</u> <u>Formula</u>	<u>Deficit</u>	<u>PFD Hold</u> <u>Harmless</u>	<u>Actual</u> <u>Suppl.</u>	<u>Actual</u> <u>Formula</u>
38,661.4	44,319.8	(5,658.4)	1,691.4	(3,967.0)	42,628.4
19,330.7 GF	22,159.9	(2,829.2)		(2,829.2)	22,159.9
19,330.7 FF	22,159.9	(2,829.2)		(1,137.8)	20,468.5
			1,691.4		1,691.4

CASELOAD FORECAST  
SEASONALLY ADJUSTED DATA



FY 85 - REVISED PROGRAM SUMMARY  
 BY  
 BUDGET COMPONENT

BUDGET STRUCTURE: 02-21-01-01  
 COLLOCATION CODE: 06-21-6-010

CATEGORY	Social Services
COVER PROGRAM	Soc. & Econ. Asst. Prog. for the Gen. Pop.
AGENCY	DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION	Public Assistance
APPROPRIATION	Assistance Payments
BRU	Assistance Payments
ALLOCATION	Aid to Families with Dependent Children
COMPONENT	Aid to Families with Dependent Children

	APPROVAL DATES:			AUTO. JV.	RP# 06- 85-0158 JV	BALANCE	RP# 06- 85-0158 JV	BALANCE	RP# 06- 85-0185 JV	BALANCE
	FCC	GOV. VETO	AUTHOR. CHAP.122 SLA 84							
000 Unallocated										
01 Personal Svcs										
02 Travel										
03 Contractual										
04 Commodities										
05 Equipment										
06 Lands, Bldgs.										
07 Grants, Claims	38,661.4		38,661.4	38,661.4	1410.9	40,072.3	<1410.9>	38,661.4	3967.0	42,628.4
08 Misc.										
TOTAL	38,661.4		38,661.4	38661.4	1410.9	40072.3	<1410.9>	38,661.4	3967.0	42628.4
(726) Federal IV-A	19,330.7		19,330.7	19,330.7	54.1	19,384.8	<54.1>	19,330.7	1137.8	20,468.5
( ) Federal										
( ) Federal										
( ) Federal										
1002 Federal Total	19,330.7		19,330.7	19,330.7	54.1	19,384.8	<54.1>	19,330.7	1137.8	20,468.5
1003 G/F Match	19,330.7		19,330.7	19,330.7	1356.8	20,687.5	<1356.8>	19,330.7	2829.2	22,159.9
1004 General Fund										
( ) I/A Receipts										
Deferred Rev.										
15 Full Time										
16 PT/Seasonal										
17 Non-permanent										
18 Months Auth.										
*Unrestr. Rev.										

(Rev. 6/84) \* Unrestricted Revenue is a non-add.

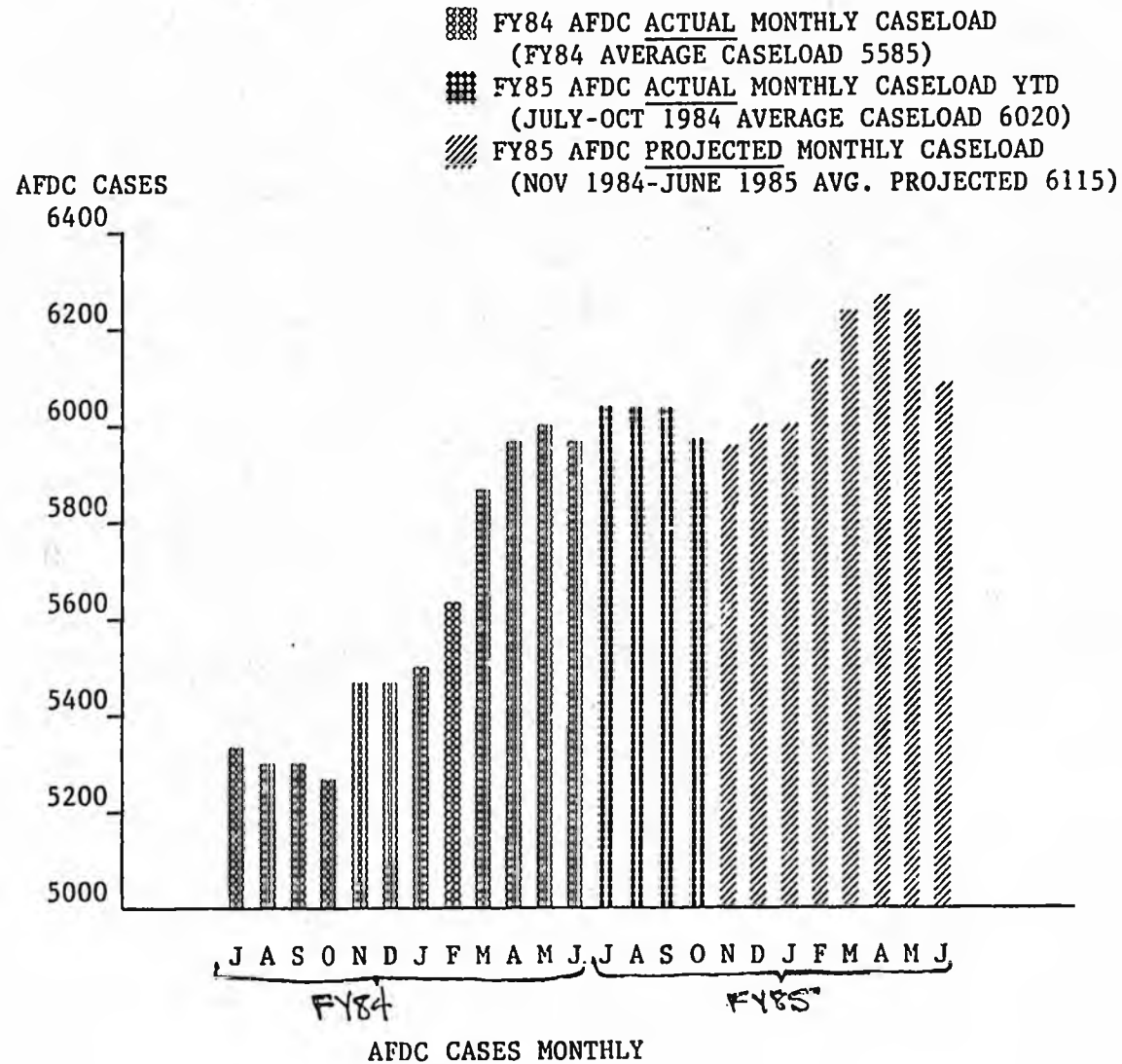
Indirect Cost Rate: \_\_\_\_\_ % \_\_\_\_\_ Date

	1 FY 8/3 ACTUAL	2 FY 8/4 FINAL AUTH	3 FY 8/4 ACTUAL	4 FY 8/5 GOV. AMEND. BUDGET	5 FY 8/5 INITIAL AUTH.	6 FY 8/5 CURRENT AUTH.	7 FY 8/5 EXPENDITURES + ENCUMBRANCES 7/1 to 12/31/84	8 FY 8/5 OTHER OBLIGATIONS 7/1 to	9 FY 8/5 PROJECTED EXPENDI- TURES to 6/30	10 FY 8/5 (DEFICIT) OR EXCESS	11 FY 8/6 GOVERNOR'S RECOMMENDATION CURRENT
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BLDG.	33712.3	41190.2	37639.9	39387.8	38661.4	*40352.8	20897.2	23422.6	(3967.0)	44195.4	
GRANTS, CLAIMS											
MISCELLANEOUS											
TOTAL	33912.3	41190.2	37639.9	39387.8	38661.4	40352.8	20897.2	23422.6	(3967.0)	44195.4	
FEDERAL RECEIPTS	14972.7	20595.1	17603.5	19693.9	19330.7	19330.7	8757.2	11711.3	(1137.8)	20288.2	
REQUIRED GF MATCHING	16956.2	20595.1	18175.9	19693.9	19330.7	19330.7	10448.6	11711.3	(2829.2)	22097.7	
OTHER GENERAL FUND											
INTER-AGENCY RECEIPTS											
* PFD Hold Harmless/ AFDC FED Replacement	1983.4		*1260.5			*1691.4	*1691.4			1809.5	

AGENCY: Health & Social Service BRU: Assistance Payment COMPONENT: AFDC Revised \_\_\_\_\_  
 Division of Public Assistance

Transfer to PFD Hold Harmless BRU for AFDC federal funding replacement for loss of federal reimbursement due to PFD program.

DIVISION OF PUBLIC ASSISTANCE  
 AID TO FAMILIES WITH DEPENDENT CHILDREN  
 ACTUAL AFDC CASES JULY 1983 - OCTOBER 1984



BEGINNING JULY 1983 AND ENDING JUNE 1985

DEPARTMENT OF HEALTH & SOCIAL SERVICES  
SOCIAL SERVICES

PROGRAM: ASSISTANCE PAYMENTS  
SUB-PROGRAM: AFDC

\*\*\*\*\* C. C. ANALYSIS \*\*\*\*\*

OBJECT GROUP	VARIATION		DESCRIPTION:
07 GRANTS, CLMS	-726.4	-1.8%	C. C. (\$38,661.4) VERSUS GOV.AMD. (\$39,387.8) REDUCE THE ESTIMATED CASELOAD FROM 5531 TO 5429 (726.4).
** TOTALS	-726.4	-1.8%	

LEGISLATIVE INTENT:

IF FUNDING FOR PROGRAM IS INSUFFICIENT TO MEET DEMAND, SERVICE AND ELIGIBILITY ARE NOT TO BE REDUCED OR ELIMINATED AND THE DEPARTMENT IS TO REQUEST SUPPLEMENTAL FUNDING.

\*\*\*\*\* SENATE ANALYSIS \*\*\*\*\*

OBJECT GROUP	VARIATION		DESCRIPTION:
07 GRANTS, CLMS	-726.4	-1.8%	SENATE (\$38,661.4) VERSUS GOV.AMD. (\$39,387.8) REDUCE THE ESTIMATED CASELOAD FROM 5531 TO 5429 (726.4).
** TOTALS	-726.4	-1.8%	

LEGISLATIVE INTENT:

IF FUNDING FOR PROGRAM IS INSUFFICIENT TO MEET DEMAND, SERVICE AND ELIGIBILITY ARE NOT TO BE REDUCED OR ELIMINATED AND THE DEPARTMENT IS TO REQUEST SUPPLEMENTAL FUNDING.

\*\*\*\*\* HOUSE ANALYSIS \*\*\*\*\*

OBJECT GROUP	VARIATION		DESCRIPTION:
07 GRANTS, CLMS	-726.4	-1.8%	HOUSE (\$38,661.4) VERSUS GOV.AMD. (\$39,387.8) REDUCE THE ESTIMATED CASELOAD FROM 5531 TO 5429 (726.4).
** TOTALS	-726.4	-1.8%	

LEGISLATIVE INTENT:

IF FUNDING FOR PROGRAM IS INSUFFICIENT TO MEET DEMAND, SERVICE AND ELIGIBILITY ARE NOT TO BE REDUCED OR ELIMINATED AND THE DEPARTMENT IS TO REQUEST SUPPLEMENTAL FUNDING.

Introduced: 2/13/85  
Referred: Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 196

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making emergency appropriations to increase  
7 fiscal year 1985 appropriations for essential health  
8 and social services programs; and providing for an  
9 effective date."

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

11 \* Section 1. Section 22, ch. 122, SLA 1984, page 20, lines 17 -- 20 is  
12 amended to read:

	APPROPRIATION	GENERAL	OTHER
	ALLOCATIONS	FUND	FUNDS
15 Assistance	<u>56,473,400</u>	<u>36,004,900</u>	<u>20,468,500</u>
16 Payments	[52,506,400]	[33,175,700]	[19,330,700]
17 Aid to Families with			
18 Dependent Children	<u>42,628,400</u>		
19	[38,661,400]		
20 General Relief	537,000		
21 Adult Public			
22 Assistance	13,308,000		

23 \* Sec. 2. The sum of \$417,600 is appropriated from the general fund to  
24 the Department of Health and Social Services, General Relief Medical Pro-  
25 gram, for payment of nursing home coverage for Alaskans who have lost  
26 Medicaid eligibility because of receipt of the longevity bonus for the  
27 fiscal year ending June 30, 1985.

28 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
29 10.070(c).