

HB 263

SENATE FINANCE COMMITTEE REPORT

DATE: 4/30/92

FURTHER:

DATE TURNED INTO OFFICE:

5/9/92

The Finance Committee considered CS FOR HOUSE BILL NO. 263 (FINANCE)

"An Act relating to human services community matching grants; and providing for an effective date."

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous SCS CS HB 263 (CRA)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes DHSS 4-7-92

fiscal notes _____

DO PASS:

[Handwritten signatures]

OTHER RECOMMENDATIONS:

1. _____
Co-Chair: Signature/Recommendation

2. _____
Co-Chair: Signature/Recommendation

FISCAL NOTE

N: 2

Bill Version: CSHB 263 (FTN)

(H) Publish Date: 4/8/92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected Health and Social Services
 Title: An act relating to human services BRU: Anch. & Fbx. Social Services Block Grants
community matching grants" Component: Anchorage Social Services Block Grant
 Sponsor: Boyer, Ellis, Gruenburg, Kaponen, Ulmer, Fairbanks Social Services Block Grant
 Requestor: House Barnes, Sharp COMPONENT SERIAL NO. 0286 and 0287

Expenditures/Revenues (Thousands of Dollars)

	FY93	FY94	FY95	FY96	FY97	FY98
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	<199.4>	<398.8>	<398.8>	0.0	0.0
MISCELLANEOUS						
TOTAL OPERATING	0.0	<199.4>	<398.8>	<398.8>	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

	FY93	FY94	FY95	FY96	FY97	FY98
GENERAL FUND	0.0	<199.4>	<398.8>	<398.8>	0.0	0.0
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	<199.4>	<398.8>	<398.8>	0.0	0.0

POSITIONS:

FULL-TIME			
PART-TIME			
TEMPORARY			

Changes in CSHB 263 (ERA) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.
4/23/92 Shuler
 date Comte Aide (initial)

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary)

Per CSHB 263 (Fin), the Anchorage and Fairbanks Social Services Block Grants are to be converted to 50 percent matching grants. Implementation of the 50 percent match reductions will begin to occur in FY94, with a 10% reduction, and continue in FY95 and FY96 with a 20 percent reduction in each year, resulting in 30 percent and 50 percent in each year respectively. The expenditure figures shown above assumes a FY93 base of \$1,993.7. No program impact on state services is expected assuming the municipalities apply and qualify.

Prepared by: Deborah R. Wing, Director Bh
 Division: Family and Youth Services

Phone: 465-3191
 Date: April 7, 1992

Approved by Commissioner: Theodore A. Mala
 Agency: HA Department of Health and Social Services

Date: 4-7-92

Distribution (by preparer):
 Legislative Finance OMB
 Legislative Sponsor Impacted Agency(ies)
 Requestor

COMMITTEE COPY

SENATE CS FOR CS FOR HOUSE BILL NO. 263 (CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 4/24/92
 Referred: HES, Finance

Sponsor(s): REPRESENTATIVES BOYER, Ellis, Gruenberg, Koponen, Ulmer, Barnes, Sharp

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to human services community matching grants; and providing for an
 2 effective date."

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

4 * Section 1. AS 29.60 is amended by adding new sections to read:

5 ARTICLE 8. HUMAN SERVICES COMMUNITY MATCH PROGRAM.

6 Sec. 29.60.600. HUMAN SERVICES COMMUNITY MATCHING GRANTS. (a)

7 Within the limits of appropriations for the purpose, the Department of Health and Social Services
 8 shall, upon application, make a matching grant to a qualified municipality equal to 50 percent
 9 of the estimated reasonable costs of providing essential human services through private nonprofit
 10 agencies within the municipality, including services to persons who travel to the municipality
 11 from their residences elsewhere in the state.

12 (b) To qualify for a grant under this section, a municipality is required to

13 (1) provide the same amount of money from other sources as is provided by the
 14 state grant under this section for the services; other sources may include federal or municipal

1 money or money from other private or public sources; in this paragraph, "municipal money"
2 includes money derived from appropriations, allocations, entitlements, grants, or other payments
3 from the state other than the state grant under this section but does not include locally contributed
4 staff hours, material, equipment, or other in-kind contributions;

5 (2) comply with the grant application procedure and contractual agreements under
6 AS 29.60.610; and

7 (3) establish and consult with a citizens' advisory group, the majority of whose
8 membership consists of persons who do not hold elected municipal office, concerning priorities
9 and allocations among services funded under this section.

10 Sec. 29.60.610. GRANT PROCEDURE; CONTRACT. (a) If a qualified municipality
11 wishes to apply for a grant under AS 29.60.600, the municipality shall apply for a grant for a
12 fiscal year by submitting a form prescribed by the commissioner of health and social services
13 before October 1 of the preceding fiscal year. The application must generally describe the
14 services that are proposed to be funded with the grant and include the following information:

15 (1) a statement that each proposed service will meet the goals established under
16 AS 47.75.010 and an explanation of why the service is necessary to prevent or alleviate serious
17 mental or physical hardship; this explanation must be supported by a needs assessment carried
18 out by the municipality;

19 (2) a description of the categories of individuals to whom the services are to be
20 provided; and

21 (3) an estimate of the expenditures required for each of the services to be
22 provided.

23 (b) A human services community matching grant shall be allotted in accordance with an
24 agreement made between the grantee and the commissioner of health and social services on
25 behalf of the state. The agreement may include any provision agreed upon by the parties and
26 must include the following provisions:

27 (1) a statement by the grantee that the match requirement of AS 29.60.600 has
28 been met by the grantee;

29 (2) estimates of reasonable costs of funding the services; and

30 (3) a requirement that no more than five percent of the grant money received
31 under AS 29.60.600 may be used for municipal administrative costs connected with distributing

1 the grant money to the private nonprofit agencies providing the services.

2 Sec. 29.60.620. ALLOCATION OF MONEY. (a) If the amount of money appropriated
3 by the legislature for human services community matching grants under AS 29.60.600 is not
4 adequate to satisfy amounts required for the qualified municipalities who have applied for grants,
5 the money shall be allocated proportionately among the qualified municipalities for which a grant
6 has been approved under AS 29.60.600 - 29.60.650 based on the relationship the population of
7 each municipality bears to the total population of the qualified municipalities for which a grant
8 has been approved under AS 29.60.600 - 29.60.650.

9 (b) For purposes of (a) of this section, population shall be determined by the Department
10 of Community and Regional Affairs based on the latest figures of the United States Bureau of
11 the Census or other reliable population data. If a city within a borough has an approved grant
12 for a service to be provided on an areawide basis, the allocation under (a) of this section shall
13 be based on the population of the borough.

14 Sec. 29.60.650. DEFINITIONS. In AS 29.60.600 - 29.60.650,

15 (1) "essential human services" and "services" have the meaning given "social
16 services" in AS 47.75.060 except that they include only services whose unavailability would
17 subject persons needing the services to serious mental or physical hardship;

18 (2) "municipality" means a city whose population is over 20,000, as determined
19 by the Department of Community and Regional Affairs, or a unified municipality whose
20 population is over 100,000, as determined by the Department of Community and Regional
21 Affairs.

22 * Sec. 2. TRANSITIONAL PROVISIONS. (a) This Act applies to matching grants under
23 AS 29.60.600, enacted by sec. 1 of this Act, for fiscal year 1994 and subsequent fiscal years. Municipal
24 applications for a grant for fiscal year 1994 must be submitted by October 1, 1992, under
25 AS 29.60.610(a), as enacted by sec. 1 of this Act.

26 (b) Notwithstanding AS 29.60.600, as enacted by sec. 1 of this Act, the state human services
27 community match under AS 29.60.600 shall equal 90 percent of estimated reasonable costs in fiscal year
28 1994 and 70 percent of estimated reasonable costs in fiscal year 1995.

29 * Sec. 3. This Act takes effect July 1, 1992.

POSITION PAPER
 COMMITTEE SUBSTITUTE FOR HOUSE BILL 263 (FIN)

"An Act relating to human services community matching grants; and providing for an effective date."

The Department of Health and Social Services generally supports House Bill 263.

House Bill 263 creates a new community matching grant program to provide local social services in the two largest communities in Alaska. This program replaces the Anchorage and Fairbanks Social Services Block Grants which have been part of the Department of Health and Social Services budget for several years.

Creation of a local matching grant program is in keeping with the Governor's goal of reducing dependence on the State budget for services. A statutory basis for these programs will provide some certainty of funding while showing a clear State commitment for needed social programs. Using the block grant concept, as well as requiring local match, should also strengthen local involvement and commitment to these services as State dollars continue to decline. Reducing the State general fund share down to 50/50 match is consistent with both the administration's goal for community match and declining State resources.

1. The expenditure figures used for the fiscal note assume a FY93 base of \$1,993.7 with a 10% decline in FY94 <199.4>, another 20% in FY95 <398.8> with a final 20% reduction <398.8> in FY96 when the 50% match rate is achieved.
2. Changes in the amount authorized in FY93 for the Anchorage and Fairbanks Social Services Block Grant could impact the fiscal note.

Prepared by

Janet Clarke 4/23/92
 Janet Clarke, Director
 Division of Administrative Services

Approved by

Theodore A. Mala 4/23/92
 Theodore A. Mala, MD, MPH, Commissioner
 Department of Health and Social Services

ARCTIC ALLIANCE FOR PEOPLE

4/8/92

Representative Mark Boyer/Interior Delegation
State Capital Building
Juneau, AK 99801

Dear Mark,

The Arctic Alliance for People would like to express its strong support for House Bill 263, concerning block grants.

These block grant funds are vital to the operation of social service agencies in the Fairbanks area. The dollars designated are multiplied by thousands of hours of volunteer work generated by these agencies. In our view, the loss of these funds would result in substantial increases in spending for government programs.

We appreciate your strong advocacy for this bill, as well as your on-going support of social services in the Fairbanks area.

Sincerely,

G. Verle Peterson
Vice-president, AAP

Mary Kay Brown, ACSW
Co-secretary, AAP



Tom Fink,
Mayor

Municipality of Anchorage

Department of Health and Human Services

825 "L" Street

P.O. Box 196650 · Anchorage, Alaska 99519-6650



April 7, 1992

Representative Mark Boyer
State Capitol
Juneau, AK 99801-1182

Dear Representative Boyer,

The Municipality of Anchorage Health and Human Services Department fully supports the effort to pass CSHB 263, which would formally establish a human services match program.

The Municipality of Anchorage has been receiving Social Services Block Grant (SSBG) allocations from the state since the early 1980's. Although the state contributions have been useful we never knew from one year to the next how much money we would receive or even if we would receive any money at all. This uncertainty created problems among the non-profit agencies who ultimately depend on this money to run their programs.

By codifying this program in the Alaska State Statues, most of the uncertainty will be eliminated. In addition, the bill provides needed guidance and direction to the program. These regulations will help both the state and the Municipality run the program more smoothly.

One detail which concerns me involves the local match requirement. The people of Anchorage already contribute a substantial amount of money to social services through both governmental and private organizations. The Municipal Department of Health and Human Services has an operating budget (excluding state and federal grants) of over \$10 million, which is primarily derived from taxes. \$461,480 of this went to 32 social service agencies as a "match" to the SSBG.

Many individuals and corporations also contribute to social service agencies through organizations such as the United Way. Last year the Anchorage chapter collected over \$6.42 million, one of the highest rates of giving in the country, and the same 32 agencies received \$2.4 million of these funds. Thus, the people of Anchorage, through the United Way and the local government, provide approximately 63 percent of the agency's funding not including additional funds each agency gathers itself.

Representative Mark Boyer
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April 7, 1992

Although it appears that the committee substitute would permit this type of match we would like to be assured that this is indeed the case.

In conclusion, non-profit agencies play an important role in the delivery of health and social services in Anchorage. According to a survey conducted in 1987, non-profit agencies provided approximately 14 percent of all health and human services delivered in Anchorage. In some areas, such as emergency shelter and food, non-profits are the only providers of the service.

Utilization of non-profits is an efficient means of delivering needed social services. In most cases, non-profits can provide the service at a substantially lower cost than local or state governments. As an added benefit, non-profits raise millions of dollars in local contributions which would not otherwise be available.

CSHB 263 will help to strengthen the non-profit health and human services system so that it can fulfill its traditional role as a provider of services to the most needy citizens in Anchorage. Strengthening the Anchorage social service system will have positive benefits for the rest of the State as well since approximately 11 percent of the clients served by SSBG agencies are non-Anchorage residents.

Sincerely,



Helen D. Beirne, Ph.D., Director
Municipality of Anchorage
Department of Health and Human Services


4/7/92

To: Representative Mark Boyer
From: Sally Crawford, Chair Fairbanks HSS Commission

The Fairbanks Health & Social Commission unanimously supports Bill 263 which provides for a health and social services block grant with municipal match.

The block grants are the best use of state monies at the local level since these monies pass directly to local non-profit agencies. These agencies in turn provide services at low cost and with extremely high volunteerism resulting in a very low cost per client served.

Equally important, the block grants prevent the state from incurring the extraordinary costs of adjudication, incarceration or institutionalization. In addition, it especially reduces the burden on state hss agencies, particularly Youth Services, Mental Health and Public Assistance.

In summary, Bill 263 is supported by a broad base of the residents of Fairbanks and the surrounding communities. The current proposed \$306,000 will provide over \$900,000 in services locally and save the state between \$1,500,000 and \$3,000,000 if the state was required to provide for clients served by the block grant currently.

Both the city and borough recognize the need for a local match as a requirement for participation in this program.

**Municipality
of
Anchorage**



ANCHORAGE ASSEMBLY

REC'D MAR 02 1992

P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 343-4311

Rep. Boyer -
FYI

February 26, 1992

Representative Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Ellis:

The Anchorage Assembly has requested that I write you expressing our support of Committee substitute for House Bill 263, "An Act relating to human services community matching grants; and providing for an effective date".

As you are aware, the Municipality of Anchorage has been the major advocate and user of the Social Services block grant since its conception through SB 168. Although only Fairbanks and Anchorage have received these funds, they have been used to assist residents from throughout the State when they have been in Anchorage and utilized the services of the many non-profit agencies who are granted the funds.

Anchorage is a very generous and giving community. We have generally exceeded the community goals for the United Way drives and other community giving programs. As I read the qualifying criteria, match money need not be a new cash outlay, but we would be allowed to count the \$6.5 million plus raised in this year's United Way campaign or even other State grants received by the Municipality. In this light, we are very supportive of this bill and its passage.

Sincerely,

Craig Campbell, Chairman
Anchorage Municipal Assembly

cc Mayor Tom Fink
Anchorage Municipal Assembly

FAXED