

SB

445

SENATE FINANCE COMMITTEE REPORT

DATE: 2/22/91

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered SENATE BILL NO. 45

"An Act making an appropriation to the Department of Administration for establishment of a state veterans' home; and providing for an effective date."

Died in SFC.

and recommended:

- replace with _____ CS _____ same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical
- _____ letter of intent adopted title change (HB only)

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

ATTACHES NEW FISCAL NOTE(S): Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:

APPROVES PREVIOUS: Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

OTHER RECOMMENDATIONS:

1. _____ 2. _____

Co-Chairs: Signatures and Recommendations

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 1/21/91

FURTHER: Finance

Date of 5-Day Notice: 1-31-91
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2-22-91

State Affairs Committee considered SENATE BILL NO. 45

"An Act making an appropriation to the Department of Administration for establishment of a state veterans' home; and providing for an effective date."

and recommended:

and report if
rank as follows

- replace with _____ CS _____ same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

2. Duncan no Rec
3. file only (no Rec)

Not today do pass
Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSB 45 (FIN)

Revision Date: March 13, 1991 Department Affected: Military & Veterans Affairs
 Title: Establishment & Operation of State Veterans Affairs BRU: Veterans Affairs
 Veterans Home Component: Veterans Home
 Sponsor: Sen. Kerttula
 Requestor: Sen. Kerttula COMPONENT SERIAL NO.

N	E	W	
---	---	---	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	60.0	102.4	170.5	170.5	170.5	170.5
TRAVEL	3.0	3.0	3.0	3.0	3.0	3.0
CONTRACTUAL	40.0	684.4	2577.5	2577.7	2577.5	2577.5
SUPPLIES						
EQUIPMENT				10.0	10.0	10.0
LAND & STRUCTURES						
GRANTS, CLAIMS		1.5	6.0	6.0	6.0	6.0
MISCELLANEOUS						
TOTAL OPERATING	103.0	791.3	2757.0	2767.0	2767.0	2767.0

CAPITAL	10,720.0	100.0				
---------	----------	-------	--	--	--	--

REVENUE	6,968.0	100.0	690.4	690.4	690.4	690.4
---------	---------	-------	-------	-------	-------	-------

FUNDING: (Thousands of Dollars)

GENERAL FUND	3,885.0	691.3	2066.6	2076.6	2076.6	2076.6
FEDERAL FUNDS	6,968.0	45.0	322.7	322.7	322.7	322.7
OTHER		55.0	367.7	367.7	367.7	367.7
TOTAL						

POSITIONS:

FULL-TIME	1	3	3	3	3	3
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared By: Jeff Morrison Phone: 465-4600
 Division: Administrative Support & Services Date: 13 March 91
 Approved by Commissioner: J Morrison for MG Hugh L. Cox III
 Agency: Military & Veterans Affairs Date: 13 March 91

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

FISCAL NOTE TO SB 45
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

This fiscal note was prepared relying on information provided by the Division of Pioneer Benefits. There was not sufficient time to perform an independent and thorough analysis of the impact of this bill on DMVA, and further in depth study may require the amendment or revision of this fiscal note.

The attached letter from Barbara Bathony, the Director of the Division of Pioneer Benefits, provides an estimate of the normal annual costs of the state veterans home being proposed, if the operation of the home were contracted out to the maximum extent possible. This letter is used as the basis of the DMVA fiscal note, with the following exceptions for the reasons noted:

1. Because of the lack of a health care infrastructure of professionals in DMVA, we will need the administrative person charged with monitoring the contract with the health care organization running the veterans home to be at least an Admin Officer, with an increase in cost of \$15,000 per year.
2. We foresee a need to draw on the expertise in the Division of Pioneer Benefits a great deal in the establishment, start-up, and continued operation of the veterans home. This will require a reimbursable services agreement, at a rough estimated cost of \$20,000 per year
3. Travel costs are expected to be higher than indicated in Ms. Bathony's letter because of the need for the Veterans Affairs director and Administrative Officer to visit Juneau a few times each year to consult with the Division of Pioneer Benefits on operation of the veterans home.

The first full year of operation will be FY94, assuming a start up date of April 1, 1993. For FY92 and FY93, the following assumptions are made.

FY92: The Administrative Officer will be needed all year to assist in planning the construction of the veterans home and to work with a consultant on preparing the request for proposals for operating the home. RSA money will be needed for assistance from the Division of Pioneer Benefits. Contractual money will be needed for the preparation by a consultant of an RFP for operating the home, and for office expenses of the admin officer.

FY93: The expenses of FY92 will be continued, plus one-fourth of the costs in contracts and grants detailed in Ms. Bathony's letter. The maintenance mechanic will be brought on in January to allow a complete familiarization with the facility during the final construction phases.

The capital costs and revenue projections are based on the information in the SB44 fiscal note prepared by Barbara Bathony dated 2/14/91.

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEERS' BENEFITS

P.O. BOX CL
JUNEAU, ALASKA 99811-0211
PHONE: (907) 465-4400

March 13, 1991

The Honorable Jay Kerttula
Alaska State Senator
P.O. Box V
Juneau, AK 99811

Dear Senator Kerttula:

This letter is in response to your request to calculate the cost projections for the operation of the Veterans Home in Palmer under full management contract. This would include the labor, all professional and other subcontracts, all supplies, except building maintenance and capital expenditures.

The cost reductions are based on the savings of about 19% in the food service/laundry/housekeeping section, a savings of about 10% in the cost of nurses aides and office personnel, an increase of 15% for the Administrator, and an increase in the cost of licensed nursing personnel. All costs are based on FY 1992.

Personnel costs:

1 Maintenance Mechanic	\$59,000
1 Maintenance Worker	\$51,500
1 Admin. Assist. in Central Office Anch.	\$45,000

Travel to inspect home, site visits to Palmer	\$1,000
-----------------------------------------------	---------

Contractual:

Food Service/Housekeeping/Laundry includes supplies for these areas	\$630,325
Professional contracts, utilities, etc.	\$227,075
Office, nursing labor	\$1,515,130
Administration, management fee	\$185,000

Grants to destitute residents	\$6,000
-------------------------------	---------

Total cost of operation under management contract

<u>\$2,685,030</u>
2,720,030 jm

The above figure are a rough estimate. By the year 1994 the first full operation of the facility the cost may increase. The above

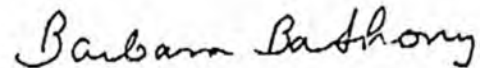
Senator Jay Kerttula

Page 2

March 13, 1991

estimate also stipulates that medical supply costs will not increase drastically, and that medications will be paid for by the Veterans Administration. The cost of medication per residents in the Pioneers' Home in 1990 was from \$130-200 average.

Sincerely,



Barbara Bathony, Director
Division of Pioneers' Benefits

bb1/0313-c
Enclosure

FN, CSSB 45, p.4/5

Juneau Pioneers' Home
 State-Operated v. Contracting
 Food Service, Housekeeping, Laundry
 March 12, 1991

State Staffing	#	Time Status	Per Employee	Total
Food Service Contract				\$129,300
Food Service Wkr. WG60	3	FT	\$41,000	\$123,000
Food Service Wkr. WG60	3	PT	\$29,600	\$88,800
Food Service Wkr. WG60	1	NP	\$2,500	\$2,500
Cook II WG57	2	FT	\$47,500	\$95,000
Cook II WG57	2	PT	\$36,180	\$72,360
Housekeeping/Laundry				
Custodian I WG60	3	FT	\$39,900	\$119,700
Custodian I WG60	1	PT	\$17,263	\$17,263
Custodian I WG60	1	NP	\$2,500	\$2,500
Custodian II WG59	1	FT	\$45,185	\$45,185
Custodian II WG 59	1	PT	\$31,900	\$31,900
Laundry Worker WG60	2	FT	\$40,000	\$80,000
Cust. Svcs. Foreman WG54	1	FT	\$56,000	\$56,000
Misc. Household Supplies				\$45,000
Total	21			\$779,208

Contracting	Total	Total Savings	Total Percentage
Food Service/Housekeeping/Laundry	\$630,325	\$148,883	19.11%

d:\notus\statc\jph.wk1

FN, CSSB 45, p.5/5

SENATE BILL NO. 45

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR KERTTULA

Introduced: 1/21/91

Referred: State Affairs and Finance

Funding Information:	General Fund	\$3,000,000
	Other Funds	<u>-0-</u>
		\$3,000,000

A BILL

FOR AN ACT ENTITLED

1 "An Act making an appropriation to the Department of Administration for establishment
2 of a state veterans' home; and providing for an effective date."

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

4 * Section 1. The sum of \$3,000,000 is appropriated from the general fund to the Department of
5 Administration for the state share of the cost of applying for federal funds, conducting a feasibility study
6 for a state veterans' home, acquiring land for a state veterans' home, and planning, designing, and
7 constructing or otherwise acquiring a state veterans' home.

8 * Sec. 2. The appropriation made by this Act is for a capital project and is subject to lapse under
9 AS 37.25.020.

10 * Sec. 3. This Act takes effect on the effective date of an Act enacted by the Seventeenth Alaska
11 State Legislature directing the Department of Administration to establish and operate a state veterans'
12 home.

ALASKA STATE LEGISLATURE
 SENATE BILL NO. 45

HISTORY IN THE SENATE

1991
1/24

Read first time and referred to:
State Affairs
Finance

2/22 STA RPT() CS / DP 3 NR ___ DNP ___ AM
 ___ New Title ___ Same Title ___ Previous FN
 ___ FN ___ OFN To Finance

___ RPT() CS ___ DP ___ NR ___ DNP ___ AM
 ___ New Title ___ Same Title ___ Previous FN
 ___ FN ___ OFN To ___

___ RPT() CS ___ DP ___ NR ___ DNP ___ AM
 ___ New Title ___ Same Title ___ Previous FN
 ___ FN ___ OFN To ___

___ Rules Calendar() CS ___ AM ___ Other
 ___ New Title ___ Same Title ___ Previous FN
 ___ FN ___ OFN

Read second time

___ CS Adopted () ___ New Title
 ___ Amended ___ Advanced

Read third time

___ Letter of Intent adopted
 ___ Return to second for specific amendment

PASSED EFD Same ___ or
 Yeas Yeas
 Nays Nays
 Excused Excused
 Absent Absent

Reconsideration
 Reconsideration not taken up

PASSED EFD Same ___ or
 Yeas Yeas
 Nays Nays
 Excused Excused
 Absent Absent

Reported correctly engrossed
 Signed by President, to House

Secretary of the Senate

HISTORY IN THE HOUSE

19

Read first time and referred to:

___ RPT CS() ___ New Title
 ___ DP ___ DNP ___ NR ___ AM
 ___ FN ___ OFN ___ Previous FN

___ RPT CS() ___ New Title
 ___ DP ___ DNP ___ NR ___ AM
 ___ FN ___ OFN ___ Previous FN

___ RPT CS() ___ New Title
 ___ DP ___ DNP ___ NR ___ AM
 ___ FN ___ OFN ___ Previous FN

Read second time
 CS() Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED EFD Same ___ or
 Yeas Yeas
 Nays Nays
 Excused Excused
 Absent Absent

___ Intent adopted

Reconsideration
 Reconsideration not taken up

PASSED ON RECON. EFD Same ___ or
 Yeas Yeas
 Nays Nays
 Excused Excused
 Absent Absent

___ Intent adopted

Reported correctly engrossed, signed by the Speaker
 and returned to the Senate

Chief Clerk of the House

SENATE-HOUSE HISTORY Continued

19	<p>Received from the House Version: _____</p> <p>Concur in House amendment Y___N___E___A___ ____Efd same or Y___N___E___A___</p> <p>Failed to concur in House amendment, ask House recede Y___N___E___A___</p> <p>House failed to / receded from amendment Y___N___E___A___</p> <p>CC appointed by Senate _____ Chair _____</p> <p>CC appointed by House _____ Chair _____</p> <p>(S) Granted Limited Powers of Free Conference</p> <p>(H) Granted Limited Powers of Free Conference</p>
----	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

19	<p>(S) Adopted CC Rpt _____ Y___N___E___A___ ____Efd same or Y___N___E___A___</p> <p>(H) Adopted CC Rpt _____ Y___N___E___A___ ____Efd same or Y___N___E___A___</p> <p>To enrolling Received from enrolling Sent to Governor</p> <p>_____ By Governor</p> <p>Chapter Number _____</p> <p>Filed with Lieutenant Governor</p>
----	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

3/14/91
7-LS0315D
Lauterbach
3/12/91

↓
Kathy 518

CS FOR SENATE BILL NO. 45 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$3,000,000
	Other Funds	-0-
		\$3,000,000

Sponsor(s): SENATOR KERTTULA

A BILL

FOR AN ACT ENTITLED

1 "An Act making an appropriation to the Department of Military and Veterans' Affairs
2 for establishment of a state veterans' home; and providing for an effective date."

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

4 * **Section 1.** The sum of \$3,000,000 is appropriated from the general fund to the Department of
5 Military and Veterans' Affairs for the state's share of the cost of applying for federal funds and
6 conducting a feasibility study for a state veterans' home, acquiring land for a state veterans' home, and
7 planning, designing, and constructing or otherwise acquiring a state veterans' home.

8 * **Sec. 2.** The appropriation made by this Act is for a capital project and is subject to lapse under
9 AS 37.25.020.

10 * **Sec. 3.** This Act takes effect on the effective date of an Act enacted by the Seventeenth Alaska
11 State Legislature directing the Department of Military and Veterans' Affairs to establish and operate a
12 state veterans' home.