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**HFIN**

**FILE**

(11)

Date Referred: April 27, 1994

# HOUSE COMMITTEE REPORT FURTHER REFERRALS:

Date of Committee Action: 5/2/94

The FINANCE Committee considered:

SB 368

SENATE BILL NO. 368

HUMAN SERVICES COMMUNITY MATCHING GRANTS

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

**RECOMMENDATIONS:**

be replaced with \_\_\_\_\_ [ ] the same title  
[ ] a new title

[ ] have attached amendments(s)

[ ] do pass

[ ] do not pass

[] no recommendations

[ ] individual recommendations

[ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

[ ] fiscal impact \_\_\_\_\_

[ ] fiscal note(s) \_\_\_\_\_

[ ] zero fiscal note \_\_\_\_\_

[] zero fiscal note(s) DHSS 4/8/94

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Lou Brown</i> Brown	<input checked="" type="checkbox"/>	<i>MacLean</i> MacLean			
<i>Jan Thurnquist</i> Thurnquist	<input checked="" type="checkbox"/>	<i>Lauson</i> Lauson		<input checked="" type="checkbox"/>	
		<i>Larry Martin</i> Martin		<input checked="" type="checkbox"/>	
		<i>Sean Parnell</i> Parnell		<input checked="" type="checkbox"/>	
		<i>Ben Gussner</i> Gussner		<input checked="" type="checkbox"/>	
		<i>Richard [unclear]</i>		<input checked="" type="checkbox"/>	

*Paul [unclear]*  
CO CHAIRMAN'S SIGNATURE

SENATE BILL NO. 368

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

FIN

Introduced: 3/28/94  
Referred: Finance

A BILL

FOR AN ACT ENTITLED

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

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

4 \* Section 1. AS 29.60.600(a) is amended to read:

5 (a) Within the limits of appropriations for the purpose, the Department of  
6 Health and Social Services shall, upon application, make a matching grant to a  
7 qualified municipality equal to 70 [50] percent of the estimated reasonable costs of  
8 providing essential human services through private nonprofit agencies within the  
9 municipality, including services to persons who travel to the municipality from their  
10 residences elsewhere in the state.

11 \* Sec. 2. AS 29.60.600(b) is amended to read:

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  
14 30 percent of the estimated reasonable costs of providing the services to be funded

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by the grant [AS IS PROVIDED BY THE STATE GRANT UNDER THIS SECTION FOR THE SERVICES]; other sources may include federal or municipal money or money from other private or public sources; in this paragraph, "municipal money" includes money derived from appropriations, allocations, entitlements, grants, or other payments from the state other than the state grant under this section but does not include locally contributed staff hours, material, equipment, or other in-kind contributions;

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

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

\* Sec. 3. This Act takes effect July 1, 1994.

FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

No. 1  
Bill Version: SB 368  
(S) Publish Date: 4-8-94

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
Title: An Act Relating to the Human Services BRU: Human Serv. Community Match Grant  
Community Matching Grant Program Component: Human Serv. Community Match Grant  
Sponsor: Senate Finance  
Requestor: S Finance COMPONENT SERIAL NO. 1821

Expenditures/Revenues:		(Thousands of Dollars)					
OPERATING	FY95	FY96	FY97	FY98	FY99	FY00	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	

CAPITAL EXPENDITURES

CHANGES IN REVENUES

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1006 GF/MHTIA							
Other							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)  
Despite the fact that HB 321 would amend AS 29.60.600(a) by raising the relative percentage of the state's matching grant under this section from 50 to 70 percent, the fiscal impact upon the state's budget will be zero. The explanation for this lies partly in the provision found at AS 29.60.620 (a). That provision states that

If the amount of money appropriated by the legislature...under AS29.60.600 is not adequate to satisfy amounts required... the money shall be allocated proportionately among the qualified municipalities...based on...population...

(continued)

Prepared by: Deborah R. Wing, Director  
Division: Division of Family & Youth Services  
Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S.  
Agency: Department of Health & Social Services

Phone: 465-3191  
Date: 03/29/94  
Date: 3-29-94

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## ANALYSIS (cont.):

In the two years of operation since this program was given statutory existence, the amount of money sought by the Executive Branch and the amount of money appropriated has been less than the amount required by the applicants. Because of this, Section 620 then comes into operation.

For FY 94, the total of state dollars sought by the only two eligible municipalities, Anchorage and Fairbanks, was \$3.9 million. The amount both included in the Governor's budget and appropriated, was \$1,957,300. This year, the figure placed in the Governor's budget is \$1,370,100. This figure is 30 percent less than authorized in FY94. By comparison, the total amount sought by the two eligible municipalities is 4.195 million.

Given the difference between what the communities' request and the amount requested, Section 620(a) will apply every time. Further, with the budget process beginning as early as it does, this particular budget item is established prior to applications arriving from the municipalities whose deadline is October 1.

Based on this information, the effect of SB 368, if adopted, is that the municipalities' match would be lowered, and the total amount of grant money available for the eligible municipalities would be less due to the amount of state dollars.

FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

No. 1

Bill Version: SB 368

(S) Publish Date: 4-8-94

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act Relating to the Human Services BRU: Human Serv. Community Match Grant  
Community Matching Grant Program Component: Human Serv. Community Match Grant  
 Sponsor: Senate Finance  
 Requestor: S Finance COMPONENT SERIAL NO. 1821

Expenditures/Revenues:		(Thousands of Dollars)					
OPERATING	FY95	FY96	FY97	FY98	FY99	FY00	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

CAPITAL EXPENDITURES

CHANGES IN REVENUES

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1006 GF/MHTIA							
Other							
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)  
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If the amount of money appropriated by the legislature...under AS29.60.600 is not adequate to satisfy amounts required... the money shall be allocated proportionately among the qualified municipalities...based on...population...

(continued)

Prepared by: Deborah R. Wing, Director *Deborah R. Wing*  
 Division: Division of Family & Youth Services  
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S. *Margaret R. Lowe*  
 Agency: Department of Health & Social Services

Phone: 465-3191  
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ANALYSIS (cont.):

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For FY 94, the total of state dollars sought by the only two eligible municipalities, Anchorage and Fairbanks, was \$3.9 million. The amount both included in the Governor's budget and appropriated, was \$1,957,300. This year, the figure placed in the Governor's budget is \$1,370,100. This figure is 30 percent less than authorized in FY94. By comparison, the total amount sought by the two eligible municipalities is 4.195 million.

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# Alaska State Legislature

SENATOR  
**BERT SHAFER**  
CHAIRMAN



## Senate Transportation Committee

### FAIRBANKS

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(907) 465-3004/4921

### SPONSOR STATEMENT

SB 368

April 27, 1994

The Anchorage and Fairbanks Social Service Block Grants were created in the early 1980's to provide these communities with state assistance for needed social services. In addition to serving local residents, approximately 11% of the total clients and as many as 73% of clients served by some local providers are from other areas of the state.

In 1992, a statutory basis was established for the Human Services Community Matching Grant Program. This program required an increasing match rate, which previously required no local match. It began in FY94 with a 10% match, FY 95 a 30% match and reaching the maximum 50% match starting in FY96, and continuing at that level for the life of the program.

Given that local municipalities are now seeing reductions of municipal assistance and revenue sharing, and most likely will see more reductions in the future, this bill would stabilize the matching grants at the 30/70 match rate.

This would bring the Human Services Community Matching Grant Program into line with other programs that require matching funds such as the Capital Matching Grant Program. Non-profit human services organizations will benefit in the long run because an affordable local matching rate will help ensure the municipalities continued participation in the program.

The information packet on your desks contains resolutions of support from the Anchorage Municipal Assembly and the Fairbanks North Star Borough Assembly.

March 21, 1994

## HUMAN SERVICE BLOCK GRANTS

The Anchorage and Fairbanks Social Service Block Grants were created in the early 1980's to provide these communities with state assistance for needed social services. In addition to serving local residents, approximately 11% of the total clients and as many as 73% of clients served by some local providers are from other areas of the state.

Each community's grant was originally given a separate line in the budget.

The grants are given competitively by community-based boards to local non-profits to augment services provided by the Department of Health and Social Services. According to a 1987 survey, non-profit agencies provided approximately 14% of all health and human services delivered in Anchorage. Non-profits are the only providers of emergency shelter and food services.

Between 1989 and 1992, block grant allocations were reduced putting a severe strain on the health and social service system while demand for services continued to increase. The persons served by these programs are those who can least afford to lose them: low-income women, children and senior citizens.

In recent years, fiscal constraints forced the Department of Health and Social Services to find ways to reduce its budget. *The Anchorage and Fairbanks Social Service Block Grants were considered expendable by the Administration because they were "pass-through" grants to the municipalities which the Department did not control. They argued that the grants were not statutorily mandated.*

After several years of having to restore the grants, the Legislature decided to give statutory authority to the grants.

Legislation passed in 1991 created the Human Services Community Match Program, combining the Anchorage and Fairbanks Social Service Block Grants into a single budget line.

AS 29.60.600 calls for the Department of Health and Social Services to provide, within the limits of appropriation, 50% of the estimated reasonable costs of providing essential human services not already delivered by the Department.

Sec. 29.60.620(a) provides that if the amount appropriated is less than the grant requests, the money shall be allocated proportionally by population between the municipalities.

Sec. 29.60.620(b) states that if a city within a borough has an approved grant to provide area wide services (Fairbanks) the allocation under (a) shall be based on the population of the borough.

SUMMARY

In the first year of the new program (FY94), this legislation resulted in a \$188,625 funding shift from Anchorage to Fairbanks even though the total amount appropriated to the new budget line was identical to the prior year's appropriation (\$1,957,300).

*Most legislators were unaware of the impacts Sec. 29.60.620 (b) would have on the allocation. It was widely believed that by providing the same appropriation as the previous year that both cities would receive the same funding in FY94 as in FY93.*

The legislation also provided a phase-in of the required 50% municipal match, allowing for a 10% match in FY94 and a 30% match in FY95. (see Chapter 74 Sec. 2. Transitional Provisions.) Both communities would like the municipal match be capped at 30%.

Legislation passed last year allowed the North Star Borough to be the "municipality" to make the match for the Fairbanks area grant. It also specified that only the city or the borough could receive the grant in any one year. *Passage of this legislation did not affect the allocation between Anchorage and Fairbanks.*

*The Administration proposed a reduction in the level of state support by 10% in FY94 and 30% in FY95. The municipalities had believed when they supported the legislation that they would see the level of state support maintained and that needed increases would come from the community share.*

In order to allow the Anchorage grant to be restored to the FY93 level (\$1,656,600), the Human Service Matching Grant line must be increased by \$251,500 over FY94 authorized from \$1,957,300 to \$2,208,800.

However, the Governor's FY95 budget funding level of only \$1,370,100 is a reduction of \$587,200 from FY94 authorized, and \$838,700 less than the amount needed to enable Anchorage to continue to receive \$1,656,600 as it did under the old Social Services Block Grant Program in FY93.

The Municipality of Anchorage has requested that the appropriation for FY95 be funded through separate line item appropriations for Anchorage and Fairbanks to ensure that appropriate funds go to each entity. The Arctic Alliance for People and the Anchorage Human Services Coalition are comfortable with the single line appropriation.

The use of non-profits is an efficient and cost-effective means of delivering needed services. Non-profits raise millions of dollars in local contributions which would not otherwise be available.

These programs are already maximizing other sources of funding especially volunteer contributions. It is not reasonable to expect that these agencies can make up the difference simply through additional fundraising drives.

CLERK'S OFFICE

APPROVED

Date: 1-18-94

Submitted by: Assemblymember LANDERS,  
Begich

Prepared by: Assembly Policy and Budget  
Office

For reading: January 18, 1994

ANCHORAGE, ALASKA

AR NO. 94-26

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY REQUESTING THE  
ALASKA STATE LEGISLATURE OR THE GOVERNOR OF THE STATE OF ALASKA  
TO AMEND AS.29.60.600 RELATING TO THE HUMAN SERVICES COMMUNITY  
MATCH PROGRAM**

WHEREAS, 1 ch 74 SLA 1992 established the Human Services Community Match Program; and

WHEREAS, the purpose of the grants is to assist a qualified municipality in providing essential human services through private nonprofit agencies within the municipality, including services to persons who travel to the municipality from their residences elsewhere in the state; and

WHEREAS, in Fiscal Year 1994, the grant required a ten percent (10%) match from a qualified municipality and in Fiscal Year 1995, the grant requires a thirty percent (30%) match. In Fiscal Year 1996, the grant will require a fifty percent match; and

WHEREAS, more and more, the local tax payers are required to pay for services mandated by the federal and/or state government or by the local municipality; and

WHEREAS, under the "Human Services Community Match Program," the human services are provided to, not only residents of the municipality, but also to persons living throughout the state; and

WHEREAS, Alaska Statutes, the Legislature, and the Governor currently require a thirty percent community or organization match for capital projects; and

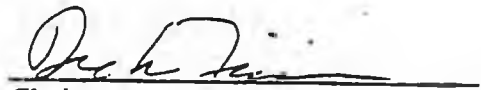
WHEREAS, it is not reasonable to require a municipality to pay fifty percent (50%) of the costs of providing human services, especially since persons who are not members of, and do not pay taxes to a specific municipality, receive the benefits from these services.

NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

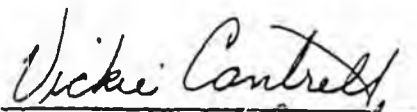
5 Section 1: That the Alaska State Legislature and the Governor of the State of Alaska are  
6 requested to amend AS 29.60.600 to establish a municipal matching rate for a Human Services  
7 Community Match Program at a maximum of thirty percent (30%).  
8

9 Section 2: That copies of this resolution shall be sent to the Honorable Walter J. Hickel,  
10 Governor, State of Alaska and all members of the Interior Delegation of the Alaska State  
11 Legislature.  
12

13 PASSED AND APPROVED by the Anchorage Assembly this 18th day  
14 of January, 1994.  
15  
16

17   
18 \_\_\_\_\_  
19 Chair  
20

21 ATTEST:  
22

23   
24 \_\_\_\_\_  
25 Municipal Clerk, Deputy  
26

By: Layne St. John  
Cheryl Kilgore  
Hank Hove  
Nanci A. Jones  
Bob Logan  
Paul Chizmar  
Hank Bartos  
Valerie M. Therrien  
L.J. Hackenmiller  
Dan LaSota

Introduced: 11/04/93  
Adopted: 11/04/93

RESOLUTION NO. 93-096

A RESOLUTION REQUESTING THE ALASKA STATE LEGISLATURE OR THE GOVERNOR OF THE STATE OF ALASKA TO AMEND AS. 29.60.600 RELATING TO THE HUMAN SERVICES COMMUNITY MATCH PROGRAM

WHEREAS, 1 ch 74 SLA 1992 established the Human Services Community Match Program; and

WHEREAS, the purpose of the grants is to assist a qualified municipality in providing essential human services through private nonprofit agencies within the municipality, including services to persons who travel to the municipality from their residences elsewhere in the state; and

WHEREAS, in Fiscal Year 1994, the grant required a 10 percent match from a qualified municipality and in Fiscal Year 1995, the grant requires a 30 percent match. In Fiscal Year 1996, the grant will require a fifty percent match; and

WHEREAS, more and more, the local tax payers are required to pay for services mandated by the federal and/or state government or by the local municipality; and

WHEREAS, under the "Human Services Community Match Program", the human services are provided to, not only residents of the municipality, but also to persons living throughout the state; and

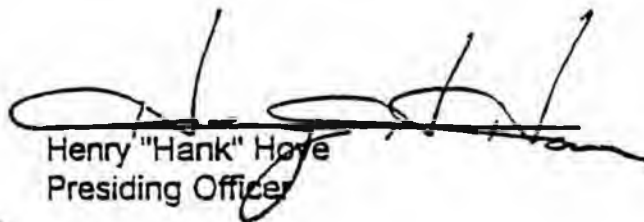
WHEREAS, Alaska Statutes, the Legislature, and the Governor currently require a thirty percent community or organization match for capital projects; and

WHEREAS, it is not reasonable to require a municipality to pay fifty percent of the costs of providing human services, especially since persons who are not members of, and do not pay taxes to a specific municipality, receive the benefits of these services.

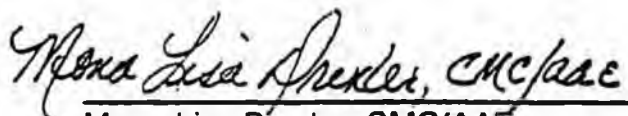
NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Assembly respectfully requests the Alaska State Legislature and the Governor of the State of Alaska to amend AS 29.60.600 to establish a municipal matching rate for a Human Services Community Match Program at a maximum of thirty (30) percent.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Honorable Walter J. Hickel, Governor, State of Alaska and all member of the Interior Delegation of the Alaska State Legislature.

PASSED AND APPROVED THIS 4TH DAY OF NOVEMBER, 1993.

  
Henry "Hank" Hove  
Presiding Officer

ATTEST:

  
Mona Lisa Drexler, CMC/AAE  
Municipal Borough Clerk

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§ 29.60.600

MUNICIPAL GOVERNMENT

§ 29.60.650

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**Sec. 29.60.600. Human services community matching grants.**

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

70

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

(1) provide the same amount of money from other sources as is provided by the state grant under this section for the services; other sources may include federal or municipal money or money from other private or public sources; in this paragraph, "municipal money" includes money derived from appropriations, allocations, entitlements, grants, or other payments from the state other than the state grant under this section but does not include locally contributed staff hours, material, equipment, or other in-kind contributions;

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

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

(c) A city may not receive a human services matching grant during a fiscal year to provide a specific service if, during that same year, the borough within which it is located has received a grant for the same service. A borough may not receive a grant during a fiscal year to provide a particular service if, during that same year, a city within the borough has received a grant for the same service. (§ 1 ch 74 SLA 1992; am § 1 ch 38 SLA 1993)

**Effect of amendments.** — The 1993 amendment, effective August 25, 1993, added subsection (c).

**Sec. 29.60.650. Definitions.** In AS 29.60.600 — 29.60.650.

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

(2) "municipality" means a (A) city whose population is over 20,000; (B) unified municipality whose population is over 100,000; or (C) second class borough whose population is over 65,000; population for purposes of this paragraph shall be determined by the Department of Community and Regional Affairs. (§ 1 ch 74 SLA 1992; am § 2 ch 38 SLA 1993)

# Alaska State Legislature

SENATOR  
**BERT SHARP**  
CHAIRMAN



## FAIRBANKS

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119 N. CUSHMAN, SUITE 201  
FAIRBANKS, ALASKA 99701  
(907) 452-7885/7886


## SESSION ADDRESS

STATE CAPITOL, ROOM 514  
JUNEAU, ALASKA 99801-1182  
(907) 465-3004/4021

## Senate Transportation Committee

### MEMORANDUM

TO: Representative Ron Larson, Co-Chair House Finance  
Representative Eileen MacLean, Co-Chair House Finance

FROM: Senator Bert Sharp 

DATE: April 27, 1994

SUBJ: Scheduling SB 368

I respectfully request that SB 368 be scheduled for a hearing in House Finance as soon as possible.

Attached are the following support documents relevant to SB 368:

Sponsor Statement

Zero fiscal note from DHSS

Summary of the Human Services Block Grant

Resolution from the Anchorage Municipal Assembly

Resolution from the Fairbanks North Star Borough Assembly

A.S. 29.60.600 relating to the Human Services Community

Matching Grants.