

SB

368

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/28/94

FURTHER:

Date of 5-Day Notice: 3-31-94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-8-94

Finance Committee considered **SB 368**

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

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous _____ CS _____
- 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

Department	Date	Zero	Fiscal
DHSS	4/21/94	<input checked="" type="checkbox"/>	

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

Steve Harris
Bob Hayes

OTHER RECOMMENDATIONS:

Tim Kelly - No Rec

1. *Don't make DHSS*

[Signature]

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 368

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						
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CHANGES IN REVENUES						
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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 *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
 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.

March 29, 1994

P.O.M. to be sent to Representatives Ron Larson, Mark Hanley, Gene Therrialt, Terry Martin, Sean Parnell, and Cliff Davidson. Senators Drue Pearce, Steve Frank, Tim Kelly, Steve Rieger, Bert Sharpe, Jay Kerttula, and Fred Zharoff.

From: Roger Blackett, P.O. Box 593, Kodiak, Alaska 99615 Phone 486-3505

I request your support in restoring the \$500,000 cut out of the Division of Parks G.F. operating budget by the House Budget Subcommittee. A cut of this magnitude will close a minimum of 18 parks, including Pasagshak Recreational Site in the Kodiak area, and cause numerous lay off of Park employees.

State Parks provide substantial revenues to the Alaska economy in supporting the tourist industry (State Parks are listed in every RV guide published on Alaska). Use increased by 25% last year to 6.6 million visitors. Also, State Parks are already more self-supporting by user fees and volunteers than any other State agency.

It is shortsighted and reflects poorly on this legislature to reduce the State Park budget and to begin closing parks at a time when public need and use of the parks is increasing dramatically, when the State and local economies need tourist revenue and should be working to increase the tourist industry, and the cost of mothballing and future cost of restoring vandalized park facilities as well as potential liability costs associated with closed facilities could exceed the amount cut from the budget.

I urge you to reconsider actions taken to reduce the State Parks budget. This is not the time to be closing State Parks or to jeopardize progress in the user fee and volunteer program of this agency. **Please support the Governor's budget for the Alaska Division of Parks.**

Alaska State Legislature

SENATOR
BERT SHARP

DISTRICT P

CHAIRMAN
TRANSPORTATION COMMITTEE

MEMBER
FINANCE COMMITTEE
LEGISLATIVE BUDGET & AUDIT COMMITTEE
HEALTH & SOCIAL SERVICES



Senate

FAIRBANKS

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

SESSION ADDRESS

STATE CAPITOL, ROOM 514
JUNEAU, ALASKA 99801-1182
(907) 465-3004/4921

SENATOR BERT SHARP Sponsor Statement for SB 368

In 1992, a statutory basis was established for the Human Services Community Matching Grant Program. This program required an increasing match rate over the next three years. It was to begin in FY94 with a 10% match rate and increase each fiscal year with the maximum 50% match starting in FY96 and continuing at that level for the life of the program.

SB 368 would reduce the maximum match rate from 50% to 30%. 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 a reduced local matching rate will help ensure the municipalities continued participation in the program.



REPRESENTING
GOLDEN HEART
OF ALASKA

By: Layne St. John
Cheryl Kliger
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

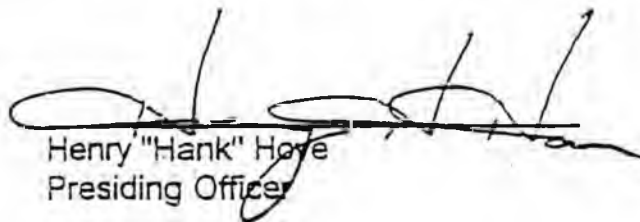
WHEREAS, Alaska Statutes, the Legislature, and the Governor currently require a thirty percent community or organization match for capital projects; and

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.

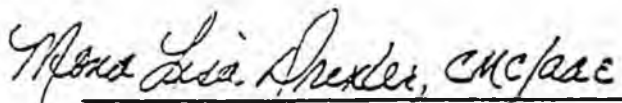
BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Honorable Walter J. Hickel, Governor, State of Alaska and all member of the Interior Delegation of the Alaska State Legislature.

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



Henry "Hank" Hove
Presiding Officer

ATTEST:



Mona Lisa Drexler, CMC/AAE
Mona Lisa Drexler, CMC/AAE
Municipal Borough Clerk

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

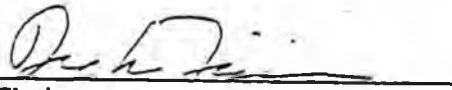
WHEREAS, it is not reasonable to require a municipality to pay fifty percent (50%) of
the costs of providing human services, especially since persons who are not members of, and
do not pay taxes to a specific municipality, receive the benefits from these services.

NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

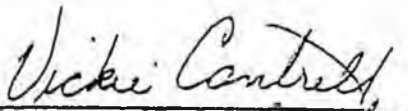
3
4
5 Section 1: That the Alaska State Legislature and the Governor of the State of Alaska are
6 requested to amend AS 29.60.600 to establish a municipal matching rate for a Human Services
7 Community Match Program at a maximum of thirty percent (30%).
8

9 Section 2: That copies of this resolution shall be sent to the Honorable Walter J. Eickei,
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 _____
20 Chair

21 ATTEST:

22
23 
24 _____
25 Municipal Clerk, Deputy
26

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 on 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.

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.

Human Services Community Matching Grant

	FY93 Auth	FY94 Auth 10% match	FY95 Gov 30% match	FY95 House 30% match
ANC	1,656.60	1,467.98	1,159.60	1,236.82
ANC match	165.66	146.80	347.88	530.06
Total ANC grant	1,822.26	1,614.77	1,507.48	1,766.88
FBX	300.70	489.33	210.50	412.28
FBX match		48.93	63.15	176.69
Total FBX grant	300.70	538.26	273.65	588.97
Total State Grant	1,957.30	1,957.30	1,370.10	1,649.10

ARCTIC ALLIANCE FOR PEOPLE

January 10, 1994

Dear Chairperson and Committee Members:

The Arctic Alliance for People is an alliance of human service organizations and groups here in the Interior. It has come to our attention that HB 321 has been pre-filed to amend the final match required of communities receiving funds from the Human Service Community Matching Grant Program.

The Arctic Alliance supports this amendment. It would require a final match of 30% from our Borough, bringing this grant in line with the capital matching grant program. We are concerned that the 50% match now required may put Fairbanks out of the running for these funds. This grant program is absolutely vital to Fairbanks citizens. It funds services not provided by any other sector, private or public. The amount of the grant has also been substantially less than our documented need. Therefore competition has always been fierce for these funds. We cannot afford to lose them.

Sincerely,

Mary Kay Brown, Vice President, *for*
Mary Kay Brown, President

ORGANIZATIONAL MEMBERS

- | | |
|--|---|
| 1. Access Alaska | 23. Fairbanks Native Association, Inc. |
| 2. Adult Learning Programs of Alaska, Inc. | 24. Fairbanks North Star Borough |
| 3. Advocacy Services of Alaska | 25. Fairbanks Regional Public Health Center |
| 4. Alaska Crippled Children and Adults, Inc. | 26. Fairbanks Resource Agency |
| 5. Alaska Family Services | 27. Fairbanks Youth Center |
| 6. Alaska Legal Services Corporation | 28. Family Centered Services of Alaska |
| 7. Alaska Work Programs | 29. Family Training Associates |
| 8. Alzheimer's Association | 30. Helping Hands |
| 9. American Cancer Society | 31. Hospice of the Tanana Valley |
| 10. Big Brothers/Big Sisters; Greater Fairbanks Area | 32. Interior AIDS Association |
| 11. Breadline | 33. Literacy Council of Alaska |
| 12. Breast Cancer Detection Center of Alaska | 34. LOVE INC |
| 13. Camp Fire, Alaska Council | 35. North Star Council on Aging |
| 14. Deaf Community Services | 36. North Star Counseling Center |
| 15. Division of Family and Youth Services | 37. Older American Volunteer Program |
| 16. Fairbanks Community Food Bank | 38. Parents and Friends of Lesbians and Gays |
| 17. Fairbanks Counseling and Adoption | 39. Presbyterian Hospitality House |
| 18. Fairbanks Crisis Line | 40. Resource Center for Parents and Children |
| 19. Fairbanks Head Start | 41. The Salvation Army |
| 20. Fairbanks Health and Social Services Commission | 42. Tanana Chiefs Conference |
| 21. Fairbanks Health Center/Public Health Nursing | 43. United Way of the Tanana Valley |
| 22. Fairbanks Memorial Hospital/Dental Center | 44. Volunteer Action Center |
| | 45. Women in Crisis - Counseling and Assistance |