

SB

126

SFIN

FILE

SB 126

**was referred to the
Senate Finance
Committee**

Hearing(s) were held

**The bill did not move
from Committee**

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. SB 126

Revision Date/Time (Note if correction) _____ Dept. Affected All state agencies
 Title An Act relating to payments to individuals BRU _____
 Component _____
 Sponsor Senate Finance Committee
 Requester Senate Finance Committee Component Serial No _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would require state agencies to prorate payments to individuals receiving state benefits if an appropriation is not sufficient to fully fund the program.

The fiscal impact is shown as zero because the bill would not change state agency costs, but instead would impact Alaska residents if the appropriation level fell short of the amount needed to fully fund the benefit.

For most individual benefits, such as the Longevity Bonus, program costs are based on projections updated in the spring before the beginning of the fiscal year. It is not possible to know with certainty at that time whether appropriated funds are sufficient to fully fund the program. Significant reductions may have to be made in the final months of the fiscal year to remain within the appropriation amount.

Prepared by Annalee McConnell, Director *JK for AMC* Phone 465-4660
 Division Office of Management and Budget Date/Time 4/6/99 4:39 PM
 Approved by Commissioner David Ramseur, Deputy Chief of Staff Date _____
 Agency Office of the Governor

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Fax

To: Senate Finance Committee
Senator John Torgerson, Co-Chair
Senator Sean Parnell, Co-Chair

From: Fairbanks Legislative Information Office

Fax: **Date:** April 7, 1999

Phone: **Pages:** 4

Re: Written Testimony for Senate Finance **CC:**
Teleconference on 04/07/99
SB 126: Bill dropped from agenda

-
- Urgent** **For Review** **Please Comment** **Please Reply** **Please Recycle**

Comments: The originals will be mailed to Senator Torgerson's office. Thank you,

Fran/Fbx LIO



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Senate Finance
 Committee on SB 126 Committee Name
 Dated 4/7/99
Bill / Subject

I strongly urge the committee not to pass this bill. The need standards and payment standards for each program should be set based on a program-by-program assessment of needs and goals, not this blanket approach. Federal requirements vary from program to program and the legislature should not try to change the fundamental entitlement - vs. - nonentitlement aspect of all programs simultaneously; this could jeopardize federal matches. These programs are very sensitive at the individual level - an income cut of \$100 per month ~~more~~ has a lot more impact on an APT or ATAP recipient than on a salaried state employee. Assistance recipients' payments have already fallen to a lesser proportion of poverty ^{level} as a result of the payment caps over the past several years. Please do not pass this bill.

SIGNED:

Andrew Harrington

Testifier

Arctic Alliance

Representing

4624 Stanford Drive Fairbanks AK 99709

Address / Phone Number



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the SENATE FINANCE
Committee Name
 Committee on SB. 126 Dated _____
Bill / Subject

How would you like to live on a
 fix income of less than 900.⁰⁰ a month?
 Your family would become very discouraged.
 You are only existing. Now you want
 to cut these individuals back some more
 in order to balance the budget. Have you
 consider turning down the pay increase that
 is proposed for you. I would appreciate if
 you would find a place in your heart to
 think of the needy.

SIGNED: _____ Helen Grant
 Testifier
 _____ Nam: FBKS
 Representing
 _____ 1369 Ballaine Rd.
 Address / Phone Number
455-6263

99709-6402



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Senate Finance
 Committee on SB 126 Committee Name
Bill / Subject Dated 4/7/99

This is one of the worst bills I have ever seen. Why does one of the richest states in the union need to balance its budget on the backs of its poorest citizens? If you live on \$850 a month or \$284 as a person on temporary public assistance does, all your money goes to food, rent and medication. There is no discretionary income. Alaska's mentally ill citizens would be hurt by this bill. They often depend on Public Assistance and Medicaid for their basic needs.

I would rather see us cap our dividends and begin to tap the Perm. Fund for essential state services, but not to increase the state's infrastructure. Another idea is to prioritize state services and fund the top priorities. Certainly our disabled citizens needs would be a top priority.

SIGNED:

Testifier

NAMI Alaska + NAMI Fairbanks

Representing

1369 Ballaine Rd, Fbks 99709

Address / Phone Number

455-6263

04/06/99

Marie Simmons
615 Cinko # 1
Fairbanks, Ak. 99709

REP. Gene Therriault
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Dear REP. Therriault,

My name is Marie Simmons, I am a member of the Governors Council on Disabilities and Special Education and a parent of Teisha, and she is a twenty two year old quadriplegia.

I have concerns on SB126 and HB161. I would like more information on these bills and that they be made available to the public and therefore. I am requesting a teleconference be held in Fairbanks and I would like to be a participant offering testimony

I am particularly concerned about Medicaid. 28% of Alaska's expenditures are dedicated to disabled people. These individuals cannot afford to have availability of medical care in jeopardy due to payment reductions. Also Adult Public Assistance. As the Disabled population rely on these programs for their rent, food and basic needs and are already living in poverty and can't sustain a reduction in benefits.

I thank you for your time regarding these issues and would also like to say thank you to your aides for returning my telephone call yesterday.

Sincerely,

Marie Simmons

FAX TO CMTE: 465-2187

FROM: HOMER LIO FAX 235-4008



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance
 committee name
 committee on SB 126, dated 4/7/99
 bill/subject

I strongly oppose HB 161 & SB 126. These proposed changes will create a hardship for people who are already suffering from mental &/or physical disabilities and can not advocate for themselves. People have basic human rights to medical care, food, and a safe place to live. It is up to us to be sure that people who experience disabilities are cared for in a humane fashion. It is our moral obligation. We are not so poor as a state that we must sacrifice their welfare. Use the constitutional reserve fund to balance the budget.

The permanent fund was established to pay for government when oil revenues were down. I think we can find a way to fund these vital programs which protect our vulnerable citizens. Thank you.

Signed: Juan Dethman
 Testifier

Representing (Optional)

PO Box 12, Homer, AK 99603
 Address

907-235-6744
 Phone No.

FAX TO CMTE: 465-2187

FROM: HUMER L10 FAX 235-4003



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance
committee name

committee on SB 126, dated 4/7/99
bill/subject

I strongly oppose HB 161 & SB 126. These proposed changes will create a hardship for people who are already suffering from mental &/or physical disabilities and cannot advocate for themselves. People have basic human rights to medical care, food, and a safe place to live. It is up to us to be sure that people who experience disabilities are cared for in a humane fashion. It is our moral obligation. We are not so poor as a state that we must sacrifice their welfare. Use the constitutional reserve fund to balance the budget.

The permanent fund was established to pay for government when oil revenues were down. I think we can find a way to fund these vital programs which protect our vulnerable citizens. Thank you.

Signed: TSusan Drathman
 Testifier

Representing (Optional)
PO Box 12, Homer, AK 99603
 Address

907-235-6744
 Phone No.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030
FAX: (907) 465-3068

April 5, 1999

The Honorable Sean Parnell
The Honorable John Torgerson
Senate Finance Committee, Co-Chair
State Capitol, Room 518 and 516
Juneau, AK 99801-1182

Dear Senators Parnell and Torgerson:

The Senate Finance Committee will soon be considering SB 126. This bill has the potential to seriously effect the continuity and amount of benefits paid to a large number of people. I am providing you with a summary of its potential impacts and some of the difficulties that the Department will face if it were to become law.

Because the language in SB 126 does not specify which programs and individuals it is intended to effect, we can only assume application of its provisions to all of the benefit programs administered by Health and Social Services with the exception of those which are fully federally funded. Therefore, the following analysis includes the:

- Alaska Temporary Assistance Program (ATAP)
- Adult Public Assistance (APA)
- General Relief Assistance (GRA)
- Medicaid
- Chronic Acute Medical Assistance (CAMA)
- Foster Care—including the Foster Care Base Rate, Foster Care Special Needs, and Foster Care Augmentation components
- Subsidized Adoption and Guardianship.

Alaska Temporary Assistance Program (ATAP)

The Alaska Temporary Assistance Program was established by statute in 1997 (AS 47.27.005). The focus of the Alaska Temporary Assistance Program is to provide temporary financial assistance to poor families and to help those families off assistance, out of poverty and toward self-sufficiency through employment. Assistance payments are intended to help poor families with their basic living expenses (such as rent, and self-sufficiency services) while they take steps to move off assistance.

Maximum payments for recipients are specified in AS.47.27.025(B); for example, the maximum payment for a family of three is \$923 a month, a pregnant woman receives \$514 per month, and a child in relative care receives \$452 per month. A typical Temporary Assistance family consists of

a single mother with two children, and little or no other source of monthly income. In the past, we have been advised by the Department of Law that a reduction in these benefits would require a change in the ATAP statute.

In FY 00, we project an average of 9,300 families will need Temporary Assistance each month. Of these, approximately 6,975 will be single parent families, 1,395 will be two parent families, and 930 children in relative care.

Should the Division of Public Assistance be required to prorate Temporary Assistance payments if the program were under funded, the consequences would be as follows:

- When families are unable to meet their basic needs (rent, utilities, transportation), it greatly decreases their chances of succeeding in employment or taking other steps toward self-sufficiency.
- Reducing benefits could reduce the number of hours we can legally assign individuals to community service work activities. This could adversely affect our ability to meet federal work participation rates.
- Our TANF Block Grant requires that we maintain state expenditures at 80% of our 1994 level (MOE). The Governor's FY2000 budget for ATAP includes only the amount of General Funds necessary to meet the MOE requirement. Any reduction to the General Fund amount in this program will result in significant penalties.

Adult Public Assistance (APA)

The Adult Public Assistance Program (APA) was established by statute in 1982 (AS 47.25.30 – 47.25.615) with the purpose of furnishing financial assistance to needy aged, blind and disabled persons to cover basic living expenses such as shelter, clothing and food. People who receive APA financial assistance have severe and long-term physical and mental disabilities that impose limitations on their day-to day functioning.

In FY 00, we project the APA program will serve 13,097 individuals with an average monthly benefit of \$316. This amount along with the monthly Social Security benefit maintains the individual at the poverty level.

Should the Division of Public Assistance be required to prorate APA payments if the program were under funded, the unintended consequences would be as follows:

- About 4,420 elderly, 130 blind, and 8,450 disabled poor – the state's most vulnerable citizens - could suddenly lose a significant portion of income. With few options to improve or even maintain their quality of life, these citizens tend to be heavily dependent upon state assistance

to provide basic necessities. Any reduction in the APA benefit takes away from the income around which these Alaskans have structured their lives.

- A reduction in APA benefits could destabilize the living arrangements of a poor disabled or elderly person who is living independently, forcing them into institutional care at greater public expense, or into homelessness.

General Relief Assistance (GRA)

The General Relief Assistance program offers two types of assistance: General Relief cash assistance (GRA), and General Relief Burials. Both are emergency assistance programs designed to meet the immediate and basic needs of Alaskans experiencing extreme financial problems. These basic needs include shelter, utilities, food, and clothing. In addition, limited funds for cremation or a burial of a needy person may be provided.

The GRA program is 100 percent state funded, and because funds are limited, the program is to be used as a last resort in providing basic needs to an individual or household. GRA can only be authorized when the household cannot qualify for other assistance programs. Applicants must reapply during each month of urgent need to be considered to receive assistance.

AS 47.25.130 specifies that the amount of GRA payments shall be determined by the department and may not exceed \$120 a person per calendar month. Payments are made to vendors on behalf of needy clients. The average monthly payment made to vendors for GRA related services are approximately \$350.

The General Relief Burial program provides burial assistance for indigent persons. Assistance is granted only if the family has no other resource to pay the burial costs. The maximum payment for burial expenses under GA cannot exceed \$1,250, plus the cost of a burial plot, opening and closing of the grave, or cremation. The average monthly payment for burial services is \$1,500.

Approximately 200 GRA cases are approved each month. Over 75% of these cases receive rental assistance.

The GRA program serves as the last safety net for some of Alaska's most impoverished citizens. GRA benefits already represent the minimum payment for services that most vendors will tolerate. A pro rata reduction in benefits would further discourage participation by vendors and make it difficult, if not impossible for the program to meet the emergent needs of applicants.

Medicaid

The Medicaid Program serves approximately 90,000 low income Alaskans by reimbursing health care providers for the health care services they receive. This entitlement program is a joint federal-state partnership, in that the program is operated by states under federal rules and financed by both. The federal government pays for roughly 60 percent of the cost of the program, which totals about \$400 million in FY 99. Certain groups of people, and certain

medical services are required to be covered under federal law in order to participate in the Medicaid Program; other services and groups of people are optional and may be covered at state election.

Children represent over half of all Medicaid recipients, and about 29 percent of expenditures; the elderly represent 6 percent of eligibles and 12 percent of expenditures; the disabled represent 10 percent of the recipient population and 28 percent of the expenditures; home and community based waiver clients represent one percent of recipients and 12 percent of expenditures. Other adults, including parents of children and pregnant women account for the remaining expenditures.

About 6,000 medical providers are enrolled in Medicaid. Payments for services are received in the following proportions: 25 percent by hospitals, 15 percent by physicians, 11 percent by nursing homes, 10 percent by psychiatric hospitals, 9 percent by mental health clinics, 8 percent by pharmacies, and 3 percent by transportation providers. The remainder of expenditures are received by all other provider types including dentists, medical equipment suppliers, personal care attendants, laboratories and drug abuse treatment centers.

Federal rules require reimbursement of providers to be adequate enough to attract sufficient numbers of providers to secure access to health care services for program recipients. State law, regarding facility reimbursement under AS 47.07.070, requires a fair rate of compensation for reasonable costs incurred by a facility. Reimbursement for health care services is complicated, and for facilities, has significant case law history related to legal actions against the department. All reimbursement changes are done by regulation and could not be accomplished quickly without legislative authority to employ emergency regulations. Any reductions intended to be implemented through pro-rata payment reductions would be multiplied in their effect due to the length of the regulatory process; therefore significant decreases in payment has the potential to endanger meeting federal requirements for adequate reimbursement to guarantee access to care.

It is not clear how the Legislature intends SB 126 to apply to the Medicaid Program, as Medicaid is an individual entitlement to health care services; payments are not made to individuals but to health care providers who have rendered services to individuals. The only payments made that directly benefit recipients financially are for Medicare premiums, which payment is required under federal law. The division is currently purchasing premiums for more than 8,000 Alaskans; the cost for FY 99 was over \$6.2 million dollars, and because the senior population is experiencing rapid growth, premium costs are likewise increasing. State law, at AS 47.07.035, already directs the department in how to manage the program should funding be insufficient to cover program costs; this law lists optional services and groups of people to be eliminated from the program in a priority order. How this statute would inter-relate to the provisions of SB 126 is ambiguous, as AS 47.07.035 and SB 126 give conflicting direction (eliminating services and eligible groups vs. reducing payments).

Chronic Acute Medical Assistance (CAMA)

The CAMA program covers between 800 and 900 extremely poor and sick Alaskans each year; in order to qualify for coverage, a person must have income under \$300 per month, resources of less than \$500, and experience a significant chronic or acute illness such as cancer, a seizure disorder, diabetes, or other terminal condition. Recipients must apply monthly for eligibility, and the covered services are extremely limited. CAMA reimbursement generally follows Medicaid provider reimbursement rules, except that hospitals are already reimbursed at 28 percent of the Medicaid rate due to limited funding. Even though the CAMA program is totally general fund dollars, savings would be limited by any payment reductions due to the small size of the budget. Payment reductions for CAMA providers could effect the availability of care for program recipients, as it could for Medicaid.

Foster Care

As of this month, the children in foster care—for whom this care is required—number nearly 1,200 full time equivalents. The Department is required by statute to take care of these children in its custody:

AS 47.14 100. Powers and duties of department over care of a child. (a) Subject to (c), (f), (I), and (j) of this section, the department shall arrange for the care of every child committed to its custody by placing the child in a foster home or in the care of an agency or institution providing care for children inside or outside the state.

When a child who has been physically abused, neglected, or sexual abused cannot be maintained safely in the child's own home and must be placed in out-of-home care, placement in a foster home is always the first preference. The foster care base rate component provides payments to foster parents on behalf of these children. The rate paid is established by the regulations necessary for the implementation of state law. Consistency in the amount paid for the care of a child is an essential factor in ensuring the availability of foster homes, particularly at a time when the number of children in state custody is growing. In order to maintain a consistent level of support for foster children, the standard daily rate is specified in 7 AAC 53.030. SB 126 would, if passed into law, supercede this regulation and undoubtedly result in rate reductions. (A provision of the regulation already allows for this given a funding shortage, but it does not require it.)

The ultimate result of a rate reduction in foster care payments would be counter to that intended by SB 126. Because fewer foster homes would be available for the children who will still be taken into state custody, more children will be placed in much more expensive institutional care. Therefore, state expenditures would actually rise. The only alternative would be for the Department to leave children in unsafe situations—a predicament that no one desires, and one we have been working very hard to avoid.

Subsidized Adoption and Guardianship

The adoption and guardianship program serves children in the custody of the Department who cannot return to their biological parents by providing permanent parents through adoption or guardianship. Adoptions and legal guardianships can be subsidized for special needs children who could not be adopted without assistance to meet the child's special needs.

The increase of children entering the child protection system has a direct impact on the number of children ultimately requiring alternate permanent homes because they are not able to return to their families. Not only are the number of children in need of adoption increasing, but the number of children with emotional disorders and the severity of the disorders is also increasing, resulting in an increase in the need to provide adoption or guardianship subsidies. Families are not able to assume the responsibility of providing complete and permanent care for these disturbed children without financial support. The number of children receiving adoption subsidies is projected to be 1,252 by June of this year.

Our adoption subsidy program has federal requirements that 1) there won't be a means test, 2) that subsidy amounts will be determined on both child's and family's needs, and 3) that no change in subsidy may occur without concurrence of the adoptive parent with whom the agreement has been negotiated.

In order to receive federal funds under Parts IV-B and IV-E of the Social Security Act (currently in excess of \$12 M), the department must meet the requirements of those sections of that Act:

42 USCS 671 Requisite features of State plan. (a) In order for a State to be eligible for payments under this part, it shall have a plan approved by the Secretary which----
(1) provides for foster care maintenance payments in accordance with 42 USCS 672 and for adoption assistance in accordance with 42 USCS 673.

42 USCS 673. Adoption assistance program (a)(1)(A) Each State having a plan approved under this part shall enter into adoption assistance agreements with the adoptive parents of children with special needs.

(B) Under any adoption assistance agreement entered into by a State with parents who adopt a child with special needs, the state—

(1) shall make payments of nonrecurring adoption expenses incurred by or on behalf of such parents in connection with the adoption of such child...

(3) The amount of the payments to be made in any case...shall be determined through the agreement between the adoptive parents and the State or local agency administering the program under this section, which shall take into consideration the circumstances of the adopting parents and the needs of the child being adopted, and may be readjusted periodically, with the concurrence of the adopting parents, depending upon changes in such circumstances. However, in no case may the amount of the adoption assistance payment...exceed the foster care maintenance payment which would have been paid

during the period if the child with respect to whom the adoption assistance payment is made had been in a foster family home.

Ultimately, the passage of SB 126 into law would place us in the position of incurring additional expenditures for the care of foster children, greater difficulty in recruiting adoptive parents, degradation in the quality of care provided to children in state custody because of disruptions, and a potential loss of \$12,000.0 in federal revenue.

In summary, we oppose this bill for many reasons. It could have very real and devastating impact on Alaskans who depend on these payments. Its passage would result in a complicated process of changing regulations for all of the major programs that we administer—perhaps several times during a year—a costly and disruptive situation for all concerned. It would place us in the position of losing substantial federal revenue because of our inability to meet federal requirements. The irregularity of payments throughout the year and among individuals with like eligibility and like needs would result in legal challenges on behalf of those individuals and a variety of groups.

If you have questions or require additional clarification regarding this information, please contact Janet Clarke at 465-1630. Thank you for your attention.

Sincerely,



Karen Perdue
Commissioner

cc: Senator Dave Donley, Capitol Building, Room 508
Senator Randy Phillips, Capitol Building, Room 103
Senator Pete Kelly, Capitol Building, Room 510
Senator Lyda Green, Capitol Building, Room 125
Senator Gary Wilken, Capitol Building, Room 514
Senator Loren Leman, Capitol Building, Room 115
Senator Al Adams, Capitol Building, Room 417
Laura Glaiser, Staff, Senator P. Kelly, Capitol Building, Room 510
Elmer Lindstrom, Special Assistant
Janet Clarke, Director, Administrative Services
Russ Webb, Deputy Commissioner
Lisa Emerson, Budget Analyst, Administrative Services
Jim Nordlund/Randy Moore, Public Assistance
Tom Cherian, Administrative Manager, Family and Youth Services
Bob Labbe/Randy Super, Medical Assistance



April 5, 1999

By hand delivery

Sen. Sean Parnell
Co-chair, Finance Committee
Alaska Legislature
Capitol Room 518
Juneau, Alaska

Sen. John Torgerson
Co-chair, Finance Committee
Alaska Legislature
Capitol Room 516
Juneau, Alaska

Re: **SB 126 / HB 161: Limitations on benefits due to shortfall in appropriations**

Dear Senators Parnell and Torgerson:

I enclose a copy of my testimony regarding HB 161 before the House Finance Committee. I was not able to attend the hearing last week, but I understand there was a statement that the bill is not intended to affect non-cash benefit programs such as Medicaid.

To the extent that the state fails to provide its contribution necessary to secure federal funds for existing programs, the Legislature places such programs in jeopardy at a most inopportune time, when federal dollars are most likely to help the current state fiscal crisis and when we enjoy leadership of unparalleled influence in the U.S. Congress.

Without a clear definition of "benefit programs," the bill may jeopardize federal funding which contributes a significant portion of the overall state budget. For example, the Health Care Finance Administration is compelled by federal law to disapprove any Medicaid plan if "the State has in effect, . . . payment levels that are less than the payment levels in effect under such plan on May 1, 1988."¹ If by action of the bill Medicaid payments are reduced during some portion of the fiscal year to zero or otherwise below payment levels in effect in 1988, HCFA could be compelled by this law to disapprove Alaska's Medicaid plan. This and similar

¹ 42 U.S.C. § 1396a(c)(1)

MEMBER OF THE
NATIONAL
ASSOCIATION OF
PROTECTION &
ADVOCACY
SYSTEMS

Hon. Sean Parnell and Hon. John Torgerson, co-chairs, Senate Finance Committee, Alaska
Legislature

Re: SB 126 / HB 161: Limitations on benefits due to shortfall in appropriations

April 5, 1999

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“maintenance of local effort” provisions in federal laws provide strong incentives for continued state funding of state health and welfare programs. While assurances during a committee hearing as to legislative intent are useful, it would greatly ensure that the legislative intent is carried out for a definition of “benefit programs” to be added to the bill.

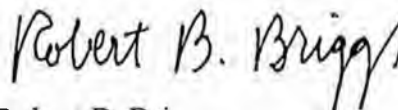
There is also a practical barrier to implementation of the bill for cash benefit programs such as Adult Public Assistance, Aid to the Disabled, ATAP, Child Care Assistance, and Day Care Assistance. The current language could be interpreted at least three ways as to how an administrator is to make the determination that “an appropriation . . . is not sufficient to fully fund all payments . . . under that program. . . .”:

- (1) appropriation at less than the amount of requested in the governor’s budget;
- (2) appropriation at less than the projected cost of the program (if higher than the governor’s budget request);
- (3) appropriation at less than the actual cost of the program

Either way it is interpreted, benefits are issued not based on need but on an estimate of available funds. This is a wholesale departure from the concept that a minimum standard of living for every Alaskan is the best way to promote, protect, and provide for the public health and welfare. Removing this floor of support from the most needy Alaskans is not the way to balance the budget.

I believe it is unwise for the committee to pass the bill in its present form without first exploring other means for balancing the budget, including methods to increase revenue. I also urge that before action by the Finance Committee, the bill should be referred to the Health, Education and Social Services committee for its evaluation and advice to the whole Senate of the implications of the bill.

Very truly yours,



Robert B. Briggs
Staff attorney

Encl.

Hon. Sen. Parnell and Hon. John Torgerson, co-chairs, Senate Finance Committee, Alaska
Legislature

Re: SB 126 / HB 161: Limitations on benefits due to shortfall in appropriations

April 5, 1999

Page 3

Cc (w/ encl.)

Members of the Senate Finance Committee

Cc (w/o encl.)

Hon. Eldon Mulder, co-chair, House Finance

Hon. Gene Therriault, co-chair, House Finance

Robert Poe, Commissioner, Dept of Admin

Kay Burrows, Director, Division of Senior Services

Richard Cross, Acting Director, Department of Education

Duane French, Director, Division of Vocational Rehabilitation

Karen Perdue, Commissioner, DHSS

Robert Labbe, director, DHSS, Div. of Medical Assistance

James Nordlund, director, DHSS, Div. of Public Assistance

Bruce Botelho, Attorney General

Jane Demmert, exec. dir., Alaska Commission on Aging

David Maltman, Governor's Council on Disabilities and Special Education

Walter Majoros, Alaska Mental Health Board

Anne Schultz, Governor's Advisory Board on Alcoholism and Drug Abuse

Patrick Reinhart, State Independent Living Council

Pat Clasby, Alaska State Hospital and Nursing Home Association

Rick Tessandore, exec. dir., Disability Law Center of Alaska, Inc.

SENATE FINANCE COMMITTEE

SIGN-IN

SB 126-REDUCTIONS IN BENEFIT PROGRAMS

NAME: Kate D. Gundunas Sub./Bill No: SB 126
Co./Dept./Title: SAIL, INC. EXECUTIVE DIRECTOR Phone: 789-9665
Address: P.O. Box 35097 Juneau Zip: 99803
Do you wish to testify? Yes No Respond to Questions

NAME: Bob Briggs Sub./Bill No: SB 126
Co./Dept./Title: Disability Law Center of Alaska / Staff Phone: 586-1627
Address: 230 So. Franklin #209 Juneau AK Zip: 99801
Do you wish to testify? Yes No Respond to Questions

NAME: Alison Elgee Sub./Bill No: SB 126
Co./Dept./Title: Dep. Comm Phone: _____
Address: DOT Zip: _____
Do you wish to testify? Yes No Respond to Questions

NAME: Margo Waring Sub./Bill No: SB 126
Co./Dept./Title: Alaska Mental Health Bd Phone: 3278
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond to Questions

NAME: Nelson Poye Sub./Bill No: _____

Co./Dept./Title: Mental Health Trust Phone: 269-7940

Address: 810 N St Anchorage Zip: 99501

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions