

SB

182



Official Business


Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

MEMORANDUM

To: Representative Fred Dyson, Chair
House Health & Social Services Committee

Fr: Senator Dave Donley, Co-Chair
Senate Finance Committee 

Re: Calendar Request for CSSB 182, "An Act requiring reductions in payments to individuals under certain benefit programs if appropriations are not sufficient to fully fund the statutorily established levels of payments."

Date: April 10, 2002

I request that you schedule Committee Substitute for Senate Bill 182, "An Act Requiring reductions in payments to individuals under certain benefit programs if appropriations are not sufficient to fully fund the statutorily established levels of payments."

Committee Substitute for Senate Bill 182 requires pro ration without regard to the possibility of a supplemental when so directed by legislative intent in the budget.

Committee Substitute for Senate Bill 182 passed out of the Senate on April 3rd with a vote of 13 yabs to six nays.

Thank you in advance for your consideration of this request. If you or your staff should have any questions, please contact myself or Marilyn Wilson of my staff at 6541.

DD/mjw

Attachments
Bill
Sponsor Statement
Sectional Analysis
Fiscal Notes
Background Information



Official Business

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Sponsor Statement Committee Substitute for Senate Bill 182

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"Reducing certain payments to ensure continued payments for an entire fiscal year when funding at the statutory designated level is not appropriated"

Committee Substitute for Senate Bill 182 provides a valuable budgeting tool to executive branch program managers by allowing them to reduce payments on a pro rata basis when necessary. Currently, most statutes require that payments be made at a prescribed level without reference to funding actually available in the budget for that year. If a program does not receive funding at the statutorily suggested level, the only current option is to request a supplemental appropriation or shut a program down in the later months of the fiscal year.

Committee Substitute for Senate Bill 182 recognizes the reality that funds may not always be available to fund individual benefit payments at the statutorily suggested level. If this occurred, individuals who rely on these programs may receive benefits only until the available money runs out for that fiscal year. This legislation provides a contingency in the event that a funding shortage occurs in the future.

Committee Substitute for Senate Bill 182 would allow program directors to reduce benefit payments on a pro rata basis should funding for that program be insufficient. This legislation would **require** pro ration when so directed by legislative intent in the budget.

While this would reduce each payment, it would extend payments over the full 12-month period, thus allowing the Legislature and Administration to respond to reductions in revenue and increases in program recipients in a simple and practical manner. This bill specifically excludes loan programs, subsidies for hard-to-place children, fishermen's fund, workers' compensation fund, second injury fund, retirement programs and programs for which other provisions of law address underfunding.

This legislation will encourage greater accuracy and accountability in state budgeting and also encourage accountability on the part of program directors for the efficient management of their program. The mechanism is similar to other state programs that provide benefits based on funds available.

Committee Substitute for Senate Bill 182 provides a reasonable budgetary tool for the administration and legislature and a valuable mechanism that may be needed to help deal with future fiscal challenges.

DD/mjw



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Juneau, Alaska 99801-1182

Sectional Analysis

Committee Substitute for Senate Bill 182

Section 1. Requires a state agency to reduce payments on a pro rata basis if an appropriation for a benefit program is not sufficient to fund payments to individuals under that program at the statutorily suggested level.

Requires pro ration when directed by legislative intent in the budget.

Does not require reductions for the program that provides subsidies for hard-to-place children in foster homes, for loan programs, for state employee retirement benefit programs, fishermen's fund, workers' compensation, second injury fund or for programs for which other provisions of law address under funding.

Section 2. Adds a severability clause that reads: Under AS 01.10.030, if any provision of this Act or the application of it to any person or circumstance is held invalid, the remainder of the Act and the application to other persons or circumstances are not affected.

DD/mjw

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Public Assistance
APPROPRIATIONS INSUFFICIENT Component: Tribal Assistance
 Sponsor: SENATE (FIN)
 Requestor: SENATE (FIN) Component Number: 2336

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Through Alaska Native Family Assistance Grants, the department currently provides a fair and equitable proportion of state appropriations to support the operation of Native Family Assistance Programs. If this legislation passes and there is a reduction in the ATAP component, it may impact the amount of state funding available for Alaska Native Family Assistance Grants. Currently, there are three Native organizations that operate Native Family Assistance Programs and provide temporary assistance benefits to approximately 1,400 Native families.

Prepared by: Jim Nordlund Phone 465-5835
 Division: Public Assistance Date/Time 02/28/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 02/28/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Public Assistance
APPROPRIATIONS INSUFFICIENT Component: General Relief Assistance
 Sponsor: SENATE (FIN)
 Requestor: SENATE (FIN) Component Number: 221

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Alaska's General Relief Assistance (GRA) program pays for 450 indigent burials and emergency assistance to prevent evictions for 1380 families per year. This program has existed in Alaska since territorial days.

Governments have long had a history of paying for burials for the poor. A fair and reasonable reimbursement for this service to Funeral homes insures a sense of dignity for those poor individuals and their families who cannot afford to bury their deceased loved ones. It would not be reasonable to reduce payments in this area; there are no other entities available to pick up expenses for these costs.

The burial portion of the program consumes 75% of the funds. The remainder is used to assist poor

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FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 182

ANALYSIS CONTINUATION

families who are facing eviction, with payments made to vendors.

Currently, the GRA program is funded in full in the Governor's FY03 Budget Request based on the latest projections and if the Legislature approves the Governor's FY03 Budget Request SB 182 would have no impact. However, we are providing a fiscal analysis to show what would occur if the GRA program faced a shortfall of 5% and 10% in FY03.

Assumptions:

The GRA program is underfunded by 5%, or \$53.1 below projected need.

The GRA program is underfunded by 10%, or \$106.2 below projected need.

Indigent Burials. The average payment made to funeral providers for each indigent burials is about \$1,760. Should SB 182 become law, with a 5% reduction these payments would be reduced to \$1,672. With a 10% reduction, the payments would be reduced to \$1,584.

Evictions. The average monthly payment made to landlords to prevent evictions is approximately \$160 per household. Should SB 182 become law, with a 5% reduction these vendor payments would be reduced to \$152. With a 10% reduction, these payments would be reduced to \$144.

The GRA program serves as a last resort safety net for some of Alaska's most impoverished citizens. The GRA benefit already represents 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 emergent needs of applicants.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Public Assistance
APPROPRIATIONS INSUFFICIENT Component: Adult Public Assistance
 Sponsor: SENATE (FIN)
 Requestor: SENATE (FIN) Component Number: 222

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Adult Public Assistance (APA) program provides a \$308.50 per month supplement for poor blind, disabled, and elderly clients. Payments are made to 15,156 people per month (10,232 disabled and 4,924 elderly). This monthly payment allows these very disadvantaged individuals to live with dignity and independence, primarily in their own homes. Without this support many of our most vulnerable adults would have to be placed in institutions, nursing homes or made homeless because they do not have the financial ability to live an independent life without this help.

Many of the individuals who rely on this monthly cash assistance lead very frugal lives and have limited resources, reductions in any amount will leave these clients with having to choose between such things as paying the electric bill or buying food. APA payments have been held steady since 1993 without

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 Division: Public Assistance Date/Time 02/27/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 02/28/2002
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FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 182

ANALYSIS CONTINUATION

cost of living adjustments. These blind, disabled and elderly clients have already had to cut costs just because of the higher cost of living in the last 10 years. Any across the board reductions in the benefit level on top of having to absorb cost of living increases will force many clients from independent living.

APA PRO-RATA REDUCTION ANALYSIS:

Currently, the APA program is funded in full in the Governor's FY03 Budget Request based on the latest projections. If the Legislature approves the Governor's FY03 Budget Request, SB 182 would have no impact. However, we are providing a fiscal analysis to show what would occur if the APA program faced a shortfall of 5% and 10% in FY03.

Assumptions:

The APA program is underfunded by 5%, or \$2,805.4 below projected need.

The APA program is underfunded by 10%, or \$5,610.8 below projected need.

Should SB 182 become law, with a 5% reduction each of these individuals would lose, on average, about \$185 in basic life supporting benefits in FY03. With a 10% reduction, they would lose about \$370 in basic life supporting benefits in FY03. Subsequent benefit reductions would depend on Legislative appropriation for the program.

An important fact to note: State spending on Adult Public Assistance has exceeded the Legislature's appropriation in 11 of the last 13 years, often with the assurance that the need for supplemental funding would be acted on during the next legislative session. SB 182 removes this assurance and increases the risk for this already at risk population.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Public Assistance
APPROPRIATIONS INSUFFICIENT Component: ATAP
 Sponsor: SENATE (FIN)
 Requestor: SENATE (FIN) Component Number: 220

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The focus of the Alaska Temporary Assistance Program (ATAP) is to provide temporary financial assistance to poor families and help those families work their way out of poverty and into self-sufficiency through employment. Assistance payments are intended to help these families with their basic living expenses while they take steps to move off of assistance. In FY03, ATAP will provide monthly payments to 5,820 families across Alaska.

Such reductions could not be from general funds because this would put the state out of compliance with federal "maintenance of effort" (MOE) requirements. Under the federal Temporary Assistance for Needy Families program, states are required to contribute at least 80% of their historic expenditures. Alaska is already at its MOE "floor" and a reduction in payments would result in severe penalties. No

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 Division: Public Assistance Date/Time 02/27/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 02/28/2002
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FISCAL NOTE

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2002 LEGISLATIVE SESSION

BILL NO. SB 182

ANALYSIS CONTINUATION

state has violated its MOE. Alaska is already at its MOE "floor" and a reduction in payments would result in severe penalties.

Our only option would be to apply the reduction against the federal portion of the ATAP benefits. This would not result in any general funds savings to the program, and might adversely impact other state programs that currently use federal TANF funds to replace general funds in their programs.

If the ATAP program is forced to make pro-rated reductions in individual benefits, families will have a much harder time meeting basic needs (rent, utilities, transportation, etc.) This in turn, will cripple some families' ability to hold down jobs or take other steps toward self-sufficiency -- and ultimately lead to more people on welfare.

ATAP PRO-RATA REDUCTION ANALYSIS:

Currently ATAP is funded in full in the Governor's FY03 Budget request based on the latest projections and if the legislature approves the Governor's FY03 Budget Request SB 182 would have no impact. However we are providing a fiscal analysis to show what would occur if ATAP faced a shortfall of 5% and 10% in FY03.

Assumptions:

ATAP is underfunded by 5%, or \$2,357.1 below projected need.

ATAP is underfunded by 10%, or \$4,714.2 below projected need.

Should SB 182 become law, with a 5% reduction each ATAP family would lose, on average, about \$405 in benefits for basic needs in FY03. With a 10% reduction, they would lose about \$810 in benefits for basic needs in FY03. Subsequent reductions would depend on Legislative appropriation for the program.

Since it was implemented, welfare reform has saved over \$55.7 million in state and federal benefit payments. Many more recipients are now working, and the average payment has declined 15% -- from \$794 in FY97 to an \$675 in FY01.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 182
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Purchased Services
APPROPRIATIONS INSUFFICIENT Component: Foster Care Base Rate
Sponsor: SENATE (FIN)
Requestor: SENATE (FIN) Component Number: 2236

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Foster Care program exists to provide the State of Alaska with safe homes for over 1,100 children per month who have been abused or neglected to live on a temporary basis. Foster Parents in Alaska have not had a raise since 1997 and the payment rate has been eroded due to increases in inflation. The average daily rate of \$22.34 per day is intended to reimburse foster parents for the basic costs of raising a child. With the current rates inadequate any pro-rata reduction in rates further erodes the amount paid to foster parents.

The state of Alaska recognizes the valuable work foster parents do on our behalf for vulnerable children. If reductions are made to an already low daily rate this will have the effect of devaluing the work that foster parents do. The State will also face increasing problems in attracting and retaining foster parents

Prepared by: Theresa Tanoury, Director Phone 465-3191
Division: Family & Youth Services Date/Time 02/27/2002
Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 02/28/2002
Agency: Department of Health & Social Services

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FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 182

ANALYSIS CONTINUATION

ANALYSIS CONTINUED:

and could disrupt placements. If foster parents are not available to do this valuable work, DFYS could have to turn to residential care to make sure abused children are in safe places at almost 10 times the cost. A payment reduction of even \$2.00 per day could make a big difference in the lives of foster families in Alaska.

Further, the State has an obligation to reimburse Foster Care Providers for the cost of care for children in their custody. If the State fails to meet its obligation, Foster Care providers will have no legal obligation to continue to provide care for the children. This could result in Foster Care Providers returning children to the Division of Family and Youth Services. This situation would seriously undermine the State's child welfare system and would negatively impact the children that the State is responsible for protecting.

PRO-RATA REDUCTION:

Currently the Foster Care Base Rate program is funded in full in the Governor's FY03 Budget request based on the latest projections and if the Legislature approves the Governor's FY03 Budget Request SB 182 would have no impact. However, we are providing a fiscal analysis to show what would occur if the Foster Care Base Rate program faced a shortfall of 5% and 10% in FY03.

Assumptions:

- The Foster Care Base Rate program is fully funded in FY03 at \$11,269.6.
- A 5% reduction in funding will decrease component funding by \$563.5.
- A 10% reduction in funding will decrease component funding by \$1,127.0.

FOSTER CARE REDUCTION ANALYSIS:

The current Foster Care Base Rate of \$22.34 is based on the federal poverty guidelines of 1993, and does not reflect overall cost of living increases that have occurred since that time. A 5% reduction of benefits will decrease the daily rate from \$22.34 to \$21.22, a decrease of \$1.12 per day. A 10% decrease in benefits will reduce the daily rate from \$22.34 to \$20.11, a decrease in reimbursement to foster care providers of \$2.23 per day.

Trained, experienced foster families are a valuable resource and provide an essential service. There is already a shortage of foster parents. An inability to reimburse foster care providers for services rendered will seriously erode any success that the Department has made during the last two years to recruit and retain foster parents. Foster parents rely on the State being able to reimburse them for their costs of care. Any reduction in payments may disrupt placements and result in the Department not having enough foster parents to care for the children committed to State custody. This may result in other placements for children such as Residential Care Facilities, at a daily cost that ranges from \$168 to \$272.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Purchased Services
APPROPRIATIONS INSUFFICIENT Component: Foster Care Augmented Rate
 Sponsor: SENATE (FIN)
 Requestor: SENATE (FIN) Component Number: 2237

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Augmented Foster Care program, or difficulty of care program, reimburses foster care providers for extraordinary costs and for higher levels of supervision not otherwise covered by the Foster Care Base Rate program. When children enter foster care with a higher level of disturbance, foster parents are required to access a higher level of services to meet their needs (i.e., physical and/or psychological therapy, supervised visits with family members, individual education plans, tutoring).

This program serves the most difficult to care for children in the Child Protection system. Making reductions in augmented care rates to implement this bill will make it more difficult for foster parents to provide a safe environment for these disadvantaged children. The Department anticipates that 30.6% of the 1,100 children per month will receive an augmentation of \$20.15 to their base rate in FY2003.

Prepared by: Theresa Tanoury, Director Phone 465-3191
 Division: Family & Youth Services Date/Time 02/27/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 02/28/2002
 Agency: Department of Health & Social Services

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FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 182

ANALYSIS CONTINUATION

ANALYSIS CONTINUED:

The state of Alaska recognizes the valuable work foster parents do for abused and neglected children. If reductions are made to augmented rates, the state will not be reimbursing foster parents for the cost of care. The State will face increasing problems in attracting and retaining foster parents.

PRO-RATA REDUCTION:

Currently the Foster Care Augmented program is funded in full in the Governor's FY03 Budget request based on the latest projections and if the Legislature approves the Governor's FY03 Budget Request SB 182 would have no impact. However, we are providing a fiscal analysis to show what would occur if the Foster Care Base Rate program faced a shortfall of 5% and 10% in FY03.

Assumptions:

- The Foster Care Augmented program is fully funded in FY03 at \$3,748.5.
- A 5% reduction in funding will decrease component funding by \$187.4.
- A 10% reduction in funding will decrease component funding by \$374.9.

FOSTER CARE AUGMENTED RATES PRO-RATA REDUCTION:

AS 47.14.100 mandates the Department to provide 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. To meet this mandate, the Department provides foster care programs - Foster Care Base Rate, Foster Care Augmented, and Foster Care Special Needs. These programs provide for children that have been removed from situations of abuse or neglect and that are at risk for further abuse and neglect.

A 5% reduction in the augmented benefit will reduce reimbursement to foster parents from \$20.15 to \$19.14 per day, a reduction of \$1.01 per day. A 10% decrease in benefits will reduce the augmentation from \$20.15 to \$18.13, a reduction of \$2.02 per day.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Purchased Services
APPROPRIATIONS INSUFFICIENT Component: Foster Care Special Need
 Sponsor: SENATE (FIN) Component Number: 2238
 Requestor: SENATE (FIN)

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Children who have experienced abuse or neglect often present unique challenges to families, and foster parents are frequently required to access a higher level of service, such as special medical or therapeutic care, to meet the needs of the child. The Foster Care Special Needs program reimburses foster care providers for these pre-approved "one-time" goods or services that are not covered by the Foster Care Base Rate program and that are consistent with the child's case plan.

Special needs children often require one-time items that assist them in leading normal lives. Any reductions to this program will reduce the number of special needs children that get served.

Currently the Foster Care Special Needs program is funded in full in the Governor's FY03 Budget

Prepared by: Theresa Tanoury, Director Phone 465-3191
 Division: Family & Youth Services Date/Time 02/27/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date: 02/28/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 182

ANALYSIS CONTINUATION

ANALYSIS CONTINUED:

request based on the latest projections and if the Legislature approves the Governor's FY03 Budget Request SB 182 would have no impact. However, we are providing a fiscal analysis to show what would occur if the Foster Care Base Rate program faced a shortfall of 5% and 10% in FY03.

Assumptions:

- The Foster Care Special Needs program is fully funded in FY03 at 4,294.5; with almost \$3 million allocated to special needs payments.
- A 5% reduction will decrease component funding by \$214.7.
- A 10% reduction will decrease component funding by \$429.5.

There are only two choices for reductions in the special needs program; either a cap will have to be placed on how much each child can receive as a one-time payment or DFYS will have to decide that some children will not receive special needs payments.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: "An Act requiring reductions in pay- BRU Longevity Bonus
ments to individuals..." Component Longevity Bonus Grants
 Sponsor Senate Finance
 Requester Senate Finance Component No. 26

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

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--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The following FY 2003 Longevity Bonus recipients could be affected by the proration provisions in SB 182:

\$250 per month	12,710	Average Monthly Recipients
200 per month	1,777	" " "
150 per month	1,935	" " "
100 per month	<u>2,215</u>	" " "
Total	18,637	Average Monthly Recipients

Prepared by: James L. Kohn, Director
 Division: Alaska Longevity Programs
 Approved by: Jim Duncan, Commissioner
 Agency: Department of Administration

Phone 465-2159
 Date/Time 2/28/02 3:59 PM
 Date 2/28/2002

Bill History/Action Display



BILL: SB 182 SHORT TITLE: PRO RATA REDUCTIONS IN BENEFIT PROGRAMS
 BILL VERSION: CSSB 182(FIN)
 SPONSOR(S): FINANCE
 CURRENT STATUS: (H) HES STATUS DATE: 04/05/02
 THEN FIN

TITLE: "An Act requiring reductions in payments to individuals under certain benefit programs if appropriations are not sufficient to fully fund the statutorily established levels of payments."

[Full Text](#)

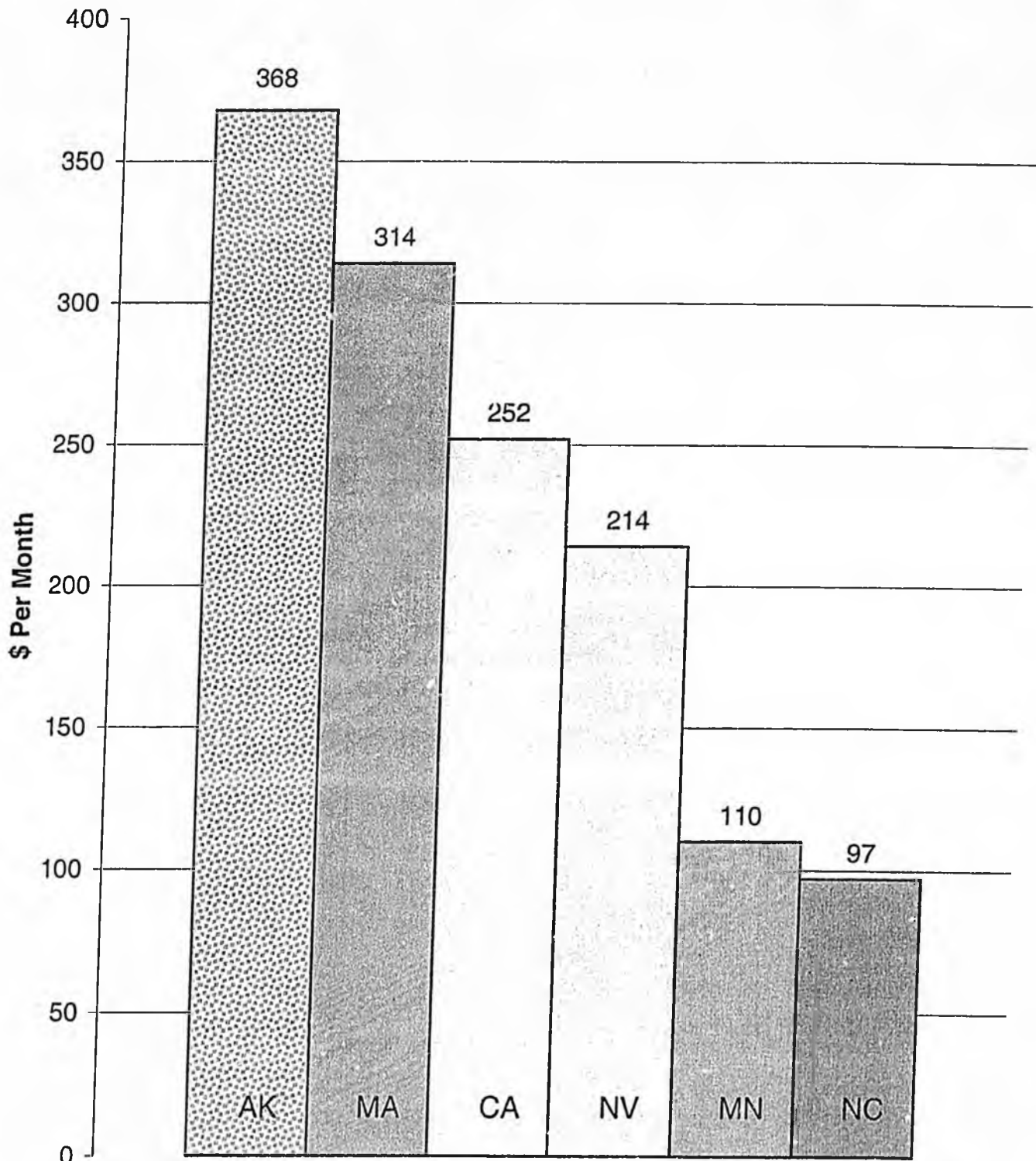
[Fiscal Notes](#)

Committee Action with Bill History

Jrn-Date	Jrn-Page	Action
04/09/01	<u>1014</u>	(S) READ THE FIRST TIME - REFERRALS
04/09/01	<u>1014</u>	(S) FIN
03/22/02	<u>2490</u>	(S) FIN RPT CS 4DP 3NR SAME TITLE
03/22/02	<u>2490</u>	(S) DP: DONLEY, GREEN, LEMAN, WARD;
03/22/02	<u>2490</u>	(S) NR: KELLY, AUSTERMAN, WILKEN
03/27/02	<u>2533</u>	(S) FN1: INDETERMINATE(GOV/ALL DEPTS)
03/27/02	<u>2533</u>	(S) FN2: INDETERMINATE(HSS)
03/27/02	<u>2533</u>	(S) FN3: INDETERMINATE(HSS)
03/27/02	<u>2533</u>	(S) FN4: INDETERMINATE(HSS)
03/27/02	<u>2533</u>	(S) FN5: INDETERMINATE(HSS)
03/27/02	<u>2533</u>	(S) FN6: INDETERMINATE(HSS)
03/27/02	<u>2533</u>	(S) FN7: INDETERMINATE(HSS)
03/27/02	<u>2533</u>	(S) FN8: INDETERMINATE(HSS)
04/02/02	<u>2586</u>	(S) RULES TO CALENDAR 1OR 4/2/02
04/02/02	<u>2587</u>	(S) READ THE SECOND TIME
04/02/02	<u>2588</u>	(S) FIN CS ADOPTED UNAN CONSENT
04/02/02	<u>2588</u>	(S) ADVANCE TO 3RD READING FLD Y13 N4 E2 A1
04/02/02	<u>2588</u>	(S) ADVANCED TO THIRD READING 4/3 CALENDAR
04/03/02	<u>2616</u>	(S) READ THE THIRD TIME CSSB 182(FIN)
04/03/02	<u>2616</u>	(S) PASSED Y13 N6 E1
04/03/02	<u>2616</u>	(S) ELLIS NOTICE OF RECONSIDERATION
04/04/02	<u>2635</u>	(S) RECONSIDERATION NOT TAKEN UP
04/04/02	<u>2636</u>	(S) TRANSMITTED TO (H)
04/04/02	<u>2636</u>	(S) VERSION: CSSB 182(FIN)
04/05/02	<u>2813</u>	(H) READ THE FIRST TIME - REFERRALS
04/05/02	<u>2813</u>	(H) HES, FIN
04/05/02	<u>2813</u>	(H) REFERRED TO HES

Alaska and the Five Highest 1999 SSI State Supplemental Program
Monthly Payments For
Individuals Living In Another Household

Adult Public Assistance

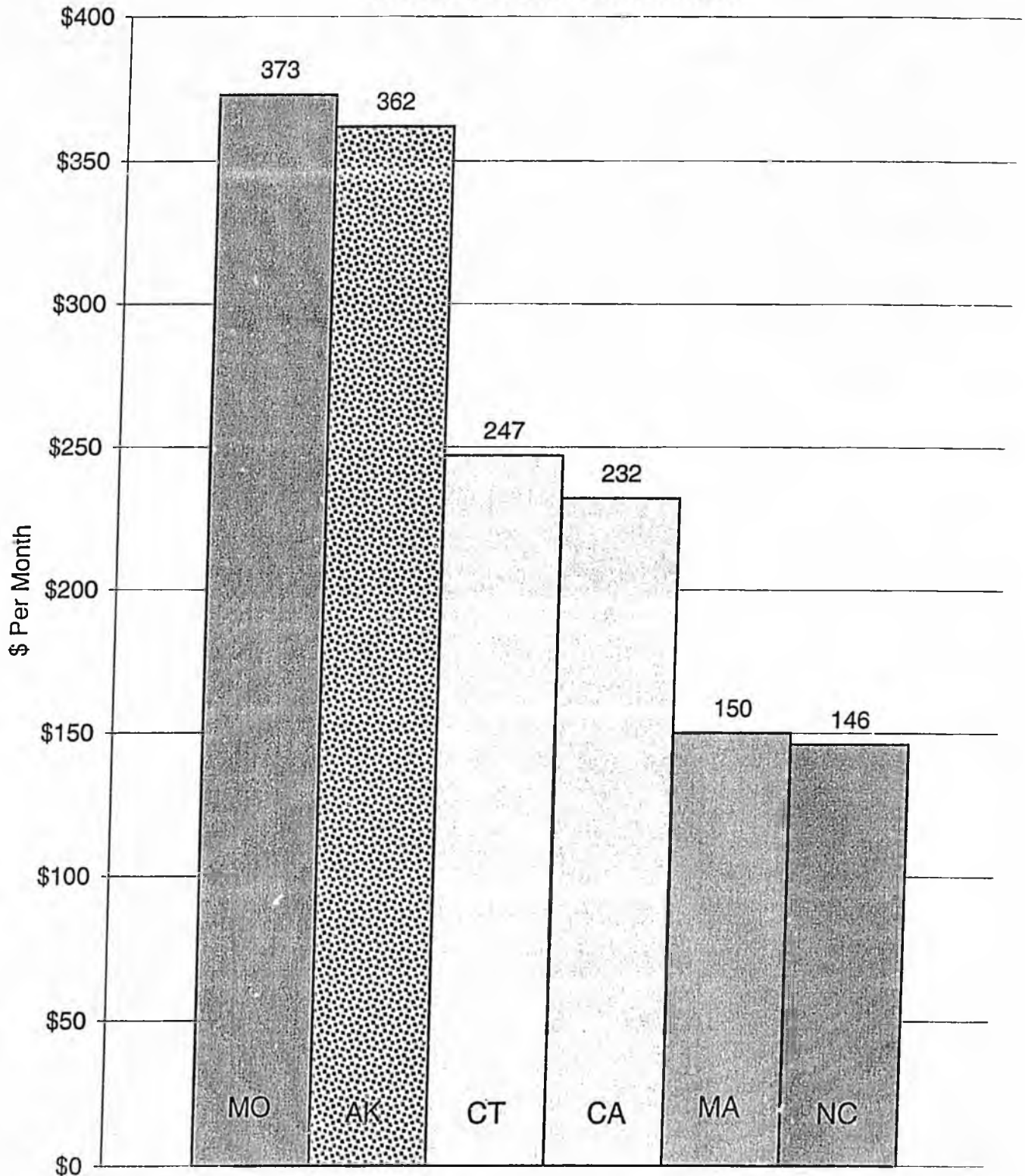


Note: 27 States Have No Program or Pay Nothing

Some states have multiple levels of benefits. The amounts shown are the highest level.

Alaska and the Five Highest 1999 SSI State Supplemental Program
Monthly Payments For Individuals Living Independently

Adult Public Assistance

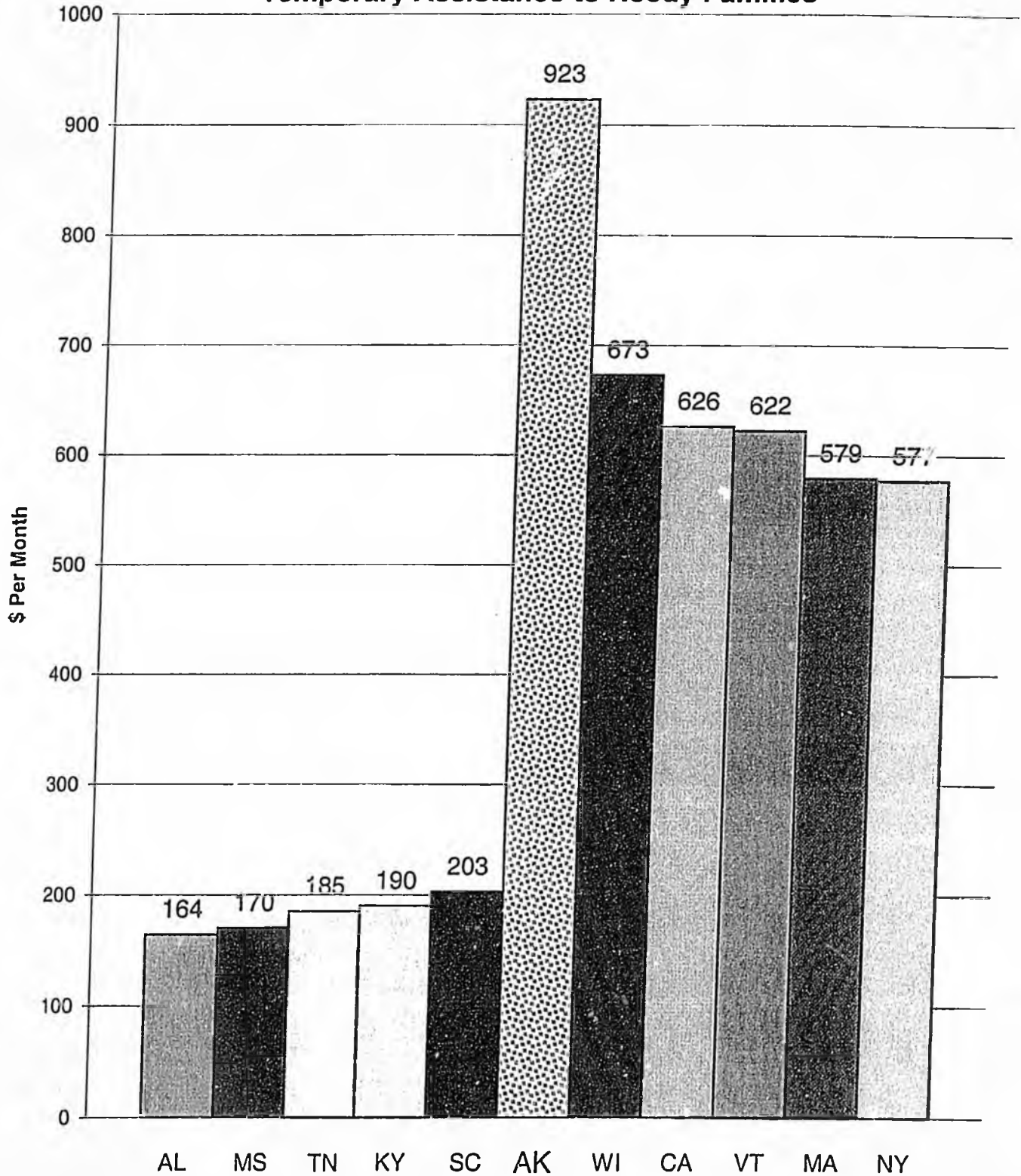


Note: 22 States Have No Program or Pay Nothing

Some states have multiple levels of benefits. The amounts shown are the highest level.

TANF Maximum Monthly Benefits For a Family of Three As Of January 2000 Alaska, The Five Lowest States and The Next Five Highest States

Temporary Assistance to Needy Families





Honorable Fred Dyson, Chair
House Health, Education and Social Services Committee
Alaska Capitol, Room 104
Juneau, AK 99801-1182

April 22, 2002

RE: SB 182 (oppose)

Dear Chair Dyson:

On behalf of the AARP members in Alaska, we sincerely ask that you and your colleagues on the House Health, Education and Social Services Committee oppose SB 182 when it comes before you.

Everyone needs to plan his or her monthly budget. SB 182 would make it impossible for some of Alaska's most vulnerable citizens to stay within their budgets because the Legislature might cut their benefits on a month-to-month basis.

Mid-life and older persons who receive Adult Public Assistance have already demonstrated their need to the state. We have recognized that financial need and certified their eligibility for this benefit.

No one chooses to go into a nursing home. All of us want to "age in place". We want to remain in the community as long as possible. Adult Public Assistance allows our most frail and vulnerable citizens to remain independent and avoid premature institutionalization. Cuts in Adult Public Assistance could force some of these individuals into nursing homes and Pioneer Homes at greater cost to the state.

SB 182 would also endanger those retired Alaskans who receive the Longevity Bonus. This list of recipients grows smaller each year. Those who do receive the Bonus are among our oldest fellow Alaskans. They budget each month anticipating a steady bonus, not one that would be threatened with "pro-rata" cuts because of budget shortfalls over which they have no control.

AARP appreciates the concern you and your colleagues have about our fiscal situation and the need to explore solutions for it.

We pledge to work with you to bring our members and the public in support of the solutions at which you arrive. However, these solutions should be fair and make sense.

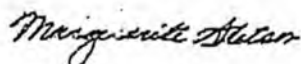
SB 182 targets some of our most needy Alaskans and puts them at financial risk. A better solution would be for all Alaskans to share equally, as they are able to, in resolving our fiscal situation. Some of us can tighten our belts easier than others. Some of us have no belts.

Please set aside SB 182 and let us work together on cuts that make more sense and revenue enhancements that will be fair to all.

Should you have any questions about our position, please feel free to contact Marie Darlin (907.586.3637), Coordinator of the AARP Capitol City Task Force; Patrick Luby (907.762.3314), AARP Legislative Representative; or me (907.245.5259).

Thank you for your consideration.

Sincerely,



Marguerite Stetson
AARP Alaska
Executive Council Member for Advocacy
3009 Northwood Street
Anchorage, AK 99517-1871
907.245.5259 voice
907.245.5279 fax
ffmas@aurora.uaf.edu

cc: Representative Peggy Wilson, Vice-Chair
Representative John Coghill, Jr.
Representative Vic Kohring
Representative Gary Stevens
Representative Sharon Cissna
Representative Reggie Joule

**To: Representative Dyson,
House Health, Education and Social Services
Committee**

**From: Jennifer Nehlsen
4400 Old Nenana Hwy
Fairbanks AK 99709**

Date: 4/23/02

Re: SB 182

I am vehemently opposed to SB182 and the devastating effects it will have on thousands of Alaskans.

Along with many other constituents, I have continually asked for you and your colleagues to develop a responsible fiscal revenue plan. As your efforts to this end have been negligible, this Committee continues its efforts to put the burden of a balanced budget on the backs of the citizens that can least afford it.

As a community-minded property owner and gainfully employed resident of this great State, I ask you to figure out a better and more equitable way to provide the necessary assistance to my fellow citizens.

I am willing to pay for my fair share for the tremendous benefits I receive from my choice to live in Alaska. I implore you to seriously consider a fiscal plan that utilizes any combination of the following: income tax, sales tax, removing or capping the PFD, state lottery, and increased alcohol/tobacco/fuel taxes.



THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

**Elders in Residence 414 Hollywood - Sitka
AK**

The elders and members of 414 Hollywood Sitka, AK have determined that Senate Bill 182 is potentially detrimental to the quality of life and the peace of mind of the most vulnerable of citizens - younger person with disabilities and older persons that receive Adult Public Assistance.

Whereas, the Elders in Residence are concerned for their fellow Alaskans and the possibility that the passage of SB 182 could place already vulnerable citizens in serious financial jeopardy, even to the point of forcing elders and persons with disabilities to be placed in Nursing Homes prematurely.

Whereas, the Elders in Residence enjoy a life of independent living, as meager as it is, through the consistency of Adult Public assistance as it stands. Any changes that occur, especially financial changes, affect the quality of life and the continued independent living status of most of the residence.

Now therefore be it resolved that, the Elders in Residence adamantly oppose the passage of SB 182, because this action would place our most vulnerable of citizens, elders and younger person with disabilities, in serious financial jeopardy on a continuing basis, changes could be made on a month-to-month basis, when ever the Legislature under-funds a program.

Passed April 17, 2002

Adopted and approved by unanimous voice vote.

Mary Wright, Secretary/Treasurer



Official Business


Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

MEMORANDUM

To: Representative Fred Dyson, Chair
House Health, Education & Social Services Committee

From: Senator Dave Donley, Co-Chair 
Senate Finance Committee

Re: Committee Substitute for Senate Bill 182, "An Act requiring reductions in payments to individuals under certain benefit programs if appropriations are not sufficient to fully fund the statutorily established levels of payments"

Date: April 20, 2002

On behalf of the Senate Finance Committee, I request your support for Committee Substitute for Senate Bill 182, which would allow program directors to reduce benefit payments on a pro rata basis.

Alaska is facing a revenue shortfall and funds may not always be available to fund individual benefit programs. Under existing law, if a shortfall occurs, individuals relying on these programs would only receive benefits until the money runs out for that fiscal year.

This legislation encourages greater accuracy and accountability on the part of program directors, and only requires pro ration when a program actually has insufficient funds and when so directed by legislative intent in the budget.

Attached, for your information, is the sponsor statement. If you have any questions, please contact Marilyn Wilson of my staff at 6541.

Thank you for your time and consideration.

DD/mjw

Attachment



Official Business

Alaska State Legislature

State Capitol
Juneau, AK 99801-1182

Sponsor Statement Committee Substitute for Senate Bill 182

“Reducing certain payments to ensure continued payments for an entire fiscal year when funding at the statutory designated level is not appropriated”

Committee Substitute for Senate Bill 182 provides a valuable budgeting tool to executive branch program managers by allowing them to reduce payments on a pro rata basis when necessary. Currently, most statutes require that payments be made at a prescribed level without reference to funding actually available in the budget for that year. If a program does not receive funding at the statutorily suggested level, the only current option is to request a supplemental appropriation or shut a program down in the later months of the fiscal year.

Committee Substitute for Senate Bill 182 recognizes the reality that funds may not always be available to fund individual benefit payments at the statutorily suggested level. If this occurred, individuals who rely on these programs may receive benefits only until the available money runs out for that fiscal year. This legislation provides a contingency in the event that a funding shortage occurs in the future.

Committee Substitute for Senate Bill 182 would allow program directors to reduce benefit payments on a pro rata basis should funding for that program be insufficient. This legislation would **require** pro ration when so directed by legislative intent in the budget.

While this would reduce each payment, it would extend payments over the full 12-month period, thus allowing the Legislature and Administration to respond to reductions in revenue and increases in program recipients in a simple and practical manner. This bill specifically excludes loan programs, subsidies for hard-to-place children, fishermen's fund, workers' compensation fund, second injury fund, retirement programs and programs for which other provisions of law address underfunding.

This legislation will encourage greater accuracy and accountability in state budgeting and also encourage accountability on the part of program directors for the efficient management of their program. The mechanism is similar to other state programs that provide benefits based on funds available.

Committee Substitute for Senate Bill 182 provides a reasonable budgetary tool for the administration and legislature and a valuable mechanism that may be needed to help deal with future fiscal challenges.

DD/mjw

**LEAGUE OF WOMEN VOTERS OF ALASKA
RESOLUTION 2002-03**

**A resolution pertaining to SB 182
Pro-Rata Benefit Reductions**

Whereas, the laws of the State of Alaska provide for assistance with basic support for low-income families, the elderly and disabled; and

Whereas, basic support programs promote self-sufficiency for low-income families, and

Whereas, basic support program also allow the elderly and disabled to live with dignity in their own communities; and

Whereas, SB 182 allows the legislature to disregard actual need for a benefit program, and instead under fund basic support programs; and

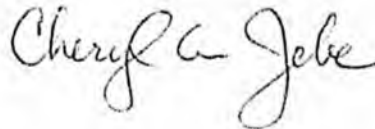
Whereas, the state agency determining the benefit program would then be required to prorate the benefit, reducing the amount of the benefit to all recipients, and

Whereas, a fluctuating benefit will cause instability in the lives of Alaska's most vulnerable citizens; and

Whereas, the League of Women Voters position on meeting basic human needs calls for benefit levels to be sufficient to provide decent, adequate standards for food, clothing and shelter and to be uniform based on needs,

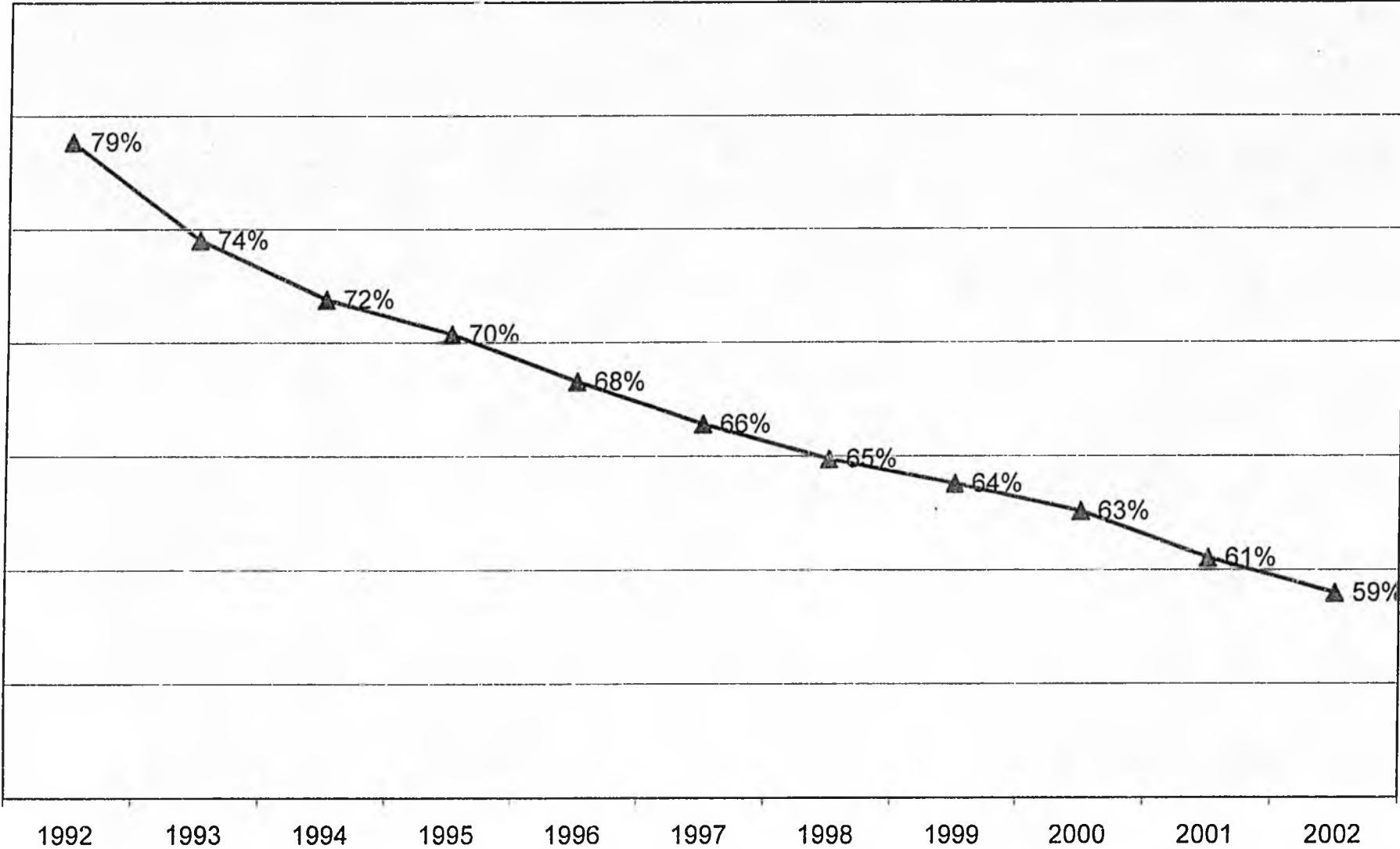
Now, therefore, be it resolved that the League of Women Voters of Alaska opposes passage of SB 182.

Passed and approved this 7th day of April, 2002, by the delegates to the 2002 Convention of the League of Women Voters of Alaska in Soldotna, Alaska.

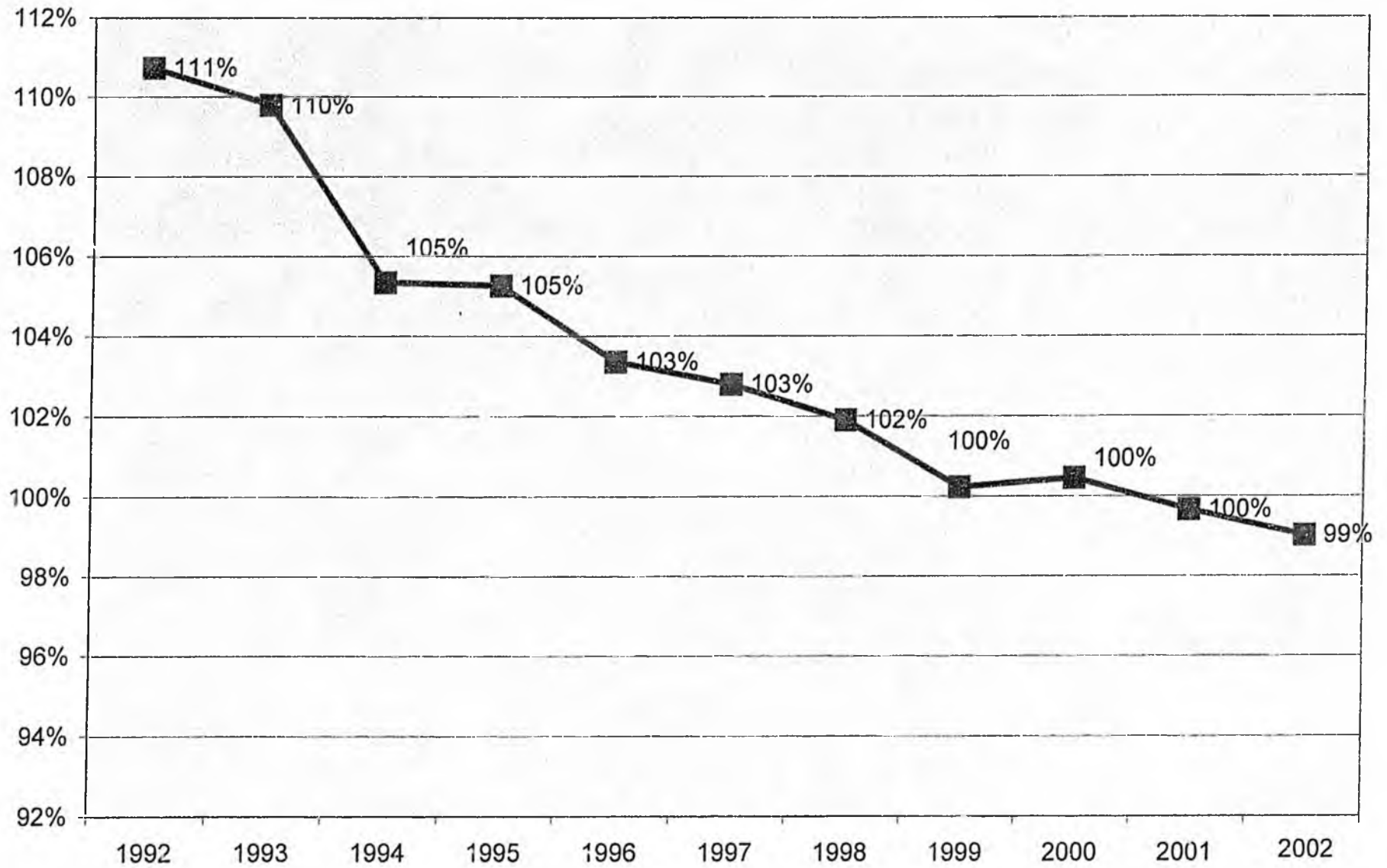


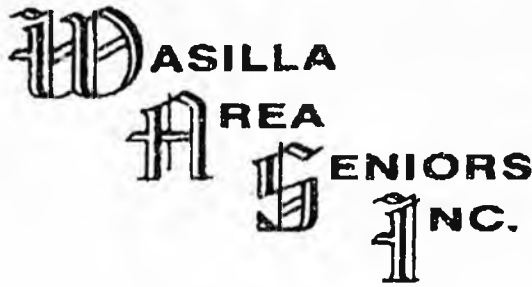
Cheryl Jebe, President
League of Women Voters of Alaska

AFDC/ATAP Benefit as a Percent of Federal Poverty Level



SSI/APA Benefit Amount as a Percent of Alaska Poverty Level





April 18, 2002

Representatives: Beverly Masek, Vic Kohring,
Scott Ogan, Fred Dyson, Peggy Wilson, John Coghill,
Gary Stevens, Sharon Cissna, Reggie Joule
Alaska State Legislature
Juneau, Alaska 99811

Dear Representative:

The Board of Directors reviewed SB 182 at their last meeting and requested that a letter opposing this bill be sent to the Legislature.

We are sure you are aware that this bill would have a serious affect on seniors. Many seniors live on fixed incomes and need their monthly income to pay their rent and other living costs. Reducing there Longevity Bonus for a month a year would create a hardship. Additionally some seniors receive some form of public assistance to live and this bill would affect this.

While we recognize you are facing a serious problem with the Fiscal Gap in the State budget and we support your resolving this issue on a permanent basis we urge you to do this in a manner that is equitable and fair to all Alaskans. We would urge you to not support this bill.

Sincerely,

A handwritten signature in cursive script that reads 'Ruby E. Church'.

Ruby Church, Vice President
Board of Directors



TESTIMONY REGARDING SB 182
PRESENTED 04-23-2002
LEGISLATIVE INFORMATION OFFICE
ANCHORAGE

Ladies and Gentlemen of the Health Education and Social Services Committee,

Good afternoon. My name is Anthony Lombardo and I represent Covenant House Alaska. Covenant House is a privately funded, non profit agency which cares for homeless and at risk youth . Today, I am here to offer you our view on SB182.

In addition to our emergency shelter, we having a program in Anchorage, called Passage House, which helps teen moms transition off public assistance and into self sufficiency. I speak to you today on their behalf.

Most Passage House moms come to us barely surviving on ATAP and WIC. We help stabilize their lives, find affordable day care, learn life skills like money management, find a job and over the course of about 18 months, transition off of public assistance. They come to us because they know that they are barely making it and often fear that one false step will result in life on the street and possibly loss of their child to the state's protective custody.

The uncertainty this bill would create in the meager budgets of young moms like those at Passage House is too great. Those teen moms who could otherwise come to us for help might lose their children to state services before they ever get to Passage House. We need less babies in state custody, not more. We need more programs transitioning poor moms and babies into self sufficiency

and off public assistance, but these moms do not need any more financial crisis or uncertainty.

In addition, if this bill passes, foster parents would not necessarily know from month to month how much income to factor into their budget. The added difficulties could discourage foster parents from participating in the program. We already have a shortage of foster care homes in this state. If we train wreck the fragile homes maintained by moms like those at Passage House, the state will need somewhere to place those children.

In short, Covenant House is opposed to the apparent intent of this bill. It would be unreasonable to introduce additional uncertainty into the health, safety and welfare of our poorest families.

Thank you.

4/22/2002

To:

Subject: HB 182

From: Michael & Tamara Keech
7715 Port Orford Drive
Anchorage, AK 99507

To Whom It May Concern:

This letter is in reference to HB 182 and it's probable impact on the foster care system.

The bill, also known as the "pro-rata" bill, tells the administration to pro-rate the monthly payment to foster parents when funds run low, which means the payment would be adjusted to fit the amount of money the Department is budgeted.

When foster care funding runs low now, the administration is allowed to ask for more funding through the Supplemental Budget process. SB 182 states no Supplemental funding would be available for foster care.

Living within the budget is ok when the number of children needing that care does not exceed the annual budget. In some years, more children needed protection through placement in foster care than the budget allowed.

If SB 182 passes, then in future years when foster care budget runs low, future administrations would have to reduce the monthly payment to foster parents. There would be no other option. Legally, the division could not accept fewer children in need in order to balance the budget.

The average monthly payment to foster parents is \$22.34. Foster parents are not interested in making money while providing foster care, but they surely can't supplement foster children to the detriment of their own! Secondly, managing a household within financial limits is vital, and without confidence that the rates would not vary, many foster families would discontinue caring for these children in need. After the first occurrence of reductions, I believe the already frustrated foster families, who are unaccustomed to dealing with the government bureaucracy would say the heck with it and bring the children back to DFYS! Then the only alternative would be to place them in residential group home settings at a rate of well over \$100.00 daily. Common sense should prevail here ladies and gentlemen. Sheer economics, coupled with the proven success of home environments in lieu of shelters, dictates the discontinuance of this bill.

Sincerely,

Tamara Keech
*Michael Keech*Michael & Tamara Keech
Foster Parents

Subject: HB 182

Date: Tue, 23 Apr 2002 15:53:13 -0800

From: "Tammy Keech" <keechtammy@hotmail.com>

**To: Representative_Sharon_Cissna@legis.state.ak.us,
Representative_John_Coghill@legis.state.ak.us**

**CC: Representative_Fred_Dyson@legis.state.ak.us, Representative_Reggie_Joule@legis.state.ak.us,
Representative_Vic_Kohring@legis.state.ak.us**

to whom it may concern:

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A few years ago a legislature said they should discontinue the stipend for foster parents all together. Then we would have the dedicated! I tell you have the dedicated.

Sincerely,

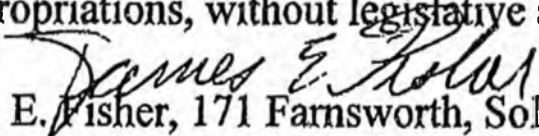
Michael and Tamara Keech

Join the world's largest e-mail service with MSN Hotmail.
<http://www.hotmail.com>

4/25/02

To: HOUSE HEALTH & SOCIAL SERVICES COMMITTEE

Re: SB 182 -- pro rata reductions to Longevity Bonus & socially needed appropriations, without legislative action

From:  James E. Fisher, 171 Farnsworth, Soldotna
Fax: 262-9641 ph: 262-9601

The SB 182 appears to be the Legislature abandoning one of its constitutional functions by passing it.

If you must reduce an appropriation for a program like the Longevity Bonus, you should be willing to look we elders of the State in the eye and convince us of your justification for doing so. Passing the responsibility on to an administrative official appears coy almost verging on failure of nerve.

I strongly urge that you vote NO on SB 182.

A rather senior citizen of Alaska,

James E. Fisher
(Sen4402.SB182)

Alaska Youth and Parent Foundation

Challenge House

9320 Roy Street
Anchorage, Alaska 99508
Shelter phone: 243-6342
Shelter Fax: 248-6902

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Thank You.

Deliver To: LIO office

Date: April 23, 2002

Fax: 269-0229

RE: House Bill 182

From: Tamara Keech

Total pages sent 2 (including cover page). If all pages are not received, please call sender at (907) 243-6342.

Message: ☺

4/22/2002

To:

Subject: HB 182

From: Michael & Tamara Keech
7715 Port Oxford Drive
Anchorage, AK 99507

To Whom It May Concern:

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Living within the budget is ok when the number of children needing that care does not exceed the annual budget. In some years, more children needed protection through placement in foster care than the budget allowed.

If SB 182 passes, then in future years when foster care budget runs low, future administrations would have to reduce the monthly payment to foster parents. There would be no other option. Legally, the division could not accept fewer children in need in order to balance the budget.

The average monthly payment to foster parents is \$22.34. Foster parents are not interested in making money while providing foster care, but they surely can't supplement foster children to the detriment of their own! Secondly, managing a household within financial limits is vital, and without confidence that the rates would not vary, many foster families would discontinue caring for these children in need. After the first occurrence of reductions, I believe the already frustrated foster families, who are unaccustomed to dealing with the government bureaucracy would say the heck with it and bring the children back to DFYS! Then the only alternative would be to place them in residential group home settings at a rate of well over \$100.00 daily. Common sense should prevail here ladies and gentlemen. Sheer economics, coupled with the proven success of home environments in lieu of shelters, dictates the discontinuance of this bill.

Sincerely,

Tamara Keech
Michael Keech

Michael & Tamara Keech
Foster Parents



TONY KNOWLES, GOVERNOR
State of Alaska

GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION

P.O. Box 240249 • Anchorage, Alaska 99524-0249 • Phone: 907-269-8990 • Fax: 907-269-8995

April 23, 2002

Members of the House Health, Education, and Social Services Committee:

The Governor's Council on Disabilities and Special Education writes this letter in opposition to Senate Bill 182. This bill attacks people with developmental disabilities by reducing the benefits they receive whenever the Legislature under funds a state "benefit program". It is very difficult for people with disabilities, dependant on state benefits, to live off a budget that fluctuates one month to the next. People with disabilities depend on the following programs.

- **Adult Public Assistance (APA):** Almost 15,000 disabled and elderly people who are currently able to live on their own because they receive Adult Public Assistance could be forced into more expensive institutional care, or even homelessness, if their benefits erode under pro rata shortfall scenarios. APA is chronically under funded: state spending on APA has exceeded the Legislature's appropriation in 11 of the last 13 years, and the program is currently under funded for FY02.
- **Medicaid, Chronic Acute Medical Assistance, and General Relief Assistance:** Destabilizing the benefits of these programs would affect thousands of Alaskans who are now beneficiaries of these programs.

Benefit programs provide a safety net that is available to every Alaskan to meet basic needs, work toward self-sufficiency, and continue to live with dignity in our communities. Compensating for a budget shortfall on a pro rata basis, rather than through supplemental funding, could tremendously destabilize the lives of people who receive support through benefit programs

The Governor's Council on Disabilities and Special Education strongly requests that you will consider the effects that SB182 will have on people with disabilities as well as other Alaskans who depend on "benefit programs" to maintain basic standards of living, self-sufficiency, and dignity while living in our communities.

Arctic Alliance for People remains unequivocally opposed to SB182, the pro-rata benefit reduction bill. This is NOT the way to balance our budget. By compensating for budget shortfalls on a pro rata basis rather than by supplemental funding, you would allow the legislature to shift the budget balancing burden onto the backs of the most vulnerable Alaskans -- the poor, the elderly, the disabled. For example, the potential reduction of benefits possible with the passage of this bill would undermine our ability to recruit and retain foster homes, would create unnecessary hardships for the elderly and disabled, and might actually force more people onto welfare. The clients of Arctic Alliance agencies have been speaking out against this legislation since it was first introduced in 1999 as HB 161. Last year during a public demonstration against SB182, disabled and elderly citizens spoke painfully and poignantly of the limitations of their incomes and the very real consequences that this bill could have on their ability to meet their most basic of needs. Please acknowledge them now and do not promote this piece of legislation.

As you deal with the budget challenges of the state during this legislative season, I applaud the House for continuing to look for ways to enhance revenue -- a strategy that will ultimately strengthen our state -- not weaken us by undermining our ability to care for our neediest citizens. The health of any society is determined by its ability to take care of those unable to care for themselves. Please recognize this bill for the unhealthy piece of legislation that it is.

Date: Thursday April 25, 2002

To: House HESS Committee

From: Taber Rehbaum, PO Box 438 Ester AK 99725
Arctic Alliance for People 452-8118
H: 458 0423

Re: SB182

Taber S Rehbaum

Tomy Lombardo

TESTIMONY REGARDING SB 182
PRESENTED 04-23-2002
LEGISLATIVE INFORMATION OFFICE
ANCHORAGE

Ladies and Gentlemen of the Health Education and Social Services Committee,

Good afternoon. My name is Anthony Lombardo and I represent Covenant House Alaska. Covenant House is a privately funded, non profit agency which cares for homeless and at risk youth . Today, I am here to offer you our view on SB182.

In addition to our emergency shelter, we having a program in Anchorage, called Passage House, which helps teen moms transition off public assistance and into self sufficiency. I speak to you today on their behalf.

Most Passage House moms come to us barely surviving on ATAP and WIC. We help stabilize their lives, find affordable day care, learn life skills like money management, find a job and over the course of about 18 months, transition off of public assistance. They come to us because they know that they are barely making it and often fear that one false step will result in life on the street and possibly loss of their child to the state's protective custody.

The uncertainty this bill would create in the meager budgets of young moms like those at Passage House is too great. Those teen moms who could otherwise come to us for help might lose their children to state services before they ever get to Passage House. We need less babies in state custody, not more. We need more programs transitioning poor moms and babies into self sufficiency

and off public assistance, but these moms do not need any more financial crisis or uncertainty.

In addition, if this bill passes, foster parents would not necessarily know from month to month how much income to factor into their budget. The added difficulties could discourage foster parents from participating in the program. We already have a shortage of foster care homes in this state. If we train wreck the fragile homes maintained by moms like those at Passage House, the state will need somewhere to place those children.

In short, Covenant House is opposed to the apparent intent of this bill. It would be unreasonable to introduce additional uncertainty into the health, safety and welfare of our poorest families.

Thank you.

Subject: SB 182

Date: Thu, 25 Apr 2002 14:09:51 -0800

From: Mark Andrews <markandcheryl@ak.net>

To: Representative_John_Coghill@legis.state.ak.us, Representative_Fred_Dyson@legis.state.ak.us,
Representative_Peggy_Wilson@legis.state.ak.us,
Representative_Gary_Stevens@legis.state.ak.us,
Representative_Vic_Kohring@legis.state.ak.us

I urge you to defeat SB 182. It is poorly conceived and can do immeasurable damage. Foster care is desperately needed, and reducing the stipends will make it even harder to find. Adult public assistance is paid to folks who are not able to work & support themselves. This is very poor public policy.

Sincerely,
Cheryl Keepers
PO Box 74898
Fairbanks, AK 99707

Subject: SB 182

Date: Mon, 22 Apr 2002 17:51:33 -0800

From: "Mary Ideran" <awrc@ak.net>

To: <Representative_Fred_Dyson@legis.state.ak.us>

Dear Representative Dyson:

I am writing to you in a different role from AWRC Executive Director. I am also Chairperson of the Anchorage Women's Commission. We are writing to communicate to you grave concerns over SB 182 which is to be heard in your committee on April 23rd.

Anchorage residents who receive benefits through the programs affected by SB 182 are, typically, women with low or fixed incomes. The benefits that come to them are a crucial part of a tight and carefully crafted budget, the purpose of which is either to help them move beyond the need for temporary assistance or to help them to live independently of institutional care. To pro rate these benefits is to de-stabilize the lives and plans for independence that these Alaskans have worked hard to build. Without this assist toward independence, these individuals are likely to need even greater levels of help at greater cost to our state and communities.

The Anchorage Women's Commission strongly urges that this bill not become a part of the FY 2003 state budget. We understand that legislator's responsibilities in the funding process are complex and difficult, and that many Alaskans are contacting you to convey their feelings on budget issues. The Anchorage Women's Commission strongly urges that SB 182 not become a part of the FY03 state budget.

Mary Ideran, Chair
Anchorage Women's Commission