

**SB**

**123**

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**FILE**



# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 123  
 ( S ) Publish Date: 3/6/03  
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):

Title ELIMINATE ANNUAL ADOPTION SUBSIDY  
REVIEWS

BRU Purchased Services  
 Component Subsidized Adoptions/Guardians

Sponsor RULES COMMITTEE

Requester GOVERNOR

Component No. 1962

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	( 270.0)	( 270.0)	( 270.0)	( 270.0)	( 270.0)	( 270.0)
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>( 270.0)</b>	<b>( 270.0)</b>	<b>( 270.0)</b>	<b>( 270.0)</b>	<b>( 270.0)</b>	<b>( 270.0)</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES (0)</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	( 85.0)	( 85.0)	( 85.0)	( 85.0)	( 85.0)	( 85.0)
1003 GF Match						
1004 GF	( 185.0)	( 185.0)	( 185.0)	( 185.0)	( 185.0)	( 185.0)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>( 270.0)</b>	<b>( 270.0)</b>	<b>( 270.0)</b>	<b>( 270.0)</b>	<b>( 270.0)</b>	<b>( 270.0)</b>

Estimate of any current year (FY2003) cost:

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill would repeal AS 25.23.220, which requires the Department of Health and Social Services to conduct an annual evaluation of the need for continued adoption or guardianship subsidy payments and the amount of those payments. This bill also amends AS 47.07.020(b)(10) and AS 47.07.035(31) to remove reference to AS 25.23.220.

Persons who adopt or become legal guardians for a hard-to-place child may receive a monthly subsidy payment for the care and support of that child. After the court finalizes an adoption or guardianship with subsidy, the family is independent of the Department with the exception of a statutorily required annual evaluation of the subsidy.

Prepared by: Tom Cherian, Acting Division Director  
 Division Division of Family & Youth Services  
 Approved by: Joel S. Gilbertson, Commissioner  
 Agency Department of Health and Social Services

Phone 465-3191  
 Date/Time 02/26/2003  
 Date 02/27/2003

**FISCAL NOTE**  
**FN # 1**

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

**BILL NO. SB 123**

**ANALYSIS CONTINUATION**

Adoptive parents and guardians have the right to request a review of their subsidy payments at any time. The repeal of AS 25.23.220 would not affect this right, but would be a cost saving measure for the Department of Health and Social Services. There were 1,854 children in the subsidy program in December 2002. The Division estimates this bill would generate costs savings of \$185,000 general funds and \$85,000 federal funds for a total savings of \$270,000. This savings is through cost containment to existing subsidy amounts and the processing costs associated with the mail out, review and evaluation of subsidy data and the follow up work necessary to finalize the review process.

The cost savings shown on this fiscal note has already been included in the Governor's amended FY2004 budget.

# STATE OF ALASKA

## DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

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

April 17, 2003

Honorable Bill Williams  
Co-Chairman  
House Finance Committee  
Alaska State Capitol, Rm. 511  
Juneau, AK 99811

Dear Representative Williams,

The Department of Health and Social Services respectfully requests a hearing in the House Finance Committee on Senate Bill 123 am "An Act relating to adoptions and guardianships that include a subsidy payment by the state; eliminating annual review of the subsidy paid by the state after adoption of a hard-to-place child has occurred; and providing for an effective date."

This bill would repeal AS 25.23.220, which requires the Department of Health and Social Services to conduct an annual evaluation of the need for continued adoption subsidy payments and the amount of those payments. This bill also amends AS 47.07.020(b)(10) and AS 47.07.035(31) to remove reference to AS 25.23.220.

Persons who adopt a hard-to-place child may receive a monthly subsidy payment for the care and support of that child. After the court finalizes an adoption with subsidy, the family is independent of the Department with the exception of a statutorily required annual evaluation of the subsidy.

Adoptive parents and guardians have the right to request a review of their subsidy payments at any time. The repeal of AS 25.23.220 would not affect this right, but would be a cost saving measure for the Department of Health and Social Services. Eliminating this required annual review will provide an estimated cost savings in the amount of \$185,000 to the budget. A fiscal note should be on file with the committee.

This bill was amended from its original version on the Senate floor by adding wording to the title to reference guardianships. A statement was added to section 1, lines 12 – 14 of the bill to put in statute a provision that a person could request a department review of their subsidy rates. This provision has been in regulation, and this amendment would place that language in statute.

Your favorable consideration of this request would be appreciated.

Sincerely,

A handwritten signature in black ink that reads "Robert Buttane". The signature is written in a cursive style with a large, sweeping initial "R".

Robert Buttane  
Acting Assistant to the Commissioner

Cc: Representative Pete Kott  
Speaker of the House

Mike Tibbles, Legislative Director  
Office of the Governor

Tom Cherian, Acting Director  
Division of Family & Youth Services

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Sponsor RULES COMMITTEE  
 Requester GOVERNOR

Component No. 1962

**Expenditures/Revenues** (Thousands of Dollars)

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

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<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES (0)</b>						

**FUND SOURCE** (Thousands of Dollars)

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Estimate of any current year (FY2003) cost: \_\_\_\_\_  
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**POSITIONS**

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Part-time						
Temporary						

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 Persons who adopt or become legal guardians for a hard-to-place child may receive a monthly subsidy payment for the care and support of that child. After the court finalizes an adoption or guardianship with subsidy, the family is independent of the Department with the exception of a statutorily required annual evaluation of the subsidy.

Prepared by: Tom Cherian, Acting Division Director Phone 465-3191  
 Division Division of Family & Youth Services Date/Time 02/26/2003  
 Approved by: Joel S. Gilbertson, Commissioner Date 02/27/2003  
 Agency Department of Health and Social Services

COMMITTEE COPY

FISCAL NOTE  
FN # 1

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

BILL NO. SB 123

**ANALYSIS CONTINUATION**

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SB123



FRANK H. MURKOWSKI  
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STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 5, 2003

SB123

The Honorable Gene Therriault  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 107  
Juneau, AK 99801-1182

Dear President Therriault:

Under the authority of art. III, sec 18, of the Alaska Constitution, I am transmitting a bill relating to the elimination of annual reviews for adoptive parents or guardians receiving subsidy payments for special needs children.

This bill would repeal AS 25.23.220, which requires the Department of Health and Social Services to conduct an annual evaluation of the need for continued adoption or guardianship subsidy payments and the amount of those payments.

Persons who adopt or become legal guardians for a hard-to-place child may receive a monthly subsidy payment for the care and support of that child. After the court finalizes an adoption or guardianship with subsidy, the family is independent of the Department with the exception of a statutorily required annual evaluation of the subsidy.

Adoptive parents and guardians have the right to request a review of their subsidy payments at any time. The repeal of AS 25.23.220 would not affect this right, but would be a cost saving measure for the Department of Health and Social Services. Eliminating this required annual review will provide an estimated cost savings in the amount of \$185,000 to the budget.

I urge your prompt and favorable action on this measure.

Sincerely,

Frank H. Murkowski  
Governor