

Leg. Finance - Finance Comte Files

HB 61

(1971-72)

8879

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RECORDS CERTIFICATION



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James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

HOUSE OF REPRESENTATIVES

_____ Date

Mr. Speaker:

The Committee on HOUSE ADMINISTRATION has had _____
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

George H. Brown _____
Walter D. Dill _____
Walter E. Faubus _____
Walter G. Bunker _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____
_____ recommends: _____
_____ recommends: _____
_____ recommends: _____
_____ recommends: _____

George H. Brown
CHAIRMAN

HOUSE JOURNAL

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE REPORT

ON

CS for HOUSE BILL 61

The committee on finance has had House Bill 61 under consideration. The majority of the members of the committee have recommended that it be replaced with CS for House Bill 61 and that CS for House Bill 61 do pass. However, the committee wishes to make a brief analysis of the changes in the bill part of the record.

(1) Program requirements under Public Health for Crippled Children's Services are now estimated by the Department to be \$150,000 instead of the \$200,000 first requested.

(2) Division of Mental Health needs have been revised downward to \$101,000. The appropriation of \$50,000 plus the release authorized by this report of \$51,000, designated by the last legislature for use at Hope Cottage (according to the Department, the opening of new facilities at Hope Cottage will not occur during the current fiscal year) will cover the estimated unfunded operating costs of the Division of Mental Health.

(3) The original bill showed \$191,000 in federal receipts as being funds required from the state general fund. The new figures shown under Public Welfare for Adult Public Assistance and Aid to Families with Dependent Children reflect the actual general fund requirements.

(4) The figure requested for purchase and delivery of four house trailers to house staff in the Bethel area is deleted. It is anticipated that sufficient housing for staff will be available by late summer of 1971.



George Hohman, Chairman
House Finance Committee

MEMORANDUM

State of Alaska

TO: The Honorable George Hohman
Chairman, House Finance Committee

DATE : April 30, 1971

FROM: Frederick McGinnis
Commissioner
Department of Health and Welfare

SUBJECT: HB 61

The following information relative to House Bill 61 (Supplemental Appropriation) is furnished as requested:

Supplemental Request (HB 61) (based on Oct. 31 actual expenditures and year end projections)	\$ 3,385,600
--	--------------

(MINUS) House Finance Action (CSHB61)		
Trailers in Bethel	\$ 92,000	
Federal earnings	191,600	
Reductions in PH & MH	229,700	
	<u>\$ 513,300</u>	<u>— 513,300</u>

Amount authorized by CSHB 61	\$ 2,872,300
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(PLUS) Additional funding required (based on Dec. 31 actual expenditures and year end projections)	1,122,400
---	-----------

Funding required to end Fiscal Year	3,994,700
-------------------------------------	-----------

(MINUS) Funds transferred to Dept. by Division of Budget & Management	1,141,400
--	-----------

Remaining funding required	2,853,300
Amount approved by Senate (SCS for CS for HB 61)	<u>2,730,200</u>

Difference between Dec. 31 projection & Senate funding	\$ 123,100
--	------------

Based upon actual expenditures through March 31 and year end caseload projections, it appears that the funding contained in Senate Committee Substitute for House Bill 61 will be sufficient to fund the programs involved through the end of the fiscal year.

FMcG/JFM/be



JUNEAU ALASKA

Alaska State Legislature
House

TO: Commissioner McGinnis, Dept. of Health and Welfare
FROM: Representative Josh Wright *JW*
SUBJECT: HOUSE BILL NO. 61
DATE: May 4, 1971

With reference to the enclosed memo please furnish a statement regarding the source of funds transferred to the Department by the Division of Budget and Management (\$1,141,400). It appears that the true supplemental requirements of the Department are substantially in excess of the amounts included in the final version of House Bill No. 61. I wish to know in detail the sources from which these remaining funds were drawn.

Encl.

STATE OF ALASKA

WILLIAM A. EGAN, Governor

DEPARTMENT OF HEALTH AND WELFARE

OFFICE OF THE COMMISSIONER

POUCH H - JUNEAU 99801

MEMORANDUM

TO: The Honorable George Hohman
Chairman, House Finance Committee

FROM: Frederick McGinnis, Commissioner *F.M.G.*
Department of Health and Welfare

SUBJECT: Supplemental Appropriation Request

DATE: February 25, 1971

In response to item 1 of your February 10, 1971 memorandum, a summary of the Department's supplemental appropriation request is forwarded herewith.

FM:JFM:smb
Attachment

*7 copies in file!
back of bill file*

The Legislature of the State of Alaska
 FISCAL NOTE
 First Session - Seventh State Legislature

COPIES: THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST, POUCH V
 THE LEGISLATIVE FINANCE COMMITTEES' STAFF, POUCH Y
 THE DIVISION OF BUDGET & MANAGEMENT, POUCH C
 RETAIN A COPY FOR YOUR FILES

FY 1971 Supplemental
 subject Appropriation HB 61 SB
 requested by _____
 referred to _____ date of request _____
 completion date requested _____ date received _____

EXPENDITURE DETAIL	FY 1971	FY	FY
100 PERSONAL SERVICES	\$ 102,300	\$	\$
200 TRAVEL			
300 CONTRACTUAL SERVICES	2,676,200		
400 COMMODITIES	25,000		
500 EQUIPMENT	92,000		
600 LAND AND STRUCTURES			
700 GRANTS, CLAIMS & SHARED REVENUE	1,612,500		
TOTAL	\$ 4,508,000	\$	\$

FUNDING DETAIL			
FEDERAL RECEIPTS	\$ 240,800	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	4,267,200		
Man Months			
Full-time Positions			
Temporary Positions			

FISCAL ANALYSIS

The initial Department request for a supplemental appropriation for fiscal year 1971 (Tab A attached) was prepared December 4, 1970 based on the first four months expenditures and the resultant year-end projections. It was noted at that time that expenditure trends could change and an adjusted request would be submitted, if necessary. It became apparent when analyzing the December 31, 1970 expenditure report that the year-end balances in several programs of the Division of Public Welfare would show greater deficits than projected from the October report. Therefore, a revision was prepared (Tab B attached) to request the additional funds necessary to balance the projected year-end expenditures.

Tabs A and B contain estimated needs, justifications, caseload projections and other pertinent data for the fiscal analysis.

DATE January 27, 1971

SIGNATURE

Robert A. Hall

NAME & TITLE Robert A. (Bert) Hall, Commissioner

A

SUMMARY

MEMORANDUM

State of Alaska

TO: Thomas K. Downes
Commissioner
Department of Administration

DATE : December 4, 1970

FROM: Robert A. (Bert) Hall
Commissioner
Department of Health & Welfare

SUBJECT: Request for Supplemental
Appropriation - FY 1970-71

The Department of Health and Welfare will require a supplemental appropriation of \$3,385,600 in order to continue Federal grant-in-aid and State financed public health, mental health and public welfare programs at the current and projected level for the remaining months of the current fiscal year. The request includes: \$2,955,900 for the Division of Public Welfare, of which \$2,764,300 is in State General Fund money and \$191,600 in Federal receipts; \$200,000 for the Division of Public Health, all State General Fund money; and \$229,700 for the Division of Mental Health, also all State General Fund money.

These requests are based on actual expenditures for the four month period ended October 31, 1970 and projected needs for the remaining eight months of the 1971 fiscal year. Any anticipated lapses within the divisions were taken into consideration, and are so noted in the budget documents. Since the request is based on only four months experience and expenditure trends may change, the Department will monitor the November 30 and December 31, 1970 expenditure reports and make appropriate adjustments prior to official submission for action by the Legislature.

The availability of 5.6% of Personnel Services authorizations from the Department of Administration for unbudgeted salary and benefit increases was taken into consideration. In the event these funds are not available to this Department, a substantially larger supplemental request will be necessary. Your early notification in the event these funds will not be available will be greatly appreciated.

Attached are the budget documents with the program requests and narrative justifications.

RAH:RCL:as

SA-9

BUDGET SUMMARY BY FUNCTIONS

State of Alaska
 Dept. of Administration
 Budget & Management Div.
 (Rev. 7/68)

For the Fiscal Year Ending June 30, 1971

SUPPLEMENTAL REQUEST

DEPARTMENT OF Health and Welfare PROGRAM _____

Expenditure by Program (1)	1968-69 ACTUAL (2)	1969-70 AUTHORIZED (3)	1970-71 ESTIMATED			
			Department Request (4)	Increase (Decrease) (5)	Governor's Allowance (6)	Legislative Allowance (7)
Public Health			200,000	200,000		
Mental Health			229,700	229,700		
Public Welfare			2,955,900	2,955,900		
Outstanding Encumbrances (Col.2)#						
Amount Lapsed						
TOTAL			3,385,600	3,385,600		
Source of Funds						
Federal Receipts			191,600	191,600		
Program Receipts						
Inter-agency Receipts						
Special Fund						
UNRESTRICTED GENERAL FUND RECEIPTS			3,194,000	3,194,000		
TOTAL			3,385,600	3,385,600		
Permanent full-time positions			-	-		
Permanent part-time positions			-	-		
Temporary (full-time equivalents)			-	-		
No. Man Months			-	-		

EXPENDITURES BY OBJECT NO SOURCE OF FUNDS
 For the Fiscal Year Ending June 30, 1971

Department Health & Welfare 06
 Division _____
 Program _____

Supplemental Request

Exp. Code	EXPENDITURES BY OBJECT	1968-69 Actual	1969-70 Authorized	1970-1971 ESTIMATED			
				Department Request (5)	Increase (Decrease) (6)	Governor's Allowance (7)	Legislative Allowance (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Personal Services			102,300	102,300		
	Travel						
	Contractual Services			1,578,800	1,578,800		
	Commodities						
	Equipment			92,000	92,000		
	Buildings & Structures						
	Grants, Claims & Shared Revenue			1,612,500	1,612,500		
	Miscellaneous						
	Inter-Agency Charges						
	Total Expenditures						
	Outstanding Encumbrances (Col. 3)						
	Amount Issued						
	Total			3,383,600	3,385,600		
Rec. Code	SOURCE OF FUNDS						
	Federal Receipts (See SA-15)			191,600	191,600		
	Federal Receipts (See SA-15)						
	Inter-Agency Receipts						
	Special Fund						
	RESTRICTED GENERAL FUND			3,194,000	3,194,000		
	TOTAL			3,385,600	3,385,600		

PUBLIC
WELFARE

SA-9
 State of Alaska
 Dept. of Administration
 Budget & Management Div.
 (Rev. 8/69)

BUDGET SUMMARY BY FUNCTIONS

For the Fiscal Year Ending June 30, 1971

DEPARTMENT OF HEALTH AND WELFARE PROGRAM Public Welfare

Expenditure by Program (1)	1968-69 ACTUAL (2)	1969-70 AUTHORIZED (3)	December 1, 1970 1970-1971 ESTIMATED			
			Department Request (4)	Increase (Decrease) (5)	Governor's Allowance (6)	Legislative Allowance (7)
Adult Public Assistance			858,300			
Aid to Families with Dependent Children			754,200			
General Relief- Medical			1,132,700			
Child Welfare Ser./Juvenile Code Administration			118,700			
Outstanding Encumbrances (Col.2) Amount Lapsed						
TOTAL			2,955,900			
Source of Funds						
Federal Receipts			191,600			
Program Receipts						
Inter-agency Receipts						
Special Fund						
UNRESTRICTED GENERAL FUND RECEIPTS			2,764,300			
TOTAL			2,955,900			
Permanent full-time positions						
Permanent part-time positions						
Temporary (full-time equivalents)						
No. Man Months						

SA-11
State of Alaska
Dept. of Administration
Budget & Management Div.
(Rev. 8/69)

EXPENDITURES BY OBJECT & SOURCE OF FUNDS
For the Fiscal Year Ending June 30, 1971

Department	Health & Welfare	06
Division	Public Welfare	3
Program		

Exp. Code	EXPENDITURES BY OBJECT	1968-69 Actual	1969-70 Authorized	1970-1971 ESTIMATED			
				Department Request (5)	Increase (Decrease) (6)	Governor's Allowance (7)	Legislative Allowance (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
100	Personal Services						
200	Travel						
300	Contractual Services			1,251,400	1,251,400		
400	Commodities						
500	Equipment			92,000	92,000		
600	Vault & Structures						
700	Grants, Claims & Shared Revenue			1,612,500	1,612,500		
800	Miscellaneous						
900	Inter-Agency Charges						
	Total Expenditures						
	Outstanding Encumbrances (Col. 3)						
	Amount Expended						
	Total			2,955,900	2,955,900		
Exp. Code	SOURCE OF FUNDS						
	Federal Receipts (See SA-15)			191,600	191,600		
	State Receipts (See SA-15)						
	Inter-Agency Receipts						
	Special Fund						
	UNRESTRICTED GENERAL FUND			2,764,300	2,764,300		
	TOTAL			2,955,900	2,955,900		

DETAIL OF EXPENDITURES--300
 CONTRACTUAL SERVICES
 For the Fiscal Year ending June 30, 1971

Department	HEALTH AND WELFARE	0
Division	Public Well	3
Program	GR-Medical	7

SUPPLEMENTAL REQUEST 12/1/70

Code (1)	CONTRACTUAL SERVICES CLASSIFICATION (2)	1968-69 Actual (3)	1969-70 Authorized (4)	1970-1971 ESTIMATED			
				Dept. Request (5)	Increase (Decrease) (6)	Governor's Allowance (7)	Legislative Allowance (8)
310	Communications						
320	Printing & Advertising						
330	Rents & Utilities						
340	Repairs, Services & Alterations						
350	Transportation of Things						
360	Equipment Rental						
370	Insurance & Bonding						
380	Professional Fees & Services			1,132,700			
390	Other Contractual Services						
	Outstanding Encumbrances						
	TOTAL			1,132,700			

EXPENDITURE REQUEST - COST ANALYSIS

	Current Level	Program Increase	Total
310			
320			
330			
340			
350			
360			
370			
380			
390			

EXPENDITURE REQUEST - NARRATIVE ANALYSIS

Code 380

The percentage increase in GR-Medical expenditures in 1969-70 over 1968-69 was 46.48% for services rendered during that fiscal year. There was an increase of approximately 40% in the number of persons requiring medical services, the balance of the increase is due to rising costs.

State of Alaska
 Department of Administration
 Budget & Management Div.
 (Rev. 5-68)

STATEMENT OF F IRAM

For the Fiscal Year Ending June 30, 1971

Department	HEALTH AND WELFARE	06
Division	Public Welfare	3
Program	GR- Medical	

Actual expenditures for FY 69-70 were \$1,865,600 for services actually rendered during that fiscal year. For 70-71, the Division requested \$1,725,000 and was allowed \$1,600,000 by the Legislature. Based on the analysis by Statistical Services November 6, 1970, for FY 69 and 70, the increased cost anticipated for FY 71 over actual FY 70 expenditures is 46.48%.

Recap

	\$1,865,600	
x	46.48%	
	<u>867,121</u>	
	\$1,865,600	
	<u>867,100</u>	
	\$2,732,700	
Less..	1,600,000	Legislative allowance
	<u>\$1,132,700</u>	

All funds are from State General Fund.

DETAIL OF EXPENDITURES--300
 CONTRACTUAL SERVICES
 For the Fiscal Year ending June 30, 1971

Department	HEALTH AND WELFARE	Code 06
Division	Public Welfare	5
Program	CWS/LIC	8

SUPPLEMENTAL REQUEST 12/1/70

Code (1)	CONTRACTUAL SERVICES CLASSIFICATION (2)	1968-69 Actual (3)	1969-70 Authorized (4)	1970-1971 ESTIMATED			
				Dept. Request (5)	Increase (Decrease) (6)	Governor's Allowance (7)	Legislative Allowance (8)
310	Communications						
320	Printing & Advertising						
330	Rents & Utilities						
340	Repairs, Services & Alterations						
350	Transportation of Things						
360	Equipment Rental						
370	Insurance & Bonding						
380	Professional Fees & Services						
390	Other Contractual Services			118,700			
	Outstanding Encumbrances						
	TOTAL						

EXPENDITURE REQUEST - COST ANALYSIS

	Current Level	Program Increase	Total
310			
320			
330			
340			
350			
360			
370			
380			
390			

EXPENDITURE REQUEST - NARRATIVE ANALYSIS

Code 300 Other Contractual Services

For FY 70-71 the Division requested \$1,079,700 in the 300 series for payment of foster care. The Legislative allowance was \$975,800 or \$103,900 less than requested. After three months experience with the "Full Cost of Care" (1970 SLA 136) the Division must revise its estimates upward slightly over the original 70-71 request. It is now anticipated that the total deficit will be \$118,700 for FY 71. Experience so far indicates a lower caseload than anticipated but a higher cost per case month. For FY 71 actual caseload and cost for the first three months is 457 children at \$197 per month. The original FY 71 Divisional request was 485 children at \$185 monthly. The new estimate for FY 71 is 463 children at \$197 monthly.

SA-12

State of Alaska
 Department of Administration
 Budget & Management Div.
 (Rev. 5-68)

STATEMENT OF PROGRAM

For the Fiscal Year Ending June 30, 1971

Department	HEALTH AND WELFARE	04
Division	Public Welfare	3
Program	CWS/IC	8

Recap

Original Divisional request FY 70-71:

485 children x \$185 x 12 months =	\$1,079,700
less Legislative allowance	975,800
Difference	\$ 103,900

Revised estimate FY 70-71:

463 children x \$197 x 12 months =	\$1,094,500
less Legislative allowance	975,800
Difference	\$ 118,700

All funds are from the State General Fund.

State of Alaska
 Dept. of Administration
 Budget Management Div.
 (Rev. 8/69)

DETAIL OF EXPENDITURES-500 EQUIPMENT
 For the Fiscal Year Ending June 30, 1971

Department	HEALTH AND WELFARE	Code	06
Division	Public Welfare		3
Program	Administration		1

SUPPLEMENTAL REQUEST 12/1/70

Code (1)	EQUIPMENT CLASSIFICATION (2)	1968-69 Actual (3)	1969-70 Authorized (4)	1970-1971 ESTIMATED			
				Department Request (5)	Increase (Decrease) (6)	Governor's Allowance (7)	Legislative Allowance (8)
510	Vehicles, Boats, Airplanes						
520	Office Furniture & Equipment						
530	Equipment Peculiar to the Program			92.000			
560	Shop & Maintenance Equipment						
590	Other Equipment						
	Outstanding Encumbrances (Col. 3)						
	TOTAL						

ANALYSIS OF EQUIPMENT REQUEST

ITEM NO.	DESCRIPTION OF EQUIPMENT	EQPT. CODE	NO. UNITS	UNIT COST	TOTAL COST	COST ANALYSIS	
						CURR. LEV.	PROG. INC.
	(See following page for narrative)						

CS-12

State of Alaska
 Department of Admin.
 Budget & Mgt. Div.
 (Rev. 5-68)

STATEMENT OF PROGRAM

For the Fiscal Year Ending June 30, 1971

	Code
Department HEALTH AND WELFARE	06
Division Public Welfare	3
Program Administration	1

Code 530

Four house trailers at \$23,000 each including shipping and installation at Bethel.

There is no housing available in Bethel for Division of Public Welfare employees, particularly single men and women. The personnel turnover due to lack of housing has exceeded 100% per year for the last three or four years. All other possibilities for housing have been explored numerous times, ie, ASHA, etc. and it appears there is no other way to get adequate housing in Bethel.

The reason a supplemental request is being made rather than the regular 1971-72 budget request is because money must be obtained in time to meet the purchasing and shipping deadlines in the summer of 1971.

All funds are from State General Fund.

State of Alaska
 Dept. Administration
 Budget & Management Div.
 (Rev. 8/69)

DETAIL OF EXPENDITURES (600, 700, 800, 900)
 For the Fiscal Year Ending June 30, 1971

Department	HEALTH AND WELFARE	Code	06
Division	Public Welfare		5
Program	Adult Public Assistance		2

SUPPLEMENTAL REQUEST 12/1/70

Code (1)	EXPENDITURE CLASSIFICATION (2)	1968-69 Actual (3)	1969-70 Authorized (4)	1970-1971 ESTIMATED			
				Department Request (5)	Increase (Decrease) (6)	Governor's Allowance (7)	Legislative Allowance (8)
600	Land, Bldgs. Non-Structural Improvemt.						
700	Grants, Claims & Shared Revenue			858,300			
800	Miscellaneous						
900	Inter-Agency Charges						

EXPENDITURE REQUEST - COST ANALYSIS

Current Level Program Increase Total

(See narrative on following page)

State of Alaska
 Department of Administration
 Budget & Management Div.
 (Rev. 5-68)

STATEMENT OF PE AM

For the Fiscal Year Ending June 30, 1971

Department	HEALTH AND WELFARE	06
Division	Public Welfare	3
Program	Adult Public Asst.	2

Code 700

The Legislature through FCCSHCSCSSB 386 (House Journal May 31, 1970) increased the legal maximums from \$200 to \$250 with instructions to increase standards so the APA recipients would benefit from the increased legal maximums.

The original Division request for 1970-71 based on the old standards was \$3,863,200. The 1970-71 Legislative allowance was \$3,400,000. It was anticipated that the caseload would average 2555 cases per month. Instead the caseload is now anticipated to be 2715 average for FY 70-71. The difference in the average payment from \$110 to a projected \$157.25 per person per month makes this supplemental request necessary.

We anticipate that \$480,000 will be available from code 300, Nursing Home Care, for transfer to the code 700 leaving a deficit of \$858,300.

Recap

70-71	Budgeted caseload	2555
70-71	Revised estimated caseload	<u>2715 (12/1/70)</u>
	Difference	160

Additional cases for federal matching are 160.

Federal matching at \$50 per case per month = 160 x \$50 x 12 = \$96,000.

70-71	Requested: 2555 x \$126 x 12 =	\$3,863,200	
70-71	Authorized	3,400,000	
70-71	Actual cost for 3 months 2715 x \$110 x 3 =	\$ 896,000	
70-71	Revised cost 2715 x \$157.25 x 9 =	<u>3,842,300</u>	
	Total	<u>4,758,300</u>	
	Less authorized allocation	<u>3,400,000</u>	
		<u>1,358,300</u>	
	Less transfer from code 300	<u>480,000</u>	
		<u>858,300</u>	Total deficit
		<u>96,000</u>	Federal matching
		<u>\$ 762,300</u>	State General Fund

State of Alaska
 Dept. Administration
 Budget & Management Div.
 (Rev. 8/69)

DETAIL OF EXPENDITURES (600, 700, 800, 900)
 For the Fiscal Year Ending June 30, 1971

Department	HEALTH AND WELFARE	Code 06
Division	Public Welfare	5
Program	AFDC	4

SUPPLEMENTAL REQUEST 12/1/70

Code (1)	EXPENDITURE CLASSIFICATION (2)	1968-69 Actual (3)	1969-70 Authorized (4)	1970-1971 ESTIMATED			
				Department Request (5)	Increase (Decrease) (6)	Governor's Allowance (7)	Legislative Allowance (8)
600	Land, Bldgs. Non-Structural Improvment.						
700	Grants, Claims & Shared Revenue			754,200			
800	Miscellaneous						
900	Inter-Agency Charges						

EXPENDITURE REQUEST - COST ANALYSIS

	<u>Current Level</u>	<u>Program Increase</u>	<u>Total</u>
FY 70-71	Divisional request is 9124 recipients at \$45.63 x 12 months =		\$4,995,900
	Legislative authorization (1970 SLA 177)		1,990,500
	TOTAL		\$6,986,400
FY 70-71	Revised projection: 9486 recipients at \$68 x 12 months =		7,740,600
	Difference		754,200

State of Alaska
 Department of Administration
 Budget & Management Div.
 (Rev. 5-68)

STATEMENT OF PROGRAM

For the Fiscal Year Ending June 30, 1971

Department	HEALTH AND WELFARE	06
Division	Public Welfare	3
Program	AFDC	4

The Division prepared a fiscal note to the Second Session of the Sixth State Legislature on March 21, 1970, explaining that the increase costs of House Bill 8 would be \$4,109,200 over the Divisional request. The Legislature provided \$1,990,500 of the increase and it was anticipated that the deficit would be \$1,118,700. After five months of experience with the new maximums, we anticipate that the deficit will be only \$754,200.

Federal funding is 362 recipients (increasing over 70-71 request) x \$22 x 12 months = \$95,600.

Recap

\$754,200	Total deficit in the 700 series
less 95,600	Federal share
<u>\$658,600</u>	State General Fund

MENTAL
HEALTH

EXPENDITURES BY OBJECT AND SOURCE OF FUNDS
 For the Fiscal Year Ending June 30, 1971

Department Health and Welfare 06
 Division Mental Health 2
 Program

S U P P L E M E N T A L

Obj. Code	EXPENDITURES BY OBJECT	1968-69	1969-70	1970-1971 ESTIMATED				
		Actual	Authorized	Department Request	Increase (Decrease)	Governor's Allowance	Legislative Allowance	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
	Personal Services			102,300	102,300			
	Total							
	Contractual Services			127,400	127,400			
	Commodities							
	Equipment							
	Buildings & Structures							
	Grants, Claims & Shared Revenue							
	Miscellaneous							
	Intergovernmental Charges							
	Total Expenditures							
	Outstanding Encumbrances (Col. 5)							
	Amount Leased							
	Total			229,700	229,700			
	SOURCE OF FUNDS							
	Total Receipts (See SA-15)							
	Special Receipts (See SA-15)							
	Inter-Agency Receipts							
	Special Fund							
	UNRESTRICTED GENERAL FUND			229,700	229,700			
	TOTAL			229,700	229,700			

STATE OF ALASKA
Dept. of Administration
Budget & Management Div.

STATEMENT OF PROGRAM

S U P P L E M E N T A L

For the Fiscal Year Ending June 30, 1971

		CODE
AGENCY	Health and Welfare	06
OPERATING PROGRAM	Mental Health	2
ACTIVITY		
FUNCTION		

DETAIL OF EXPENDITURES - PERSONAL SERVICES

Subject to administration allocation of 5.6% of net payroll, if they allocate up to that amount, we may be able to balance off API and HMH object codes within themselves. This part of the appropriation is so close to balancing, excluding the fringe benefit increase discussed below, that it is too early in the Fiscal Year to define an excess or a supplemental. 5.6% of total payroll based upon average monthly expenditure to date would amount to \$221,800 or nearly enough to offsetting deficits caused by a total Institutional Vacancy and Turnover figure, \$311,800 imposed by the Legislature.

Fringe benefit costs have increased and are to be applicable effective January 1, 1971, with the increase in Social Security costs. Actual factor to compute is not known. On advice we are taking 5% of 6 months payroll computed by six time average October expenditure based upon net increase and the fact the Social Security increase will be paid upon a large portion of the staff in that time.

Above is subject to later review.

\$ 102,300

DETAIL OF EXPENDITURES--300
 CONTRACTUAL SERVICES
 For the Fiscal Year ending June 30, 1971

Department	Health and Welfare	Code	05
Division	Mental Health		2
Program	Hospital & Nursing		
	Home Contracts		

S U P P L E M E N T A L

Code (1)	CONTRACTUAL SERVICES CLASSIFICATION (2)	1967-68 Actual (3)	1968-69 Authorized (4)	1970-1971 ESTIMATED			
				Dept. Request (5)	Increase (Decrease) (6)	Governor's Allowance (7)	Legislative Allowance (8)
310	Communications						
320	Printing & Advertising						
330	Rents & Utilities						
340	Repairs, Services & Alterations						
350	Transportation of Things						
360	Equipment Rental						
370	Insurance & Bonding						
380	Professional Fees & Services			78,300	78,300		
390	Other Contractual Services						
	Outstanding Encumbrances #						
	TOTAL			78,300	78,300		

NARRATIVE ANALYSIS:

380: The Legislature per House Finance Committee report reduced our contracts from the request by \$89,900 based upon an expected decrease in Haven Acres, patient load and in acute hospital costs. These had been accounted for in the Governor's allowance. Patient load remains at the level it was at as of June 30, 1970 with it being the only resource available for other admissions which according to the Superintendent - API could exceed ten, \$53,300. Also, our patient load in the acute hospitals of an emergency, indigent nature is unforeseeable and uncontrollable \$25,000. Taking into account the item in the next paragraph, a need is apparent for an additional amount to complete the year, \$78,300. In House Finance Committee Supplement # 20 dated, June 7, 1970, the statement is made that "It is the intent of the Committee that the figure designated for Hope Cottage will not be reduced." We designated \$51,000 for this purpose in our request. It does not appear Hope Cottage will open this year preventing any reduction and producing the believed increase in Haven Acres patient load. If these funds can be made available, it would reduce this portion of our supplemental by \$51,000 to a net of \$27,300 above or subject to review as year proceeds.

PUBLIC

HEALTH #

STATEMENT OF PROC. 1
For the Fiscal Year Ending June 30, 1971

REQUEST FOR SUPPLEMENTAL APPROPRIATION

Department	Health & Welfare	Code 06
Division	Public Health	
Program	Child Health	8
	Crippled Children's Services	4

NARRATIVE STATEMENT

This is a request for \$200,000 supplementary appropriation for the Crippled Children's Services in the Section of Child Health. The current projections indicate the program will have a deficit of \$111,000 in contractual payments in FY 1971. If the trend of past years continues this year, this projected deficit will continue to increase throughout the fiscal year and we estimate that it will be nearly \$200,000 at the close of the fiscal year.

The cause for the continuing deficit in the Crippled Children's Services (which has been a problem for years) is primarily due to the rising cost of medical care and the gradual increase in number of children served:

<u>Fiscal Year</u>	<u>Total number of children served</u>
1966	1,620
1967	1,707
1968	1,881
1969	1,817
1970	2,804

The large increase in number of children seen in 1970 represents special ear, nose and throat clinics held throughout the State as a part of the Department emphasis on hearing handicap.

In FY 1970, 2,804 children were cared for under the Crippled Children's Services program. Of these cases, 1,691 were cared for as new patients picked up in FY 1970, with 1,113 cases carried over from previous years; the average length of time that each case has required coverage is 7.8 years.

Almost all of the conditions covered now lead to permanent crippled adults when not cared for. Because of this, treatment of patients with these conditions at an early age leads to savings in money to the State in the long run by returning these children to active productive childhood so that they can properly become educated and become productive citizens.

SA-14a
 State of Alaska
 Dept. of Administration
 Budget & Management Div.
 (Rev. 7/68)

DETAIL OF EXPENDITURES--300
 CONTRACTUAL SERVICES
 For the Fiscal Year ending June 30, 1970
REQUEST FOR SUPPLEMENTAL APPROPRIATION

Department	Health & Welfare	Code 06
Division	Public Health	
Program	Child Health	8
	Crippled Children's Services	4

Code (1)	CONTRACTUAL SERVICES CLASSIFICATION (2)	1967-68 Actual (3)	1968-69 Authorized (4)	1969-1970 ESTIMATED			
				Dept. Request (5)	Increase (Decrease) (6)	Governor's Allowance (7)	Legislative Allowance (8)
310	Communications						
320	Printing & Advertising						
330	Rents & Utilities						
340	Repairs, Services & Alterations						
350	Transportation of Things						
360	Equipment Rental						
370	Insurance & Bonding						
380	Professional Fees & Services			200,000			
390	Other Contractual Services						
	Outstanding Encumbrances #						
	TOTAL			200,000			

(See attached Narrative)

B

SA-9
 State of Alaska
 Dept. of Administration
 Budget & Management Div.
 (Rev. 7/68)

BUDGET SUMMARY BY FUNCTIONS

For the Fiscal Year Ending June 30, 1970

SUPPLEMENTAL REQUEST

DEPARTMENT OF Health and Welfare PROGRAM _____

Expenditure by Program (1)	1967-68 ACTUAL (2)	1968-69 AUTHORIZED (3)	1969-70 ESTIMATED			
			Department Request (4)	Increase (Decrease) (5)	Governor's Allowance (6)	Legislative Allowance (7)
Public Health			200,000	200,000		
Mental Health			229,700	229,700		
Public Welfare			4,078,300	4,078,300		
Outstanding Encumbrances (Col.2)†						
Amount Lapsed						
TOTAL			4,508,000	4,508,000		
Source of Funds						
Federal Receipts			240,800	240,800		
Program Receipts						
Inter-agency Receipts						
Special Fund						
UNRESTRICTED GENERAL FUND RECEIPTS			4,267,200	4,267,200		
TOTAL			4,508,000	4,508,000		
Permanent full-time positions						
Permanent part-time positions						
Temporary (full-time equivalents)						
No. Man Months						

SA-11
 State of Alaska
 Dept. of Administration
 Budget & Management Div.
 (Rev. 8/69)

EXPENDITURES BY OBJECT AND SOURCE OF FUNDS
 For the Fiscal Year Ending June 30, 1971

Department Health & Welfare Code 06
 Division _____
 Program _____

SUPPLEMENTAL REQUEST

Exp. Code	EXPENDITURES BY OBJECT	1968-69 Actual	1969-70 Authorized	1970-1971 ESTIMATED			
				Department Request	Increase (Decrease)	Governor's Allowance	Legislative Allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
100	Personal Services			102,300	102,300		
200	Travel						
300	Contractual Services			2,676,200	2,676,200		
400	Commodities			25,000	25,000		
500	Equipment			92,000	92,000		
600	Land & Structures						
700	Grants, Claims & Shared Revenue			1,612,500	1,612,500		
800	Miscellaneous						
900	Inter-Agency Charges						
	Total Expenditures						
	Outstanding Encumbrances (Col. 3)						
	Amount Lapsed						
	Total			4,508,000	4,508,000		
Rec. Code	SOURCE OF FUNDS						
	Federal Receipts (See SA-15)			240,800	240,800		
	Program Receipts (See SA-15)						
	Inter-Agency Receipts						
	Special Fund						
	UNRESTRICTED GENERAL FUND			4,267,200	4,267,200		
	TOTAL			4,508,000	4,508,000		

TO: Joseph Henri
Commissioner
Department of Administration

FROM: Robert A. (Bart) Hall
Commissioner
Department of Health and Welfare

SUBJECT: Updated Supplemental Request for Fiscal Year 1970-71

DATE: January 14, 1971

Since the original request was submitted on December 1, 1970, for a supplemental which was based on expenditures through October 1970, additional experience makes it necessary to revise the supplemental request upward for the Division of Public Welfare.

The original request for a supplemental for the Division of Public Health and Mental Health will remain the same.

The updated fiscal year 1970-71 supplemental request for the Division of Public Welfare is as follows:

<u>Program</u>	<u>Original Supplemental Request</u>	<u>Additional Request</u>	<u>Supplemental Need</u>	<u>Total</u>
Administration				
Code 300	\$ 0	\$ 90,000	\$ 90,000	
Code 500	92,000	0	92,000	\$ 182,000
Adult Public Assistance				
Code 700	853,300	0	853,300	853,300
Aid to Families with Dependent Children				
Code 700	754,200	0	754,200	754,200
General Relief Medical				
Code 300	1,132,700	852,300	1,985,000	1,985,000
General Relief Assistance				
Code 300	0	75,000	75,000	
Code 400	0	25,000	25,000	100,000
Child Welfare Services/Juvenile				
Code 300	118,700	80,100	198,800	198,800
TOTAL	2,955,900	1,122,400		4,078,300
Federal	191,600	49,200		240,800
State	2,764,300	1,073,200		3,837,500

The additional fiscal experience from the time the original supplemental request was prepared has shown that the above adjustments are necessary in the various programs.

In Program Administration, Code 300, the increased costs beyond the Division's control for space rental, fuel, utilities and equipment rental make it necessary to request \$50,000 of which \$49,200 is federally matched. On Program Administration it was originally anticipated that monies would be forthcoming from the Department of Administration because of the unbudgeted salary increases and it was further anticipated that some of that money would be diverted to meet the deficit in Code 300, Contractual. We subsequently learned that this was contrary to procedure.

In the Adult Public Assistance and Aid to Families with Dependent Children programs, the additional fiscal experience confirms the original projections upon which the supplemental requests were based.

The General Relief Medical program has experienced an exceedingly high utilization rate, particularly in the months of November and December. It has been the department's experience that during the winter and spring months, demands for services under General Relief Medical are the heaviest and for this reason, we anticipate the upward trend to continue. At the present rate of expenditure of the General Relief Medical fund, the fund will be exhausted by the third week of January.

The General Relief Assistance program has, this winter, experienced unprecedented demands for general relief due to the very high unemployment rates particularly in Anchorage and Fairbanks. I am attaching a copy of a memo received from the Division of Public Welfare reporting on the heavy demands being made on this program. At the present rate of expenditure, the current allocation will be depleted by mid-February. There are no other funds of any substance that can be transferred.

The Child Welfare Services/Juvenile Code program request for a supplemental has to be revised at this time because of a very sudden increase in the number of children requiring foster care. The caseload increased by forty (40) children during November and it is anticipated that the additional cost for the increased caseload will be \$30,100 over the original supplemental request.

Because of the urgency of the problems in the General Relief Assistance and General Relief Medical programs, I recommend that top priority be given to this request so that the Legislature can act immediately to enable the Department to carry out its functions.

RAH:RCP:FMS:ke

MEMORANDUM

State of Alaska

TO: [

Robert A. (Cort) Hall
 Commissioner
 Department of Health and Welfare

DATE : January 13, 1971

FROM:

Stanley F. Harris
 Director
 Division of Public Welfare

SUBJECT: General Relief Program

On a trip to Anchorage District Office completed January 6, 1971 by Mr. Ray Pagenkopf and Mrs. Freda Borchick, the demands on the General Relief program for money for subsistence was reported. The staff in Anchorage reported approximately 200 new cases a month that are requesting General Relief. There are no statistics available to determine the number turned away, for example; single unemployed persons. The reports from Anchorage is an increased crime rate, that people are getting desperate, and that single unemployed men are lining up at the Salvation Army as early as 3:00 in the afternoon in order to find a place to sleep for the night. The staff felt that there will be a great deal of pressure generated for money and anticipate there will be severe problems with clients in the near future if more money is not made available. For example - personal attacks on social workers who run down on applicants.

Today, January 13, 1971, we contacted the Department of Labor, Analysis and Research Division, who provided us with some interesting comparative statistics for November, 1969 and November, 1970 on the unemployment rates in Anchorage and Fairbanks.

		<u>Gross Unemployed Rate</u>	<u>Persons Affected</u>
Anchorage	11-69	6.9 %	3300
	11-70	8.9 %	4500
Fairbanks	11-69	8.8 %	1500
	11-70	12.1 %	2200

The above figures were arrived at by using the number of insured persons as a base, plus an estimate of number of exhausted (unemployment benefits exhausted), plus number of persons entering the labor market for the first time. Included in the above total are some working wives who are actively seeking employment. We were further advised that all the unemployed people were not included in this overall estimate, but the methodology used is the same for both 1969 and 1970, so the figures cited should be reliable for comparative purposes.

There is another interesting statistic based on the insured unemployed compared to the total eligibility. Those comparisons are:

	<u>November 1969</u>	<u>November 1970</u>
Anchorage	6.5 %	8.9 %
Fairbanks	6.4 %	10.5 %

January 13, 1971

It appears that there are 50 percent more unemployed persons in November, 1970, in Fairbanks than there were in November, 1969. In Anchorage, there were approximately 40 percent more unemployed in November, 1970, than November, 1969. We feel that these statistics from the Department of Labor confirm observations made by our Welfare staff about the increased demands on our General Relief program. The increased demand on our General Relief program causes an increased demand on our General Relief Medical program. The GR-Med. program is experiencing an exceedingly high rate of expenditure.

We asked the Anchorage staff to try to count the number of people requesting help but who are turned down. The count is not yet available but should be within a month.

We will be requesting a supplemental appropriation of \$100,000 to cover this emergency.

It is anticipated that we will run out of General Relief Medical money by the last week in January and will require nearly \$2 million supplemental unless there is a change in the expenditure rate in the next six months.

RCP:ke

HOUSE FINANCE COMMITTEE REPORTCOMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 452

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 452 is the product of detailed analysis of the programs and funding proposed in the Governor's budget for fiscal year 1971. The committee proposal exceeds the Governor's original general fund allocation by \$65,790,800. Of this increase, \$4,000,000 over the Governor's requested \$2,500,000 was funded into the Municipal Services and Revenue Sharing account in the Department of Administration to fund HB 814 (program of state aid for municipal purposes). In the Department of Education, the committee funded an additional \$100,000 for scholarship loans (HB 599); increased the program for exceptional children (SB 500) by \$160,000; \$2,095,000 for teachers' salaries (SB 470); \$1,000,000 (as requested by the Governor) for the Revenue Sharing Account (Mini 874 funds); \$1,300,000 for State Share of Teachers' Retirement (SB 455); and \$21,105,000 to give additional funds for the Public School Foundation Program (SB 378). The University of Alaska was given an overall increase of \$1,000,000. The Department of Health and Welfare had increases of \$300,000 for the alcoholism grant-in-aid program, and \$1,990,500 to fund HB 8 (Aid to dependent children). CSMB 452 also funds the Department of Environmental Affairs at \$516,600. To cover bills relating to the salary increase (HB 853), overtime (HB 175), Public Employees Retirement System (SB 463), and increased state contribution on health insurance (HB 617), an additional \$6,598,000 was added. In capital improvement projects, \$750,000 was requested above the original request by the Governor for a Fish and Game building in Fairbanks; \$33,000,000 for various programs in the Department of Public Works; and \$675,000 for preliminary engineering and design on various projects listed in HB 560.

Table No. 1 attached to this report provides an analysis of COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 452 as it related to the Governor's original and revised budget requests.

The appropriation bill follows the practice of appropriating on a program basis. However, the committee believes it is important that the administration make every attempt to carry out the specific programs intended by the bill and outlined in this report.

Following are the significant decisions of the committee relative to the appropriations for various departments.

OPERATIONAL BUDGETGENERAL GOVERNMENTOFFICE OF THE GOVERNOR.

Executive Office. The request for \$60,000 to open an office in Washington, D. C., was specifically denied.

COAST Commission. The COAST Commission shall fund HJR 108 (requesting the establishment of an estuarine research center at Douglas, Alaska) in the amount of \$12,500.

DEPARTMENT OF ADMINISTRATION.

Budget and Management. If this division progresses more rapidly than anticipated on the study as proposed for program evaluation and fiscal planning, the committee agrees to support an additional \$25,000 supplemental in the next session. (\$50,000 was approved in this budget for the study out of a requested \$75,000).

COURT SYSTEM.

Superior and District Courts. In accordance with HOUSE CONCURRENT RESOLUTION NO. 1 amended (relating to jurors' fees under Rule 17(a) raising fees from \$10 to \$21), the committee did not include additional funds for this purpose; therefore, in the next session of the legislature, a supplemental appropriation may be submitted to cover the deficiency in contractual services.

EDUCATIONDEPARTMENT OF EDUCATION.

Instructional Services, Consultative Services. A Conservation and Environmental Education Consultant position was established to carry out the functions requested in HJR 77. It is the intent of this committee that a progress report be provided by the 10th day of the First Session, Seventh State Legislature.

UNIVERSITY OF ALASKA. The Wrangell Community College and Petersburg Community College programs shall be commenced on July 1, 1970.

The University shall fund from within the budget the sum of \$17,000 to be used for the Marine Science Institute program to continue the research project of Dr. Nayudu and retain those three positions he would otherwise lose due to the University assessing administrative costs against this program.

It is the intent of the committee that the University fully implement special orientation services for assisting Native students at the University for \$114,780, of which \$32,370 has been included in the FY 1970-71 budget. This program shall be funded within the University's approved budget.

The University is directed to expand its Native counseling to the Anchorage Community College.

HEALTH AND WELFAREDEPARTMENT OF HEALTH AND WELFARE.

Mental Health, Hospital and Nursing Home. It is the intent of the committee that the figure designated for Hops Cottage will not be reduced.

Institutional Services. The new positions for social workers for this section may be allowed if the present vacant positions are filled.

Public Health, Community Mental Health. The \$36,100 increase is for ACCA.

Public Health Nursing. One of the public health nurses designated under new positions will be for Galena.

Child Health - Exceptional Children. The \$4,800 added to this section is for a teacher's aide in the Juneau summer program.

Public Welfare, Administration. An office in Petersburg is to be funded out of this appropriation.

Corrections, Administration. A probation officer for Valdez and one for Haines is to be funded within this appropriation.

Care of Prisoners, Ketchikan State Jail. The hand units are not to be purchased.

Care of Juveniles, Alcantra Youth Camp. The committee specifically requests the following equipment be purchased: 1) pool table; 2) fire extinguishers; 3) commercial coffee-maker; 4) two lathes; 5) chain saw; 6) commercial drier; and, 7) recreation equipment.

Environmental Health, Water Pollution Control. The positions requested in this section will not all be in Juneau.

PUBLIC PROTECTIONDEPARTMENT OF MILITARY AFFAIRS.

Alaska National Guard, OTAG and State Armories. The microfilm equipment (\$4,000) has been deleted from equipment, and \$1,000 put in contractual services for microfilming.

DEPARTMENT OF PUBLIC SAFETY. Troopers are to be put in rural areas before urban areas.

CONSERVATION, NATURAL RESOURCES AND DEVELOPMENTDEPARTMENT OF NATURAL RESOURCES.

Divisi of Lands. Priorities on state parks shall remain the same as the Department has outlined in its five-year plan.

DEPARTMENT OF FISH AND GAME. The Bethel whitefish program is to be included in the amount budgeted for Fish and Game.

The Division of Personnel shall reclassify the position of Fisheries Research Biologist I (who is now functioning as Director of Research) to Director of Research for Commercial Fisheries.

TRANSPORTATION, COMMUNICATIONS AND BUILDING SERVICES

DEPARTMENT OF PUBLIC WORKS.

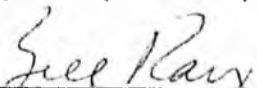
Communications. \$200,000 was added for the purpose of constructing towers and translators to be placed at Naknek, Dillingham, Galena, Glenallen, Kodiak and Homer for the purpose of extending educational and armed forces television to these areas.

DEPARTMENT OF HIGHWAYS.

Administration. Valdez District. With reference to the move from Glenallen in September to the new maintenance complex near the Tazlina River, funds for the move have not been specifically provided in the budget. If the transfer cannot be handled within the existing appropriation, a supplemental may be submitted to the next session of the Legislature.

Maintenance. Special Maintenance Projects. Of the appropriation for this section, \$50,000 shall be designated for the repair and maintenance of the Kake road bulkhead.


Respectfully submitted,

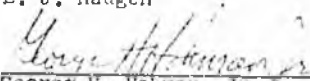

Billy Ray, Chairman


Chancy Crofts


Mike Bradnar


R. R. Borer


E. J. Haugen


George H. Hohman, Jr.

John Sackett

June 7, 1970

HOUSE JOURNAL
SUPPLEMENT

No. 20

TABLE NO. 1
Analysis of CSRS NO. 452, Fiscal Year 1971

Operating Budget	HIB NO. 452	Governor's Changes	CSRS NO. 452		% of Operating Budget
			NO. 452	Budget	
<u>General Government</u>					
Government Administration	\$ 4,523,200	\$ 4,523,200	\$ 4,380,500		
Law	9,602,900	8,602,900	12,537,500		
Revenue	2,329,800	2,426,900	2,244,700		
Treasury	2,443,600	2,443,600	2,358,800		
Court System	1,485,900	1,485,900	1,000,000		
Legislature	5,172,700	5,172,700	4,395,600		
	1,625,000	1,625,000	1,989,400		
<u>Total General Government</u>	\$ 26,183,100	\$ 26,280,200	\$ 29,546,500		9.33
<u>Education</u>					
Dept. of Educ. Univ. of Alaska	\$100,796,700	\$101,796,700	\$125,760,800		
	16,000,000	16,000,000	17,000,000		
<u>Total Education</u>	\$116,796,700	\$117,796,700	\$142,760,800		45.07
<u>Health and Welfare</u>					
Regulation	\$ 42,184,300	\$ 42,184,300	\$ 41,660,200		13.15
Labor	7,762,600	7,762,600	7,607,900		
Commerce	3,068,200	3,068,200	4,240,600		
<u>Total Regulation</u>	\$ 10,830,800	\$ 10,830,800	\$ 11,848,500		3.74
<u>Public Protection</u>					
Military Affairs	\$ 1,464,600	\$ 1,464,600	\$ 1,503,200		
Public Safety	6,639,900	6,639,900	6,348,900		
<u>Total Public Protection</u>	\$ 8,104,500	\$ 8,104,500	\$ 7,852,100		2.48
<u>Conservation, Resources & Dev.</u>					
Natural Resources	\$ 5,595,000	\$ 5,710,200	\$ 5,191,100		
Fish and Game	11,245,300	11,245,300	10,694,400		
Environ. Affairs			516,600		
Economic Dev.	1,893,300	1,893,300	1,658,300		
<u>Total Conservation Resources & Dev.</u>	\$ 18,733,600	\$ 18,848,800	\$ 18,060,400		5.70
<u>Transportation, Communications and Building Services</u>					
Public Works	\$ 27,303,300	\$ 27,398,300	\$ 27,037,600		
Highways	19,273,200	20,266,800	17,707,700		
<u>Total Transportation, Communications and Building Services</u>	\$ 46,671,500	\$ 47,665,100	\$ 44,745,300		14.12

TABLE NO. 1 (continued)

<u>Debt Service</u>	\$ 13,197,400	\$ 13,197,400	\$ 13,197,400	4.16
<u>Per Diem Increase Allowance</u>	\$ 533,500	\$ 533,500	\$ 533,500	.17
<u>Salary Increase and Other Personal Services Adjustments</u>				
Administration			\$ 6,446,300	
Court System			152,500	
<u>Total Salary Increase and Other Personal Services Adjustments</u>			\$ 6,598,800	2.08
TOTAL OPERATING BUDGET	\$283,235,400	\$285,441,300	\$316,803,500	100.00
<u>Shared Taxes and Revenue</u>	\$ 4,666,000	\$ 4,666,000	\$ 4,666,000	
<u>Capital Budget</u>				
Education	\$ 6,328,900	\$ 6,328,900	\$ 6,328,900	
Univ. of Alaska	585,000	585,000	585,000	
Health and Welfare	834,200	834,200	834,200	
Military Affairs	752,900	752,900	752,900	
Natural Resources	180,000	180,000	180,000	
Fish and Game	833,000	1,583,000	1,158,000	
Economic Dev.		125,000		
Public Works	18,168,100	18,168,100	50,443,100	
Highways	74,645,400	74,645,400	74,645,400	
TOTAL CAPITAL BUDGET	\$102,327,500	\$103,202,500	\$134,927,500	
GRAND TOTAL	<u>\$390,228,900</u>	<u>\$393,309,800</u>	<u>\$456,397,000</u>	
<u>Source of Funds</u>				
Federal Receipts	\$117,024,300	\$117,538,100	\$117,183,600	
Program Receipts	991,800	991,800	991,800	
Inter-Agency	8,815,600	8,815,600	9,152,000	
Special Funds	20,108,000	20,276,800	20,132,700	
Special Fund				
Reserve Account	1,060,000	1,060,000	916,900	
Unrestricted General Fund Receipts	242,229,200	244,627,500	308,020,000	
Total Funding	<u>\$390,228,900</u>	<u>\$393,309,800</u>	<u>\$456,397,000</u>	

TABLE NO. 2
State Building Projects

Ventilating System - Division of Buildings - Offices	\$ 20,000
State Capitol Fire Escapes & Partitions	101,700
Governor's Conference Room Air Conditioning	12,000
Modifications to Attorney General's Office Complex	78,000
Modification to State Museum, Ventilation System	35,000
Interim Records Center - Juneau Support Building	30,000
Pioneers' Home - Sitka	485,000
Land Acquisition	500,000
Design and Preliminary Costs - Anchorage Court Bldg.	168,200
Design and Preliminary Costs - Anchorage District Highway Complex	4,400
Design and Preliminary Costs - Juneau State Office Building	502,400
Anchorage Court Building	4,200,000
Anchorage Jail	5,216,000
Anchorage District Highway Complex	2,820,675
Barrow Combined Facilities	450,000
Cordova Highway Maintenance Shop	274,575
Fort Yukon Combined Facilities	568,100
Juneau State Office Building	12,700,000
Kalsin Bay Highway Maintenance Shop	204,000
Ketchikan State Office Building	3,000,000
Kotzebue Combined Facilities	323,200
Nome District Highway Complex and Office Building	1,800,000
Palmer Alcantra Youth Camp	710,500
Petersburg Highway Shop	318,675
Sand Point Fish and Game Headquarters	182,000
Trim Highway Maintenance Shop	284,025
General decrease on new House projects	(51,750)
Total State Building Projects	<u>\$34,386,700</u>

FREE CONFERENCE COMMITTEE REPORTFREE CONFERENCE SUBSTITUTE FOR HOUSE BILL NO. 452

This report reflects the intent of the free conference in developing FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 452. Except for conflicts between this report and the House Finance Committee Report dated June 7, 1970, House Supplement No. 20, the House Committee Report reflects the intent of the Free Conference Committee. When the House Committee Report conflicts with this Free Conference Committee Report, the Free Conference Committee Report takes precedence.

OPERATING BUDGETGENERAL GOVERNMENTOFFICE OF THE GOVERNOR.

Alaska State Museum. Juneau Museum. The committee has added \$40,000 to this budget for the purpose of funding the totem pole restoration. This was originally taken care of in HB 449 (Ch. 3, SLA 1970); however, this was a supplemental and the balance will lapse on June 30. It is the intent of this committee that the amount to be spent by the Museum will be only the amount that lapses.

COAST Commission. The COAST Commission shall fund HJR 108 (requesting the establishment of an estuarine research center at Douglas, Alaska) in the amount of \$12,500.

DEPARTMENT OF ADMINISTRATION.

Data Processing. The new positions in this division were allowed with the committee directing that this division be given the opportunity to solve the problem of its backlog. The department is to report to the Finance Committees of the Seventh Legislature, First Session, on its progress and development. If the Finance Committees determine that progress has not been made and the major problems not resolved, it is suggested that contracting of data processing be given serious consideration.

DEPARTMENT OF LAW.

Civil and Criminal. The department may fund, within the amount allotted for personal services, all new positions requested including the three investigators originally funded in the Department of Public Safety.

DEPARTMENT OF REVENUE.

Alcoholic Beverage Control Board. The Department of

Revenue is again instructed to establish support assistance in the Juneau and Fairbanks offices as set out by statute, over and above that which is presently being supplied for the ABC Board. This should be in the manner of a part-time person servicing the public on matters pertaining to ABC business.

ALASKA COURT SYSTEM.

District Court. The committee directs the court to purchase the microfilming system as requested in its budget.

EDUCATION

DEPARTMENT OF EDUCATION.

District School Support. The committee has added \$1,800,000 to District School Support to fund SB 359 (authorizing state aid to organized boroughs and cities for retirement of school construction debt).

HEALTH AND WELFARE

DEPARTMENT OF HEALTH AND WELFARE.

Environmental Affairs, General Program. The position of Sanitarian II that has recently been transferred by the department from Kodiak to Anchorage shall be transferred back to Kodiak.

Public Health, Community Health, Greater Anchorage Area Borough Health Department. The committee put in an additional \$40,000, to be designated for the Alaska Treatment Center for Crippled Children and Adults in Anchorage, and shall be used for teachers' salaries.

REGULATION

DEPARTMENT OF COMMERCE.

Alaska Remote Housing. Of the \$1,000,000 appropriated for this project, the committee directs that no more than \$50,000 be used for administrative purposes.

DEPARTMENT OF PUBLIC SAFETY.

State Troopers. The committee directs that the department shall buy none of the water equipment it had requested for FY 1970-71.

CONSERVATION, NATURAL RESOURCES AND DEVELOPMENT

DEPARTMENT OF FISH AND GAME.

Protection. The committee added \$250,000 to be used for protection on the North Slope.

The new 100 foot vessel purchase is to be used predominantly for protection, and specifically in the Kodiak-Aleutian Chain area.

DEPARTMENT OF ENVIRONMENTAL AFFAIRS. If enabling legislation (HB 451) does not pass for this department, funds that were deleted from the Department of Health and Welfare shall be returned to the Division of Environmental Health. The balance of this appropriation (\$200,000) shall lapse into the general fund.

DEPARTMENT OF ECONOMIC DEVELOPMENT.

Alaska Travel. The committee directs that contracts on media advertising be awarded to agencies having established operations and personnel operating in the state as of June 1, 1970.

TRANSPORTATION, COMMUNICATION AND BUILDING SERVICESDEPARTMENT OF PUBLIC WORKS.

Communications. The committee included \$200,000 for the purpose of construction of towers and translators to be placed at Naknek, Dillingham, Galena, Glenallen, Homer and Kodiak for the purposes of extending armed forces television to these areas.

DEPARTMENT OF HIGHWAYS.

Maintenance. Special Projects. The committee has added \$1,250,000 to this budget, with \$125,000 designated for mineral access roads; \$125,000 for the Resurrection Bay Road; and \$1,000,000 on special projects as deemed necessary by the department.

SALARY INCREASE AND
OTHER PERSONAL SERVICES ADJUSTMENTS

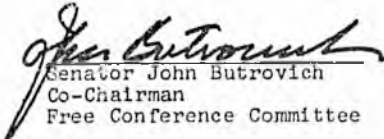
DEPARTMENT OF ADMINISTRATION. The department is authorized to expend money from the employees' salary increase appropriation, as required, but not to exceed \$50,000 to fund HB 246 (annual salary survey -- state employees).

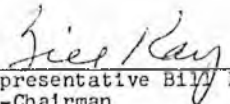
CAPITAL IMPROVEMENTS

DEPARTMENT OF EDUCATION. The committee directs that in the building of classrooms and teachers' quarters at Yakutat, King Cove, St. Paul, Unalaska, St. Mary's and Kake, shared revenues from tobacco and other taxes should be returned to the Department of Revenue. It is further directed that St. Paul should contribute its share of federal funds towards maintenance of its building.

WORKING CAPITAL FUNDS

DEPARTMENT OF HIGHWAYS. The committee requests that the Department of Highways, in a pilot program in the Anchorage area, lease equipment and report on the cost of such a project to the next legislature.


Senator John Butrovich
Co-Chairman
Free Conference Committee


Representative Billy Ray
Co-Chairman
Free Conference Committee

1 IN THE HOUSE

BY BANFIELD

2 HOUSE BILL NO. 8

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act increasing the amount of assistance to depen-
7 dent children."

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

9 * Section 1. AS 47.25.320(a) is amended to read:

10 (a) The department shall determine the amount of assistance for
11 a dependent child and the relative with whom the dependent child is
12 living, with regard to the resources and necessary expenditures of the
13 family and the condition existing in each case. Assistance is suffi-
14 cient if, when added to all other income and support available to the
15 child, the child and relative have reasonable subsistence compatible
16 with decency and health. However, the amount of assistance shall not
17 exceed \$130 [\$105], when there is a relative and one child. If there
18 is more than one child, the amount allowed for the relative and first
19 child shall not exceed \$130 [\$105], and the amount for each additional
20 child shall not exceed \$50 [\$40].

Original sponsor: Banfield

Offered: 2/26/69
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

2

CS FOR HOUSE BILL NO. 8

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to assistance to certain dependent
7 children."

8

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

9

* Section 1. AS 47.25.320(a) is amended to read:

10

(a) The department shall determine the amount of assistance for
11 a dependent child and the parent [RELATIVE] with whom the dependent child
12 is living, with regard to the resources and necessary expenditures of
13 the family and the condition existing in each case. Assistance is suffi-
14 cient if, when added to all other income and support available to the
15 child, the child and parent [RELATIVE] have reasonable subsistence
16 compatible with decency and health. However, the amount of assistance
17 shall not exceed \$150 [\$105] when there is a parent [RELATIVE] and one
18 child. If there is more than one child, the amount allowed for the
19 parent [RELATIVE] and first child shall not exceed \$150 [\$105], and the
20 amount for each additional child shall not exceed \$60 [\$40].

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The Legislature of the State of Alaska
 FISCAL NOTE
 First Session - Sixth State Legislature

COPIES: THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST, POUCH Y
 THE LEGISLATIVE FINANCE COMMITTEES' STAFF, POUCH Y
 THE DIVISION OF BUDGET & MANAGEMENT, POUCH C
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subject HB CSHB-8 SB _____
 requested by _____
 referred to _____ date of request _____
 completion date requested _____ date received _____

EXPENDITURE DETAIL	FY 69.70	FY 70.71	FY 71.72
100 PERSONAL SERVICES	\$ -0-	\$ -0-	\$ -0-
200 TRAVEL	-0-	-0-	-0-
300 CONTRACTUAL SERVICES	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-
600 LAND AND STRUCTURES	-0-	-0-	-0-
700 GRANTS, CLAIMS & SHARED REVENUE	530,400	530,400	530,400
TOTAL	\$ 530,400	\$ 530,400	\$ 530,400

FUNDING DETAIL			
FEDERAL RECEIPTS	\$ -0-	\$ -0-	\$ -0-
SPECIAL FUNDS	-0-	-0-	-0-
UNRESTRICTED GENERAL FUND RECEIPTS	530,400	530,400	530,400
Man Months	N.A.		
Permanent Positions	N.A.		
Temporary Positions	N.A.		

FISCAL ANALYSIS

Under CSHB-8 the average payment per person will rise to \$56.92 with a maximum possible of \$65.49. Using the same percentage as HB-8 of 87.5%, including 1565 new persons eligible, this comes to a total of \$530,400 per year additional State funds, with no additional Federal funds.

DATE 2-2-68

SIGNATURE

John P. Harris

NAME & TITLE

Director of Finance

We estimate that 75% of the 6507 persons will be eligible for the new maximums and that 25% will have had their needs met at an average of halfway between the old maximum and the new, or 87.5% of the caseload will increase. 87.5% of 6507 = 5693 X \$4.30 X 12 = \$293,760.00

With these assumptions, the 1969-70 grants would be equal to 7764 persons times \$49.80 (average payment per month) times 12 months or a yearly total of \$4,639,680.00. The Federal share will be \$2,049,696.00 (7764 recipients at \$22.00 each per month). The balance, \$2,589,984.00, will be the State share.

Budget revisions are related to Grants only (700). The original projections of \$1,000 Travel (22), \$508,300 Contractual (300), and \$4,000 Commodities (400) remain unchanged.

The 1969-70 AFDC budget allows a total of \$2,965,140.00, with \$1,449,624.00 being the Federal share and \$1,515,516.00 being the State share. Therefore, the proposed new budget including the provisions of House Bill #8 will be \$4,639,680.00 less \$2,965,140.00, or a total increase of \$1,674,540.00; of this, \$600,072.00 is Federal and \$1,074,468.00 is State.

Recap:

Fiscal Year 69-70	House Bill #8 plus caseload increase	increased caseload alone
700 Series	1,674,500	1,400,780
Federal Receipts	600,072	600,072
Unrestricted General Fund Receipts	1,074,468	800,708

DATE 2-28-69

SIGNATURE *Shirley P. Hart*

NAME & TITLE *Director, Div. of Welfare*

METHOD of COMPUTATION for CS for HB 8

From the January, 1970 AFDC Monthly Statement of Expenditures and Case-loads, there were 7,518 recipients, of which 5,739 (76.34%) were children and 1,779 (23.66%) were adults. These percentages were then applied to the projected caseloads for the next three fiscal years.

When the projected number of children was calculated, using the above percentages, the age distribution percentages from the Fairbanks Welfare District sampling (27.75% of the children 0-4 years, 49.59% of the children 5-12 years and 22.66% of the children 13-18 years of age) was applied to determine the number of children in each age group specified in the CS for HB 8.

By inspection of the CS for HB 8 it is found that the monthly grant payment for each age group is as follows:

Age	0-4	\$ 50.00	per child per month
Age	5-12	\$ 75.00	per child per month
Age	13-18	\$100.00	per child per month
Adult		\$ 75.00	per adult per month

Using the above data the following tables show the total program costs of the AFDC program if CS for HB 8 is enacted.

<u>FY 1970-71</u>					
	<u>AGE</u>	<u>NUMBER</u>	<u>GRANT PER MO PER PERSON</u>	<u>TOTAL GRANTS Per Month</u>	<u>Per year</u>
9,124 People (Projected)	} 0-4 5-12 13-18	1,933	\$ 50.00	\$ 96,650	\$1,159,800
6,965 Children		3,454	75.00	259,050	3,108,600
		1,579	100.00	157,800	1,893,600
2,159 Adults		<u>2,159</u>	75.00	<u>161,925</u>	<u>1,943,100</u>
		9,124		\$675,425	\$8,105,100

FY 1971-72

10,404 People (Projected)

	AGE	NUMBER	GRANT PER MO PER PERSON	TOTAL GRANTS	
				Per Month	Per Year
7,942 Children	0-4	2,204	\$ 50.00	\$110,200	\$1,322,400
	5-12	3,938	75.00	295,350	3,544,200
	13-18	1,800	100.00	180,000	2,160,000
2,462 Adults		<u>2,462</u>	75.00	<u>184,650</u>	<u>2,215,800</u>
TOTALS		10,404		\$770,200	\$9,242,400

FY 1972-73

13,005 People (Projected)

	AGE	NUMBER	GRANT PER MO PER PERSON	TOTAL GRANTS	
				Per Month	Per Year
9,928 Children	0-4	2,755	\$ 50.00	\$137,750	\$1,653,000
	5-12	4,923	75.00	369,225	4,430,700
	13-18	2,250	100.00	225,000	2,700,000
3,077 Adults		<u>3,077</u>	75.00	<u>230,775</u>	<u>2,769,300</u>
TOTALS		13,005		\$962,750	\$11,553,000

	<u>FY 1971</u>	<u>FY 1972</u>	<u>FY 1973</u>
Projected Cost with CS for HB 8	\$8,105,100	\$9,242,400	\$11,553,000
Budget estimate without CS for HB 8	<u>\$4,995,900</u>	<u>\$5,802,900</u>	<u>\$ 7,386,300</u>
Cost of HB 8	\$3,109,200	\$3,439,500	\$ 4,166,700

The Legislature of the State of Alaska
 FISCAL NOTE
 SECOND Session - Sixth State Legislature

COPIES: THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST, POUCH V
 THE LEGISLATIVE FINANCE COMMITTEES' STAFF, POUCH Y
 THE DIVISION OF BUDGET & MANAGEMENT, POUCH C
 RETAIN A COPY FOR YOUR FILES

subject CS for HB 8 SB
 requested by _____
 referred to _____ date of request _____
 completion date requested _____ date received _____

EXPENDITURE DETAIL	FY 1971	FY 1972	FY 1973
100 PERSONAL SERVICES	\$	\$	\$
200 TRAVEL			
300 CONTRACTUAL SERVICES			
400 COMMODITIES			
500 EQUIPMENT			
600 LAND AND STRUCTURES			
700 GRANTS, CLAIMS & SHARED REVENUE	3,109,200	3,439,500	4,166,700
TOTAL	\$ 3,109,200	\$ 3,439,500	\$ 4,166,700

FUNDING DETAIL			
FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	3,109,200	3,439,500	4,166,700
Man Months	NA	NA	NA
Permanent Positions	NA	NA	NA
Temporary Positions	NA	NA	NA

FISCAL ANALYSIS

The projected average AFDC caseload is 9,124 persons for fiscal year 1970-71, 10,404 persons for fiscal year 1971-72 and 13,005 persons for fiscal year 1972-73. The average cost will be \$45.53 per person per month for fiscal 1970-71, \$46.48 per person per month for fiscal 1971-72 and \$47.33 per person per month for fiscal year 1972-73. These projections would account for programs grants (700 code) to be \$4,995,900 for fiscal 1970-71, \$5,802,900 for fiscal year 1971-72 and \$7,386,300 for fiscal 1972-73.

Committee Substitute for House Bill 8 proposes a monthly increase in grants from a maximum of \$105.00 for an adult and first child and \$50.00 for each additional child to a maximum of:

- a. \$125.00 for an adult and one child under five years of age;
- b. \$150.00 for an adult and one child that is at least five but less than 13 years of age;
- c. \$175.00 for an adult and one child that is at least 13 but less than 18 years of age.
- d. If there is more than one child the amount allowed for each additional child shall not exceed
 1. \$50.00 for each child who has not reached five years of age,
 2. \$75.00 for each child who is at least five but less than 13 years of age,
 3. \$100.00 for each child who is at least 13 but less than 18 years of age.

Using the projected caseloads, the total funding for the AFDC program, including the increased maximums proposed in CS for HB 8, would be \$8,105,100 for fiscal year 1970-71; \$9,242,400 for fiscal year 1971-72; and \$11,553,000 for fiscal year 1972-73.

DATE _____

SIGNATURE _____

NAME & TITLE Stanley P. Harris, Director
 Division of Public Welfare

Introduced: 1/15/71
Referred: Health, Welfare and
Education and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 61

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Department of Health and
7 Welfare; and providing for an effective date."

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

9 * Section 1. The sum of \$3,385,600 is appropriated from the general
10 fund to the Department of Health and Welfare for estimated unfunded
11 operating costs for the fiscal year ending June 30, 1971, according to the
12 following schedule:

13	Public Health		\$ 200,000
14	Mental Health		229,700
15	Public Welfare		
16	Adult Public Assistance	\$ 658,300	
17	Aid to Families with		
18	Dependent Children	754,200	
19	General, Relief, Medical	1,132,700	
20	Child Welfare Service/		
21	Juvenile Code	118,700	
22	Administration	92,000	\$2,955,900

23 * Sec. 2. This Act takes effect on the day after its passage and
24 approval or on the date it becomes law without approval.
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Introduced: 1/15/71
Referred: Health, Welfare and
Education and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 61

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Department of Health and
7 Welfare; and providing for an effective date."

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

9 * Section 1. The sum of ~~\$2,872,300~~ ^{3,148,000} ~~\$2,872,300~~ is appropriated from the general
10 fund to the Department of Health and Welfare for estimated unfunded
11 operating costs for the fiscal year ending June 30, 1971, according to the
12 following schedule:

13	Public Health	\$ 200,000	150,000
14	(-229,700) Mental Health	229,700	100,000
15	Public Welfare		50,000
16	Adult Public Assistance	\$ 762,300	
17	Aid to Families with		
18	Dependent Children	652,000	45,000 fed. carrying over to unincorporated local.
19	General, Relief, Medical	1,132,700	
20	Child Welfare Service/		
21	Juvenile Code	118,700	
22	(-46,000) Administration	46,000	2,718,300

23 * Sec. 2. This Act takes effect on the day after its passage and
24 approval or on the date it becomes law without approval.

7,750,000 of 17

3,148,000
275,700
#2872,300

Total Participation
Reduces cost by
50%

See
minob.

Introduced: 1/15/71
Referred: Health, Welfare and
Education and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 61

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating to the Department of Health and
7 Welfare; and providing for an effective date."

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

9 * Section 1. The sum of \$3,385,600 is appropriated from the general
10 fund to the Department of Health and Welfare for estimated unfunded
11 operating costs for the fiscal year ending June 30, 1971, according to the
12 following schedule:

13	Public Health		\$ 200,000
14	Mental Health		229,700
15	Public Welfare		
16	Adult Public Assistance	\$ 858,300	
17	Aid to Families with		
18	Dependent Children	754,200	
19	General, Relief, Medical	1,132,700	
20	Child Welfare Service/		
21	Juvenile Code	118,700	
22	Administration	92,000	\$2,955,900

23 * Sec. 2. This Act takes effect on the day after its passage and
24 approval or on the date it becomes law without approval.
25
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Original sponsor: Rules Committee by
request of the Governor

Offered: 3/12/71
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 61

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Welfare; and providing for
8 an effective date."

9

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

10

* Section 1. The sum of \$2,872,300 is appropriated from the general fund

11

to the Department of Health and Welfare for estimated unfunded operating

12

costs for the fiscal year ending June 30, 1971, according to the following

13

schedule:

14

Public Health \$ 150,000

15

Mental Health 50,000

16

Public Welfare 2,672,300

17

Adult Public Assistance \$ 762,300

18

Aid to Families with

19

Dependent Children 658,600

20

General, Relief, Medical 1,132,700

21

Child Welfare Service/

22

Juvenile Code 118,700

23

Total \$2,872,300

24

* Sec. 2. This Act takes effect on the day after its passage and approv-

25

al or on the day it becomes law without approval.

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Original sponsor: Rules Committee by
request of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 61

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Welfare; and providing for
8 an effective date."

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

10 * Section 1. The sum of \$2,872,300 is appropriated from the general fund
11 to the Department of Health and Welfare for estimated unfunded operating
12 costs for the fiscal year ending June 30, 1971, according to the following
13 schedule:

14	Public Health	\$ 150,000
15	Mental Health	50,000
16	Public Welfare	2,672,300
17	Adult Public Assistance	\$ 762,300
18	Aid to Families with	
19	Dependent Children	658,600
20	General, Relief, Medical	1,132,700
21	Child Welfare Service/	
22	Juvenile Code	118,700
23	Total	<u>\$2,872,300</u>

24 * Sec. 2. This Act takes effect on the day after its passage and approv-
25 al or on the day it becomes law without approval.

DEPARTMENT OF HEALTH AND WELFARE
DIVISION OF PUBLIC WELFARE

Program	FY 70/71 Authorized	Jan. 71 Caseload/ Ave. Grant	HB 61 Supplemental Request	Revised Supplemental Request	Total FY 70/71 Supplemental Request	FY71/72 Governor's Allowance	FY 71/72 Requested Increases
Adult Public Assistance	5,800,800 (Fed. 1,560,000) (State G. F.) (4,240,800)	2773/ 150.85	858,300 (Fed. 96,000) (State 762,300)	0	858,300 (Fed. 96,000) (State 762,300)	7,375,300 (Fed. 1,617,100) (State 5,758,200)	520,000 (Fed. 42,000) (State 472,000)

JUSTIFICATION

A. Tab A

- Reference Tab A 1, SLA Chapter No. 234 (FC CS HCS CSSB 386) The Act amending statutes to increase grant maximum to \$250 per month.
- Reference Tab A 2, Page 1212, Senate Journal May 31, 1970. Intention to provide Department with maximum flexibility in determining the need and budget computation for grants.
- Reference Tab A 3, Fiscal Note and Position Paper relative to CS HB 282. Although prepared for another bill, the provisions were the same as enacted in SB 386. Indicated need of \$1,533,000 if bill enacted.
- No funding provided for bill in the budget bill; in fact the grants object code was reduced by \$463,200. Year end projected deficit in grants of \$1,338,300 reduced by \$480,000 transfer from contractual object code to leave program deficit of \$858,300. (Projected lapse in contractual is a result of not transferring 36 nursing home patients out of API.)
- Reference Tab A 4. Slope of caseload curve increased when new standards and maximums went into effect. New monthly average of recipients is now 2750. This factor has also increased grant expenditures.

Accurate caseload trends for caseload into FY 1971-72 are not available yet since the change in standards went into effect only four months ago. The 2875 caseload was a guess on February 5, 1971 when additional budget requests were presented to the new administration, and is probably low.

In the event the supplemental request for this fiscal year and additional funds are not added to the FY 1972 budget, the Department will be forced to reduce the recipient grants to stay within the authorized appropriation limits. For the remainder of this fiscal year, grants would have to be reduced to an average of \$53.21, compared with the January 1971 average of \$150.85. The average grant for FY 1972 would have to be reduced below current level, but until more valid data becomes available, this cannot be computed.

Essentially, this is an open-ended program. Once the Federal Government has approved the State Plan, the State must accept any and all eligible persons for relief or be subject to loss of Federal funding for being out of compliance.

DEPARTMENT OF HEALTH AND WELFARE
DIVISION OF PUBLIC WELFARE

Program	FY 70/71 Authorized	Jan. 71 Caseload/ Ave. Grant	HB 61 Supplemental Request	Revised Supplemental Request	Total FY70/71 Supplemental Request	FY 71/72 Governor's Allowance	FY 71/72 Requested Increases
Aid to Families with Dependent Children	7,750,000 (Fed.2,637,200) (State 5,112,800)	9482/ 67.04	754,200 (Fed. 95,600) (State658,600)	0	754,200 (Fed. 95,600) (State658,600)	9,506,400 (Fed.3,160,700) (State6,345,700)	1,335,600 (Fed. 322,100) (State1,013,500)

JUSTIFICATION

Tab B

1. Reference Tab B1. SLA 1970 Chapter No. 177 CSHB 3. The Act increasing the amount of assistance to dependent children.
2. Reference Tab B2. Fiscal Note indicating funds in the amount of \$3,109,200 needed in this program incident to enactment of this bill.
3. Reference Tab B3. Memorandum of May 19, 1970 indicating that funding in the amount of \$1,990,500 was added to the program, leaving a projected deficit of \$1,118,700.
4. The Department overestimated the average monthly grant increase (\$28.40 estimated vs \$20.59 actual), and underestimated caseload (9124 persons projected vs revised projection of 9400 persons). These were partially compensating factors.
5. The projected year-end deficit in this program is now \$754,200, the amount of the FY 1971 supplemental request.
6. Reference Tab B4. AFDC Total Recipients. Revised caseload estimate for FY 1972 is now 11,550 vs 10,380 which was used in preparation of the FY 1972 budget request. Estimated additional funding needed for this program during FY 1972 is \$1,335,600.
7. If supplemental funds are not appropriated, it will be necessary to reduce grants to stay within the authorized appropriation. Beginning March 1, 1971 the grants would have to be reduced to an average of \$58.95 per recipient.

DEPARTMENT OF HEALTH AND WELFARE
DIVISION OF PUBLIC WELFARE

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Program	FY 70/71 Authorized	Jan. 71 Caseload/ Ave. Grant	HS 51 Supplemental Request	Revised Supplemental Request	Total FY70/71 Supplemental Request	FY 71/72 Governor's Allowance	FY 71/72 Requested Increases
General Relief- Medical	1,600,000 (Fed. 108,900) (State 1,491,100)	N/A	1,132,700 (State 1,132,700)	852,300 (State 852,300)	1,985,000 (State 1,985,000)	2,329,700 (Fed. 181,500) (State 2,148,200)	3,040,300 (Fed. 236,800) (State 2,803,500)

JUSTIFICATION

Tab C

1. Reference Tab C1 in relation to columns 4 and 5. Graph depicting steady growth of three major areas of expenditure in this program. Comparing FY 1960 with FY 1970, it is noted that total costs were up 46%, hospital costs up 40%, physician costs up 70% and drug costs up 45%. Not only were individual cost of service rising, but the number of recipients receiving medical services increased by 41% in hospitals, 46% to physicians and 41% for prescriptions. It should be noted that costs relate to month of service and not the fiscal year for which money was appropriated.
2. Reference Tab C2. Historically this program has been underfunded, requiring either supplemental appropriations and/or transfers of funds into the program.
3. The January 31, 1971 balance in this program is a deficit of \$48,495, with encumbrances totaling \$459,600. The unprecedented rise in medical costs, outlined in Number 1 above, has caused the Department to go into deficit spending in this program. The denial of medical services to eligible welfare recipients is one alternative to hold expenditures down, although not recommended by this Department. It is estimated the \$1,985,000 will be sufficient to take care of the medical costs of eligible recipients for the remainder of the fiscal year. Historically, medical expenditures have been greatest during the period of January through May.
4. In relation to column 8, if costs continue to rise at the present rate, the expenditures in General Relief-Medical will exceed the Governor's Allowance by \$3,040,300. If the program is underfunded at the onset, the Department will require Legislative guidance as to the possibility of a supplemental appropriation or what medical procedures are to be allowed and those to be disallowed to stay within the appropriation level.

DEPARTMENT OF HEALTH AND WELFARE
DIVISION OF PUBLIC WELFARE

1.	2.	3.	4.	5.	6.	7.	8.
Program	FY 70/71 Authorized	Jan. 71 Caseload/ Ave. Grant	HB 61 Supplemental Request	Revised Supplemental Request	Total FY 70/71 Supplemental Request	FY 71/72 Governor's Allowance	FY 71/72 Requested Increases
General Relief - Assistance	300,000 (Fed. 45,000) (State 255,000)	N/A	0	100,000 (State 100,000)	100,000 (State 100,000)	330,000 (Fed. 53,000) (State 277,000)	470,000 (Fed. 75,200) (State 394,800)

JUSTIFICATION

TAB D

1. Reference Tab D1. Memorandum of January 11, 1971 with supporting attachments requesting additional General Relief - Assistance funding.
2. Reference Tab D2. Memorandum of January 13, 1971 citing statistics of unemployment in Anchorage and Fairbanks. The prolonged, high unemployment rate in the State has exhausted financial resources of high numbers of people in the State, particularly in Anchorage and Fairbanks. It is the responsibility of the Division of Public Welfare to give some assistance to these people to see them through this critical period.
3. In previous years, the division was able to stay within the appropriation by partially meeting the immediate needs of these people or by declaring them ineligible. The same methodology is being used this year, but the unprecedented number of applicants is rapidly exhausting the appropriation. It is noted that almost all authorizations in this program are for food, shelter, and fuel/electricity. Due to the critical nature of these areas of need, it is considered impossible to turn most applicants away without some assistance.
4. Reference Tab D3. Eligibility for General Relief. Priorities for eligibility in the program have been set as follows: (1) Temporarily disabled parents with children; (2) Unemployed parents with children; and (3) Single, employable persons (female priority over male).
5. The General Relief program is projecting a zero balance during March, taking into consideration the transfer of \$33,000 from the WII Program. If the supplemental request is not forthcoming, a legislative decision should be made immediately so that the department can stop all GR payments until July 1, 1971, creating additional hardships on those people already financially desperate.
6. Reference Columns 7 and 8, the additional request of \$470,000 for FY 1972 presented February 5, 1971 represents the best estimate at this time to adequately fund this program.

DEPARTMENT OF HEALTH AND WELFARE

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DIVISION OF PUBLIC WELFARE

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Program	FY 70/71 Authorized	Jan. 71 Caseload/ Ave. Grant	HB 61 Supplemental Request	Revised Supplemental Request	Total FY70/71 Supplemental Request	FY 71/72 Governor's Allowance	FY 71/72 Requested Increases
Child Welfare Service/Juvenile Code	1,000,000 (Fed. 106,900) (State 893,100)	777/ 201.15	118,700 (State 118,700)	80,100 (State 80,100)	198,800 (State 198,800)	1,581,800 (Fed. 131,200) (State 1,450,600)	163,900 (State 163,900)

JUSTIFICATION

Tab E

- Reference Tab E1. SLA 1970 Chapter 136, HCS CSSB 240. The Act relating to full cost of care for child care institutions, foster homes, and nursing homes.
- Reference Tab E2. Fiscal note on Senate Bill 240. The fiscal note indicates a funding need of \$163,900 if this bill was enacted.
- No additional funds were provided to implement this legislation. In fact, the Department Request and Governor's Allowance was reduced by \$103,900. This made it necessary to request the \$118,700 in HB 61 (Column 4).
- Reference column 5. The \$80,100 additional supplemental request by an increase in caseload of approximately 50 children in foster care and institutional care. This caseload in this program had been relatively stable over the past two years, but family breakup apparently due to the high unemployment rate in the state has caused the increase in the number of children put into the care of the Department.
- Without supplemental funding the Department will be forced to act contrary to Alaska Statutes, either by reducing payments below full cost of care or expending funds not authorized by the Legislature. This is an impossible situation for the Department to resolve.
- The request for additional funding for FY 1972 is necessary because of a revised caseload projection noted in paragraph 4 above.

DIVISION OF PUBLIC WELFARE

1	2	3	4	5	6	7	8
Program	FY 70/71 Authorized	Jan. 71 Caseload/ Ave. Grant	HB 61 Supplemental Request	Revised Supplemental Request	Total FY 70/71 Supplemental Request	FY 71/72 Governor's Allowance	FY 71/72 Requested Increases
Program Administration	2,065,900 (Fed. 1,181,500) (State 877,200) (Local 7,200)	N/A	92,000 (Fed. 46,000) (State 46,000)	90,000 (Fed. 49,200) (State 40,800)	182,000 (Fed. 49,200) (State 132,800)	2,904,200 (Fed. 1,620,300) (State 1,276,700) (Local 7,200)	276,900 (Fed. 154,500) (State 122,400)

JUSTIFICATION

- Professional employee turnover in Bethel has exceeded 100% for the past several years. The primary contributing factor is lack of adequate housing facilities for the employees. To properly service the clients of the Department, continuity between staff and client must be maintained. The request for \$92,000 for four house trailers in Bethel will not completely solve the housing problem, but will alleviate the critical state it is now in. The request for a supplemental appropriation rather than inclusion into the FY 1972 budget is to allow early ordering and barging arrangements so that the trailers will arrive during the summer of this year. In the event a private party could provide sufficient suitable housing on a long-term lease arrangement, the Department would be very agreeable to do so, with the employee utilizing the housing paying the lease cost.
- Reference Tab F 1. Letter in reference to Purchase of Housing for Agency Staff. The Division of Public Welfare estimates Federal matching will be 50% or \$46,000 - (column 4).
- Reference column 5. The \$90,000 request for contractual services is necessary to defray unbudgeted increases in space rental, utilities and equipment rental. The January 31, 1971 analysis projects a year-end deficit of \$93,211. There are no funds in other programs to cover this deficit.
- Request for additional positions and contractual services funding on February 5, 1971, column 8, was made to restore positions eliminated from the budget by the Governor's Review Committee and in a Departmental review (to remain within Administration guidelines for program increases). It is now apparent that with the increases in both AFDC and APA caseloads, increases in professional and supporting clerical staff are necessary to carry out the program responsibilities charged to the Department.

DIVISION OF PUBLIC WELFARE

1	2	3	4	5	6	7	8
Program	FY 70/71 Authorized	Jan. 71 Caseload/ Ave. Grant	HB 61 Supplemental Request	Revised Supplemental Request	Total FY 70/71 Supplemental Request	FY 71/72 Governor's Allowance	FY 71/72 Requested Increases
Food Stamp Program	408,600 (Fed. 103,300) (State 305,300)	N/A	0	0	0	556,100 (Fed. 116,900) (State 389,200)	183,600 (Fed. 55,100) (State 128,500)

JUSTIFICATION

- Reference columns 7 and 8, the request for funds over and above those allowed by the previous administration's Governor's Review Committee is to better serve the people eligible for the program, both in determination of eligibility of applicants and the sales of food stamps. This program has grown rapidly since its inception in the State in 1965.

The positions requested will increase staff to the minimum level of operating efficiency. The District Welfare Offices have consistently experienced large, and sometimes unruly, crowds during the sale of food stamps. There has also been unavoidably long delays in filling mailed requests for food stamps.

These positions, with related costs, are 30% funded by Federal sources.

DEPARTMENT OF HEALTH AND WELFARE
Division of Mental Health

Program	FY 70/71 Authorized	Jan. 71 Caseload/ Ave. Grant	HB 61 Supplemental Request	Revised Supplemental Request	Total FY 70/71 Supplemental Request	FY 71/72 Governor's Allowance	FY 71/72 Requested Increases
Community Mental Health			49,100 (State 49,100)	(26,400) (State (26,400))	22,700 (State 22,700)		

JUSTIFICATION

1. Revised program needs, based on January 31, 1971 balances, reduces supplemental request to \$22,700. Original request, based on four months experience, part of the projected deficit has been absorbed within the program.
2. Contractual Services still show projected year-end deficits due to increases in space rental and professional services contracts to cover authorized positions the Department has not been able to fill.

Hospital and Nursing Home Contracts	268,400		78,300 (State 78,300)		78,300 (State 78,300)
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JUSTIFICATION

1. Reference Tab G1. House Journal Supplement No. 20. \$51,000 has been set aside for payments to Hope Cottage, Inc. The best of information of the department is the new facilities of Hope Cottage to care for the mentally retarded children will not be ready during FY 1971. If the \$51,000 was freed from the restriction of payments only to Hope Cottage, the supplemental request could be reduced by this amount.
2. The need for a supplemental request has resulted because the anticipated transfer of patients from Haven Acres (Oregon) to Alaska Psychiatric Institute has not occurred. The beds to be used are still occupied by patients designated to be transferred to Hope Cottage.

DEPARTMENT OF HEALTH AND WELFARE
Division of Mental Health

Program	FY 70/71 Authorized	Jan. 71 Caseload/ Ave. Grant	HB 61 Supplemental Request	Revised Supplemental Request	Total FY 70/71 Supplemental Request	FY 71/72 Governor's Allowance	FY 71/72 Requested Increases
Personal Services - Division Total			102,300 (State 102,300)	(102,300) (State (102,300)			

JUSTIFICATION

1. Supplemental request based on four months' experience. Based on January 31, 1971 Projection and Analysis Report, the division will not need the \$102,300 requested if the 5.5% for personal services from the Department of Administration is forthcoming.

Division Total			229,700 (State 229,700)	(128,700) (State (128,700)	101,000 (State 101,000)
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JUSTIFICATION

In the interval since the original supplemental request was submitted, the fiscal posture has changed to allow the department to reduce the request to \$101,000, subject to funds from the Department of Administration for personal services. The request could be reduced by an additional \$51,000 if the money designated for use at Hope Cottage could be cleared of the legislative intent spelled out in House Journal Supplement No. 20. This would reduce the supplemental request for the Division of Mental Health to \$50,000.

DEPARTMENT OF HEALTH AND WELFARE

Division of Public Health

Program	FY 70/71 Authorized	Jan. 71 Caseload/ Ave. Grant	HB 61 Supplemental Request	Revised Supplemental Request	Total FY70/71 Supplemental Request	FY 71/72 Governor's Allowance	FY 71/72 Requested Increases
Crippled Children's Service	400,000 (Fed. 143,200) (State 256,800)	N/A	200,000 (State 200,000)	(50,000) (State (50,000))	150,000 (State 150,000)	N/A	N/A

JUSTIFICATION

1. Reference Tab H1. The funding pattern indicates that this program has been underfunded by the Legislature with year-end adjustment into the program necessary to meet actual program expenses.
2. Crippled Children's Services is a program where medical expenses for an individual case extend over an average of seven years. The alternative facing the Department if the supplemental request is not approved is to discontinue authorization of medical care to new eligible cases.
3. The program supplemental needs are now best estimated at \$150,000, rather than the original request of \$200,000.