

Leg. Finance - Finance Comte Files (1971-72) 8879

HB 503 cont., 504

86

23

STATEMENT OF PROGRAM

ALASKA

For the Fiscal Year Ending June 30, 1972

AGENCY Code	CATEGORY	
Civil & Criminal	PROGRAM	
DIVISION	SUB PROGRAM	
Spec. Litigation	ELEMENT	
	SUB ELEMENT	

EXPLANATION:

The special litigation fund request of \$150,000 would place the Civil Division in a position to fully meet its responsibilities in the major litigation which has resulted and will result from the pipeline and Native Claims post settlement situation without impairing the ability of the Division to meet its existing responsibilities to furnish legal services for the various state agencies and departments.

Although it is difficult to predict the expenditures for special litigation because the outcome is unknown, we believe a special fund of this nature is necessary in order to participate in the vital cases pertinent to the economy of Alaska. At the present time we have already intervened in the case of Cordova Fisheries and Wilderness Society against the pipeline in order to assist and hasten, if possible, the decision. Regardless of the outcome, however, we must be prepared to take these cases into the U. S. District Courts, the Circuits and the U. S. Supreme Court whenever necessary.

We anticipate a spate of litigation to be generated by the aftermath of the Native claims settlement as land disposition and acquisition questions, municipality and village designations and other similar problems arise.

SPECIAL LITIGATION
\$ 150,000

\$ 100,000 FY 72
ALASKA
JND
95
\$ 200,000

and read the report thereon and referred to the Committee on

28

SENATE BILL NO. 117 by the Senate, Health, Welfare and Education

29

Committee, entitled:

"An Act relative to Unlabeled education."

HOUSE BILL NO. 503

The Finance Committee reported HOUSE BILL NO. 503 (making supplemental appropriations to the Department of Law; and providing for an effective date) under consideration and majority of the members of the committee recommends it be replaced with the committee substitute for HOUSE BILL NO. 503 (same title) as that committee substitute for HOUSE BILL NO. 503 do pass. The report was signed by Mr. Hohman, Chairman, and concurred in by Messrs. Warwick, Pittman, Dornan, and Wright. Not concurring were Haugen and Fink who recommend do not pass.

HP
503

HOUSE BILL NO. 503 was referred to the Rules Committee for placement on the calendar.

The Speaker stated that without objection, the reading of the Finance Committee Chairman's report on HOUSE BILL NO. 503 would be waived and it would be printed in the Journal. There being no objection, it was so ordered; the report appears as follows:

FINANCE COMMITTEE REPORT

ON

CS FOR HOUSE BILL 503

The committee substitute adds approximately \$11,000 in additional expenses for the Cook Inlet case. In addition, the bill includes payment for settlements in three cases against the State:

Creswell v. Smith and State of Alaska	\$1,250
Cumkendall v. Smith and State of Alaska	\$15,000
Houcher v. Bernhoff, Bradley, et al	\$7,472

George C. Hohman, Jr.
George C. Hohman, Jr.
Chairman

STATE
OF ALASKA

Handwritten notes at top of page, possibly "General Fund" and "Budget & Management"

TO: Jay Hegan, Director
Division of Legislative Finance

Handwritten signature of M. R. Channey

DATE: April 26, 1972

FROM: M. R. Channey, Director
Division of Budget & Management
Department of Administration

SUBJECT: Supplemental Claim
Against the State

Attached is backup for two out of court settlements against the State in the amounts of \$1,250.00 and \$15,000.00 respectively.

Realizing the miscellaneous claim bill has already passed both houses and considering the lateness of the hour the administration requests that the total amount \$16,250.00 be added to the Department of Law appropriation in the General Appropriation Act. A footnote could be inserted designating the amounts appropriated for each claim.

Thank you for your consideration in this matter.

Attachment

CSHC 503

STATE
of ALASKA

1972-1973 Budget
Smith and State of Alaska

RECEIVED
APR 25 1972

TO: [N.E. Charney, Director
Division of Budget and Management
Department of Administration

DATE: Apr. 24, 1972

FROM: Roman C. Gorsuch
Deputy Attorney General



SUBJECT: Claims against the State

During the month of April two more cases have been settled out of court on civil suits against the state. The cases and amount of settlement are as follows:

<u>John Creswell v. Clarence Smith and State of Alaska</u>	\$1,250.00
<u>John W. Curlendell v Clarence Smith and State of Alaska</u>	\$15,000.00

This information is forwarded to you so that it might be considered in this session's appropriations and we are enclosing copies of pertinent documents on each case.

HCG:rj

Enc.

cc: Jay Hogan, Director
Budget Finance Division

1 IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
2 THIRD JUDICIAL DISTRICT AT ANCHORAGE

3 JOHN W. CURRENDALL,)
4 Plaintiff,)

5 vs.

6 CLARENCE SMITH, and
7 STATE OF ALASKA,
8 Defendants.)


9 No. 70-1034 D

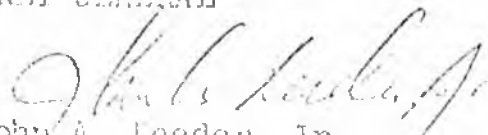
10 STIPULATION

11 It is hereby stipulated and agreed between Peter LaBate,
12 attorney for the plaintiff, and John A. Reeder, Jr., Assistant
13 Attorney General for the State of Alaska, that upon payment of
14 the amount agreed upon in the settlement agreement negotiated
15 between the parties, plaintiff will issue the proper releases
16 and dismiss the matter now pending.

17 DATED at Anchorage, Alaska, this 13th day of April,
18 1972.

19 JOHN E. HAVELOCK
20 ATTORNEY GENERAL

21 
22 Peter LaBate
23 Attorney for Plaintiff

24 By: 
25 John A. Reeder, Jr.
26 Assistant Attorney General
27
28
29

April 11, 1972

Peter LaBate, Esq.
Suite 4, Lums Building
700 H Street
Anchorage, Alaska 99501

Re: Curkendall v. Smith
C. A. No. 70-1034

Dear Mr. LaBate:

Pursuant to your agreement with the State of Alaska in the above referenced case, defendant State of Alaska offers to settle the matter for the sum of \$15,000, including attorney's fees.


This settlement is conditioned upon your transmitting the proper releases from your client absolving the State of any further liability in this proceeding.

If you agree with the conditions of settlement, please sign below.

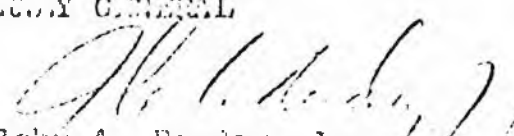
Very truly yours,

JOHN E. HAVELOCK
ATTORNEY GENERAL

APPROVED:



Peter LaBate
Attorney for Plaintiff

By: 
John A. Reeder, Jr.
Assistant Attorney General

1 IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
2 THIRD JUDICIAL DISTRICT AT ANCHORAGE

3 JOHN CINCWELL,

4 Plaintiff,

5 vs.

6 CLARENCE SMITH AND
7 STATE OF ALASKA,

8 Defendants.
9

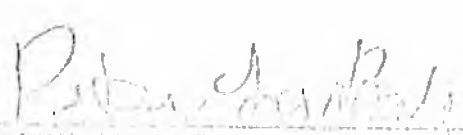
10 Civil Action No. 72-149

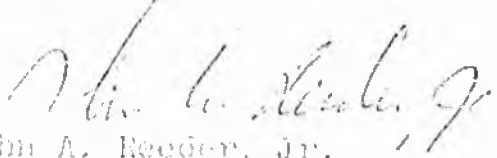
11 STIPULATION

12 It is hereby stipulated and agreed between Peter
13 Labate, attorney for the plaintiff, and John A. Reeder, Jr.,
14 Assistant Attorney General for the State of Alaska, that upon
15 payment of the amount agreed upon in the settlement agreement
16 negotiated between the parties, plaintiff will issue the proper
17 releases and dismiss the matter now pending.
18

19 DATED at Anchorage, Alaska this 17th day of April,
20 1972.

21 JOHN E. HAVELOCK
22 ATTORNEY GENERAL

23 
24 Peter Labate
25 Attorney for Plaintiff

26 By: 
27 John A. Reeder, Jr.
28 Assistant Attorney General
29

1972

Attorney for Plaintiff
Peter J. Jantke

Attorney for Defendant
John A. Fisher, Jr.

John A. Fisher, Jr.

JOHN A. FISHER, JR.
ATTORNEY AT LAW

Very truly yours,

Please sign below.

If you agree with the conditions of settlement,

the State of and further liability in this proceeding
with the paper release from your client absolving
this settlement to be considered when your trans-

including attorney fees.
Alaska in the above mentioned case, defendant State of
Payment to your agreement with the State of
the sum of \$1,250.00

Dear Mr. Jantke:

For John A. Fisher, Jr., Attorney at Law
and
John A. Fisher, Jr., Plaintiff

Peter J. Jantke, Esq.
Suite 4, Bank Building
700 "A" Street
Anchorage, Alaska 99501

April 14, 1972

miscellaneous claim bill

TO: F

Jay Hogan, Director
Division of Legislative Finance

DATE April 20, 1972

FROM

H. R. Charney
H. R. Charney, Director
Division of Budget & Management
Department of Administration

SUBJECT: Supplemental Claim
Against the State

Attached is backup for a court award against the State in the amount of \$7,472.40.

Since the miscellaneous claim bill has already been passed by both houses and since the legislature is in its last days whereby a new bill possibly would not have sufficient time to pass, the administration requests that \$7,473 be added to Lt. Governor's appropriation in the General Appropriations Act with a footnote outlining legislative intent that this amount is appropriated for this claim.

Thank you for your consideration in this matter.

CSHB 503

STATE
of ALASKA

Handwritten notes at the top of the page, possibly a date or reference number.

TO: H.R. Charney, Director
Division of Budget and Management
Department of Administration

DATE: Apr. 19, 1972

FROM: Norman C. Gorsuch
Deputy Attorney General

Handwritten signature of Norman C. Gorsuch.

SUBJECT: Attorney fees and costs
against the State

For your information costs have been awarded against the state in the Boucher v Bomhoff case in the following amounts:

Attorney Fees.....	\$6,600.00
Superior Court costs...	382.40
Supreme Court costs....	490.00

Total \$7,472.40

We have attached copies of documents to verify the above figures.

As you are aware, this department does not have the funds to pay these costs.

Att.

NCG:rj

RECEIVED

APR 1972

DEPT. OF ADMIN.

IN THE DISTRICT COURT OF THE DISTRICT OF COLUMBIA
 FILE NO. 17-1100-7
 COURT CONFERENCE 9:30 AM
 JUDGE: Cadden
 CASE NO. 17-1100
 CASE TITLE: Wardell, Douglas, Bradley, et al

PROCEEDING: Bill of Costs and Attorney Fees
 Plaintiff: Mr. Bradley and Mr. Cadden
 Defendant: Mr. Wardell, R.C.'s Office

COUNSEL PRESENT: PLAINTIFF: Mr. Bradley and Mr. Cadden
 DEFENDANT: Mr. Wardell, R.C.'s Office

DEFENDANT: PRESENT NOT PRESENT IN CUSTODY NOT IN CUSTODY

LOCATION	DESCRIPTION
0074.0	Clerk's announcement
0074.5	Court convened, case called
0075.0	Mr. Cadden's comments on notes spent on case
0076.0	Bradley's comments
0082.0	Bradley refers to Motion 12
0083.0	Bradley refers to Rule 82
0084.0	Mr. Wardell's comments
0085.0	Subjects to any attorney fees being awarded
0086.0	Court's questions to Mr. Wardell
0087.0	Court's comments
0088.0	Wardell's further comments
0089.0	Bradley comments on what Mr. Wardell said
0090.0	Wardell's response
0091.0	Court's questions
0092.0	Court awards attorney fees in the amount of \$7,100 plus additional charges as shown on Bill of Costs pursuant to rule
0093.0	Court awards in costs

Costs \$382.40
 Attorney fees \$7,100.00
 - 500.00 (Stipulation)
 \$6,600.00

THE SUPERIOR COURT OF THE STATE OF ALASKA

Filed and entered APR 17 1972
SUBMITTED BY J. M. HORTON

H. A. BOUCHER, Lieutenant Governor
of the State of Alaska,

By G. H. Bailey

)
) Appellant,
)

v.

)
) File No. 1487
)

BURTON M. BOMHOFF, JAMES B. BRADLEY,
EDITH R. BULLOCK, DOROTHY DALE, AVRUM
GROSS, JOHN S. BELLENTHAL, ARLAYNE KLEIN,
JEAN MURRAY, JAMES NOLAN, KATHERINE D.
NORDALE, WILLIAM SHEDDEN, DR. WALTER A.
SOBOLEFF and DORA SWEENEY,

)
)
) MANDATE
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)
) Appellees.
)
)

To: Superior Court of the State of Alaska,
First Judicial District, at Juneau.

H. A. Boucher, Lieutenant Governor of the State of Alaska, filed an appeal from the judgment of the Superior Court, First Judicial District at Juneau in Civil Action No. 70-359, entitled "BURTON M. BOMHOFF, JAMES B. BRADLEY, EDITH R. BULLOCK, DOROTHY DALE, AVRUM CROSS, JOHN S. BELLENTHAL, ARLAYNE KLEIN, JEAN MURRAY, JAMES NOLAN, KATHERINE D. NORDALE, WILLIAM SHEDDEN, DR. WALTER A. SOBOLEFF and DORA SWEENEY, Plaintiffs, vs. H. A. BOUCHER, Lieutenant Governor of the State of Alaska, Defendant." The case was heard by this court on October 7, 1971. On March 21, 1972 the court filed its written opinion affirming the judgment of the superior court. Appellant's petition for rehearing was denied on April 11, 1972.

It is ORDERED:

1. The judgment of the superior court, entered March 25, 1972, is affirmed.
2. Appellees shall recover from appellant costs and attorney's fees as shown below.

WITNESS The Honorable George F. Boney, Chief Justice of

Costs and Attorneys Fees:

Duplicating appellate's brief	\$140.00
Attorney's fees	<u>290.00</u>
Total	\$430.00

JOSEPHINE M. McPHEES
Clerk, Supreme Court
State of Alaska

By: DAVID W. DUNN
Chief Deputy Clerk

[SEAL]

IN THE SUPREME COURT OF THE STATE OF ALASKA

H.A. ROUCHER, Lieutenant Governor
of the State of Alaska,)

Appellant,)

v.)

BUTTON M. BOSHOFF, JAMES B. BRADLEY,
EDITH R. RULLOCK, MARGOT DALE, AVRUM
GROSS, JOHN S. HELLENTHAL, ANLAYNE KLEIN,
JEAN MURRAY, JAMES NOLAN, KATHERINE D.
NORDALE, WILLIAM SNEEDEN, DR. WALTER A.
SOBOLEFF and DORA SWEENEY,)

Appellees.)

File No. 1487

STIPULATION WITH RESPECT TO COUNSEL FEES

JOHN E. HAVELOCK
ATTORNEY GENERAL
Pouch K
Juneau, Alaska 99801

Filed in the Supreme Court
of the State of Alaska
this 28 day of September, 1971.

J. M. McPHETRES, CLERK

BY: Gerty M. Bailey

(Received in Juneau Clerk's Office
September 28, 1971)

Exp. 9/28

IN THE SUPREME COURT OF THE STATE OF ALASKA

H. A. BOUCHER, Lieutenant Governor
of the State of Alaska,)

Appellant,)

v.)

BURTON W. BOMHOFF, JAMES B. BRADLEY,
EDITH R. BULLOCK, DOROTHY DALE, AVRON
GROSS, JOHN S. HELLENTIAL, ARLAYNE KLEIN,
JEAN MURRAY, JAMES NOLAN, KATHERINE D.
NORDALE, WILLIAM SNEDDEN, DR. WALTER A.
SOBOLEFF and DORA SWENEY,)

Appellees.)

File No. 1487

STIPULATION WITH RESPECT TO COUNSEL FEES

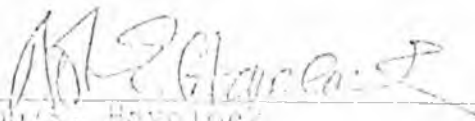
The parties stipulate as follows:

1) Plaintiffs-appellees agree to accept five hundred dollars (\$500.00) less than the court awarded counsel fees in full settlement of counsel fees awarded by the court below.

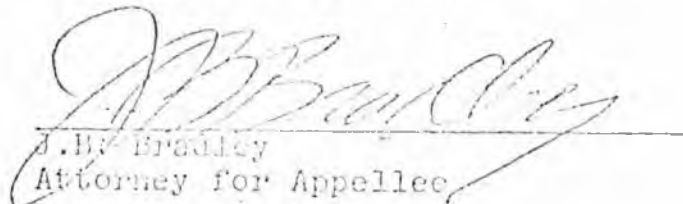
2) Defendant-appellant agrees to abandon for this appeal the question of the propriety of the award of counsel fees by the court below and the amount of the award.

3) Defendant-appellant agrees not to assess counsel fees against plaintiffs-appellees in the event of reversal on the merits by this court.

DATED at Juneau, Alaska this 25th day of September, 1971.



John S. Havelock
Attorney General
Attorney for Appellant



J. B. Bradley
Attorney for Appellee

R/0

Or FINANCE COMMITTEE REPORT 72
ON 3
COMMITTEE SUBSTITUTE FOR HOUSE BILL 504

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The Committee Substitute for House Bill 504 authorizes additional expenditures by the Department of Health and Social Services during the current fiscal year. The Committee Substitute incorporates the revised request as presented by the department, and differs from the original bill in the following particulars:

less federal reimbursement as per Program Revision # 72-168 approved: 4/10/72 by Budget & Audit: (2,016,500)

less state share of funding required for salary adjustments (Chap. 131 SLA 1971; p. 12 of General Appropriation Act): (100,800)

add additional cost of administering food stamp program: 100,000

add additional cost of meeting requirements of general assistance program: 244,700
\$4,864,700

/s/ George Hohman
George Hohman
Chairman

Family Services

Adult Public Assistance	\$1,101,600
Food Stamps	306,400
General Relief	385,300
General Relief - Medical	2,241,900
Child Welfare Services -	
Juvenile Code	298,300

Funding

General Fund	4,083,900
Federal Program Receipts	<u>780,800</u>
	<u>\$4,864,700</u>

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

R/0

Or FINANCE COMMITTEE REPORT

72
S

ON

COMMITTEE SUBSTITUTE FOR HOUSE BILL 504

1 IN

TEE

The Committee Substitute for House Bill 504 authorizes additional expenditures by the Department of Health and Social Services during the current fiscal year. The Committee Substitute incorporates the revised request as presented by the department, and differs from the original bill in the following particulars:

2

less federal reimbursement as per Program Revision # 72-168 approved: 4/10/72 by Budget & Audit: (2,016,500)

3

4

less state share of funding required for salary adjustments (Chap. 131 SLA 1971; p. 12 of General Appropriation Act): (100,800)

5

add additional cost of administering food stamp program: 100,000

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add additional cost of meeting requirements of general assistance program:

244,700

HB
504

the following

\$4,864,700

\$ 147,700

83,500

300,000

4,333,500

Family Services

Adult Public Assistance \$1,101,600

Food Stamps 306,400

General Relief 385,300

General Relief - Medical 2,241,900

Child Welfare Services -

Juvenile Code 298,300

Funding

General Fund 4,083,900

Federal Program Receipts 780,800

\$4,864,700

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

M E M O R A N D U M

TO: Chairman and Members
House Finance Committee

DATE: 2/18/72

FROM: Glen K. Vernon
Fiscal Analyst

SUBJ: Health and Social Ser-
vices Supplemental
Budget Request.

In response to your request for an analysis of House Bill 504, "An Act making supplemental appropriations to the Department of Health and Social Services; and providing for an effective date" the following information is presented:

The original House Bill 504, as presented at the request of the Governor, contains a supplemental request for \$6,537,100 of which \$1,767,900 would come from federal funds and \$4,869,200 would be from the state general fund. The department's original request of \$8,500,400 contained \$1,813,500 in federal funds and \$6,686,900 in state general fund. (See Attachment "A")

The House Committee on Health, Education and Welfare has reported out a substitute bill increasing the supplemental request by \$293,600 for a total of \$6,930,700 of which \$1,767,900 would be from federal funds and \$5,162,800 from the state general fund. The total increase is made in Food Stamps.

I. SOCIAL SERVICES

A. Administration: \$384,400

House Bill 504 would provide \$290,300 for "unfunded salary increases and staff travel"; \$30,000 to fund Operation Intercept, and \$64,100 to cover contractual obligations for leases of office space.

Some question might be raised as to whether the \$290,300 for salary increases and staff travel is a proper request. A block appropriation was made to the Department of Administration to provide for salary increases in all agencies. Indications are that this appropriation is adequate to cover salary increases, and that some of the appropriation will be turned back. Even if additional funding is needed; however, it would be more consistent with past practice to provide the funding to the Department of Administration and require that department to administer it.

Operation Intercept was initiated to discourage job seekers from coming to Alaska from the "South 48" and becoming welfare recipients in this state. In the past it has been funded from other program surpluses. A request for \$30,000 is being made to provide funding for the balance of FY 1972.

The remaining \$64,100 is requested to cover contractual obligations for leases and office space. Question: This should be a predictable set expenditure which can be set at the beginning of a given fiscal year. Why wasn't sufficient funding scheduled?

B. Adult Public Assistance: \$1,212,100

House Bill 504 would provide \$1,182,600 to fund the difference between FY 1972 appropriation and revised agency caseload projection. The latest projections available indicate that this request may be high, and that it might be able to be reduced by as much as \$172,600 and still meet payment needs at current payment levels. (See Attachment "B")

The remaining \$29,500 is to increase the number of nursing home beds to 250 at \$28,00 per day. The 250 bed level is the limit set in the Governor's FY 73 budget. (p. 76 Budget Document Supplement)

C. Aid to Families with Dependent Children: \$1,521,600

House Bill 504 provides \$239,300 to fund Operation Upgrade and non-WIN day care. \$1,282,300 is requested to fund payments to AFDC recipients.

Operation Upgrade, according to the department, was authorized but not funded by the 1971 Legislature. (See p. 422 of Budget Workbook) The Free Conference Committee, however, specified that \$200,000 of its FY 72 AFDC allowance was for Operation Upgrade. (See p. 15 of Free Conference Committee Report)

According to the department, the \$239,300 for Operation Upgrade and non-WIN day care represents all federal dollars. This federal funding is evidently made available by utilizing child care funds which will not be needed because of a lower caseload growth in that area than was originally anticipated. Question: Would it be wiser to use the surplus funding in an area of projected deficit rather than matching for federal funds in a "new" area and then requesting a supplemental appropriation to cover deficit areas? If the philosophy of purchasing federal funding at the expense of established programs is adopted, it is doubtful the state can ever avoid having annual supplemental requests.

The \$1,282,300 request to meet projected deficits in AFDC payments was based upon rising AFDC caseloads. AFDC caseloads appear to be returning to their normal growth line at this time. If the trend continued along the normal growth line, a supplemental of \$1,110,000 should be adequate to fund AFDC cases during the remainder of FY 72. (See Attachment "C")

D. Food Stamps: \$206,400 (\$500,000 in CSHB # 504)

The \$206,400 (\$500,000 in CSHB # 504) supplemental request for food stamps would provide temporary staff, fee agents, and security needs during the remainder of FY 72. The supplemental request would bring the total FY 72 authorization for food stamps to \$624,700. The Governor recommends \$428,100 for food stamps in FY 73. Some question might be raised as to how the department will be able to return to the lower level of spending in FY 73. (See Attachment "D" for information relating to CSHB # 504)

E. General Relief: \$140,000

House Bill # 504 would furnish an additional \$140,000 for emergency relief payments. This amount is based upon projections and is used primarily to provide utilities, oil, clothing, etc., for recipients. It should be recognized that General Relief is essentially a state funded program. The Legislature is free to fund this program at whatever level it feels is necessary or to not fund it at all.

F. General Relief - Medical: \$2,342,700

The request for \$2,342,700 for payment of medical services is like the above request for General Relief in the sense that the state has no obligation to fund the program in order to meet any federally imposed rules. Recognizing the "growth potential" this program has, the Governor, in his FY 73 Budget, has assumed certain restrictions and guidelines to limit expenditures in this area.

G. Child Welfare Services/Juvenile Code:

House Bill 504 would provide \$168,300 for "unfunded needs of the Voluntary Placement program for the balance of FY 72." Request is also made to provide full cost-of-care for children in institutions.

Earlier, reference was made to the fact that the department was planning to match \$239,300 of federal funds with state funding not needed in child care because of lower caseload growth than originally anticipated. It would appear that requests for a supplemental in

Child Welfare Services/Juvenile Code need to be reconciled with the earlier statement. (See Attachment "E")

II. HEALTH

A. Mental Health: \$83,500

The supplemental request would provide \$83,500 to cover overtime and shift differentials at API and Harborview.

B. Public Health: \$147,700

The request of \$147,700 is to provide a level of funding for medical services to crippled children equal to the FY 71 authorized level. (See Attachment "F")

III. CORRECTIONS: \$300,000

A. This supplemental request is to cover overtime and shift differential requirements at correctional institutions throughout the state.

GV/ds

Committee Report

HOUSE OF REPRESENTATIVES

27/4/72

27/4/72 Date

Mr. Speaker

The Committee on FINANCE has had HR 504

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 Finance CS for HR 504 and that Finance CS for HR 504 do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

<u>[Signature]</u>	recommends:	<u>[Signature]</u>
<u>[Signature]</u>	recommends:	<u>[Signature]</u>
<u>[Signature]</u>	recommends:	<u>[Signature]</u>
<u>[Signature]</u>	recommends:	<u>[Signature]</u>
<u>[Signature]</u>	recommends:	<u>[Signature]</u>

CHAIRMAN



Alaska State Legislature
Senate

JUNEAU ALASKA

TO: Mr. George Hohman, Chairman
House Finance Committee

FROM: Rich Gathrie
Senate Fiscal Analyst

SUBJECT: Fiscal Note Request

DATE: 4/22/72

The following House bills are now in the Senate Finance Committee for consideration:

<u>Bill No.</u>	<u>Title</u>
-----------------	--------------

CSHB 504	
----------	--

The Senate Finance Committee would appreciate receiving eight copies of the fiscal note and other pertinent materials that will assist them as they consider these bills.

FINANCE COMMITTEE REPORT
ON
COMMITTEE SUBSTITUTE FOR HOUSE BILL 504

The Committee Substitute for House Bill 504 authorizes additional expenditures by the Department of Health and Social Services during the current fiscal year. The Committee Substitute incorporates the revised request as presented by the department, and differs from the original bill in the following particulars:

less federal reimbursement as per Program Revision # 72-168 approved: 4/10/72 by Budget & Audit:	(2,016,500)
less state share of funding required for salary adjustments (Chap. 131 SLA 1971; p. 12 of General Appropriation Act):	(100,800)
add additional cost of adminis- tering food stamp program:	100,000
add additional cost of meeting requirements of general assis- tance program:	<u>244,700</u>
	<u>\$4,864,700</u>

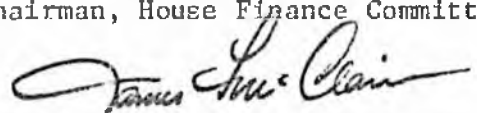

George Hohman
Chairman

MEMORANDUM

TO:

The Honorable George Hohman
Chairman, House Finance Committee

DATE: April 4, 1972

FROM:  Frederick McGinnis, Commissioner
 Department of Health and Social Services

SUBJECT: House Bill #504 Funding

This memorandum, with attachments, responds to your request for clarification and recalculation of State General Funds and Federal receipts regarding House Bill #504 and this Department's request to receive and expend \$1,198,400 of retroactive indirect cost reimbursements. The question was raised by members of your committee as to why the total of \$1,198,400 was not reduced from State General Funds in the suggested CS for CS for House Bill #504 prepared by this Department.

A review of this situation revealed that numerous errors were made, both by the Department of Health and Social Services and the Department of Administration, in projected Federal receipts to be earned in the various programs.

A recomputation of all programs involved was made, with revised funding sources indicated in columns 4 and 5 of Attachment 1. Attachment 1 traces funding sources as presented and as they should have been from the original supplemental request through a final revision as presented as Attachment 4 of this memorandum.

It is my understanding that Mr. Glenn Vernon met with Mr. Roger Lange of this Department to discuss this rationale and is satisfied with the changes as explained.

As a result of the above review, it has now been determined the funding figures for CS for CS for HB 504 should have been \$4,083,900 State General Funds and \$830,300 Federal receipts from the total of \$4,914,200 requested.

At the same hearing the above information was requested, you also asked for a review of Food Stamp expenditures for the remainder of the Fiscal Year. Mr. Stanley P. Harris, Director, Division of Family and Children Services, estimates that the maximum the Food Stamp Program could expend during the remainder of FY 1972, making necessary expansions to satisfactorily deliver food stamps, is \$306,400 and the supplemental request has been reduced accordingly.

Mr. Degnan met with myself and some of my staff at which time he suggested the funding for unbudgeted salaries requested in the supplemental come from the Department of Administration. This Department was able to obtain concurrence from Mr. Myrton Charney, Director, Division of Budget and Management to increase the funds available to cover all the projected salary deficits. (See Attachment 2).

April 4, 1972

This allows a reduction of \$100,800 in Personnel Services in the request of March 23, 1972 (#72-168) to receive and expend \$2,016,500. It is proposed to reduce the Supplemental Request in General Relief - Medical by this amount and shift the \$100,800 reduction in Personnel Services to General Relief - Medical in request #72-168 (Suggested revision as Attachment 3).

At the same meeting with Mr. Degnan mentioned above, the problem of a serious shortage in the General Relief Program was discussed. It is imperative to increase the appropriation even more than the \$140,400 requested in HB 504. The original Department request was \$334,500 and that figure now appears to be approximately \$50,000 below expected needs for the year. After this discussion, Mr. Degnan suggested that this shortfall be addressed in the Supplemental Request. Therefore, the State General fund previously identified as reductions in General Relief-Medical and Food Stamps have been added to the General Relief supplemental request, revising the total upward to \$385,300.

To indicate funding revisions, program reductions and the General Relief increase, Attachment 4 has been prepared as a proposed CS for CS for House Bill #504. This incorporates the funding sources of the various programs to the best of our capability and the program revisions discussed above which have been generated since our last meeting.

I realize this is a complex set of documents and there may be areas that need clarification. Mr. Lange, who prepared the funding worksheet, will be available to assist you with information on each of the attachments.

Again, I must emphasize the urgency of early approval of both the House Bill 504 and the request to receive and expend \$2,016,500 in additional Federal receipts. Your understanding and assistance will be greatly appreciated.

FM:RL:mm
Attachments

STATE
of ALASKA

MEMORANDUM

DEPARTMENT OF HEALTH & SOCIAL SERVICES

TO: The Honorable George Hohman
House of Representatives

DATE: March 28, 1972

FROM: Frederick McGinnis
Commissioner

SUBJECT: HB 504 - Dept. of H&SS
Supplemental Appropriation

For reasons given verbally during my appearances before the House Finance Committee, it is of the utmost importance that HB 504 be cleared through your committee and moved on through the legislative process at the earliest possible date.

The need for these supplemental funds is becoming more critical with the passage of each day and, too, the alternatives which might be open to the Department in the event of later modification are likewise being reduced. HB 504 in its amended version utilizing \$1,198,400 in unbudgeted Federal receipts (retroactive indirect reimbursement for administrative services) plus \$818,000 in additional Federal earnings on existing programs is now in order and needs immediate action.

In checking with the Division of Budget and Management on our request to utilize the \$2,016,500 Federal funds to offset the supplemental request, we are advised that this was to be transmitted to Legislative Finance today.

Thank you for your help.

Attachments: Memo to M. R. Charney
CS for CS for HB 504

MEMORANDUM

TO: M. R. Charney, Director
Division of Budget & Management
Department of Administration

THRU: V. L. Iverson, Director
Division of Administrative Services

FROM: Dept. of Health & Social Services

FROM: Roger C. Lange, Comptroller
Dept. of Health & Social Services

DATE: March 10, 1972

SUBJECT: Request Permission to
Receive & Expend Un-
Budgeted Federal Receipts

The Department of Health and Social Services requests permission to receive and expend \$2,016,500 of unbudgeted Federal receipts. This request was informally discussed with your Division and with Governor Egan when it became known that a Supplemental Grant for retroactive reimbursement of indirect costs under BOB Circular A 87 in the amount of \$1,331,500 was due the State of Alaska. The request was to reduce the Department's FY 1972 Supplemental Appropriation request, and received verbal concurrence at the time the request was made.

Testimony to the House Finance Committee made, and a revised HB 504 prepared by the Department was distributed to the Committee (copy attached). In the event this request is not approved, the Department of Health and Social Services will need the total funds requested in the original bill.

The Department is requesting permission to expend 90% or \$1,198,400 of the retroactive indirect cost reimbursement (the Department of Administration expends approximately 10% of the indirect costs for their indirect support of Federal programs). The additional Federal receipts of \$818,100 are formula reimbursements for public assistance grants, contractual purchase services, and program administration.

Since time is of the essence because of the relationship between this request and HB 504, your early approval and transmittal to Governor Egan and the Legislative Budget and Audit Committee is requested.

RCL:as

PROGRAM	House Bill No. 504 (Original Submission)			FUNDING ALLOCATION SHOULD HAVE BEEN:		REDUCTION OF \$1,190,400 INDIRECT COST REIMBURSEMENT FROM SUPPLEMENTAL DISTRIBUTION OF \$1,190,400			CS FOR CS FOR HOUSE BILL NO. 504 SHOULD HAVE INCLUDED:			REVISED CS FOR CS FOR HB NO. 504 REQUESTED (APRIL 3, 1972):		
	REQUEST	FUNDING STATE GENERAL FUNDS	FEDERAL RECEIPTS	STATE GENERAL FUNDS	FEDERAL RECEIPTS	TOTAL	STATE GENERAL FUNDS	FEDERAL RECEIPTS	TOTAL	STATE GENERAL FUNDS	FEDERAL RECEIPTS	TOTAL	STATE GENERAL FUNDS	FEDERAL RECEIPTS
	TOTAL													
<u>PUBLIC HEALTH: CRIPPLED CHILD SVCS.</u>	147700	147700	-0-	147700	-0-				147700	147700	-0-	147700	147700	-0-
<u>MENTAL HEALTH:</u>	83500	83500	-0-	83500	-0-				83500	83500	-0-	83500	83500	-0-
<u>CARIECTIONS:</u>	300000	300000	-0-	300000					300000	300000	-0-	300000	300000	-0-
<u>FAMILY & CHILDREN SERVICES:</u>														
ADMINISTRATION	384400	145500	238700	146100	238300	384400	146100	238300						
ADULT PUBLIC ASSISTANCE	1212100	572500	639600	792100	420000	110500	73500	37000	1101600	718600	323000	1101600	718600	323000
AID TO FAMILIES WITH DEPENDENT CHILDREN	1521600	1250000	271600	783100	538500	1521600	978800	542800						
FOOD STAMPS	206400	158800	47600	144500	61900				* 500000	350000	150000	** 306400	214500	91900
GENERAL RELIEF	140400	117000	23400	135500	4900				140400	135500	4900	** 385300	371800	13500
GENERAL RELIEF-MEDICAL	2342700	1795700	546800	2050300	292400				2342700	2050300	292400	2291900	1949500	292400
CHILD WELFARE SERVICES/ JUVENILE CODE	298300	298300	-0-	298300					298300	298300	-0-	298300	298300	-0-
DIVISION SUB-TOTAL	6105900	4838000	1767900	4589900	1556000	2016500	1198400	818100	4323000	3552700	630300	4333500	3552700	750800
DEPARTMENT TOTAL	<u>6637100</u>	<u>4867200</u>	<u>1767900</u>	<u>5081100</u>	<u>1556000</u>	<u>2016500</u>	<u>1198400</u>	<u>818100</u>	<u>4714200</u>	<u>4063900</u>	<u>630300</u>	<u>4867100</u>	<u>4063900</u>	<u>750800</u>

* WITH ADDITIONAL FUNDS RECOMMENDED BY HWE COMMITTEE OF \$293,600.

** REVISED ESTIMATE OF NEED BASED ON THE REMAINING TO MAKE PROGRAM CHANGES EFFECTIVE EXPENDITURES.

** INCREASED REQUEST BASED ON INCREASED EXPENDITURE RATE SINCE ORIGINAL BILL WAS SUBMITTED.

STATE
OF ALASKA

MEMORANDUM

DEPARTMENT OF HEALTH & SOCIAL SERVICES

TO: [Joseph R. Henri, Commissioner
Department of Administration

ATTN: Myrton R. Charney, Director
Div. of Budget & Management

FROM: Frederick McGinnis
Commissioner

DATE: March 29, 1972

SUBJECT: Request for Commitment of
\$626,300 (Unbudgeted Salary
Appropriation)

In a meeting today with Representative Chuck Degnan and Mr. Glen Vernon of the House Finance Committee on the subject of the Department's FY 71/72 supplemental budget request (HB 504) we were instructed to reduce the request by that dollar amount in General Fund money which could be made available from the Department of Administration Unbudgeted Salary Increase appropriation. It was reported that the Department of Administration had indicated in testimony before the Committee that sufficient funds would be available from this appropriation to cover the needs of all departments of State. The House Finance Committee is now in the final stage of deliberation on House Bill 504 and has requested that we submit to them immediately our revised dollar requirements after deducting the monies being made available from the Department of Administration. It is of the utmost importance that HB 504 be enacted into law at the earliest possible date since the funding situation, especially in certain of the Public Assistance programs, has reached crisis proportions.

For reasons enumerated above, request Department of Administration assurance that a sum of not to exceed \$626,300 in State General Funds will be made available to the Department of Health and Social Services to fund the projected year end deficit in Personal Services. This figure includes the state share of Code 100 monies identified in the supplemental request for the Division of Family and Children Services. (The request to receive and expend Federal receipts in the amount of \$164,500 will be included in a program revision.) This amount does not include the \$300,000 requested for Division of Corrections or the \$83,500 for the Division of Mental Health, as these deficits are a result of a shift differential and overtime requirements not funded. This \$626,300 figure also supersedes the \$491,900 figure quoted in the supplemental request transmittal memorandum of November 15, 1971.

Your approval of this request is urgently requested.

APPROVED: *subject to these comments:*

M. R. Charney

1. HB 504 is eventually enacted at the lower figure
2. These funds will now not lapse as I promised the Finance Committee earlier.

cc: Representative Degnan

TO :

William A. Egan, Governor
State of Alaska

DATE : March 23, 1972

FROM :

Joseph R. Henri, Commissioner
Department of Administration

SUBJECT : Department of Health & Social Services
Social Services Request to receive
and expend \$2,016,500 in additional
federal receipts

The Department of Health and Social Services requests authorization to receive and expend additional Federal receipts of \$2,016,500. A Supplemental Grant for retroactive reimbursement of indirect costs under BOB Circular A 87 for \$1,331,500 has been made to Alaska. The Department proposes to expand 90% or \$1,198,400 of the retroactive indirect cost reimbursement. (The Department of Administration earns approximately 10% of the indirect costs for their indirect support of Federal programs.) The additional Federal receipts of \$818,100 are formula reimbursements for public assistance grants, contractual purchase of services, and program administration.

These funds will be expended in the following manner:

Program Administration:	
100 Personal Services	255,300 169,500
200 Travel	25,000
300 Contractual Services	94,100
Adult Public Assistance:	
700 Grants, Claims, Shared Revenue	110,500
Aid to Families with Dependent Children:	
300 Contractual Services	239,300
700 Grants, Claims, Shared Revenue	1,282,300
GENERAL RELIEF - MEDICAL	
300 CONTRACTUAL SERVICES	109,000
	Total = 2,016,500

The \$818,100 not yet received for indirect cost reimbursement from the Federal government will be held in an appropriations reserve pending final receipt.

Upon approval of this request these funds (\$2,016,500) will be utilized to offset supplemental appropriation requests as follows:

Administration (Federal Share)	189,500
Unfunded salary increases and staff travel	299,300
Operation Intercept	30,000
Contractual obligation for leases of office space	64,100
Adult Public Assistance	
General caseload projections	81,000
Nursing Home beds	29,500
GENERAL RELIEF - MEDICAL	
MEDICAL, HOSPITALIZATION	100,000

William A. Egan, Governor

-2-

March 23, 1972

Aid to Families with Dependent Children	
Operation Upgrade and Non-WIN day care	239,300
Grants for additional 1,571 recipients	1,282,300

Your approval of this request is recommended in accordance with the provisions of Section 12, Chapter 131, SLA 1971. No additional state funds are required.

Joseph R. Henri
 Joseph R. Henri, Commissioner
 Department of Administration

Approved this 23rd day of March, 1972.

William A. Egan
 William A. Egan, Governor
 State of Alaska

Legislative Budget and Audit Committee

Date: _____

RECEIVED
MAR 27 1972

Office of the
Comptroller

RECEIVED
MAR 29 1972

Administrative Services
Comptrollers Office

RECEIVED
MAR 29 1972
ADMINISTRATIVE SERVICES
OFFICE OF THE DIRECTOR

TESTIMONY BY
FREDERICK MCGINNIS, COMMISSIONER
DEPARTMENT OF HEALTH & SOCIAL SERVICES

BEFORE
HOUSE FINANCE COMMITTEE

FEBRUARY 21, 1972

MR. CHAIRMAN, MEMBERS OF THE FINANCE COMMITTEE:

I WISH TO EXPRESS MY APPRECIATION TO THE COMMITTEE FOR YOUR EARLY CONSIDERATION OF COMMITTEE SUBSTITUTE FOR HOUSE BILL 504, THE SUPPLEMENTAL APPROPRIATION FOR THE DEPARTMENT OF HEALTH & SOCIAL SERVICES. IT IS NECESSARY THAT THIS MATTER RECEIVE EARLY CONSIDERATIONS BY THE LEGISLATURE IN ORDER THAT PROGRAM CONSIDERATIONS MAY BE RESOLVED AS EARLY AS POSSIBLE.

YOU WILL RECALL THAT DURING THE PRIOR SESSION YOU CONSIDERED A SUPPLEMENTAL APPROPRIATION FOR THE DEPARTMENT. THE 1971 FISCAL YEAR DEPARTMENTAL BUDGET APPROPRIATION WAS \$42,393,900. AS IN PRIOR YEARS IT WAS ANTICIPATED THAT A SUPPLEMENTAL WOULD BE REQUIRED. A STATED SUPPLEMENTAL NEED FOR \$4,508,000 WAS MADE BY THE DEPARTMENT. THIS WAS ADJUSTED DOWNWARD BY THE DEPARTMENT OF ADMINISTRATION BY THE UTILIZATION OF \$761,000 UNBUDGETED SALARY INCREASE FUNDS. THE DECEMBER 4, 1970, ESTIMATE OF SUPPLEMENTAL NEED WAS \$3,385,600. THE FINAL APPROVED SUPPLEMENTAL WAS \$3,046,900 WHICH INCLUDED \$2,730,200 (HB 61) GENERAL FUND MONEY. THE TOTAL EFFECTIVE SUPPLEMENTAL FOR FY 71 WAS \$3,807,900.

YOU WILL FURTHER RECALL TESTIMONY BY THIS DEPARTMENT DURING THE LAST SESSION WHICH POINTED OUT THE FACT THAT PROJECTED CASELOAD INCREASES, COUPLED WITH THE FULL COST OF CARE LEGISLATION, WOULD IN ALL PROBABILITY NECESSITATE A SUPPLEMENTAL APPROPRIATION, IF THE CATEGORICAL PROGRAMS WERE TO BE CONTINUED AT THEIR PRESENT PAYMENT LEVELS AND THE FULL COST OF CARE STATUTES WERE TO BE IMPLEMENTED. IN A DOCUMENT PRESENTED TO THE BUDGET FREE CONFERENCE COMMITTEE, THE DEPARTMENT SPOKE TO THE IMPACT OF THE BUDGET AS PROPOSED BY STATING -

"IF THE LEGISLATURE WILL ENTERTAIN A SUPPLEMENTAL APPROPRIATION NEXT SESSION, THE DIVISION OF PUBLIC WELFARE CAN OPERATE WITHIN EITHER THE HOUSE OR SENATE VERSION. HOWEVER, THE LEGISLATURE SHOULD BE AWARE OF THE FACT THAT WITH RISING CASELOADS AND COSTS THAT OUR ORIGINAL ESTIMATE OF \$31,904,000 WILL BE NEEDED TO OPERATE THE PROGRAMS DURING THE COMING YEAR.

"IN THE EVENT THAT THE LEGISLATURE STATES AN INTENT TO NOT ALLOW A SUPPLEMENTAL, THE PERCENTAGE CUTS OF 31% ACROSS THE BOARD FOR AFDC, APA, GR-MED, GR, AND CWS WILL HAVE TO BE MADE EFFECTIVE JULY 1, 1971, IN ORDER TO STAY WITHIN THE ALLOTTED BUDGET.

"NEITHER THE HOUSE NOR SENATE ALLOWANCE PROVIDES FOR THE ADDITIONAL FUNDS REQUIRED TO FUND THE PURCHASE OF SERVICE AT FULL COST OF CARE AS MANDATED BY AS 47.40.040 IN THE 1970 LEGISLATIVE SESSION. UNDER PROPOSAL 1, \$1,182,700 IS REQUIRED TO FUND THIS STATUTORY OBLIGATION. THIS FIGURE WAS ONE OF THREE ALTERNATIVE PROPOSALS DEVELOPED AS A RESULT OF RATE HEARINGS HELD IN FEBRUARY 1971."

IN SEPTEMBER 1971, BASED UPON A LIMITED 60 DAY EXPERIENCE INTO FISCAL YEAR 1972, I INDICATED THAT THE SUPPLEMENTAL FUNDS REQUIRED TO CONTINUE PROGRAMS AT THEIR PRESENT PAYMENT LEVELS COULD REACH \$10 MILLION. A COPY OF THAT ANALYSIS OF EXPECTED SUPPLEMENTAL APPROPRIATIONS REQUIRED IS APPENDED TO THIS STATEMENT FOR YOUR REVIEW. SINCE THAT TIME THE DEPARTMENT HAS MAINTAINED CLOSE SCRUTINY AND CONTROL OF EXPENDITURES WITH THE GOAL OF REDUCTION OF SUPPLEMENTAL REQUIREMENTS TO THE LOWEST POSSIBLE LEVEL. AS OUR EXPERIENCE INTO THE FISCAL YEAR INCREASES, CASELOAD PROJECTIONS AND EXPENDITURE PATTERNS DEVELOP AND ASSUME A MORE REALISTIC PATTERN.

ON NOVEMBER 15, THE DEPARTMENT SUBMITTED TO THE DIVISION OF BUDGET AND MANAGEMENT A SUPPLEMENTAL REQUIREMENT TOTALING \$8,500,400. LATER DURING CONSIDERATION BY THE GOVERNOR'S BUDGET REVIEW COMMITTEE THE REQUEST WAS REDUCED TO \$6,637,100. THE REDUCTION WAS BASED PRIMARILY ON INFORMATION SUPPLIED BY THIS DEPARTMENT AFTER MORE EXPERIENCE INTO THE FISCAL YEAR. THEREFORE, THE GOVERNOR'S SUPPLEMENTAL APPROPRIATION REQUEST WAS CONSISTENT WITH THE PROJECTIONS THEN AVAILABLE.

IN TESTIMONY THIS SESSION BEFORE THE HOUSE HEALTH, WELFARE AND EDUCATION COMMITTEE, THE DEPARTMENT INDICATED THAT THE FUNDS INCLUDED IN THE SUPPLEMENTAL REQUEST WOULD MAINTAIN THE FOOD STAMP PROGRAM AT THE PRESENT LEVEL OF SERVICE. THE COMMITTEE EXPRESSED A DESIRE FOR MORE SUBSTANTIAL SERVICE AND AMENDED THE APPROPRIATION BILL TO PROVIDE AN ADDITIONAL \$293,600 TO INCREASE THE LEVEL OF SERVICE IN THE FOOD STAMP PROGRAM.

ON A MORE ENCOURAGING NOTE THE DEPARTMENT HAS BEEN ADVISED THAT OUR REQUEST FOR INDIRECT COSTS FOR SUPPORTIVE SERVICES TO SOCIAL SERVICES PROGRAMS HAVE EARNED \$1,198,500 IN RETROACTIVE FEDERAL PAYMENTS. I HAVE OBTAINED THE GOVERNOR'S CONCURRENCE IN UTILIZING THESE FUNDS TO REDUCE THE SUPPLEMENTAL APPROPRIATION. THEREFORE, ASSUMING BUDGET AND ^{AUDIT} COMMITTEE APPROVAL TO RECEIVE AND EXPEND THESE FUNDS, THE SUPPLEMENTAL CAN BE REDUCED BY THIS AMOUNT.

TO RECAPITULATE -

THE GOVERNOR REQUESTED	\$6,637,100
THE HOUSE HWE COMMITTEE ADDED	<u>293,600</u>
FOR A TOTAL OF (CSHB 504)	6,930,700
REDUCED BY RETROACTIVE FEDERAL PAYMENT	<u>1,198,500</u>
LEAVES NET SUPPLEMENTAL REQUIREMENT	\$5,732,200

THIS REQUIREMENT WILL INSURE THE CONTINUATION OF PROGRAMS AT PRESENT LEVELS WITHIN THE DIVISIONS OF FAMILY AND CHILDREN SERVICES, CORRECTIONS, PUBLIC HEALTH AND MENTAL HEALTH. REPRESENTATIVES FROM EACH OF THE PROGRAMS ARE AVAILABLE TODAY TO ANSWER ANY QUESTIONS YOU MIGHT HAVE CONSIDERING THE PROGRAM IMPLICATIONS OF THIS REQUEST.

ANALYSIS OF EXPECTED SUPPLEMENTAL:
 DEPARTMENT OF HEALTH AND SOCIAL SERVICES
 DIVISION OF FAMILY AND CHILDREN SERVICES
 September 17, 1971

<u>Total Funds</u>	
\$ 28,763	Original Department of Health & Social Services request
25,914	Governor's Budget Allowance
<u>32,301</u>	Revised Department Request
6,387	Recognized probable total funds supplemental required: (Dept. Request) - (Gov. Allow.)
<u>23,729</u>	Legislative Appropriation
8,572	Actual Underfunding (Dept. Request) - (Appropriation)
plus: 159	Adult Public Assistance: Increased Caseload, 2,795 to 3,150 Decreased Cost per case
1,182	Estimated "Full Cost of Care" (AS 47.40)
168	"Voluntary Placement" (HB 223)
<u>200</u>	"Operation Upgrade" (Legislative intent)
10,281	Total Division of Family and Children Services "Welfare" Supplemental anticipated
plus: 300	Estimated overtime for Division of Corrections
0	Estimated overtime at API, Harborview (Too early in year to determine whether supplemental needed)
<u>10,581</u>	Total Department of Health and Social Services Supplemental anticipated: Total GF and other funds
900	Federal and other
<u>9,681</u>	GF
10,581	



Alaska State Legislature
House

JUNEAU ALASKA

MEMORANDUM

TO: Chairman and Members
House Finance Committee

DATE: 2/18/72

FROM: Glen K. Vernon
Fiscal Analyst

SUBJ: Health and Social Ser-
vices Supplemental
Budget Request.

In response to your request for an analysis of House Bill 504, "An Act making supplemental appropriations to the Department of Health and Social Services; and providing for an effective date" the following information is presented:

The original House Bill 504, as presented at the request of the Governor, contains a supplemental request for \$6,637,100 of which \$1,767,900 would come from federal funds and \$4,869,200 would be from the state general fund. The department's original request of \$8,500,400 contained \$1,813,500 in federal funds and \$6,686,900 in state general fund. (See Attachment "A")

The House Committee on Health, Education and Welfare has reported out a substitute bill increasing the supplemental request by \$293,600 for a total of \$6,930,700 of which \$1,767,900 would be from federal funds and \$5,162,800 from the state general fund. The total increase is made in Food Stamps.

I. SOCIAL SERVICES

P.S.

A. Administration: \$384,400

House Bill 504 would provide \$290,300 for "unfunded salary increases and staff travel"; \$30,000 to fund Operation Intercept, and \$64,100 to cover contractual obligations for leases of office space.

Some question might be raised as to whether the \$290,300 for salary increases and staff travel is a proper request. A block appropriation was made to the Department of Administration to provide for salary increases in all agencies. Indications are that this appropriation is adequate to cover salary increases, and that some of the appropriation will be turned back. Even if additional funding is needed; however, it would be more consistent with past practice to provide the funding to the Department of Administration and require that department to administer it.

Operation Intercept was initiated to discourage job seekers from coming to Alaska from the "South 48" and becoming welfare recipients in this state. In the past it has been funded from other program surpluses. A request for \$30,000 is being made to provide funding for the balance of FY 1972.

The remaining \$64,100 is requested to cover contractual obligations for leases and office space. Question: This should be a predictable set expenditure which can be set at the beginning of a given fiscal year. Why wasn't sufficient funding scheduled?

B. Adult Public Assistance: \$1,212,100

Cases
2585 est
3300 new est. revised.

House Bill 504 would provide \$1,182,600 to fund the difference between FY 1972 appropriation and revised agency caseload projection. The latest projections available indicate that this request may be high, and that it might be able to be reduced by as much as \$172,600 and still meet payment needs at current payment levels. (See Attachment "B")

The remaining \$29,500 is to increase the number of nursing home beds to 250 at \$28,00 per day. The 250 bed level is the limit set in the Governor's FY 73 budget. (p. 76 Budget Document Supplement)

C. Aid to Families with Dependent Children: \$1,521,600

91
10500

House Bill 504 provides \$239,300 to fund Operation Upgrade and non-WIN day care. \$1,282,300 is requested to fund payments to AFDC recipients.

Operation Upgrade, according to the department, was authorized but not funded by the 1971 Legislature. (See p. 422 of Budget Workbook) The Free Conference Committee, however, specified that \$200,000 of its FY 72 AFDC allowance was for Operation Upgrade. (See p. 15 of Free Conference Committee Report)

According to the department, the \$239,300 for Operation Upgrade and non-WIN day care represents all federal dollars. This federal funding is evidently made available by utilizing child care funds which will not be needed because of a lower caseload growth in that area than was originally anticipated. Question: Would it be wiser to use the surplus funding in an area of projected deficit rather than matching for federal funds in a "new" area and then requesting a supplemental appropriation to cover deficit areas? If the philosophy of purchasing federal funding at the expense of established programs is adopted, it is doubtful the state can ever avoid having annual supplemental requests.

The \$1,282,300 request to meet projected deficits in AFDC payments was based upon rising AFDC caseloads. AFDC caseloads appear to be returning to their normal growth line at this time. If the trend continued along the normal growth line, a supplemental of \$1,110,000 should be adequate to fund AFDC cases during the remainder of FY 72. (See Attachment "C")

D. Food Stamps: \$206,400 (\$500,000 in CSIB # 504)

	FY 72	FY 73
	\$624,700	\$428,100

418,300
206,400
\$ 624,700

The \$206,400 (\$500,000 in CSIB # 504) supplemental request for food stamps would provide temporary staff, fee agents, and security needs during the remainder of FY 72. The supplemental request would bring the total FY 72 authorization for food stamps to \$624,700. The Governor recommends \$428,100 for food stamps in FY 73. Some question might be raised as to how the department will be able to return to the lower level of spending in FY 73. (See Attachment "D" for information relating to CSIB # 504)

\$918,300

E. General Relief: \$140,000

House Bill # 504 would furnish an additional \$140,000 for emergency relief payments. This amount is based upon projections and is used primarily to provide utilities, oil, clothing, etc., for recipients. It should be recognized that General Relief is essentially a state funded program. The Legislature is free to fund this program at whatever level it feels is necessary or to not fund it at all.

F. General Relief - Medical: \$2,342,700

more than 1/2 to hospitals
next physicians

Medical
Report by
Expert
available

The request for \$2,342,700 for payment of medical services is like the above request for General Relief in the sense that the state has no obligation to fund the program in order to meet any federally imposed rules. Recognizing the "growth potential" this program has, the Governor, in his FY 73 Budget, has assumed certain restrictions and guidelines to limit expenditures in this area.

Special Report
to Governor
being prepared

G. Child Welfare Services/Juvenile Code:

House Bill 504 would provide \$168,300 for "unfunded needs of the Voluntary Placement program for the balance of FY 72." Request is also made to provide full cost-of-care for children in institutions. ^{of} 130,000

Earlier, reference was made to the fact that the department was planning to match \$239,300 of federal funds with state funding not needed in child care because of lower caseload growth than originally anticipated. It would appear that requests for a supplemental in

February 18, 1972

Child Welfare Services/Juvenile Code need to be reconciled with the earlier statement. (See Attachment "E")

II. HEALTH

A. Mental Health: \$83,500

The supplemental request would provide \$83,500 to cover overtime and shift differentials at API and Harborview.

B. Public Health: \$147,700

The request of \$147,700 is to provide a level of funding for medical services to crippled children equal to the FY 71 authorized level. (See Attachment "F")

III. CORRECTIONS: \$300,000

A. This supplemental request is to cover overtime and shift differential requirements at correctional institutions throughout the state. { U } T.O.

GV/ds

I. Social Service

	<u>Agency Request as of Nov. 9, 1971</u>	<u>Governor's Request</u>	<u>Difference</u>
Administration	\$ 412,700	\$ 384,400	(28,300)
Adult Public Asst.	2,260,500	1,212,100	(1,048,400)
AFDC	1,521,600	1,521,600	-0-
Food Stamps	254,000	206,400	(47,600)
General Relief	334,500	140,000	(194,500)
G.R. - Medical	2,612,500	2,342,700	(269,800)
Child/Welfare/Juv. Code	445,200	298,300	(146,900)
	<u>7,841,000</u>	<u>6,105,500</u>	<u>(1,735,500)</u>

Funding:

Federal	1,813,500	1,767,900
General Fund	<u>6,027,500</u>	<u>4,338,000</u>
	<u>7,841,000</u>	<u>6,105,500</u>

II. Health:

	<u>Agency Request as of Nov. 9, 1971</u>	<u>Governor's Request</u>	<u>Difference</u>
Contractual Services	\$147,700	\$147,700	-0-
Travel	<u>41,000</u>	<u>-0-</u>	<u>(41,000)</u>
	<u>\$188,700</u>	<u>\$147,700</u>	<u>\$(41,000)</u>

III. Mental Health:

Personal Services*	<u>\$ 83,500</u>	<u>\$ 83,500</u>	<u>-0-</u>
--------------------	------------------	------------------	------------

* Overtime and shift differential at API and Harborview

IV. Corrections:

Personal Services*	\$332,200	\$300,000	\$(32,200)
Contractual Services**	<u>55,000</u>	<u>-0-</u>	<u>(55,000)</u>
	<u>\$387,200</u>	<u>\$300,000</u>	<u>\$(87,200)</u>

*Overtime and shift differential at institutions.

**Contract for care of prisoners overrun.

MEMORANDUM

State of Alaska

✓

TO: F

Jay Hogan, Director
Legislative Finance

DATE: February 4, 1972

FROM:

M. R. Charney, Director
Division of Budget & ManagementSUBJECT: Supplemental Appropriation
Department of Health & Social Services

The purpose of this memorandum is to explain the differences in dollar amounts between HB-504 and the Department of Health and Social Services' request for a supplemental appropriation.

I. Division of Family & Children ServiceA. Program Administration

Two requested new positions were not recommended as they are not included in the Governor's FY 73 budget. Total reduction of \$28,300 is broken down as follows:

100 -	\$19,800	General Funds -	\$11,300
200 -	2,500	Federal -	<u>17,000</u>
300 -	3,000		
400 -	300		
500 -	<u>2,700</u>		
	\$28,300 ✓		

B. Adult Public Assistance

The requested increase for Nursing Home Care was reduced by \$1,048,400. To be consistent with the Governor's FY 73 budget, no more than 250 nursing beds should be filled during this fiscal year. Also, our calculations indicate that the average cost per bed per day during FY 72 will be no more than \$27. Using these figures, a generous allowance for FY 72 would be:

250 beds @ \$28/bed/day for 365 days = \$2,555,000

The current authorization is \$2,525,500, requiring an increase of only \$29,500. ✓

The \$1,048,400 reduction is all General Funds and comes out of line item 300.

C. Food Stamps

Several new positions totalling \$27,600 were not recommended as they were not included in the Governor's FY 73 budget. \$20,000 worth of security safes were deleted because similar items are included in the Governor's budget for next year. These reductions break down as follows:

100 -	\$27,600	General Funds -	\$19,000
500 -	<u>20,000</u>	Federal -	<u>28,600</u>
	\$47,600 ✓		\$47,600

E. General Relief - Medical

To avoid conflicts with the policy embodied in the Governor's FY 73 budget, the supplemental request for this program was reduced to an amount that would just allow them to reduce expenditures by June 1972 to the level recommended for FY 73. This amount was computed as follows:

Amended FY ⁷² request	\$4,991,300	\$2,495,600
FY 73 Allowance	3,911,800	1,955,900
Difference	1,079,500	539,700

The reduction in the supplemental request is half of the six months' difference, or \$269,800. This would allow a tapering off of expenditure over the next six months, thereby avoiding dramatic disruption of service at the end of the fiscal year. All of the reduction is General Fund, from Contractual Services.

F. CMS/JC

The recommended supplemental includes only:

1) Voluntary Placement Program	- \$168,300
2) Full Cost-of-Care	- 130,000
	<u>\$298,300</u>

The excess over this amount, \$146,900, was deleted from the request in the absence of sufficient justification. All of the \$146,900 reduction is General Funds, from Contractual Services.

II. Corrections

This request was reduced in two places:

- 1) Nome Jail - \$55,000. Cost savings in other areas have removed the need for these additional funds.
- 2) Personal Services - \$32,200. These additional funds are no longer needed due to receipt of Title IV funds during FY 72.

The total reduction of \$87,200 breaks down as follows:

100 -	\$32,200 ✓	General Funds -	\$87,200
300 -	55,000 ✓		
	<u>\$87,200</u>		

III. Public Health

This supplemental request was reduced by \$41,000 as a result of the receipt of Title IV funds in this program area. All of the reduction is General Funds, from Travel.

IV. Data Summary

	<u>Agency Request</u>	<u>Reduction</u>	<u>Recommended Increase</u>
General Funds	\$6,686,900	\$1,817,700	\$4,869,200
Federal Funds	1,813,500	45,600	1,767,900
Family & Children Services	7,841,000	1,735,100	6,105,900
Corrections	387,200	87,200	300,000
Public Health	188,700	41,000	147,700
Mental Health	83,500	-0-	83,500
Personal Services	895,800	79,600	816,200
Travel	92,500	43,500	49,000
Contractual Services	4,667,300	1,620,200	3,047,100
Commodities	355,800	97,300	258,500
Equipment	24,100	22,700	1,400
Grants	2,464,900	-0-	2,464,900
Total	\$8,500,400	\$1,863,300	\$6,637,100

MEMORANDUM

State of Alaska

TO: Joseph Henri, Commissioner
Department of Administration

DATE : November 15, 1971

FROM: *Frederick P. McGinnis*
Frederick P. McGinnis, Commissioner
Department of Health & Social Services

SUBJECT: Request for Supplemental
Appropriation for FY 1972

Based on an analysis of expenditures through October 31, 1971 and program expenditure patterns in previous fiscal years, the Department of Health and Social Services will require a supplemental appropriation of \$8,500,400 for FY 1972 in order to continue Federal grant-in-aid and State financed programs at the current level of service. The requests, by Program Division are as follows:

Division of Family & Children Services	\$ 7,841,000
Division of Public Health	188,700
Division of Mental Health	83,500
Division of Corrections	387,200

The Source of funds are:

Federal Receipts	\$ 1,813,500
Unrestricted General Funds	6,686,900

The above request takes into consideration the funding of 60% of the unbudgeted salary increase by the Department of Administration which this Department's budget staff have been told will be available. In the event funds are not forthcoming for the unbudgeted salary increase this request must be revised upward by \$491,900 or 3% of the personnel services authorization. This would be spread as follows:

General Administration	\$ 39,500
Mental Health	137,000
Public Health	92,200
Corrections	144,000
Family & Children Services	79,200
	<hr/>
	\$ 491,900

I cannot overemphasize the fact that the requested amount is based on four months experience only, and is therefore subject to revision prior to final consideration by the Legislature. If you recall, the Department's estimate was substantially higher only a few weeks ago, but a change in the pattern of caseload increases occurred, permitting a reduction of estimated program requirements. The Department will closely monitor the November 30 and December 31, 1971 report of Current Year Authorization Balances, and request appropriate adjustments, if any, be applied to this request by the Department of Administration prior to submission to the Legislature for action.

Joseph R. Henri

- 2 -

November 15, 1971

Attached are Budget Amendment documents as prepared by the Program Divisions with a Department Summary.

The Division of Family and Children Services recorded Present Authorization including increases as authorized by the Legislative Budget and Audit Committee. Since the authorization level appears to be very fluid at this time due to additional Federal receipts being earned for purchase of services, the Department Summary lists authorizations as shown on the Program Notification. If this is in error, please advise Roger Lange, Comptroller.

FMG:RCL:as

Attachments



2,300 **C A A PAYMENT PROJECTIONS**

FY 72 SUPPLEMENTAL ASSUMPTIONS

A Assume Continued Growth @
FY 72 Rate of 185 Cases/yr.
 $1990 \times \$130 \times 12 =$
\$3,104,400.

B Assume Growth @ Pre-FY 72
Rate of 110 Cases/yr.
 $1955 \times \$130 \times 12 =$
\$3,049,800.

C Assume Stabilization @
1950 Case @ Mid-Year:
 $11,496 + (6 \times 1950) \times$
 $\$130 = \$130 =$ \$3,015,480.

(FY 72 Authorized =
\$2,943,400)

FY 72

FY 73

CASES

ACTUAL CASES

SLOPE - 110 CASES PER YEAR (Prior to FY 71)

SLOPE - 185 CASES/YR.

SLOPE - NO INCREASE

FY 73 REQUEST ASSUMPTIONS

D Assume Growth @ FY 72 Rate of
185 Cases per year.
 $2175 \times \$130 \times 12 =$ \$3,393,000.

E Assume Growth @ Pre-FY 72 Rate
of 110 Cases per year.
 $2065 \times \$130 \times 12 =$ \$3,221,400.

F Assume Stabilization @ 1950 cases
During FY 73:
 $1950 \times \$130 \times 12 =$ \$3,042,000.

(FY 73 REQUEST = \$3,790,800)

FY 71

FY 72

FY 73

FY 7

1,500 | 7 8 9 10 11 12 | 1 2 3 4 5 6 | 7 8 9 10 11 12 | 1 2 3 4 5 6 | 7 8 9 10 11

1,500

A D PAYMENT PROJECTION

FY 72 * FY 73

▲ SUPPLEMENTAL ASSUMPTIONS (FY 72)

A Assume Continued Growth @ FY 72 Rate of 323 cases per year: 1,225 cases x \$175 x 12 = \$2,572,500.

B Assume Return to Pre-1970 Growth Rate of 119 cases per year: 1,178 cases x \$175 x 12 = \$2,473,800.

C Assume Compromise Growth @ 218 cases per year: 1,200 cases x \$175 x 12 = \$2,520,000.

(FY 72 Authorized - \$1,425,700)

A D CASES

1,000

900

800

700

ACTUAL CASES

SLOPE - 119 CASES/YR. (Prior to 1970)

SLOPE - 323 CASES/YR.

SLOPE - 218 CASES/YR.

▲ PAYMENT REQUIREMENT ASSUMPTIONS (FY 73)

D Assume Continued Growth @ FY 72 Rate of 323 Cases Per Year: 1,548 Cases x \$175 AVE PYMT. x 12 = \$3,250,800

E Assume Compromise Growth @ 218 Cases/yr 1,418 Cases x \$175 x 12 = \$2,977,800.

F Assume Growth at Pre-1970 Rate of 119 Cases Per Year: 1,300 Cases x \$175 x 12 = \$2,730,000.

G Assume Present Increase to be Temporary & Return to Pre-1970 Slope: 1,150 Cases x \$175 x 12 = \$2,415,000.

(FY 73 Request - \$3,342,400)

FY 71 7 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11

A B PAYMENT PROJECTIONS:

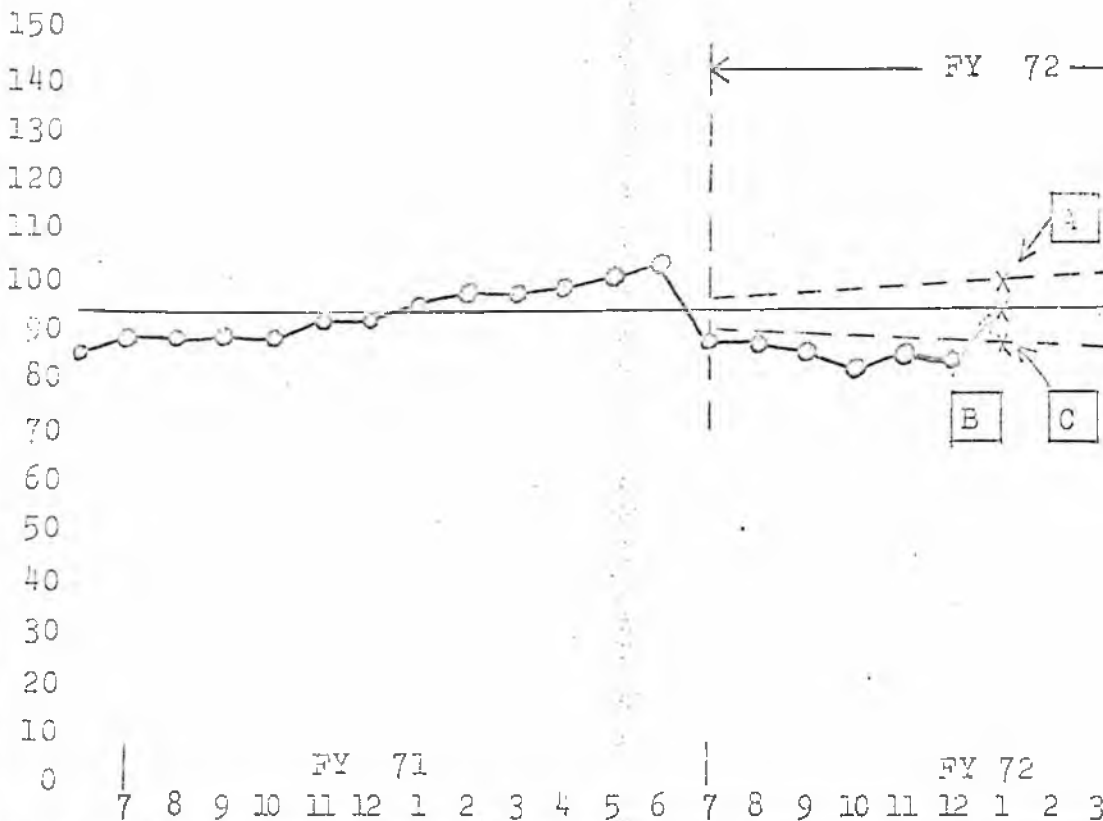
FY 72 SUPPLEMENTAL ASSUMPTIONS:

A Assume Growth Toward Agency's FY 73 Request @ 8 cases/year:
 @ 102 cases x \$175 x 12 = \$214,200.

B Assume No Growth Based Upon Pre-FY 71:
 @ 94 cases x \$175 x 12 = \$197,400.

C Assume Negative Growth of 5 cases/yr.
 @ 89 cases x \$175 x 12 = \$186,750.

(FY 72 AUTHORIZED: \$230,000)





FY 73 PAYMENT REQUIREMENT ASSUMPTIONS:

D

Assume Growth of 8 cases/year as per Agency Request:

@ 110 cases x \$175 x 12 = \$231,000.

E

Assume No Growth Based Upon Pre-FY 71:

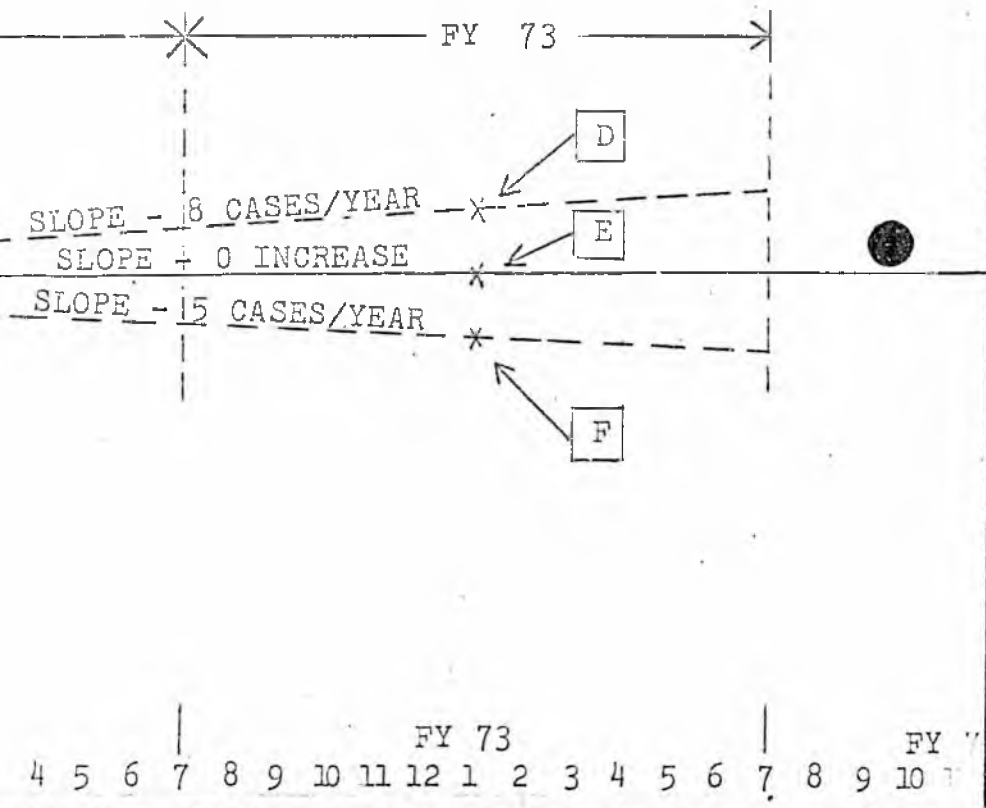
@ 94 cases x \$175 x 12 = \$197,400.

F

Assume Negative Growth Based Upon Current Figures:

@ 84 cases x \$175 x 12 = \$176,400.

(FY 73 REQUEST: \$231,000)



16,000

AFDC PAYMENT PROJECTIONS

← FY 72 ————— * ————— FY 73 →

FY 72 SUPPLEMENTAL ASSUMPTIONS

A Assume FY 71 Slope of 2836 Recip./Year.
12,250 x \$67 x 12 = \$9,849,000.

B Assume FY 71 Slope of 2836 per year
from Latest Actual Origin:
10,750 x \$67 x 12 = \$8,643,000. (adj.to: \$8,693,652.)

C Assume Compromise Slope Between FY 71 and Pre-FY 71
of 2140 Recip./year.
10,550 x \$67 x 12 = \$8,482,200. (adj.to: \$8,545,448.)

D Assume Growth @ Pre-FY 71 Slope of 1445 Recip./Yr.
10,380 x \$67 x 12 = \$8,345,520.
(adj.to: \$8,411,314.)

(FY 72 AUTHORIZED - \$7,335,700.)

FY 73 REQUEST ASSUMPTIONS

E Assume FY 71 Slope of 2836
Recip./Yr. (Agency Request)
15,085 x \$67 x 12 = \$12,128,340.

F Assume FY 71 Slope of 2836 -
Recip./Yr. from Latest Actual:
13,525 x \$67 x 12 = \$10,874,100.

G Assume Compromise Slope Between
FY 71 & Pre-FY 71 of 2140 Re/Yr
12,700 x \$67 x 12 = \$10,210,800.

H Assume Return to Pre-FY 71
Slope of 1445 Recip./Year:
11,825 x \$67 x 12 = \$9,507,300.

(FY 73 REQUEST - \$12,128,340.)

RECIPIENTS

11,000
10,000
9,000

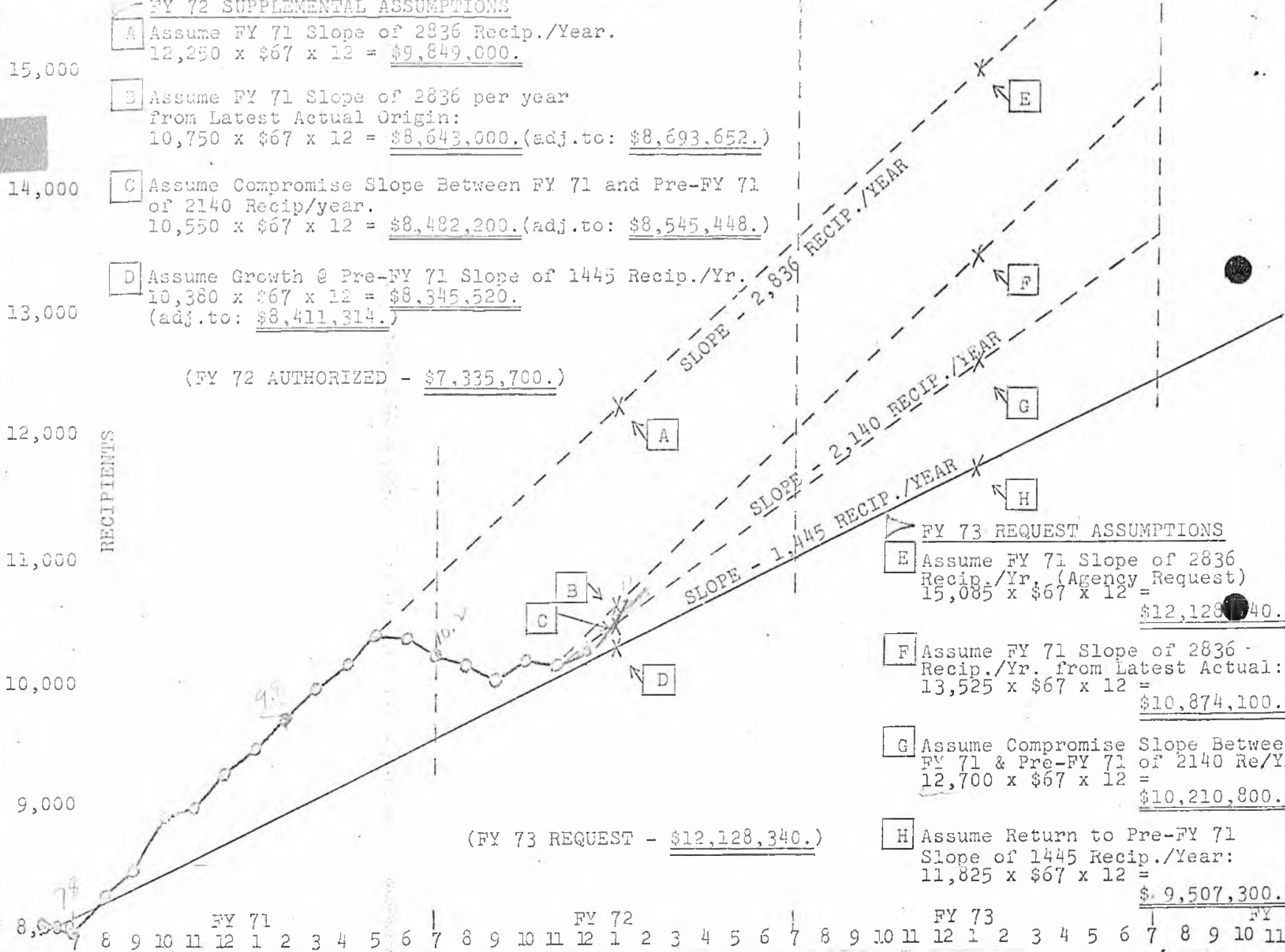
8,000

FY 71 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11

78

9.7

10.2



MEMORANDUM

State of Alaska

TO: [Division of Legislative Finance
Room 407
State Capitol Building

Attention: Mr. Glen Vernon

DATE : February 7, 1972

FROM: Stanley P. Harris *Stanley P. Harris*
Director
Division of Family and Children Services

SUBJECT: Food Stamp Program Supplemental
Request - Division of Family
and Children Services

In reply to your verbal request of February 7, 1972, regarding the breakdown of the \$206,400, we submit the following:

- 1) The \$206,400 is the Governor's recommendation to the Legislature.
- 2) We submit the attached budget sheets to support the request. As you will note \$27,600 has been deleted from Code 100 and \$20,000 deleted from Code 500.

The justification for the request is based upon need for positions to control and monitor the program such as electronic data processing staff. Perhaps the word security is misleading on line 2.

Although it is felt the program will survive with the deletion of the personnel nevertheless, inadequate monitoring and controls will be seriously hampered and will subject the program to additional criticism by the U S. Department of Agriculture.

SPH/jrt

Attachments

MEMORANDUM

State of Alaska

TO: Division of Legislative Finance
 Room 407
 State Capitol Building

Attention: Mr. Glen Vernon

DATE : February 7, 1972

FROM:

Stanley P. Barris *Stanley P. Barris*
 Director
 Division of Family and Children Services

SUBJECT: Food Stamp Program Supplemental
 Request - Division of Family
 and Children Services

In reply to your verbal request of February 7, 1972, regarding the breakdown of the \$206,400, we submit the following:

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Although it is felt the program will survive with the deletion of the personnel nevertheless, inadequate monitoring and controls will be seriously hampered and will subject the program to additional criticism by the U.S. Department of Agriculture.

SPH/jrt

Attachments

STATE OF ALASKA
 Dept. of Administration
 Budget & Management Div.
 Amendment to Revision #2
 12/21/71

STATEMENT OF PROGRAM
 For the Fiscal Year Ending June 30, 1972

AGENCY	HEALTH & SOCIAL SERVICES	06
OPERATING PROGRAM	FAMILY & CHILDREN SERVICES	3
ACTIVITY	FOOD STAMPS	5
FUNCTION		

<u>71 Actual</u>	<u>72 Authorized</u>	<u>Supplemental Request</u>
\$491,825	\$418,300	\$254,000

CODE SUPPLEMENTAL REQUEST FOR FOOD STAMPS

100	Cost of Currently Authorized Staff	\$421,100
	Added staff - 3 months (see below)	27,600
	Temporary Hires	80,000
	Subtotal	\$528,700
	Current Authorization	333,700
	Needed Supplemental	\$195,000
300	Payment for Fee Agents	\$15,000
	Armored Car Service & Coupon Storage	24,000
500	Safe - 20 @ 1,000	\$20,000

The Governor has deleted those items which are circled.

TOTAL REQUEST \$254,000

The Food Stamp Program supplemental request consists primarily of additional needed staff and other items necessary to provide security for food coupons in the State's possession, and to facilitate the application process in rural areas. The added staff for three months is necessitated by the implementation of a data processing system designed to simplify food stamp sales and provide additional controls. This system was designed based on a staff being available. The system was implemented, but the staff later deleted. In addition, it is necessary for most offices to intermittently or consistently use temporary hires to meet the demands of the program. For example, in the Anchorage District there are only five authorized personnel. To meet the demands of the program, it is necessary to have five coupon outlets and to process between 750 and 1,000 applications per month. For this reason the Anchorage office has had to utilize temporary help consistently.

How does this relate to the possible P.O. contract for distribution? When will the P.O. contract begin?

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

STATEMENT OF PROGRAM

PAGE 2

Amendment to Revision #2
12/21/71

For the Fiscal Year Ending June 30, 1972

		CODE
AGENCY	HEALTH & SOCIAL SERVICES	06
OPERATING PROGRAM	FAMILY & CHILDREN SERVICES	3
ACTIVITY	FOOD STAMP	5
FUNCTION		

Food Stamps Supplemental - continued

Fee agents have been an important part of the program. They enable us to meet Federal requirements for face-to-face contact with applicants at a minimum expense. Payment for fee agents had never been funded.

The equipment is necessary because no provision has been made for equipment to provide safekeeping of the coupon inventories kept in the district offices. The State is responsible for the full face value of any coupons lost while in its possession including those stored in district offices. The potential for loss is very high and will be considerably reduced by the provision of adequate equipment.

TO: Frederick McGinnis, Commissioner

DATE: November 10, 1971.

FROM: Stanley P. Harris, Director
Division of Family and Children ServicesSUBJECT: Explanation on the 1972
Supplemental for Division of
Family and Children Services

The supplemental request totals \$7,841,000. This is approximately 3.1 million less than was anticipated in September 1971. The reasons for the change are as follows:

Administration Program

Code 100 - A request for \$285,100 is included in Personal Services to cover the new salary schedule effective July 16, 1971, and to fund two new positions for a total of \$19,800.

If the Department of Administration can transfer a possible \$64,000 to cover partial cost of Personal Services deficit, the request could be lowered to the following:

\$176,800	Federal
44,300	Additional State General Fund
<u>\$221,100</u>	Total Personal Services

However, if \$64,000 is not transferred, it will be necessary to request \$285,100 with Federal money remaining at \$176,800 and State General Fund \$108,300 for Personal Services.

Code 200 - By the time the supplemental request is approved, there will be less need for travel money as the fiscal year will be substantially completed. The Division is asking for \$25,000 for staff travel (which is a portion of the \$50,000 deleted from the budget request) and \$2,500 for necessary travel for the new position for a total of \$27,500.

Code 300 - A total of \$97,100 is seen as the deficit to cover present contractual obligations i.e., leases for office space. Of the above figure \$30,000 is needed to cover costs for Operation Intercept.

Adult Public Assistance

The supplemental is increased considerably from the September 1970 projection for two reasons. (1) The case load as of 11-9-71 is now at the predicted average not including the November supplemental warrants. In order to meet the responsibilities the case load for the fiscal year is projected at 3,300 persons. The actual payments to individuals is \$146 per person per month. (2) Contracts have been negotiated with nursing homes. These contracts, plus increased rates for full cost of care, will require \$1,077,900. A contract for intermediate care will provide \$219,600 in Federal matching funds which was not available in September.

Aid to Families with Dependent Children Program

Code 300 - \$239,300 is required to fund Operation Upgrade and Non-WIN day care. The \$239,300 represents all Federal dollars. We are able to do this by utilizing child care funds because we are not experiencing the case load growth originally anticipated.

Code 700 - The case load is contrary to our predicted growth trend for the last five months. The next seven months case load growth is unpredictable. The average case load for the first five months has been 10,220 persons. We are projecting 10,500 cases average for the year. The projection for the dollar payment is \$68 per person per month rather than \$67.

Food Stamp Program

The Food Stamp Program request consists primarily of additional staff, security safes, food stamp security, and fee agents all of which were not authorized in the fiscal year 1972 request.

The Department of Agriculture has threatened us with gross negligence unless we provide minimum staff essential to adequate program administration. The State may have serious audit problems if staff is not provided. We have negotiated with the USDA to postpone a required Quality Control program until July 1, 1973. We are omitting quality control staff from this supplemental request.

General Relief

The GR program request of \$334,500 is primarily to provide utilities, oil and clothing for recipients. The estimate for the GR program is based on dollars expended last year plus anticipated case load and cost increase.

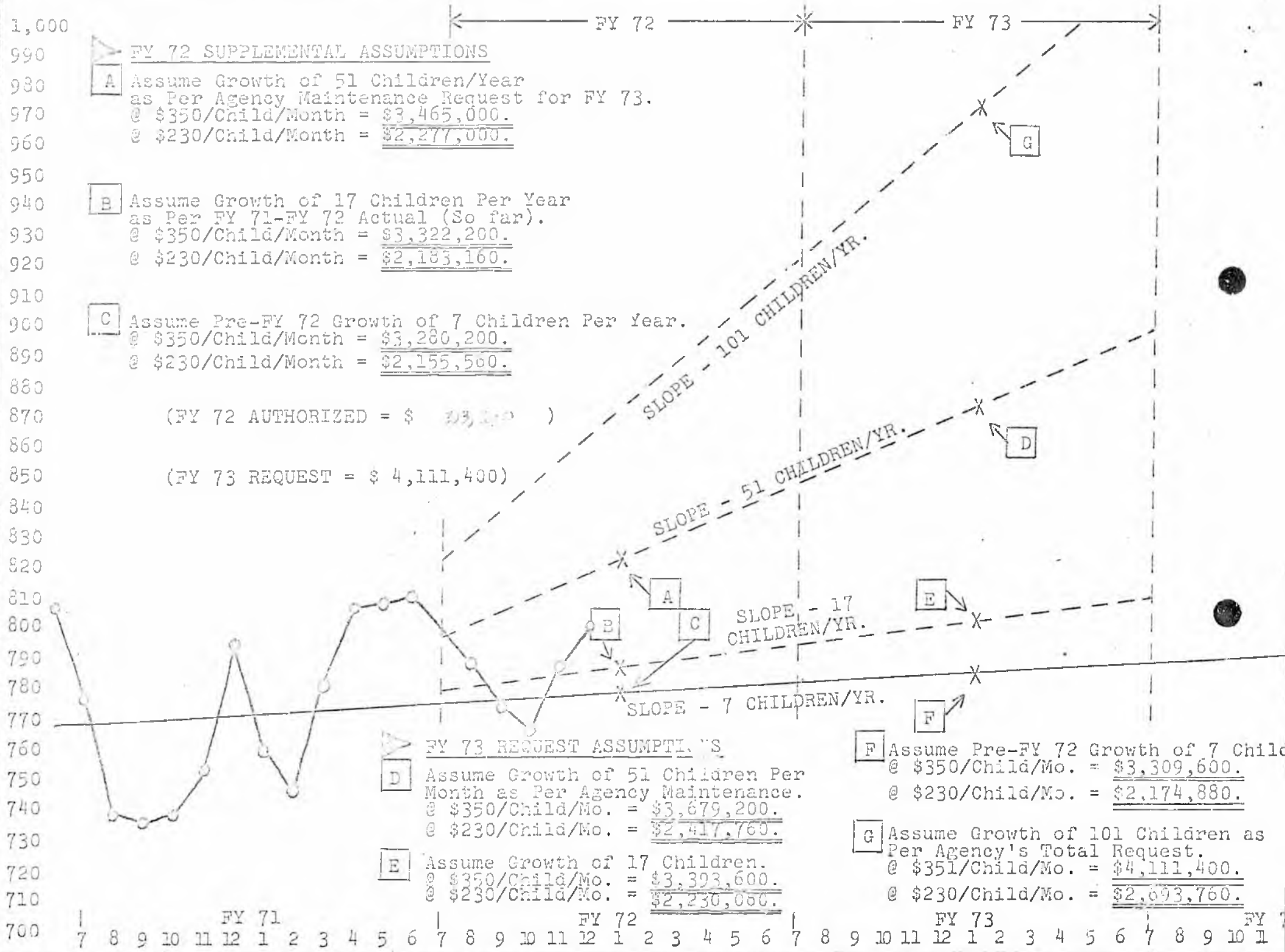
General Relief-Medical

The GR-Medical program request is increased primarily for contractual services. The utilization, number of patients and costs for hospitalization, physicians services necessitates this increase.

Child Welfare Services/Juvenile Code

The increase in Child Welfare Services/Juvenile Code is due primarily to: 1) The Voluntary Placement program, SIA Chapter 100, will cost the State \$168,300 for the balance of the fiscal year; 2) The full cost of care for children in institutions is now estimated at \$130,000 for the balance of fiscal year 1972. This figure is reduced from the initial projection because of the "freeze" and the continued "semi-freeze" on wages and prices.

FOSTER CARE/INSTITUTIONS COST PROJECTIONS



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

STATEMENT OF PROGRAM

For the Fiscal Year Ending June 30, 1972

AGENCY	Health & Social Services	06
OPERATING PROGRAM	Public Health	
ACTIVITY	Child Health Section	
FUNCTION	Crippled Children's Services	

The Crippled Children's Services program is partially Federally funded and in Fiscal Year 1972 has Federal funding of \$143.2. The purpose of the program is to provide case finding and treatment of those conditions in children which are crippling and which can be corrected by treatment. The overall goal is to prevent or correct those handicaps which lead to dependency in adulthood.

While performing this important Public Health function, this program also has an important secondary benefit. Since there is no Title XIX (Medicaid) program in this State, the Crippled Children's program is the only medical care program providing services to those families which are in need who do not qualify for Welfare coverage and yet do not have sufficient income or insurance coverage to pay for extensive medical care for their children for conditions covered under the Crippled Children's Services program. This represents a group of hardworking State citizens who frequently are omitted from categorical service programs.

The type of crippling conditions covered under the Crippled Children's Services program include, but is not limited to, congenital heart disease requiring heart surgery, cleft lip and palate, birth defects, deformities of the arms and legs requiring bracing and surgery, hearing and vision handicaps leading to educational difficulties for the child, diseases of the nervous system causing disability, and handicapping disabilities secondary to accident and injury. Conditions not covered include short-term acute illnesses such as pneumonia or appendicitis.

Services provided for children with these conditions include case finding through Public Health Nurses, physicians, parents, teachers, audiologists, and birth certificate surveillance operations. Medical diagnosis is provided to determine whether a child has an eligible crippling condition, and treatment services are provided for those children who have those conditions. No charge is made for case finding and diagnostic services since it is not permitted by Federal regulation.

Medical and other treatment services are made available to children with conditions covered by this program. The parents are expected to pay for a portion of the treatment when they are able and this decision is made on an individual basis by the Chief of the Section of Child Health or his delegated representative. Although services are not limited to families who are poor, those who do have some income are expected to contribute toward some portion of the care of their child.

This is a request for supplemental funding of the Alaska State Crippled Children's Services program in Fiscal Year 1972 in order that the program may remain active for the full fiscal year. Funding for this program for Fiscal Year 1972 is currently authorized at \$493.5. The authorized amount for the program in Fiscal Year 1971 was originally \$400.0 and was increased to \$550.0 by a supplemental appropriation during that year. The total of expenditures in the

For the Fiscal Year Ending June 30, 1972

AGENCY	Health & Social Services	0
OPERATING PROGRAM	Public Health	
ACTIVITY	Child Health Section	8
FUNCTION	Crippled Children's Services	4

Crippled Children's program in Fiscal Year 1970 was \$563.5 and in Fiscal Year 1971, as of September 30, 1971, was \$689.1 thousand. This increase is in spite of a reduction in the total number of patients served (because proportionately more patients are being cared for who have serious extensive illnesses with large resultant medical costs). It is also in spite of the fact that procedures were instituted last year whereby full advantage was taken of any medical insurance coverage for the patient:

Insurance Payments for Hospital Care of CCS Cases
(shown as % of total hospital charges)

FY 1968	10%
FY 1969	11%
FY 1970	30%
FY 1971	43%

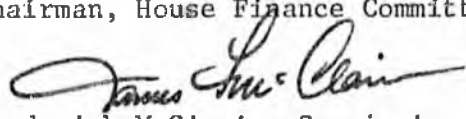

Without this requested supplemental appropriation, the next step to reduce costs in this program will be reduction in actual services to patients-by exclusion of certain crippling conditions from the program and exclusion of certain forms of medical care from coverage.

STATE
of ALASKA

MEMORANDUM

TO: The Honorable George Hohman
Chairman, House Finance Committee

DATE: April 4, 1972

FROM:  Frederick McGinnis, Commissioner
 Department of Health and Social Services

SUBJECT: House Bill #504 Funding

This memorandum, with attachments, responds to your request for clarification and recalculation of State General Funds and Federal receipts regarding House Bill #504 and this Department's request to receive and expend \$1,198,400 of retroactive indirect cost reimbursements. The question was raised by members of your committee as to why the total of \$1,198,400 was not reduced from State General Funds in the suggested CS for CS for House Bill #504 prepared by this Department.

A review of this situation revealed that numerous errors were made, both by the Department of Health and Social Services and the Department of Administration, in projected Federal receipts to be earned in the various programs.

A recomputation of all programs involved was made, with revised funding sources indicated in columns 4 and 5 of Attachment 1. Attachment 1 traces funding sources as presented and as they should have been from the original supplemental request through a final revision as presented as Attachment 4 of this memorandum.

It is my understanding that Mr. Glenn Vernon met with Mr. Roger Lange of this Department to discuss this rationale and is satisfied with the changes as explained.

As a result of the above review, it has now been determined the funding figures for CS for CS for HB 504 should have been \$4,083,900 State General Funds and \$830,300 Federal receipts from the total of \$4,914,200 requested.

At the same hearing the above information was requested, you also asked for a review of Food Stamp expenditures for the remainder of the Fiscal Year. Mr. Stanley P. Harris, Director, Division of Family and Children Services, estimates that the maximum the Food Stamp Program could expend during the remainder of FY 1972, making necessary expansions to satisfactorily deliver food stamps, is \$306,400 and the supplemental request has been reduced accordingly.

Mr. Degan met with myself and some of my staff at which time he suggested the funding for unbudgeted salaries requested in the supplemental come from the Department of Administration. This Department was able to obtain concurrence from Mr. Myrton Charney, Director, Division of Budget and Management to increase the funds available to cover all the projected salary deficits. (See Attachment 2).

April 4, 1972

This allows a reduction of \$100,800 in Personnel Services in the request of March 23, 1972 (#72-168) to receive and expend \$2,016,500. It is proposed to reduce the Supplemental Request in General Relief - Medical by this amount and shift the \$100,800 reduction in Personnel Services to General Relief - Medical in request #72-168 (Suggested revision as Attachment 3).

At the same meeting with Mr. Degnan mentioned above, the problem of a serious shortage in the General Relief Program was discussed. It is imperative to increase the appropriation even more than the \$140,400 requested in HB 504. The original Department request was \$334,500 and that figure now appears to be approximately \$50,000 below expected needs for the year. After this discussion, Mr. Degnan suggested that this shortfall be addressed in the Supplemental Request. Therefore, the State General fund previously identified as reductions in General Relief-Medical and Food Stamps have been added to the General Relief supplemental request, revising the total upward to \$385,300.

To indicate funding revisions, program reductions and the General Relief increase, Attachment 4 has been prepared as a proposed CS for CS for House Bill #504. This incorporates the funding sources of the various programs to the best of our capability and the program revisions discussed above which have been generated since our last meeting.

I realize this is a complex set of documents and there may be areas that need clarification. Mr. Lange, who prepared the funding worksheet, will be available to assist you with information on each of the attachments.

Again, I must emphasize the urgency of early approval of both the House Bill 504 and the request to receive and expend \$2,016,500 in additional Federal receipts. Your understanding and assistance will be greatly appreciated.

FM:RL:mm
Attachments

M E M O R A N D U M

TO: Genie Chance
Chairman
Health, Welfare & Education Committee

DATE: February 22, 1972

FROM: George Hohman
Chairman
Finance Committee

RE: Food Stamp Program

The House Finance Committee requests your Committee's rationale on the increase in the Food Stamp Program in HOUSE BILL NO. 504.

M E M O R A N D U M

TO: Frederick P. McGinnis
Commissioner
Dept. of Health & Social Services

DATE: February 22, 1972

FROM: George Hohman
Chairman
House Finance Committee

RE: HOUSE BILL NO. 504

Your Department testified before the House Finance Committee on the subject of HB 504. The Committee requests the following additional information:

1. An estimate of adult public recipients for FY 73.
2. A copy of the special memorandum to the Governor indicating the problems involved and the assumption of the Budget Review Committee which may have been erroneous in regard to the Food Stamp Program.
3. Attach a value for the Food Stamp Program to the above memorandum.
4. A medical fee schedule for V.A. and fee schedules for other states.
5. A recommended breakdown for Family Services line items.
6. Provide all of the contracts and a schedule of state dollars and the impact on the budget for these contracts.
7. A breakdown of the travel fund.

Original sponsor: Rules Committee by
request of the Governor

Offered: 2/14/72
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

2

CS FOR HOUSE BILL NO. 504

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making supplemental appropriations to the
7 Department of Health and Social Services; and pro-
8 viding for an effective date."

9

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

10

* Section 1. The sum of \$6,930,700 is appropriated to the Department of
11 Health and Social Services for estimated unfunded operating costs for the
12 fiscal year ending June 30, 1972, to be allocated according to the following
13 schedule:

14

Public Health \$ 147,700

15

Mental Health 83,500

16

Corrections 300,000

17

Family Services 6,399,500

18

Administration \$ 384,400.

19

Adult Public Assistance 1,212,100

20

Aid to Families with

21

Dependent Children 1,521,600

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Food Stamps 500,000

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General Relief 140,400

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General Relief - Medical 2,342,700

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Child Welfare Services -

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Juvenile Code 298,300

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Funding

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General Fund \$5,162,800

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Federal Program Receipts 1,767,900

6,930,700

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



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

SENATE

_____ Date

Mr. President:

The Committee on _____ 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:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

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

CHAIRMAN

FINANCE COMMITTEE REPORT

ON

COMMITTEE SUBSTITUTE FOR HOUSE BILL 504

The Committee Substitute for House Bill 504 authorizes additional expenditures by the Department of Health and Social Services during the current fiscal year. The Committee Substitute incorporates the revised request as presented by the department, and differs from the original bill in the following particulars:

less federal reimbursement
as per Program Revision # 72-168
approved: 4/10/72 by Budget & Audit: (2,016,500)

less state share of funding
required for salary adjustments
(Chap. 131 SLA 1971; p. 12 of
General Appropriation Act): (100,800)

add additional cost of adminis-
tering food stamp program: 100,000

add additional cost of meeting
requirements of general assis-
tance program: 244,700

\$4,864,700

George Hohman
Chairman

TO: [

The Honorable George Hohman
Chairman, House Finance Committee

DATE: April 4, 1972

FROM: 


Frederick McGinnis, Commissioner
Department of Health and Social Services

SUBJECT: House Bill #504 Funding

This memorandum, with attachments, responds to your request for clarification and recalculation of State General Funds and Federal receipts regarding House Bill #504 and this Department's request to receive and expend \$1,198,400 of retroactive indirect cost reimbursements. The question was raised by members of your committee as to why the total of \$1,198,400 was not reduced from State General Funds in the suggested CS for CS for House Bill #504 prepared by this Department.

A review of this situation revealed that numerous errors were made, both by the Department of Health and Social Services and the Department of Administration, in projected Federal receipts to be earned in the various programs.

A recomputation of all programs involved was made, with revised funding sources indicated in columns 4 and 5 of Attachment 1. Attachment 1 traces funding sources as presented and as they should have been from the original supplemental request through a final revision as presented as Attachment 4 of this memorandum.

It is my understanding that Mr. Glenn Vernon met with Mr. Roger Lange of this Department to discuss this rationale and is satisfied with the changes as explained.

As a result of the above review, it has now been determined the funding figures for CS for CS for HB 504 should have been \$4,083,900 State General Funds and \$830,300 Federal receipts from the total of \$4,914,200 requested.

At the same hearing the above information was requested, you also asked for a review of Food Stamp expenditures for the remainder of the Fiscal Year. Mr. Stanley P. Harris, Director, Division of Family and Children Services, estimates that the maximum the Food Stamp Program could expend during the remainder of FY 1972, making necessary expansions to satisfactorily deliver food stamps, is \$306,400 and the supplemental request has been reduced accordingly.

Mr. Degnan met with myself and some of my staff at which time he suggested the funding for unbudgeted salaries requested in the supplemental come from the Department of Administration. This Department was able to obtain concurrence from Mr. Myrton Charney, Director, Division of Budget and Management to increase the funds available to cover all the projected salary deficits. (See Attachment 2).

April 4, 1972

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At the same meeting with Mr. Degnan mentioned above, the problem of a serious shortage in the General Relief Program was discussed. It is imperative to increase the appropriation even more than the \$140,400 requested in HB 504. The original Department request was \$334,500 and that figure now appears to be approximately \$50,000 below expected needs for the year. After this discussion, Mr. Degnan suggested that this shortfall be addressed in the Supplemental Request. Therefore, the State General fund previously identified as reductions in General Relief-Medical and Food Stamps have been added to the General Relief supplemental request, revising the total upward to \$385,300.

To indicate funding revisions, program reductions and the General Relief increase, Attachment 4 has been prepared as a proposed CS for CS for House Bill #504. This incorporates the funding sources of the various programs to the best of our capability and the program revisions discussed above which have been generated since our last meeting.

I realize this is a complex set of documents and there may be areas that need clarification. Mr. Lange, who prepared the funding worksheet, will be available to assist you with information on each of the attachments.

Again, I must emphasize the urgency of early approval of both the House Bill 504 and the request to receive and expend \$2,016,500 in additional Federal receipts. Your understanding and assistance will be greatly appreciated.

FM:RL:mm
Attachments

MEMORANDUM

DEPARTMENT OF HEALTH & SOCIAL SERVICES

TO: [The Honorable George Hohnan
House of Representatives

DATE: March 28, 1972

FROM: Frederick McGinnis
CommissionerSUBJECT: HB 504 - Dept. of H&SS
Supplemental Appropriation

For reasons given verbally during my appearances before the House Finance Committee, it is of the utmost importance that HB 504 be cleared through your committee and moved on through the legislative process at the earliest possible date.

The need for these supplemental funds is becoming more critical with the passage of each day and, too, the alternatives which might be open to the Department in the event of later modification are likewise being reduced. HB 504 in its amended version utilizing \$1,198,400 in unbudgeted Federal receipts (retroactive indirect reimbursement for administrative services) plus \$818,000 in additional Federal earnings on existing programs is now in order and needs immediate action.

In checking with the Division of Budget and Management on our request to utilize the \$2,016,500 Federal funds to offset the supplemental request, we are advised that this was to be transmitted to Legislative Finance today.

Thank you for your help.

Attachments: Memo to M. R. Charney
CS for CS for HB 504

Original sponsor: Rules Committee by
request of the Governor

Offered:
Referred:

BY THE FINANCE COMMITTEE

IN THE HOUSE

CS FOR CS FOR HOUSE BILL NO. 504

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making supplemental appropriations to the
Department of Health and Social Services; and pro-
viding for an effective date."

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

* Section 1. The sum of \$4,914,200 is appropriated to the Department of
Health and Social Services for estimated unfunded operating costs for the
fiscal year ending June 30, 1972, to be allocated according to the following
schedule:

Public Health	\$	147,700	
Mental Health		83,500	
Corrections		300,000	
Family Services		4,383,000	4,383,000 ⁷⁷¹
Adult Public Assistance	\$1,101,600		
Food Stamps	500,000		
General Relief	140,400		
General Relief - Medical	2,342,700	1,543	
Child Welfare Services - Juvenile Code	298,300	200,000	
Funding			
General Fund	4,256,400	2,771	
Federal Program Receipts	<u>657,800</u>		
		<u>\$4,914,200</u>	

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