

LEG. FINANCE - BILLS 1977 - 1978 838

HB 901 cont. thru CSHB 901

Further discussion of Federal financial participation in replacement of equipment and other operating costs of a rehabilitation facility operated by a State vocational rehabilitation agency may be found under topic VIII-D, page 11-3-31, item 2.

E. Accounting for Equipment

Chapter 12, Section 1 of the Vocational Rehabilitation Manual states that where a State retains an equity or legal title to equipment chargeable to the establishment of a rehabilitation facility, an inventory detail card should be prepared. Thus if a State agency is itself operating a facility, inventory records should be maintained for all equipment purchased with Federal financial participation under the Vocational Rehabilitation Act.

A State agency may, however, establish a facility in cooperation with another State agency or under the auspices of another public or a private nonprofit organization. Whether or not inventory records should be maintained under such circumstances would depend upon whether or not the State retained an equity or legal title in the equipment.

A State agency should make appropriate conditions regarding equipment purchased in cooperation with another State agency or by another public or a private nonprofit agency with money that has been made available to the purchasing agency by the State rehabilitation agency for establishing a rehabilitation facility. In this connection, a State agency should ascertain if there are controlling requirements in the State, either in law, rules, or procedures.

The State vocational rehabilitation agency may retain legal title to the equipment and simply make the equipment available to the facility. A more frequently used method is for the State rehabilitation agency to develop a written agreement with the public or private nonprofit agency establishing the facility which describes the total plan, including the equipment to be purchased, as well as provisions for the use of the facility by the State agency. Such an agreement should also include a provision for the disposition of the equipment, e.g., its return to the State agency, in the event that within a specified period of years, the facility discontinues operations or ceases to be a nonprofit rehabilitation facility.

VII. INITIAL STAFFING

A. Purpose of Initial Staffing

The Act provides for Federal financial participation in initial staffing as part of the cost of "establishing" a rehabilitation facility. This provision was intended to provide the financial resources necessary to launch new or expanded rehabilitation facility programs.

B. Duration of Initial Staffing

The Act provides for initial staffing of rehabilitation facilities under the "establishment" authority for a period not exceeding 51 months. The limitation of Federal financial participation in initial staffing in the "establishment" of a facility to a period not exceeding 51 months was intended to provide the financial resources necessary to launch new or expanded facility programs and at the same time preclude, under this authority, the continuous direct subsidy of facility operations. Other provisions of the Act, as discussed in topic VIII, pages 11-3-27 to 33, provide for Federal financial participation in the cost of facility operations attributable to rehabilitation clients. Both of these principles are significant in determining the specific effect of the 51-month limitation on Federal financial participation in initial staffing in the "establishment" of a facility.

The time span runs on a 51-month basis, rather than on any strict calendar or fiscal year basis. Moreover, the point of time at which the period may start to run is flexible. Federal financial participation in the cost of initial staffing may start:

- (1) When staff is hired for planning the facility program,
- (2) When referrals to the facility program are accepted,
- (3) When services to handicapped individuals are begun,
- (4) When the facility is fully staffed, or
- (5) At some other suitable starting point.

Any application for establishment assistance involving initial staffing should specify which of these options has been chosen. Under any of these alternatives, Federal financial participation would be available in initial staffing costs for no more than 51 months beginning at that point. This 51-month period would have the same beginning and cutoff dates irrespective of whether the staffing is all accomplished at the same time or whether it is staggered with all of the staffing begun within the 51-month period.

AUG 08 1977

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Construction of Rehabilitation Facilities with
Federal Financial Participation under Section 2,
Vocational Rehabilitation Act

CENTRAL OFFICE

"Rehabilitation facility" is defined in section 401.1(r) of the Regulations as a facility which is operated for the primary purpose of providing vocational rehabilitation services to or gainful employment for handicapped individuals or evaluation and work adjustment services for disadvantaged individuals under Part 402 of the Regulations and which provides singly or in combination one or more of the following services for handicapped individuals: (1) Comprehensive rehabilitation services which include, under one management, medical, psychological, social, and vocational services; (2) testing, fitting, or training in the use of prosthetic and orthotic devices; (3) prevocational conditioning or recreational therapy; (4) physical and occupational therapy; (5) speech and hearing therapy; (6) psychological and social services; (7) evaluation; (8) personal and work adjustment; (9) vocational training (in combination with other rehabilitation services); (10) evaluation or control of special disabilities; and (11) transitional or long-term employment for the severely handicapped who cannot be readily absorbed in the competitive labor market. All medical and related health services must be prescribed by, or under the formal supervision of, persons licensed to practice medicine or surgery in the State.

"Workshop" is defined in section 401.1(aa) of the Regulations as a rehabilitation facility, or that part of a rehabilitation facility, where any manufacture or handiwork is carried on and which is operated for the primary purpose of (1) providing gainful employment or professional services to the handicapped as an interim step in the rehabilitation process for those who cannot be readily absorbed into the competitive labor market or during such time as employment opportunities for them in the competitive labor market do not exist or (2) providing evaluation and work adjustment services for disadvantaged individuals under Part 402 of the Vocational Rehabilitation Regulations.

The Vocational Rehabilitation Act and Regulations therefore offer assistance in providing many types of rehabilitation facilities, including large, comprehensive rehabilitation centers offering a wide variety of services to many types of handicapped individuals as well as facilities designed to meet the needs of special disability groups, such as speech and hearing centers, adjustment centers for the blind, visual aid centers, halfway houses, and evaluation and training centers for the mentally retarded.

These definitions would not preclude a rehabilitation facility from serving individuals not eligible for vocational rehabilitation services, but it does mean that the primary purpose of a rehabilitation facility provided with assistance under the Vocational Rehabilitation Act is to provide vocational rehabilitation services needed for individuals who are eligible for such services or who need such

Construction of Rehabilitation Facilities with
Federal Financial Participation under Section 2,
Vocational Rehabilitation Act

State agency, or by some type of joint State operation), a State agency may not include:

(1) Staff salaries which are part of expenditures for "initial staffing" in which there is Federal financial participation or

(2) Depreciation of buildings or parts of building or depreciation of equipment where there has been Federal financial participation with respect to such buildings or parts of building or equipment as part of an "establishment" or construction project.

These same policies apply whether the facilities have been provided with aid under any of the provisions of the Vocational Rehabilitation Act, the Medical Facilities Survey and Construction Act of 1954, as amended, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, as amended, or any other Federal act concerned with the provision of rehabilitation facilities.

XIII. FEDERAL RECOVERY

The Federal recovery provisions of section 12(e) of the Vocational Rehabilitation Act have been applied to section 2 construction by section 5(a)(14)(B) of the same act.

The State agency should promptly notify the Regional Commissioner of the Social and Rehabilitation Service in writing if, at any time within twenty years after completion of any rehabilitation facility construction project in which there has been Federal financial participation under section 2 of the Vocational Rehabilitation Act, the facility ceases to be a public or other nonprofit rehabilitation facility.

Under such circumstances, the United States is entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value of the facility (the value as determined by agreement of the parties or by action brought in the United States district court for the district in which the facility is situated) as the amount of the Federal participation bore to the cost of construction of the facility.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF DEVELOPMENTAL DISABILITIES

POUCH H 04B - JUNEAU 99811

January 9, 1978

Robert B. Swain, Executive Director
Association for Retarded Citizens
of Anchorage, Inc.
2330 Nichols Street
Anchorage, Alaska 99504

Dear Mr. Swain:

This letter and the enclosed report constitute the results of the recent site-review.

The cooperation that was shown to the site-review team by you, your staff and members of your Board of Directors is most appreciated. As you know, it is difficult at best to learn all the facets of a program in such a short period of time, particularly when programs are being designed for individual clients, and as in the case for any individual--life is complicated. ARCA's willingness to share information that may have led to negative as well as positive judgements on the part of site-review team members indicates a positive interest in improving programs.

The site-review of programs for developmentally disabled persons at the facility operated by the Association for Retarded Citizens of Anchorage, Inc. (ARCA) was conducted on December 14-15, 1977. Members of the site-review team were:

G. Thomas Bellamy, Ph. D.
Director, Specialized Training Program
University of Oregon

Jeannette Schulz, M. D.
Director, Child Development Services
Division of Public Health

Lee Killgore, Client Program Manager
Division of Mental Health and
Developmental Disabilities

Don Hitchcock, Chief
Rehabilitation Services
Office of Vocational Rehabilitation

T. R. Branton, Assistant Director
Division of Mental Health and
Developmental Disabilities

Robert P. Gregovich, Ph. D.
Program Administrator
Section of Developmental Disabilities
Division of Mental Health & D. D.

Joan Jordan, Member
Governor's Council for the Handicapped & Gifted

Robert Swain, Executive Director
ARCA

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January 9, 1978

There were two purposes of the site-review. The first was to evaluate the consistency between the written habilitation plans and actual programs for developmentally disabled clients who are being provided services under Contract #063974. The second was to investigate expected use of all state funds provided to ARCA for client service during the period of July 1, 1978 to June 30, 1979. This second purpose represented a preliminary step in contract negotiations for FY 1978.

In order to accomplish the first purpose, habilitation plans for six clients were randomly selected for review out of 29 possible that were identified as being served under the contract. The six habilitation plans were assessed for (a) their adequacy and realism, and (b) the consistency between the written habilitation plan and the actual services being received by clients.

In addition, the site-review team assessed the degree to which the provisions of Contract #063974 were being fulfilled, the competency of staff, methods of administering the contract, amount and use of funds spent, the number and nature of clients to be served in the future, coordination with other agencies, and other areas relating to programs, administration, and organization. A letter to ARCA identifying the parameters of the site-review is attached.

In order to accomplish the second purpose, the site-review team assessed the future plans for ARCA programs with particular attention on program and budget plans for FY 1979. Presentations were made by the Executive Director of ARCA as well as representatives of the Board of Directors. In addition, the site-review team evaluated organizational charts, budget and revenue projections, anticipated program changes and projected increases in numbers of clients.

The enclosed reports, as you will see, are consultative as well as critical. I preferred to have each of the site review members prepare independent individual reports so that ARCA as well as the Division could receive the benefit of individual points of view. There are a number of points upon which the site-review members agreed. To be very candid as well as brief, it appears that:

1. Except for the Early Childhood Center Program, programs for adults are seen as being not enough service or clients for the amount of money being spent or the number of staff employed.
2. The proposed budget for FY 1979 is not realistic in terms of actual evidence of need.
3. Individualized client programming and coordination with other agencies needs to be improved.

The enclosed reports concern themselves with these points as well as many others

Robert Swain, Executive Director

ARCA

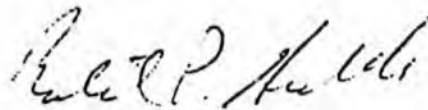
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January 9, 1978

of a positive as well as negative nature.

Again, thank you for your cooperation. The month of April seems to be a reasonable time for the Division to readdress many of the concerns. In the meantime, we would be happy to discuss any questions you may have that relate to the material enclosed in this report.

Sincerely,



Robert P. Gregovich, Ph. D.
Program Administrator
Section of Developmental Disabilities
Division of Mental Health & D. D.

RPC/mcd

Enclosures:

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF DEVELOPMENTAL DISABILITIES

POUCH H046 - JUNEAU 99811

November 15, 1977

Robert B. Swain, Executive Director
Association for Retarded Citizens
of Anchorage, Inc.
2330 Nichols Street
Anchorage, Alaska 99504

Dear Mr. Swain:

I have scheduled a site-review of ARCA's programs for the developmentally disabled on December 14 and 15, 1977.

In addition to me, the persons conducting the site-review will be:

1. A representative of the Alaska Planning Council for Persons with Developmental Handicaps.
2. A representative of the Division of Public Health.
3. A representative of the Division of Vocational Rehabilitation.
4. Mr. Lee Killgore, Client Program Manager
Division of Mental Health & Developmental Disabilities.
5. Mr. T. R. Branton, Assistant Director
Division of Mental Health & Developmental Disabilities.

In addition, a consultant may be in attendance to assess the Division's site-review process as well as to help in assessing current and planned programs.

There are two purposes of the site-review. The first is to evaluate the consistency between the written habilitation plans and actual programs for developmentally disabled clients who are being provided services under Contract #063974. The second is to investigate expected use of all State funds provided to ARCA for client service during the period of July 1, 1978 to June 30, 1979. This second purpose represents a preliminary step in contract negotiations for FY 1979.

November 15, 1977

Robert B. Swain, Executive Director

ARCA

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In order to accomplish the first purpose, we will take five or six randomly selected habilitation plans and track in detail the actual programs provided for those persons. We will be questioning and gathering information on the adequacy and realism of the habilitation plans; progress toward the goals identified; appropriateness of methods used to reach the goals identified; client's (or perhaps in some cases parent's) views of the goals and methods; staff views on the client progress and program; methods used to establish the individualized program plan; and coordination of the plan with other agencies.

In addition, the site-review team will assess the degree to which the provisions of Contract #063974 have been fulfilled and will look into matters such as competency of staff employed under the contract, their organization and rate of turnover; methods of administering the contract; amount and use of funds spent under the contract; the number and nature of clients served for the months of July, August, September and October, 1977, as well as the number and nature of clients anticipated to receive service for the balance of the contract year; admission policies and procedures; ARCA's client follow-up capabilities; the location considered to be the client's home community; the age, sex and race of clients; information on the length of stay of clients in the program; coordination with related agencies (eg., the School District, Hope Cottages, etc.); and other matters which relate to the programs under the contract.

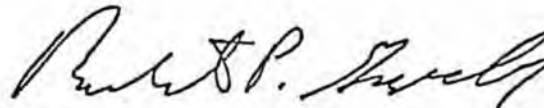
In order to accomplish the second purpose, which represents a preliminary stage in contract negotiations for FY 1979, the site-review team will look at the overall goals and methods of ARCA's programs both current and planned. Specifically, it is requested that a presentation be made to the site-review team of ARCA's five year plan, and in particular plans for FY 1979. In addition, I would appreciate having available at the meeting, (a) copies of ARCA's complete organizational chart, showing relationships among the Board, the Executive Director, and all personnel employed by ARCA and (b) copies of the current and projected (for FY 1979) financial picture for ARCA for each of the program elements, as well as the nature and number of anticipated clients in each program for FY 1979.

Based on the above, I have attached an agenda that, I feel, would allow minimum time for proper review and discussion. I would welcome any suggestion for altering the agenda so that a maximum amount of information is exchanged. Within ten working days after the review, the formal results of the site-review will be sent to ARCA in writing.

It would be appreciated if you could arrange for a room with tables and chairs to accommodate the site-review members during the two days. Also, I would appreciate your arranging for representatives of the School District, Hope Cottages, ATC and other organizations that have a significant relationship with ARCA to meet with the site-review team during the time period from 9:00 to 10:15 A. M. on Thursday.

I hope that the schedule meets with your approval. If not or if there are questions, concerns, or suggestions, please contact me at your convenience. Thank you.

Sincerely,



Robert P. Gregovich, Ph. D.
Program Administrator
Section of Developmental Disabilities
Division of Mental Health & D. D.

RPG/mcd
Enclosure:

PROPOSED AGENDA

ARCA SITE-REVIEW

FIRST DAY (Wednesday December 14, 1977)

- 9:00-9:30 A. M. Site-review team meets with ARCA Executive Director, Board Members and Staff to explain site-review and to refine or change agenda.
- 9:30-10:30 A. M. Habilitation plans reviewed and clients selected for program review.
- 10:30-12 A. M. Review of selected client programs.
- 12 Noon-1:00 P. M. LUNCH
- 1:00-2:30 P. M. Continuation of client program review.
- 2:30-4:30 P. M. Site-review team meets with ARCA Staff to question matters relating to the provisions of the Contract, (eg., staff organization, turnover, methods of administration, etc.).
- 4:30-7:00 P. M. DINNER
- 7:00-8:30 P. M. Continuation of meeting with ARCA Staff and review of evening program.

SECOND DAY (Thursday, December 15, 1977)

- 9:00-10:15 A. M. Site-review team meets with related agencies.
- 10:15-Noon Presentation and discussion of ARCA plans for FY 1979 and five year plan.
- 12 Noon-1:00 P. M. LUNCH
- 1:00-2:00 P. M. Continuation of morning presentation and discussion.
- 2:00-3:00 P. M. Site-review team meets alone to discuss and coordinate information.
- 3:00-3:30 P. M. Site-review team meets with ARCA Staff to clear up any remaining questions.
- 3:30-4:30 P. M. Site-review team meets with ARCA Staff and/or Board members to present and discuss preliminary results of the review.



SPECIALIZED TRAINING PROGRAM

Center on Human Development
University of Oregon
Eugene, Oregon 97403
(503) 686-5408

RECEIVED

DEC 23 1977

Developmental
Disabilities

December 19, 1977

Dr. Robert Greyovich
Program Administrator/Developmental Disabilities
Division of Mental Health
Department of Health & Social Services
Pouch H-04B
Juneau, Alaska 99801

Dear Bob:

It was good to meet and talk with you. I look forward to staying in touch, both as my interest in the Juneau and Kodiak groups continues, and at the Timberline Conference February 27 - March 2.

This letter will outline my impressions of the current services provided by ARCA under contract with the Office of Developmental Disabilities, the possible directions which appear potentially useful in planning your contract with ARCA next year, and your agency's review and evaluation process. I approached this task from the perspective of what is possible in such services, rather than what is common. Therefore, I have not tried to integrate any findings into any specific recommended course of action. No doubt several aspects of Alaskan services of which I am not aware will influence your final plans.

I. THE CURRENT PROGRAM

Although the current contract specifies a variety of services that could be provided, the majority of funds, and much of our attention during the site review, were focused on the Adult Developmental and Work Activity Center (ADSWAC). This program occupies one entire end of the ARCA Building, with a large work area, two large classrooms, an apartment unit, well-equipped space for self-care training programs, and one office area. Twenty-nine adults are currently served, most apparently labeled moderately retarded, with some having additional handicapping conditions. The program's emphasis is apparently on very simple vocational tasks with some adult education for most participants.

Cost. ARCA emphasized repeatedly that the agency's contract with ARCA for \$133,600 provides only a part of the current program budget. We were provided with figures which suggested that total costs were \$176,000 plus

\$71,000 administrative costs, for a total of \$247,000. For 29 clients, this represents a cost of approximately \$8,500 per person per year. This cost per day of service is still higher, when the 20 percent absenteeism rate of this quarter is projected for the entire year. The program thus seems extremely expensive. In times of limited social service budgets, I cannot help but conclude that such program costs are preventing the state from funding needed programs in other areas.

Participants. Such high costs are often associated with services for severely handicapped individuals. The participants in ARCA's ADSWAC program hardly fit this classification, however. My impressions were that most adults served were quite capable, and I repeatedly questioned why they were in the activity center rather than the workshop. I suspect that if adequate contract work were available, the large majority of clients currently funded by your agency could be productively engaged in the sheltered workshop with any necessary support available from OVR. There must be some more severely handicapped adults in the Anchorage area who would be more appropriately served under your contract with ARCA.

Habilitation Plans. Our in-depth review of randomly selected habilitation plans was designed to evaluate the quality of services afforded clients. From my perspective, the results were appalling. The habilitation plans bore little relationship to previous client experiences, to diagnosis, or to current and/or future lifestyles. Further, there seemed to be little relationship between the plans and what seemed to happen to the client on a day-to-day basis. The plans were so non-specific that they provided no basis for accountability either to the agency or client; there was little evidence of agency cooperation in development of plans; and there was no evidence that change of programs at ARCA was accompanied by negotiated change of habilitation plan. Clearly, this situation cannot be attributed totally to the ADSWAC staff. Mr. Killgore had approved plans which had no operational definition of treatment objectives. Adult education curricula are not yet so well developed that the task of defining realistic objectives is made easy; nor was there any evidence of ARCA administrative support in the program planning process. Nevertheless, it is difficult to imagine that an agency which purports to emphasize client advocacy could administer a program with so little accountability for client services.

Staffing. The ADSWAC program has experienced an almost complete turnover of staff during this fiscal year. It is thus hard to evaluate the effects which current staff could achieve. I was impressed with the openness of Debbie Cannon, ADSWAC director, and her willingness to develop and implement new procedures. It was unclear what authority she had within the overall organization vis-a-vis staffing, procedural, and service decisions.

Administration. Despite the \$71,000 administrative costs assigned to the ADSWAC program during this fiscal year, it was difficult to identify ways in which the ARCA administration was assisting the ADSWAC program in providing services. The careful accounting system now developing is a clear

exception to this impression. Otherwise, it appeared that being part of ARCA had increased difficulty in coordinating with other agencies, increased instability of staff, and resulted in little assistance in contract procurement, programming techniques, and identifying new clients. It was significant to me that the agency's 5-year plan did not identify a single improvement which they felt was needed in the current ADSWAC program. With the current ARCA program director, this situation may well become less acute, but it seemed to me too soon to project any meaningful changes.

Tentative Recommendation. On the basis of this admittedly limited information, I would recommend that the agency cease funding the ADSWAC program, unless major improvements are made during the remainder of this fiscal year.

II. 1978-79 CONTRACT WITH ARCA

Several observations during the two days at ARCA also bear on your agency's planning for a contract with ARCA next year. If your agency is required to administer a \$600,000 grant to ARCA, I would suggest consideration of the following:

Goals of the Service Program. The specificity with which ARCA's five-year plan detailed objectives of the corporation's advocacy activities should be repeated in the overall service program. Information which was available to the site review team included only static program descriptions, rather than projected goals. Then, as we were confronted with major discrepancies between the written descriptions and the program itself, it was unclear whether the current situation represented progress toward the objectives, problems in attaining them, regression, or a determination that other goals had been substituted.

Management Data. One of the most encouraging comments during the visit was Tom LaCroix's interest in the development of a system of data indicators of exactly how ARCA was progressing toward defined goals. In our site review, it was necessary that we attempt to glean from poorly organized data and observations exactly what was happening financially, programmatically and organizationally. The mark of a really good program would be that such data were not only available for reviews such as ours, but also were used systematically, by the program itself, to make management decisions. I would suggest that any future contract with ARCA specify outcomes in terms of total cost of services and program goals reached, and require regular monthly or quarterly reporting of relevant data.

Fiscal Planning. ARCA's planning for FY 78-79 at present seems far from adequate. Between now and July 1, 1978, the Office of Developmental Disabilities should monitor income trends to evaluate appropriateness of ARCA's budget projections and funding requests. The anticipation of major increases in several line items should be supported by income trends before April 1, 1978, in time for any necessary revision. It also seems that ARCA should be expected to make the greatest possible use of available space,

to reduce the incredibly high overhead costs to individual programs. One possibility which was apparent in our visit was that rather than the projected expansion of the building which houses the preschool, this program could be moved to the main ARCA facility. My own impression was that the available square footage was considerably underutilized. I would recommend that any future contract with ARCA require a significant decrease in administrative costs per client served.

Advocacy or Evaluation. The combination of advocacy and service functions in the ARCA corporation has created a situation in which there are no third party advocates for client services. I would strongly recommend funding of a third party evaluation or advocacy component in any future ARCA contract, with the requirement that this function be subcontracted to a mutually agreeable, independent third party.

Agency Budget Management. As I noted earlier, funding of the ARCA program at such a high level cannot but have impact on available dollars for other service programs in the state. Because of this interrelationship, I recommend that your agency adopt a policy of total service budget review by the State Developmental Disabilities Council or a group appointed by the Council. If ARCA's contention that it serves as a bellweather and model for other programs is true, representatives of those programs will no doubt welcome generous state funding of the program. If so, you may want to consider a stipulation in your contract with ARCA that one or two full-time staff be assigned to technical assistance to other state programs.

III. THE SITE REVIEW PROCESS

Although this site visit could well be a catalyst in changing some aspects of the ARCA program, I did feel there were some problems with our procedure. Further, I have some serious doubts about relying primarily on site reviews as a principal method of insuring program quality.

Sensitivity to ARCA's Position. I was continually impressed, Bob, by your expression of concern for situations which ARCA faced, your flexibility in offering agency assistance, and your appreciation of possible program qualities which were not well documented. I hope this is not interpreted as a lack of insistence on quality programs for clients.

Organization of the Visit. A few organizational details might have allowed us to accomplish more during the visit. While your letter evidenced considerable planning on your part, I felt that an initial meeting of the review committee alone could have clarified roles and focused our collective attention on relevant issues. There seemed to be some time wasted on tangential questioning, as well as some uncertainty on the part of one or two members on what role they should play. Finally, it could have been useful to include one or two service program directors in the state as part of the review team.

On-going Evaluation Based on Program and Fiscal Data. As a supplement to (or possibly even substitute for) future site visits, I would suggest

definition of several kinds of data which are regularly sent from ARCA to your office. The current quarterly reports to OVR are a start in this direction. Other possibilities might include the number of program goals reached monthly, the average productivity and earnings of each individual, job placements, staff changes, etc. To my knowledge, there are no really good models for this. Most state agencies with which I have worked have relied more on control by policy and site visit than regular data of verifiable quality.

Habilitation Plans. The area in which I felt your agency's activities were really questionable were in the approval of the habilitation plans we reviewed. It seems to me that a set of minimal criteria could be readily established to insure that plans such as these are not approved in the future. Requiring that goals specify client behavior and be operationally defined, that reliable measurement systems for each goal be in evidence, that review of plans involve data on previous plans, that changes involve your representative, and that treatments be defined, should not be too difficult to administer. I understand that Lee Killgore's responsibilities cover so many individuals that such criteria needs to be defined very carefully. A good effort seems badly needed, though.

To summarize: I approached my analysis of information from the ARCA visit from what I felt was possible to achieve in the ARCA program and the states' services for the developmentally disabled. The less than positive tone of my resulting comments should not be taken as evidence that those programs suffer in comparison with similar activities in other states. They reflect, instead, a realization that many of Alaska's programs are now at a critical stage of development, and many of what I consider mistakes of the past could be avoided with concerted effort. Good luck.

Sincerely,



G. Thomas Bellamy

Enclosures: Record of Expenses
Report of my ARCA visit, April 27-28, 1977

December 14-15, 1977

REPORT ON SITE-REVIEW OF ARCA
PROGRAMS FOR THE DEVELOPMENTALLY DISABLED

Robert P. Gregovich, Ph. D.

Program Administrator
Section of Developmental Disabilities
Division of Mental Health & Developmental Disabilities

HABILITATION PLANS:

Individual, time-limited, written habilitation plans were available for each client in the program but did not appear to be used by staff as a single document that outlined the major goals and programs for clients. Some of the habilitation plans were out-of-date. Major expectations for the clients role in society were not identified. Even though few clients were no longer in the program covered by the contract, and the shifts in client program were not revealed in the plans. Prior progress and development was not generally discernable from the plans, and it was, therefore, difficult to assess the degree to which the plans were reasonable and realistic.

Generally there appeared to be little consistency between the client's actual program and the written habilitation plan. It was stated by staff that some of the habilitation plans were not up to date and that even though changes had been made in the client's goals or programs, the habilitation plans did not reflect these changes. This is unfortunate because the habilitation plan is a document that permits a three-way concurrence among the client, ARCA and the Division. It represents a shared expectation of client progress and development on the part of the entities that are responsible for the client's progress and development.

CONCLUSION:

ARCA management should review the process of habilitation plan development and should adopt written policies and procedures for implementation in cooperation with the Client Program Manager of the Division of Mental Health & Developmental Disabilities (DMH/DD). A reassessment will be made by DMH/DD in April 1978.

CLIENT PROGRAMS:

Client programs were satisfactory. However, there was a lack of variation in daily activities as well as a lack of alternatives available. Most client's major daily activity involved Oshii's Rolling, which did not appear to be relevant to the skill levels of many clients. "Classroom Activities" in which the clients are taught relevant daily living skills were not in operation during the review due to the holidays. In place of "classroom activities", the production of Christmas decorations was substituted. Because, I was not able to view the "classroom activities" directly, it is with some hesitation that I make definitive judgements about the effectiveness of that program. However, from description made by ARCA staff, and after consulting with Dr. Bellamy who reviewed the program and curricula, I suggest that the program of instruction and training be reviewed by ARCA management for relevance in individual client lives. A recent contact by a parent of an ARCA client may illustrate the point. The parent complained to me that, upon a home visit, the client's clothes and underclothes were worn and in disarray, the client did not display knowledge how to hang up clothes, or how to wash them, or how to do simple ironing. Personal hygiene was also a concern. The parent indicated that these are things she felt were relevant to her daughter's life and that she should be taught these things. She was concerned that without these skills, her daughter would be unable to present herself properly and would be unable to successfully live independently. ARCA appears to be actively pursuing the obtaining of additional contracts to make programs more varied.

CONCLUSION:

Programs are adequate but should be more varied. More attention should be paid to individual needs of clients in terms of the relevance of program activities to their lives. Substantial progress should be made both in additional activities and individualized attention to client needs by April, 1978.

COORDINATION WITH OTHER AGENCIES:

It was reported that of approximately 25 adults who are receiving services under ARCA's contract with DMH/DD, 13 receive residential and habilitation services through Hope Cottages, Inc. An additional seven adults who receive services from Hope Cottages, are also, client/employees of the workshop. However, neither did the habilitation plans nor the client programs indicate that there was adequate coordination between the agencies responsible for services.

The Site-review team met with Mr. James Rich, Director Special Education in Anchorage, Mr. Bob Mullins, Director of the Alaska Treatment Center and Mr. Lee Mancusso of the program staff of Hope Cottages, Inc. It appears that it has been difficult for these related agencies to work with ARCA in the past, primarily because of ARCA's history of high turnover of both program and executive staff. However, all expressed a positive attitude toward the current executive and program staff, and felt that cooperative relationships would be better in the future.

It is anticipated that increasing numbers of severely and profoundly retarded persons will be graduating from the school systems and will need stable training and development services that are based on the person's individual needs. What is needed, therefore, are more varied programs than ARCA currently provides.

ARCA has been invited to establish a Special Education Advisory Board which should facilitate better coordination between school and ARCA programs.

Establishing a joint habilitation plan for each person served by ARCA and Hope Cottages was suggested by ARCA as a means to solve the problem of coordination between the two agencies.

CONCLUSION:

Coordination among agencies that relate to client program should be improved. Joint habilitation plans should be developed for all appropriate clients by April, 1978.

SPECIFIC CONTRACT PROVISIONS:

Starting page A-4 of the DMH/DD contract with ARCA are specific contract provisions that were reviewed for fulfillment by the site-review team. The following indicate those provisions that have been unfulfilled or only partially fulfilled.

- A-13: Partially fulfilled. Contractor to bill according to categories of Appendix B II or its revision for the balance of the contract.
- A-17: Appears to be partially fulfilled. Needs attention by ARCA management. Written policies and procedures should be developed to cover staff responsibilities and coordination with other agencies.
- A-21: Unfulfilled. List of clients should be sent monthly to the Client Program Manager.
- A-22: Unfulfilled. However, contractor agreed during the site-review to report all expenditures under the contract for the first six months of FY 1978 and thereafter submit monthly reports along with billings.
- A-23-26: Fulfilled literally but in need of refinement by both the Division and ARCA.

FUTURE PLANS:

ARCA GOALS: A presentation by Charles Melick member of Board of Directors was made on ARCA's plans for the future. Although still in the process of developing the final plan, and although not finalized by the Board of Directors, this activity was seen as being beneficial, particularly for those clients who are not currently being served adequately by other agencies. It should be pointed out that the plan dealt very little, if at all, with how the ARCA facility would be used, changes envisioned, increases in the number of clients, the nature of disabilities of clients, etc. Although not stated directly, it became clear during the presentation that ARCA was not only,

nor primarily, the provider of habilitation and vocational services to clients. Rather, ARCA's first priority is one of advocacy: seeing to it that mentally retarded children and adults are provided appropriate services by appropriate agencies. The providing of direct services by ARCA itself appears to be a secondary priority.

Prior to the site review, I had anticipated that ARCA would present a rather detailed plan for the future of the facility with emphasis on the upcoming fiscal year 1978-79. Given the past problems in staff turnover, organization, management, funding, contract procurement, program structure and client programming, I anticipated that the plans would deal specifically with these issues. This is not to say that the latter issues are being neglected. A new program director has recently been hired. New and additional staff have been recruited. Turnover is reported as being reduced during the past three months. Staff appears to be motivated and has a great deal of potential. Accounting practices appear to be better than a year ago. And, generally, the overall direct service program appears ready to attempt achievement of a new plateau of quality. However, this is to say that efforts to realize the new plateau of quality and amount of service by both the Board of Directors and the executive staff were expected to be more intense, particularly in light the substantial budget increase from FY 1977 to FY 1978. Also, even with the substantial budget increase, during the first half of FY 1978 few new clients seem to have been recruited; and few if any, clients have left the program or have moved to a higher level of independence. Except for the Early Childhood Respite program, the numbers of clients served appears to be the same now as a year ago.

CONCLUSION:

Because ARCA's direct service program is the first and far away Alaska's most highly funded non-residential community program for adults, and notwithstanding the need for advocacy on behalf of persons outside of ARCA's direct service program, the Board and Executive Staff should seriously consider directing most of its attention to its own direct-service system at this time. It is suggested that particular attention should be directed toward organizationally separating the advocacy and direct service elements. This is recommended for purposes of organizational clarity as well as staff responsibilities. This would also allow a more rational and less inflated determination of the cost per unit of service than appears to be the case at present.

OVERALL ORGANIZATION STRUCTURE AND PROGRAM MANAGEMENT:

The site-review team reviewed with ARCA staff an organizational chart that ARCA is using functionally but has not yet been approved formally by the Board of Directors.

Overall there appear to be 75 persons employed by ARCA. Of this number, 35 appear to be direct-service staff. The remainder are either administrative, secretarial, or support services staff or are involved in planning and data collection. Of the 35 direct-service positions, 6 are program directors who have responsibilities for supervision and management of the remaining 29 direct-service employees. Therefore, it appears that 29 of a total of 75 persons are working directly with clients fulltime.

A non-employed Client Representative (who is elected by clients) reports directly to the Executive Director. This is highly desirable for purposes of feedback to the Executive Director as well as a check and balance on the organizational system. Perhaps one could go even further, having a committee composed of a client from each of the programs reporting to the Executive Director.

There are separate directors for six programs, four of which appear to overlap to various degrees in purpose, function and clients served. These four are ADSWAC, Vocational Development, Vocational Training and the Workshop Programs. Of the latter four, the Vocational Development Program appears to serve as an intake, evaluation, placement, monitoring and follow-up system for adult services. The Vocational Training Program appears to train persons for outside jobs by means of jobs that are necessary to and within the facility itself. The Adult Development and Work Activity Center Program and the Workshop Program appear to be almost identical in purpose, function, and clients served.

The Early Childhood Program is separated physically and logically from the adult programs. The self-containment of this program is appropriate.

As best as I can discern, the Health & Social Services Program encompasses (a) the planning and data collection activities of the Board and (b) some training for clients by means of employment and/or supervision of 'ground crew' jobs. If so, the latter activities and functions are very similar to those under the Vocational Training Director. The former activities appear to be directly related to advocacy rather than direct service.

CONCLUSION:

1. ARCA should strongly consider separating direct services from advocacy-planning-data collection services.
2. Serious attention should be given to combining the ADSWAC and Workshop Programs under a single director.
3. Also, it seems that the responsibilities of the Health & Social Services Director that relate to training could be subsumed by the Vocational Training Program. The responsibilities relating to planning and data collection could logically be assigned to a staff position under the Executive Director.
4. Except for the growing Early Childhood Center, the number of clients being provided direct services by ARCA appears to be fairly constant. Given this, and unless ARCA finds that there are substantially more adults in the community that can benefit from ARCA programs, it is strongly suggested that the duties and responsibilities of personnel be assessed in terms of their relevance and necessity.

CURRENT OVERALL BUDGET AND BUDGET PROJECTION FOR FY 1979:

Currently except for the Early Childhood Center, there appears to be an excessive amount of money budgeted for the services that are being provided. That is, given the number and nature of clients, the same level of services could be provided with a smaller budget. In this, I agree with ARCA's Program Director who indicated that

with the same number of staff, the number of clients served could be doubled. There are just short of \$1,000,000 currently budgeted for services to about 75 adult clients per day. This represents an annual expenditure of about \$13,333 per client or about \$50 per client day (ie., about 265 days per year).

For FY 1979, the site-review team was presented with a projected budget for \$2,151,029 of which about \$1,800,000 is for adult services. If the total number of adult clients does not increase, the average annual expenditure per adult client will be about \$24,000 per year or about \$90 per client day.

CONCLUSION:

It is expected that the number of clients will be substantially increased during the current year and that a realistic budget for FY 1979 that is substantiated by actual need will be developed by April, 1978.

STATE OF ALASKA
DEPARTMENT OF EDUCATION

DIVISION OF VOCATIONAL REHABILITATION
MICHAEL C. MORGAN
DIRECTOR

JAY S. HAMMOND, GOVERNOR
338 Denali Street
850 MacKay Building
Anchorage, Alaska 99501

December 27, 1977

Robert P. Gregovich, Ph.D., Program Administrator
Section of Developmental Disabilities
Division of Mental Health & Developmental Disabilities
Pouch H-04B
Juneau, Alaska 99811

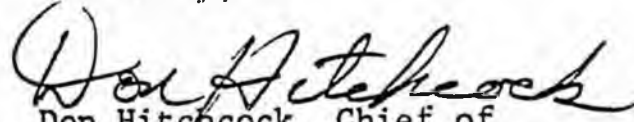
Dear Bob:

Attached are my comments in reference to the ARCA Site Review held December 14 & 15, 1977. Because you specifically asked Dr. Bellamy to address his report on Program Content, Mr. Branton to address the Budget Aspects, and Dr. Schultz to address the Medical, you will find my comments quite general in some of those areas.

I hope that as a member of the Review Team that we will have an opportunity to receive copies of the other team members' reports.

Thank you for the opportunity to be a part of this Review Team and I hope that my comments will be of some benefit to you in preparing your final report to ARCA.

Sincerely,


Don Hitchcock, Chief of
Rehabilitation Services

DH/rrr
Enclosure

P.S. Enclosed are the confidential ARCA client reports.

RECEIVED

DEC 29 1977

Developmental
Disabilities

MEMORANDUM

RECEIVED

DEC 27 1977

Developmental
Disabilities

TO: ROBERT P. GREGOVICH
PROGRAM ADMINISTRATOR
DEVELOPMENTAL DISABILITIES

DATE: 12/27/77

FILE NO:

TELEPHONE NO:

FROM: DON HITCHCOCK, CHIEF OF
REHABILITATION SERVICES
DIV OF VOCATIONAL REHABILITATION



SUBJECT: ARCA SITE REVIEW
DECEMBER 14 & 15, 1977

The Review Team started by reviewing the Contract for Services that the Department of Health & Social Services has with the ARCA association - Contract # 063974. Bob, my comments in reference to that contract, Appendix A, is that we would have better assurance of a service delivery system to the DD population if your contract was more specific. For example, under Appendix A, A-17 - it states that the contractor will take reasonable and necessary action regarding the medical needs of clients served under this contract. In reviewing some of the habilitation plans, there was one that ARCA had indicated that medical attention was needed for a client but the contract does not specifically specify how ARCA was to secure that medical and provide the adequate follow-up that was needed. It was also noted in Appendix A, A-21, 22, & 23 - were not being adhered to as described in the contract which would indicate to me that a closer monitoring system must be put in place to assure you as the contractor that all services that are being provided within the contract are meeting the needs not only of the clientele but an audit trail for your Division.

We reviewed five habilitation plans and had an opportunity to discuss these plans with the Program Coordinator. I am not quite clear if the habilitation plan format was ARCA's or if that is not a joint development from your Division. But, whatever, I think the form needs to be completely re-done allowing space for individualized habilitation plans with specific intermediate objectives and the rationale as to the methods and techniques that are going to be applied to reach the client's goals - both short term and long term. It was readily apparent in reviewing the present habilitation plans that there was inadequate information recorded on these plans to assist an employee in working with the individuals. It was also noted in discussing the habilitation plans with the ARCA employee that there is not a good system of exchange of information. Case in point was the client that was transferred from the Laundry to the Activity Center and the receiving counselor being of the opinion that the client was deaf and could not read. It was several days before the new worker realized that the client was not deaf and that he could read and sign his own name. The reason I make such a point of this is that ARCA has had some difficulty with staff turnover and if their records were adequate and specific enough that when a new employee came in he would have the opportunity to review the habilitation plans and at least have a starting point to work with the client. I would also recommend that a part of this plan would include enough medical history

DR. ROBERT GREGOVICH

SUB: ARCA SITE REVIEW

so that the worker would have some idea of the person's general health, if they are on medication, and if they have been known to another department in ARCA in the past some statement of their performance level at that area. After having reviewed these five habilitation plans with the Program Coordinator, it was noted in most areas that there was a breakdown in communication between ARCA's habilitation plan for the individual and Hope Cottage's habilitation plan.

I was pleased to note that you are in the process of a developing a policy assigning primary responsibility for health care; but, in addition to that, that anyone who is receiving services under your contract from both agencies must sit down collectively and develop a life habilitation plan for this individual and establish a system of sharing information as to the client's progress toward achieving such a goal.

I was quite pleased with Cheryl Horn's Infant Stimulation Program. We had the opportunity to review several case files. I thought the programs were well laid out with both intermediate objectives and long range goals for those youngsters and I'm pleased to note in each file that I had the opportunity to review that the progress notes were being recorded daily by the teaching staff. Although their physical facility is quite small, it was very well kept and clean and the staff that were present that evening were totally involved with their clients.

In reference to F.Y. '79's Budget Proposal that was presented to us in a total of \$2,151,000 plus and after a good deal of discussion both by Dr. Bellamy, yourself and the balance of the review team and inasmuch as Mr. Branton is going to write a full report on this aspect of the review, I will only make the following observation. It would appear that they decided how many staff they needed and what programs they were going to try to provide and the cost of these programs and staff, and then put together the revenue breakout without any hard data or firm written commitments from the people that they have listed as revenue resource. Their past history has indicated that they were able to generate \$180,000 in contract revenues and they are showing an estimated income of \$591,000. Yet, when questioned as to what the contracts were, we were advised that they have no new contracts but were in the process of looking. This past year, donations were \$1,500 but their proposed income for the next fiscal year on donations are \$22,800. Again, no true rationale as to where these funds will be generated. It was also noted that they show a 100% increase from the Division of Vocational Rehabilitation where they are indicating purchases of services amounting to \$253,000. Again, they have had no contact nor negotiations with this Division. It is well to note that the present staffing pattern at ARCA consists of fifty-two full-time line staff and twenty-five support given a total of seventy-seven full-time employees and their daily census of clientele fluctuates between fifty-two and seventy-five per day. That is an extremely high employee/client ratio to say nothing of the cost.

DR. ROBERT GREGOVICH

SUB: ARCA SITE REVIEW

It is not my intention to have this report totally negative. There are many good things that are going on in the client's behalf at the ARCA facility. The general appearance of the building is excellent, it's clean, attractive, the clients that I talk to and observe out there appear to be quite happy in their surroundings and the staff that I observed are quite attentive to the clients. It is my belief that ARCA is trying to provide excellent services but until they are able to get meaningful work activity that has enough variety and complexity so that clients with varying degrees of ability can be placed in a job function that would challenge them and give them a variety of work experiences that would assist them in reaching their maximum work potential. At the present time with the restricted contracts that ARCA now has, it is difficult to tell any difference in those people who are working in the Workshop and those who are involved in Activity Center. This was quite apparent in some of the habilitation plans we read because clients were being transferred from the Workshop to the Activity Center back to the Workshop when their primary job function was the same.

In reference to the five-year plan that was put together by the ARCA staff, I think it's excellent. They have done a great deal of research in identifying some of the needs for the DD population not only throughout Anchorage but statewide. In talking to members of ARCA's Board, I was pleased to hear that they don't plan to try to provide all these services but only to identify them and become the advocate to see that some of these services that are sorely lacking can be put in place. I think the Board and the research staff that put this together should be congratulated for a job well done.

In summary, ARCA has the facility and the desire to provide programs for the developmentally disabled. I would only suggest that they refine their goals to select those services that they can provide within a realistic budget and discontinue the practice of hiring staff to provide additional programs when they do not have a revenue base to fund such programs or staff. I am sure as they try to pursue additional contracts that they are fully aware that they must have start up money to develop the jigs and the required tools and equipment to meet the contract performances and it would only make sense to me that they would have this money intact, identified for that purpose, before trying to secure contracts and then be dependent upon grants to meet staffing and equipment needs. Somehow ARCA is going to have to realize that they are a non-profit corporation and not as they would like to be a totally State-funded facility which they are at the present time; and if the \$600,000 does continue that your Division has some control over the amount of money going to staff versus client ratio.

Robert, I will be looking forward to receiving a copy of your final report and more specifically in seeing some changes that I am sure will come about in the ARCA organization.


DH/rrr

TO: Robert P. Gregovich, Ph.D.
Program Administrator, DD
Division of Mental Health &
Developmental Disabilities

DATE: January 6, 1978

FILE NO:

TELEPHONE NO:

FROM: Thomas R. Branton 
Assistant Director
Division of Mental Health &
Developmental Disabilities

SUBJECT: Site Review: ARCA
December 14-15, 1977

I. The Process

Members of the review team each received copies of the proposed site review agenda, a brief explanation of the scope and purpose of the review and specific case file information. Various professional disciplines are represented by the review team and the preliminary distribution of information served to establish a common base line from which to begin the actual review activities.

An adequate meeting area was made available by ARCA in the form of a large class room. This location, central to much of the activity of ARCA, was most acceptable and appreciated by the review team. As was convenient to their schedule, staff of ARCA were individually able to "drop in" during the review process. This was not anticipated by the team but did add a beneficial dimension to the review. It is not known how strongly the "drop-in" was encouraged by the ARCA management; however, the drop-ins were helpful in clarifying a point or adding additional information.

Action Comment: The site review process should be openly discussed and understood by staff and clients and participation encouraged.

The review team was welcomed by the executive staff and representative Board members of ARCA. Agenda adjustments were made and a firm agenda approved which would allow the review team and the ARCA Board members the maximum opportunity to relate to each other. In actual fact, there was a noted lack of total Board participation in the review process. Board involvement seemed to be primarily a function of "selling" the review team on concepts and structures which were of individual or of special interest; a curious mixture of a lobby effort, individual endorsement of specific staff persons or concepts, and masked questions concerning the realm of "how much of what we are doing have you discovered". This would support a belief held by this reviewer that there is not an effective or totally trusted or clearly understood relationship at ARCA between the Board and the operating management structure.

Action Comment: The scope of ARCA should be defined by structural limits rather than conceptual limits, i.e., ARCA will limit its self to provide specific support and services to a specific number and type of clients within a specific area vs. the operation of a total rehabilitation facility. The ARCA Board should

further develop a precise and measurable goal or set of goals which they expect to happen and limit and hold the executive operation to only those goals; and until those goals are met, no redirection or expansion or change of program thrust should be tolerated regardless of the need. Currently, in an attempt to be so gross in their scope, ARCA has no "management gate keeping". ARCA has identified almost a limitless services demand, and trying to somehow address this universe dilutes the effect of any single activity, makes evaluation and accountability of management staff impossible as well as presents an open ended situation in regards to the need for financial and other resource demand.

After the initial Board-review team meeting, the various phases of the actual review began with a review of selected case history files (habilitation plan review). The evening agenda was an open meeting with staff and Board to review the 5 year plan, as well as an overview presentation of the ECC program (early childhood center). The a.m. of day two of the review was devoted to an examination of the interagency relationship of ARCA with Hope Cottage, local school district, Alaska Treatment Center, etc. Fiscal structure, budget, contract compliance and the overall management systems of ARCA were reviewed in the p.m. of day two with a concluding exit interview with staff and Board.

Action Comment: Scheduling of Board, staff and review team members caused much disruption during close-out of the site review. A fixed schedule should be locked into which could assure that all parties can be present until the process is concluded and the review team should meet as a group for a formal consolidation of information prior to leaving the site.

II. The Review

A. Individual Client Habilitation Plans:

A sample of plans was randomly selected from the total number of clients enrolled under state funded programs. Of note was the fact that more than 1/3 of the total randomly selected client plans represented situations where the client not physically available on the days of the review. It is unknown whether this is representative of a trend or condition such that a significant number of cases reported to be in receipt of full-time service and ARCA programs are not in fact regularly consuming the program. If true, all reported statistics, cost unit figures, etc., could be highly inflated.

Action Comment: All volume data and computation should be based on a unit of service actually consumed (delivered) and not on enrollment data or potential for delivery or consumption.

Individual plans are reported to be a product of a concert of parent, client, and ARCA input. It seems questionable whether the client has any great influence on the program and the parent is not in attendance in many instances which results in a plan which may meet the needs of the facility as a primary consideration. This is evidenced by clients who are second or third time through a training process or in a specific program for reasons which are not supported by the history file.

Action Comment: No plan should be completed unless and until all required parties have met. Review schedules should be sent out well in advance to all concerned and failure to appear should result in client not being admitted.

Elements included as a part of the plan often depend on a consistent response to achieve a needed reinforcement effect for the client; however, the content of the plans reviewed seemed to be little known or poorly understood by the persons who would logically be responsible to follow through with the reinforcement actions. All persons in a working relationship with a client should have a full understanding of the plan content and the rationale for the plan content.

The "master" files of the reviewed clients were compared with the plans. There was some failure to utilize all the available file information in the development of the plan.

Action Comment: The available information on any given client is not being distributed or used to its fullest potential. A single client file should be maintained with all known data and this data file should be kept current, e.g., production charts are often six months behind. Current medical data is not considered in update review of plans or prior experience of a client within a program is not considered. Also, the quality and source of information contained in the file should be identified.

Progress reports and client goal attainment was compared with expectation and time frame set out by the plan. In fact, little relationship between current data contained in a file and goals for the client could be found.

Action Comment: Goals as set by the rehabilitation plan should have some established measurement system attached so progress can be recorded and the person most able to measure that progress should know of their role, i.e., in cases where one person such as the teacher are primary in the client reaching their goal, the expected recording of measured progress should be clearly understood by the teacher.

In all cases special note should be made to assure that the rehabilitation plan is, in fact, relevant to the client's point in life and realistic. Some plans seemed to be "backed into the system". The client was "fit" into a program and then a plan was written to justify the client's assignments. Conditions actually bringing about the client's program seemed to be non-client oriented such as a need for increased production to meet a contract or financial backing available to a client in program "A" but not in "B". One case contained a note "hold in suspension until funds become available to do evaluation". This case had been in various ARCA programs for over three years and the file contained volumes of evaluation data. It would seem that the client is only a means to an end; the collection of dollars and the plan was a function of who would pay the bill. This particular client had, as a current plan, a goal to be in the training program in silverware and placed in the workshop; however, in 1974 this client had achieved a 30% production record in the workshop in silverware.

In further regard to the goals of a plan having a realistic relationship to the client's life position, it is suggested that especially the goals for older chronic cases not be concerned with learning skills which they will never use. Efforts should be toward making their remaining life as comfortable as possible to them rather than an unusable uncomfortable learning event.

Action Comment: All plans should have a proper balance between the clients' real life situation here and now and the goals of the plan; be realistic not only to the clients' ability but also the clients' need.

B. The Review: Five Year Plan

The development process for the five year plan was explained and "draft copies" of the plan were distributed. This is a large document which represents a lot of effort and work on the part of many people. We were told that the major efforts were those of CETA employees and the cost of these employees was a part of the overall operating cost of ARCA, i.e., the plan was a product of ARCA.

This five year plan, of itself, is seen as a valuable resource document; however, it speaks to the total universe of the service and program needs of the disabled and handicapped in the Anchorage area specific and statewide by implication. What is needed is a linkage between the five year plan and the elements of the plan where ARCA expects to be the primary provider. Then the specific items and plan for ARCA's involvement need to be spelled out.

Action Comment: A specific five year plan which speaks to the "nuts and bolts" involvement of ARCA needs to be developed which might state, as an example, that a sheltered workshop to provide shoe repair service will be opened when a demand of 15 clients has been confirmed, etc.

The five year plan which was presented is a confirming document of the need to clearly define the limits of activity of ARCA and separate the operation of specific programs from the more generalized planning and advocacy functions for all programs which might relate to handicapped and developmentally disabled.

C. The Review: Early Childhood Center (ECC)

The ECC review was allocated little time during the review process; however, it was time enough to realize that this single program is a desirable model for what should be the status of all of the ARCA operation. Records were relevant and current, staff were totally involved and a healthy team effort and coordinated approach was much in evidence. The limits of what was expected of the program were clear at all levels within the program.

It is my opinion that this program is operating quite independently of all other ARCA programs and has a high degree of autonomy. This is seen not only in the operation of the program which, in most ways, is not similar to the other programs of ARCA but also in the fact that most other program and management persons at ARCA seem only casually aware of the internal ECC program operation.

Action Comment: The ECC program should be studied to identify many of the positive management and program techniques and these put in practice in other programs when practical.

D. The Review: Interagency Relationships

Representatives of the several Anchorage agencies who relate through a common denominator of being involved with the same or similar clients meet individually with the review team. They each discussed their experiences with ARCA. Some comments of importance follow:

1. Much of our problem results from the fact that ARCA has been very unstable as an organization for some long time. We cannot be certain that we will be dealing with the same programs or people from day to day.
2. The high turnover of staff at ARCA makes it most difficult to work individually on a one-to-one professional level.
3. ARCA too often has only excuses and empty statements when asked about the status of programs they earlier told us they would have on line. "You can't depend on them."
4. Some agencies felt ARCA placed too high a priority on production to meet contracts and was, therefore, not willing to admit clients who really needed help but had a very low production potential. One agency referred to this as client skimming.

5. The public image of ARCA is very much one of being a program for mentally handicapped which makes it difficult to get physically disabled persons to participate in the program. "Industrial accident victims do not want to associate with mentally retarded folks."

6. There is a certain amount of duplication of services as more than one agency may serve the same client and communication is often lacking about what service is done.

Action Comment: The establishment of an inter-disciplinary council in the Anchorage area is suggested. This council could serve as a pivot point and coordination for program and services. After listening to the various inter and intra involved program representatives, I was impressed by the fact that a given client can survive within the existing system. There are many diverse and uncoordinated actions, agencies, and expectations to which each client is expected to respond. There is no single point of appeal.

E. The Review: Management Systems

The review team was provided a number of organization charts, budget documents, cost figures, etc., for a basis. Several of the top management staff were available to answer questions and provide background and otherwise "flesh out" the provided data.

There seemed to be a remarkable lack of comparative data which seemed valid. The collection systems, management structure, etc., appear to have undergone an almost constant re---organization, vision and structure to the extent that little of what exists at this point in time has a clearly identifiable counterpart in earlier data. The result is a tremendous volume of numbers about a lot of things, most of which seem to have a limited value to giving any understanding about what is going on.

It is not within my ability to discover what numbers are being used to justify what exists or has existed and what numbers and volume relationships are the dependable basis for decisions, both past and present. As an example, the projected budget is based on the delivery of services to a much larger population. There is no data to indicate where this increased population estimate comes from or if it even exists. Without having the population (consumer) identified, it seems somewhat presumptuous to deal in specific types of programs which will best serve the unknown client?

Other numbers talk about the staff-client ratio but examination supports the belief that what is reported to be program staff may, in fact, be collecting data or otherwise not directly serving clients. As an example, the CETA employees who have been involved in data collection for the five year plan are, at points in time, shown as line staff whose expenses are an expense to that program.

There seems to be gaps in communication between various levels of management. A total of 35 staff (FTE) are reported to be in a "hands-on" role with clients; however, at the time of review this number was not observed and the bulk of the "hands-on" relationships seemed to be more in the realm of 15-20 maximum. Of this number it seemed doubtful that any great number of one group had more than a most vague idea what any other group was doing. Supported by the organization chart and observation is the fact that it is a long, long way from the client to the director and many functions and side roads are in evidence in trying to make such a management journey.

It is highly unlikely that anyone within or outside of the organizational structure of ARCA could accurately describe what any given result would occur from a given stimulus applied at a given point to the structure. This is perhaps another way of stating that there is really a non-structure; more a collection of small groups acting in a casual and somewhat random relationship one to another and held together by some unknown fiber.

Entering into this arena of unstructured and non-directed activity is a sense of change. Most staff felt things were getting better but were unable to elaborate on this feeling to give it demens'on. Whether things are really getting better is unknown and, given the vast volume of numbers which are difficult to relate to the real management world, I am left with a feeling of concern and frustration. It is most difficult at this stage to separate the honest optimism and beliefs of the management and board from statements inspired to be the "right response" to a question.

III. Summary

It is recognized that the thrust of this reviewer's observation is negative. Perhaps this is because it is my thought that extensive reporting on things which are okay might be pleasurable reading but would serve little purpose.

The actual delivery of service as is being done by ARCA is much needed in the Anchorage area. The simple fact is that these needed programs must exist and ARCA is meeting that need. There is little if anything about the ARCA programs which is unique. It is a stereotype program which could be observed at many sites throughout the United States, so far as actual delivered program is concerned. The striking element of ARCA is that the financial front end (budget and recorded expenditures) and the reported ability to deliver services sets a stage for a much greater expectation of quality and service than is there. The actual delivered program is simply not soundly reflective and supportive of the cost (budget). Considering the actual hands-on program, the financial outlay is much greater than one would expect to find. The number of staff seems to constitute an ability to give a much higher quality of service. Given the resources reported available and used, more innovative and imaginative approaches should be observed and a unique first class setting operation should have been observed. This quality simply is not there.

Action Comment: Action is needed to get the unit cost of delivered program in step with the nature, quality and demand for that program. It is costing the consumer far

too much for what is being delivered. The need of getting program cost and effectiveness together in some more acceptable relationship is the bottom line of what this reviewer found. Until there is a more realistic relationship established, a framework to realistically evaluate ARCA is lacking, i.e., a program which is good, per se, may be viewed differently if it is costing twice as much as a similar program elsewhere or if using 10 more staff or if only serving 1/3 as many clients as the comparative program.

TRB:prp

RECEIVED

DEC 23 1977

Developmental
Disabilities

December 22, 1977

Robert P. Gregovich, Ph.D.
Program Administrator
Section of Developmental Disabilities
Division of Mental Health & DD
Department of Health and Social Services
Pouch H 04J
Juneau, Alaska 99811

Dear Dr. Gregovich:

Re: Report on ARCA Site Review
December 14 & 15, 1977
Anchorage, Alaska

The following is my report on the subject site review. I would like to preface the actual report with a few comments which I feel pertinent.

As you know my experience in the field of the handicapped is relatively new. I have a 9 year old physically handicapped child and for the past 2½ years have worked in an administrative capacity for Henri House, Inc. and since its opening the St. Jude Center. For these reasons, being a parent and affiliated with an organization giving service to the developmentally handicapped, I am a member of the Governor's Council for the Handicapped and Gifted (formerly the Alaska Planning Council for Persons with Developmental Handicaps).

Other than a quick tour of the ARCA facility as a member of the Governon's Council during their last meeting in Anchorage in October, prior to the site review I had very little background information on ARCA, its services, previous problems, etc. I have also never had the opportunity to visit any facility similar to ARCA and therefore have no real basis of comparison.

Through my affiliation with the St. Jude Center I feel somewhat familiar with an organization such as ARCA, the relative difference being primarily services provided by ARCA are for the adult handicapped persons and ST. Jude serves the handicapped child.

I am assuming that my membership on the site review committee was for the purpose of an independent objective opinion from a person whose background differs from the majority of the rest of the committee; in other words, a possible consumer of services. I feel my impressions, assessment of services, recommendations, etc. will vary from other site review committee members all of whom have an educational background and considerable experience in providing programs and working with the handicapped and in fiscal matters as they pertain to an organization of this size.

Personally I feel my membership on the site review committee was a very real educational experience. Thank you for the opportunity. I hope my assessment will be helpful in the State's further relations with ARCA.

ARCA SITE REVIEW REPORT

by Joan Jordan

In this report I am not going to reiterate every detail of the two-day meeting. I am sure in your formal report to ARCA you will incorporate the general information you feel necessary such as members of the site review team, where we met, ARCA staff present, etc. I will limit my comments to the main topics of the site review, i.e. habilitation plans, contract provisions, review of Early Childhood Center, ARCA 5-year plan, meeting with related agencies, observations of programs and FY 1979 budget.

HABILITATION PLANS:

Several client habilitation plans were selected for review from the 29 supplied the committee members by Lee Killgore, Client Program Manager, Division of Mental Health & DD. Ms. Debbie Cannon, Director of the ADSWAC who we were informed has direct responsibility for the implementation of these plans was brought into the meeting for discussion.

After review of several plans it was my impression that the plans were merely an attempt at devising a document to fulfill the State's contract provisions. Information regarding each individual client seemed to be in several different files kept in several different places. In general discussion it did not appear that the staff preparing the individual plans obtained information from all the files before preparing the habilitation plan. In comparing some of the plans against the general files there appeared to be conflicts in at least one of the clients reviewed.

It was also brought out in the discussions that a few less than half of the 29 clients resided at Hope Cottage, who also must prepare individual habilitation plans. There appeared to be no coordination between the two agencies in preparation of the plans. Ms. Cannon stated that the client's houseparents are always invited to be client staffing, but do not always attend.

I feel the habilitation plans should be used as they are entitled, "Individual Program Plan". Some type of written record should be kept insuring that each teacher is recording the client's progress in achieving the stated goals. Productivity is recorded but this is not necessarily the only goal on the plan and I do not feel should it be the only measurement of the client's success.

Ms. Cannon felt that the individual teachers were recording the client's progress, but the committee was not shown any documented proof of this.

In all fairness to ARCA the timing of the site review did not permit a second staffing on the client's habilitation plan. It would be more informative and possibly easier to evaluate when each of the clients have had the opportunity of a second written plan to compare the continuance of programs and progress of the client in the program.

The committee then attempted to meet and talk individually with each client whose plan we reviewed at their work station. It was most interesting talking with them. Each appeared to be happy in what they were doing and expressed no dissatisfaction. I was very impressed with Ms. Cannon and her staff in their relationship to the clients. They seemed to be very patient and gentle.

Recommendations:

1. All information on individual clients should be kept in a central place to insure staff preparing habilitation plans have all possible information available in making assessments and setting goals.
2. Habilitation plans should be coordinated with those of other agencies for the same client, such as those clients at Hope Cottage.
3. Progress, or lack of progress, should be recorded in some timely manner by the teachers directly responsible for the clients. This information should go into the client's permanent file.

CONTRACT PROVISIONS:

The committee reviewed with ARCA administrative staff the provisions of Contract 063974 and in particular Appendix A. For the most part it was found that ARCA was in compliance with a few minor exceptions that were discussed and agreed procedures set up to comply.

A-13: Billing was discussed and agreed that they would be in the categories described in Appendix BII and not for the flat 1/12 of contract amount as in the past.

A-21: A list of current clients under the contract would be sent to DMH/DD monthly

It was found that the habilitation plans as the committee reviewed did contain the information required and were in compliance with the contract.

Recommendations:

No specific recommendations other than compliance with the contract with regard to the above stated exceptions.

REVIEW OF EARLY CHILDHOOD CENTER:

On Wednesday evening the committee toured the ECC. Ms. Shirl Horn conducted the group through the center and explained the background and working of the facility. The center appeared to be well staffed and the children happy. We randomly chose some of the children's records to peruse. I found those I looked at in order.

Recommendations:

No specific recommendations.

FIVE YEAR PLAN:

Also on Wednesday evening the committee met with several members of the ARCA Board of Directors as well as the administrative staff for presentation of the ARCA 5-year plan. I must commend the planning committee on a job well done.

Recommendations:

I have no specific recommendations except to comment that by adoption of this plan ARCA has committed itself to a tremendous task. It is my hope that the plan will not just become "words on paper" to fulfil some requirement, but that it will truly be a program plan that, if completed, will benefit the handicapped population of Alaska.

MEETING WITH RELATED AGENCIES:

On Thursday morning the site review committee together with ARCA personnel met with representatives from Hope Cottage, Alaska Treatment Center and the Special Education Department of the Anchorage School District.

All agencies seemed to echo each other in that they each experience a cooperative attitude with the ARCA facility, however the past difficulties in the organization have prevented them from forming any real lasting coordination in programs.

All the agency representatives express a desire to set up a coordinated program with ARCA and felt that problems could now be worked out.

The problem of coordinated habilitation plans was discussed specifically with the Hope Cottage representative.

Recommendations:

I feel that the ARCA facility is a natural stepping stone for continuation of programs from all the related agencies. Coordinated habilitations plans should be designed around the "whole" client and not just the time he is at ARCA. Coordination is especially important for those clients residing at Hope Cottage.

OBSERVATIONS OF PROGRAMS:

The committee requested a tour of the facility with an opportunity to observe the clients in their actual programs. During the tour we visited with many of the clients and observed the different operations. I have no real basis for comparison of the ARCA program, however, it was my observations that all the clients were engaged in meaningful tasks and appeared to be happy in performing them. I was also impressed with staff and their supervision of the programs.

With the ultimate aim of the training clients receive being employment in the community, I am not sure how much opportunity there is for persons who can package silverware and fold oshis. I am sure there are more sophisticated programs available and the ARCA clients could be trained in more difficult tasks than those demonstrated. However, realistically we must ask the question just how many opportunities are there really available in the Anchorage area. Perhaps not very many.

Recommendations:

The committee was informed that a relatively new position has been created in the ARCA organization. That position is Contract Person, whose responsibility it is to obtain more contract work. It would be my hope that this person will be able to search out new work contracts so that a more varied program can be offered.

BUDGET:

On Thursday afternoon the proposed ARCA FY1979 budget was distributed and discussed. At this point I'm sorry but I must say that I could not take that document seriously. The cost per client in every program is unreasonably high. Average daily client attendance was reported to be 72, number of employees in facility was stated to be 75, 75 less the 12 staff members in the ECC makes a total of 63 staff to 73 clients or a little less than a 1 to 1 ratio. I feel this is a very high ration especially when it was

December 22, 1977

stated that only 35 of the total 75 staff members give direct service to the client. Administrative overhead seems way out of line.

Recommendations:

Rather than increasing next year's budget I would rather see some fiscal responsibility shown by direct efforts to decrease expenses, get client costs down by putting more clients into the existing programs, thus also reducing the total staff to client ratio to a more realistic figure.

SUMMARY:

Through the entire site review I kept asking myself the question, if I had a mentally retarded child would I want them to be in the ARCA program as I saw it. My answer was yes. I am sure there are better programs somewhere, but I felt the clients I saw at ARCA were happy, well treated and involved in a meaningful program. The staff I observed appeared to be the dedicated people it takes to work daily with the handicapped adult. I think the questions must be asked ---- if clients were not involved in the ARCA program where would they be? What would they be doing? What would their daily achievements be?

Granted ARCA has had its administrative and fiscal problems. From their budget document it appears that most of its funding comes from various contracts with State agencies; thus the State has a very vested interest in seeing that the client is served first with the best program available with the least client cost. If consultant services can be utilized in evaluating the programs versus costs, then I believe it should be considered.

It was a pleasure working with you and the other members of the site review committee. The ARCA staff also afforded me every courtesy during our review. I hope these comments will be of use. If you have any questions, please let me know.

Sincerely,



Joan Jordan

MEMORANDUM

TO: Robert Gregovich, Ph.D.

DATE: December 22, 1977

FILE NO:

TELEPHONE NO: 277-1425 or 277-1426

FROM: Jeanette Schulz, M.D. *J.S.*

SUBJECT: ARCA Site-Review 12/14/77 and 12/15/77

I. Overall impression of ARCA activities.

ARCA is attempting to meet the needs of disabled persons not well-served by health and/or educational professionals; that is, infants birth to 3 years of age and adults 21 years and older who may or may not be living at home. The staff is new, most programs are in the planning stage, capacity is not yet determined, and long-term client needs are unknown, though data collection to discover these needs is planned.

In general, I got only a vague impression of how and when professional services (medical, social, psychological, dental, optical, audiological, P.T., O.T., etc.) given a client are coordinately planned or discussed with residential or home care personnel and ARCA staff. In general, the Early Childhood Center staff appeared better oriented toward the "total" client than did the Adult Services staff but then the former has a distinct advantage: Past histories are shorter and goals are related to age as well as disability. Nevertheless, all Adult Program staff need first of all to be aware of each client's difficulties and lifestyle and how a specific activity or program is intended to enhance that client's total well-being. While documentation of short-term accomplishments is important, integration of those accomplishments with more global goals will determine the ultimate value of the program.

The dual role of ARCA as service provider and advocate still exists even though there is a clear paper separation of Rehabilitative Industries from the organization. The ultimate difficulty is suggesting each client of a combined service/advocacy system needs an advocate! It does not seem adequate to assume a parent or a house parent is that advocate. The absence of staffing with those significant persons in a client's life who may spend more time with the client than any individual programmer, or who may concurrently be treating a client for one problem or another, hampers a clear understanding of achievement or lack of it.

Client's participation in program-planning is essential but this cannot replace adequate professional communication between all service-providers for the client's benefit. Ultimate cost-benefit of the program will be determined by total benefits not just production figures.

RECEIVED

DEC 27 1977

II. Recommendations

1. Commend ARCA for the great effort begun in dealing with the difficulties of developmentally-disabled persons without the advantages of early special education or non-institutional lifestyles.
2. The five-year plan might better reflect the realities projected for future client needs: that is, severely-profoundly retarded and/or multiply-handicapped persons unable to survive and function even semi-independently in the community. The present group of clients is, hopefully, not a fair representation of future clients, and, in general, is probably higher functioning and better able to be rehabilitated.
3. Jim Rich, Director of Special Education in Anchorage alluded to ARCA as "post-graduate secondary special education." If the skills currently being taught at ARCA cannot be learned by age 21 years, it is highly unlikely they will be learned after 21 years. I recommend discussion with the Department of Education to determine which of the goals of special education for 3 to 21 year old individuals will be met by the schools and which will be purchased from Rehabilitation Industries. Future graduates of special education will, hopefully, be much more skilled than present graduates.
4. There needs to be a clear definition of long-term goals in relation to lifestyle and prognosis. No person's long-term term ought to be "shelter workshop" unless it is clearly understood that it is the considered opinion of all professionals that the client will always require sheltered employment and sheltered living.
5. Staff needs to be very aware of which clients are projected long-term sheltered employees and which clients are expected to graduate to more independent occupations. The client census and turnover rate from my brief glimpses at this time is high level and, probably, high turnover.
6. A behavioral psychologist would be a worth-while professional service for clients and staff dealing with a variety of behavioral and emotional problems. Behavior modification efforts would be more productive with more professional input.
7. Early Childhood Center: A distinction between budgetary items relating to handicapped children as distinct from normal children in the day-care and "respite" (evening baby-sitting) activities would be desirable.

- Since
- a) 1/3 of the population is not handicapped,
 - b) Most parents pay for day-care and respite services
 - c) The infant learning program is paid for by \$30,000 from the Section in Family Health, and
 - d) The municipality provides funding, it is not clear how state contract funds (10% of total) are allocated for "evening and weekend Respite care for families of developmentally disabled children." Perhaps it costs \$13,373 to keep the center open evenings and weekends (?).

mw

LA21 3814 17.02 JAO1 0151 17.02 03/29/73

Add to HB 901

TO: MERLE, ED
FROM: APRIL, B3X

THE FOLLOWING IS THE FIRST PORTION OF MESSAGE TO
REP COMPANY:

WE ARE IN A POSITION AGAIN TO ASK FOR FISCAL ASSISTANCE
FOR OUR VOCATIONAL REHABILITATION PROGRAM THROUGH HOPE
INDUSTRIES/AIRBANKS REHABILITATION ASSOCIATION, INC. WE ARE
SEEKING \$35,000.00 TO SUPPLEMENT OUR REVENUES FOR THE
BALANCE OF FY 73.

WITH THE LEGISLATIVE SUPPORT OF THE PAST YEAR WE HAVE ENJOYED
A DEGREE OF STABILITY UNKNOWN TO US PREVIOUSLY. WE ARE
WORKING WITH A SOUND BUT TIGHT BUDGET THIS YEAR AND REPORT
OUR FINANCIAL STATUS QUARTERLY TO THE DIVISION OF VOCATIONAL
REHABILITATION THROUGH LINE 00341 IN JUNE 73.

THE VARIABLE IN OUR FINANCING STRUCTURE IS THE SALE OF PRODUCTION
ITEMS. IF THIS WERE AN ORDINARY PROFIT ORIENTED BUSINESS, IT
WOULD BE REASONABLE TO DEDUCT COSTS. AS REHABILITATION REQUIRES
MAY STAFF AND WE DO NOT DIRECT PRODUCE, SALE-GENERATED INCOME
HAS PROVE SUPPLEMENTAL TO OTHER INCOME SOURCES. APPROPRIATE
PROJECTION OF FUTURE CONTRACTS IS DIFFICULT AT BEST. OUR MOST
VALID ESTIMATE OF CONTRACTS OBTAINABLE THROUGH THIS WILL RESULT
IN AN INCOME TOTAL OF \$25,000.00.

MERLE: YOU SHOULD HAVE TWO OTHER SEGMENTS TO THIS MESSAGE.
IF SO, MESSAGE IS COMPLETE, IF NOT LET ME KNOW. MESSAGE
ACK WHEN MESSAGE DELIVERED. THANKS. /s/ B3X

LA21 2372 13.46 JAD1 0034 13.46 03/29/78

TO: CINDY, JNU
FROM: AILEEN, FBKS

(CONTINUATION OF MSG. TO REP. COMPT)

AN EXPENSE OVER-RUN OF ABOUT \$10,000.00 WILL OCCUR AS A RESULT OF A RECENT DEPARTMENT OF LABOR AUDIT OF OUR GENERAL SERVICES ADMINISTRATION LABOR ACTIVITY. IN AN HISTORICAL EFFORT TO TRIM EXPENSES, WE ARE NOW EXPECTING TO BE FINED \$9,000.00 - \$10,000.00 FOR BACK WAGES AND BENEFITS FOR 2 YEARS. WE HAVE NOT YET RECEIVED THE WRITTEN REPORT.

FOR YOUR INFORMATION, I AM NOTING OUR INCOME SUMMARY, ACTUAL AND PROJECTED FOR FY78.

INCOME	SALES	150.5 M
	SERVICES OVR	39.4 M
	GRANT	23.5 M
	STATE APPROP.	100.0 M
	OTHER	1.5 M
	TOTAL	324.9 M
EXPENSES		359.2 M
LOSS		-35.2 M

(TO BE COMED) /A/ BOB

LA21 2524 14.05 JAD1 0035 14.05 03/29/78

TO: CINDY, JNU
FROM: AILEEN, FBKS

(CONTINUATION OF MESSAGE TO REP. COMPT)

IF INTERESTED THE COVERED TIME PERIOD FOR FY79 INCLUDES A RE-STATEMENT OF THE \$131,000.00 GRANTING TO THIS YEAR, TO BE RE-ALLOCATED TO MAINTAIN THE DIVISION OF WORKING CAPITAL. WE INTEND TO MAINTAIN THE INTEGRITY OF THIS ALLOCATION FOR THE VOCATIONAL PROGRAM. AS COSTS WILL NOT BE INCURRED WE WOULD BE CONTINUATION TO INCREASE THIS AMOUNT TO \$137,000.00 WHICH REPRESENTS THE AMOUNT OF ALL 1978 ALLOCATIONS LESS \$10,000.00 WE WOULD BE RE-ALLOCATED TO MAINTAIN THE INTEGRITY OF THIS ALLOCATION.

IF ASSOCIATED WITH ANY OTHER INFO YOU CAN GIVE ME, I WOULD BE VERY GRATEFUL. APRIL 1 AM 1 AND WILL SEND TO YOU.

GARBARA A. WELCH, DIRECTOR
FEDERATION OF LABOR UNIONS
117 BLVD
FAIRFAX, VA 22031
52-2221 WY
773-5102 EXT 113

PLS. ACK. IF DELIVERED. THANKS. /A/ BOB

© Moore Business Forms, Inc.

FAIRBANKS REHABILITATION ASSOCIATION - HOPE INDUSTRIES
 FY 78 Financial Summary

	Budget	July - Dec actual	%	July - June expected
REVENUES				
Sales	197500	80541	43	160500
DVR Services	38193	19466	51	39400
Dev. Dis.	23340	11748	50	23350
State grant	100000	50000	50	100000
Other	10607	812	4	1500
Total	369800	162567	44	324900
EXPENSES				
Salaries	217044	107791	50	217044
Materials	59630	18821	32	41000
Occupancy	56200	27944	50	56200
Services	7500	2733	36	5500
Sup, Equip, Auto	13000	8568		13000
Insurance	5500	2602	47	6000
Int. and Fin.	2500	1065	43	2500
Commission NJSB	2596	571	22	2600
Other	6100	3864	63	16100**
Total	369800	171959	47	359900
Balance		-9392		-35000

**includes \$10,000 Dept of Labor Adjustment

Submitted to HFC 4/3



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 O. Smith
Signature of Camera Operator

2/23/90
Date

COMMITTEE REPORT

HOUSE

4/14/78

FURTHER: _____

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 903

"An Act establishing an invention awards program."
under consideration and (a majority of the committee) (the committee reports it back as follows)

recommends it do pass recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for HB 903 / FINANCE

and _____ new title same title

AND attaches a Letter of Intent New Fiscal Note

reports it back without recommendation

and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

F. J. ...

...

...

Buckholt

Chairman

Original sponsor: Finance Committee

IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 903

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing an invention awards program."

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

* Section 1. PURPOSE. It is the purpose of this Act to recognize through the establishment of an invention awards program that individual creative effort has produced unmeasured growth in industry and great stimulus to our economy generally and that the granting of incentives through annual invention awards will further stimulate this growth on a state wide basis, result in a more sophisticated technology, and provide the means to improve the quality of life in this state.

* Sec. 2. AS 44.19 is amended by adding new sections to read:

ARTICLE 9H. ALASKA INVENTIONS COMMITTEE.

Sec. 44.19.853. CREATION. There is established in the Office of the Governor the Alaska Inventions Committee.

Sec. 44.19.855. COMPOSITION. The committee shall consist of three members, representative of varying fields of science, who are widely known for their competence and experience or interest in science or scientific endeavors.

Sec. 44.19.857. APPOINTMENT. The members of the committee shall be appointed by the governor from among citizens of the state. In making the appointments, the governor shall consider (1) the recommendations made by representative educational and professional organizations demonstrating commitment and concern for progress in science and (2) statewide geographical representation on the committee. Members serve at the pleasure of the governor for terms of two years.

1 Sec. 44.19.859. COMPENSATION. The members of the committee re-
2 ceive no compensation for their services, but are entitled to per diem
3 and travel expenses as provided by law for boards and commissions.

4 Sec. 44.19.861. MEETINGS. After an initial organizational meet-
5 ing, the members of the committee shall hold one meeting a year for the
6 purpose of judging inventions submitted to the committee by persons who
7 are residents of the state and eligible to enter the contest under the
8 requirements established by secs. 853 - 869 of this chapter.

9 Sec. 44.19.863. CONTEST RULES AND GUIDELINES. The committee, at
10 its initial organizational meeting, shall establish rules and guidelines
11 necessary to implement secs. 853 - 869 of this chapter, including but
12 not limited to establishing

- 13 (1) the amount of the entry fee;
14 (2) the period of time within which entries must be sub-
15 mitted;
- (3) application and entry procedures;
 (4) criteria for eligibility;
 (5) subject categories for judging purposes;
 (6) the manner of presentation of awards;
 (7) the time and place for the annual meeting;
 (8) the extent to which the subject or nature of each entry
must relate to the development or enhancement of the Alaska economy.

 Sec. 44.19.865. ADVERTISEMENT. The annual inventor's contest
shall be advertised in newspapers of general circulation within the
state and in a selection of periodicals distributed in the state that
are calculated to reach those who may be interested in entering the con-
test. All winning entries may be retained by the committee for a period
of not more than 30 days for display and publicity purposes.

 Sec. 44.19.867. AWARDS. Each entry shall be screened initially by

the committee to determine whether it meets, in the determination of the committee, a minimum standard of excellence. An entry determined to be suitable for final judging is eligible to compete for a grand prize in an amount to be determined by the legislature. Other monetary awards may be awarded by the committee to entries eligible to compete for the grand prize, but no single award may be less than the cost of applying for individual patent.

Sec. 44.19.869. DEFINITIONS. In secs. 853 - 869 of this chapter,

(1) "committee" means the Alaska Inventions Committee established in sec. 853 of this chapter;

(2) "invention" means a discovery or process for which a patent has been issued under federal law (35 U.S.C. secs. 101 - 375) during the 24 months immediately preceding the date of the contest.

MEMORANDUM

State of Alaska

DEPT. _____

DIV. _____

SEC. _____

TO:

Legislative Affairs

DATE : May 8, 1978

FROM: Vicki Wilson
House Finance Committee
Rm 411 - Phone: 3795/3796

SUBJECT: HB 903

Please prepare Finance Committee Substitute for HB 903
as per attached, and return to me as soon as possible.

Thank you.

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 903

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an invention awards program."

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3 and travel expenses as provided by law for boards and commissions.

4 Sec. 44.19.861. MEETINGS. After an initial organizational meet-
5 ing, the members of the committee shall hold one meeting a year for the
6 purpose of judging inventions submitted to the committee by persons who
7 are residents of the state and eligible to enter the contest under the
8 requirements established by secs. 853 - 869 of this chapter.

9 Sec. 44.19.863. CONTEST RULES AND GUIDELINES. The committee, at
10 its initial organizational meeting, shall establish rules and guidelines
11 necessary to implement secs. 853 - 869 of this chapter, including but
12 not limited to establishing

- 13 (1) the amount of the entry fee;
14 (2) the period of time within which entries must be sub-
15 mitted;
16 (3) application and entry procedures;
17 (4) criteria for eligibility;
18 (5) subject categories for judging purposes;
19 (6) the manner of presentation of awards;
20 (7) the time and place for the annual meeting;
21 (8) the extent to which the subject or nature of each entry
22 must relate to the development or enhancement of the Alaska economy.

23 Sec. 44.19.865. ADVERTISEMENT. The annual inventor's contest
24 shall be advertised in newspapers of general circulation within the
25 state and in a selection of periodicals distributed in the state that
26 are calculated to reach those who may be interested in entering the con-
27 test. All winning entries may be retained by the committee for a period
28 of not more than 30 days for display and publicity purposes.

29 Sec. 44.19.867. AWARDS. Each entry shall be screened initially by

1 the committee to determine whether it meets, in the determination of the
2 committee, a minimum standard of excellence. An entry determined to be
3 suitable for final judging is eligible to compete for a grand prize in
4 an amount to be determined by the legislature. Other monetary awards
5 may be awarded by the committee to entries eligible to compete for the
6 grand prize, but no single award may be less than the cost of applying
7 for individual patent.

8 Sec. 44.19.869. DEFINITIONS. In secs. 853 - 869 of this chapter,

9 (1) "committee" means the Alaska Inventions Committee estab-
10 lished in sec. 853 of this chapter;

11 (2) "invention" means a discovery or process for which a
12 patent has been issued under federal law (35 U.S.C. secs. 101 - 375) ²

13 *during the 24 months immediately preceding*
14 *the date of the contest.*
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THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 903, establishing an invention awards program
 Title _____
 Requested by House Finance Committee Date 5/5/78

II. FISCAL DETAIL
 Agency Affected Office of the Governor, Executive Office
 Program Category Affected General Government
 Budget Request Unit(s) Affected _____

HB
903

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL			2.0			
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			10.0			
TOTAL			12.0			

FUNDING (Thousands of Dollars)

GENERAL FUND			12.0			
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)



IV. DATE 5/5/78 PREPARED BY Steve Cowper, Chairman
 AGENCY HOUSE FINANCE COMMITTEE
 PHONE 465-3795
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

AMENDMENT #1

OFFERED IN THE HOUSE:

By: COMMERCE

To: _____ HOUSE BILL No. 903

SENATE BILL No. _____

PAGE: 3

LINE: 12

line 12. Delete "." and add "during the 24 months immediately preceding the date of the contest"

Introduced: 3/22/78
Referred: Commerce and Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 903

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an invention awards program."

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

8 * Section 1. PURPOSE. It is the purpose of this Act to recognize through
9 the establishment of an invention awards program that individual creative
10 effort has produced unmeasured growth in industry and great stimulus to our
11 economy generally and that the granting of incentives through annual inven-
12 tion awards will further stimulate this growth on a state wide basis, result
13 in a more sophisticated technology, and provide the means to improve the
14 quality of life in this state.

15 * Sec. 2. AS 44.19 is amended by adding new sections to read:

16 ARTICLE 9H. ALASKA INVENTIONS COMMITTEE.

17 Sec. 44.19.853. CREATION. There is established in the Office of
18 the Governor the Alaska Inventions Committee.

19 Sec. 44.19.855. COMPOSITION. The committee shall consist of nine
20 members, representative of varying fields of science, who are widely
21 known for their competence and experience or interest in science or
22 scientific endeavors.

23 Sec. 44.19.857. APPOINTMENT. The members of the committee shall
24 be appointed by the governor from among citizens of the state. In
25 making the appointments, the governor shall consider (1) the recommenda-
26 tions made by representative educational and professional organizations
27 demonstrating commitment and concern for progress in science and (2)
28 statewide geographical representation on the committee. Members serve
29 at the pleasure of the governor for terms of two years.

1 Sec. 44.19.859. COMPENSATION. The members of the committee re-
2 ceive no compensation for their services, but are entitled to per diem
3 and travel expenses as provided by law for boards and commissions.

4 Sec. 44.19.861. MEETINGS. After an initial organizational meet-
5 ing, the members of the committee shall hold one meeting a year for the
6 purpose of judging inventions submitted to the committee by persons who
7 are residents of the state and eligible to enter the contest under the
8 requirements established by secs. 853 - 869 of this chapter.

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10 its initial organizational meeting, shall establish rules and guidelines
11 necessary to implement secs. 853 - 869 of this chapter, including but
12 not limited to establishing

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- 14 (2) the period of time within which entries must be sub-
15 mitted;
- 16 (3) application and entry procedures;
- 17 (4) criteria for eligibility;
- 18 (5) subject categories for judging purposes;
- 19 (6) the manner of presentation of awards;
- 20 (7) the time and place for the annual meeting;
- 21 (8) the extent to which the subject or nature of each entry
22 must relate to the development or enhancement of the Alaska economy.

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2 committee, a minimum standard of excellence. An entry determined to be
3 suitable for final judging is eligible to compete for a grand prize in
4 an amount to be determined by the legislature. Other monetary awards
5 may be awarded by the committee to entries eligible to compete for the
6 grand prize, but no single award may be less than the cost of applying
7 for individual patent.

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9 (1) "committee" means the Alaska Inventions Committee estab-
10 lished in sec. 853 of this chapter;

11 (2) "invention" means a discovery or process for which a
12 patent has been issued under federal law (35 U.S.C. secs. 101 - 375).
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Alaska Methodist University

Anchorage, Alaska 99504

Office of the President
907-276-8181

February 7, 1978

Representative Steve Cowper
Pouch 5
Juneau, Alaska

Dear Mr. Cowper:

Jack Hakkila has talked with me concerning his suggestion of establishing an invention awards program and shared with me a copy of your House Bill drafted for that purpose. May I reinforce the critical importance of such an initiative.

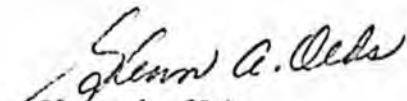
You may know that the Battelle Institute of Columbus, Ohio, and now world-wide was established for such a purpose years ago. So much money was made by the inventiveness of those who were supported in the program it generated a non-profit corporation which is now doing a multi-million if not, indeed, billion dollar business all over the world.

I recommended to Mr. Gruening that this be incorporated in the concept of an appropriate use for the Permanent Fund. Nothing will insure the long-term future of Alaska more than the investment in creative people and the translation of that creativity into useful and constructive inventiveness and contribution to the growth both of industry, economy and our culture generally.

Only one thought occurs to me. That you may want to expand the concept of those who would be reviewing the potential candidates to a wider than state base and as near as possible a politically sanitized process of appointment.

Congratulations on your initiative.

Cordially,


Glenn A. Olds
President

GAO:ec1

Star Route 50667
Fairbanks, Alaska 99701

The Honorable Steve Cowper
Alaska State House of Representatives
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Steve,

I've studied your bill, "An Act establishing an invention awards program" and regard it as an excellent piece of legislation. The bill, if passed in its present form, would serve as a skeletal structure for the invention awards program. The truly substantive issues are left to the discretion of the committee. I would like to make some remarks about how I would like to see that committee function - to flesh out the skeleton to carry my metaphor a bit further.

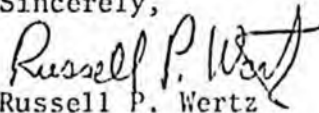
As a person who spent his youth in the study of science and a good part of his adult life as a working scientist, I have been in a position to witness the most intimate workings of our system of scientific research and technological development. There are a number of things wrong with this system, which could be summarized as follows:

1. Public funds, which are channeled through NSF, DOD, the Universities and private research organizations such as Bell labs and SRI, are mostly consumed in R&D programs which will be of direct proprietary benefit to the nation's largest corporations and the military establishment. Very little of this money goes to work which will be directly useful to the public which pays for the research. We are told, as a means of justifying this alarming fact, that the public eventually benefits through "spin-off"; for example, Corningware is really missile nose cone material. Such justification, on the face of it, sounds like nobless oblige. Clearly, "spin-off" is the pottage that the technological nobility dispenses to the masses.
2. Independent inventors and producers of new technology are quickly co-opted and gobbled up by the large corporations when their products, after years of struggle and high risk ventures, finally gain public recognition and acceptance. How does this occur? A particular case will serve to illustrate this point. Consider solar collectors: after years of work in development and marketing over one hundred producers of solar collectors stand ready to serve the public. Yet in recent months, in response to

this newly developed marketing climate, companies such as Owens-Illinois, Westinghouse, and Exxon through its Daystar subsidiary have received grants of \$320,000.00, \$650,000.00, and \$225,000.00 respectively for proprietary research on solar collectors from ERDA. These organizations are also busy writing a national code of standards for solar collectors which will contain technical requirements which will eliminate the smaller producers from the market.

The point of all of the above is that I feel your legislation will redress the balance more favorably to the small inventor and producer if the committee had that viewpoint. Perhaps the legislation could be amended to insure that viewpoint. The educated but independent inventor is a dying breed because the system has thwarted his efforts in recent years through massive disincentive. I believe he shall have an important social role in the future and should be encouraged in every way. He is a person who is more alert to the needs of the community and in the best position to respond to those needs.

Sincerely,


Russell P. Wertz

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST HB 903
 Bill/Resolution No. _____
 Title Establishing an Invention Awards Program
 Requested by Finance Committee Date 4-12-78

II. FISCAL DETAIL
 Agency Affected Office of the Governor
 Program Category Affected General Government
 Budget Request Unit(s) Affected Lieutenant Governor's Office

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		22.2	10.2	10.7	11.4	12.1
200 TRAVEL		6.3	3.4	3.6	3.8	4.0
300 CONTRACTUAL		14.7	15.4	16.2	17.0	17.8
400 COMMODITIES		1.0	1.1	1.2	1.3	1.3
500 EQUIPMENT		1.7	.5	.5	.5	.5
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		45.9	30.6	32.2	34.0	35.7

FUNDING (Thousands of Dollars)

GENERAL FUND		45.9	30.6	32.2	34.0	35.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY		2	1	1	1	1

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The proposed level of funding for the first year includes temporary staff support to the Inventions committee, a Research Analyst III and a Clerk Typist, 6 months each, plus benefits; travel for nine committee members to Anchorage twice for three day meetings, and per diem at the statutory rate. Contractual services include an estimated \$4,700 for advertising the inventions contest in statewide newspapers and periodicals, and space rent for the staff, as the area occupied by the Lieutenant Governor's Office is unable to accommodate any additional personnel.

In succeeding years, after the rules and regulations for the contest have been established, staff support needs will decline to one clerk on a temporary basis to catalog each year's entries and assist the committee with the judging. Travel is also reduced to one meeting a year.

Cost of any prizes to be awarded is not addressed in this analysis.

IV. DATE 4-19-78 PREPARED BY Janet Green
 AGENCY Office of the Governor
 PHONE 465-3545

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

MCH

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

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R10. bill
Orig bill

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 903, establishing an invention awards program
 Title _____
 Requested by House Finance Committee Date 5/5/78

II. FISCAL DETAIL
 Agency Affected Office of the Governor, Executive Office
 Program Category Affected General Government
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL			2.0			
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			10.0			
TOTAL			12.0			

FUNDING (Thousands of Dollars)

GENERAL FUND			12.0			
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)



IV. DATE 5/5/78 PREPARED BY Steve Cowper, Chairman
 AGENCY HOUSE FINANCE COMMITTEE
 PHONE 465-3795
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



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 O. Irish
Signature of Camera Operator

2/23/90
Date

COMMITTEE REPORT

SENATE

5/2/78

FURTHER: _____

Date: May 9, 1978.

Mr. President:

The Committee on FINANCE has had CSHB 901 supplemental appropriation to Dept. of Health & Social Services, community developmental disabilities, family support

under consideration and (a majority of the committee) (the committee reports it back as follows)

() 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 _____ () new title () same title

() AND attaches a Letter of Intent () New Fiscal Note

(x) reports it back without recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chairman

Original sponsor: Finance Committee

Offered: 4/4/78
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 901

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Social Services, community
8 developmental disabilities, family support; and pro-
9 viding for an effective date."

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

11 * Section 1. The sum of \$84,246 is appropriated from the general fund to
12 the Department of Health and Social Services, community developmental dis-
13 abilities, family support, to be paid as a grant to the Association for
14 Retarded Citizens of Anchorage.

15 * Sec. 2. The sum of \$35,000 is appropriated from the general fund to the
16 Department of Health and Social Services, community developmental disabili-
17 ties, family support, to be paid as a grant to the Fairbanks Rehabilitation
18 Association.

19 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).

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Original sponsor: Finance Committee

Offered: 4/4/78
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 901

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

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Introduced: 3/21/78
Referred: Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 901

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

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15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).

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FAIRBANKS REHABILITATION ASSOCIATION - HOPE INDUSTRIES
 FY 78 Financial Summary

	Budget	July - Dec actual	%	July - June expected
REVENUES				
Sales	197500	80541	43	160500
DVR Services	38193	19466	51	39400
Dev. Dis.	23340	11748	50	23350
State grant	100000	50000	50	100000
Other	10607	812	4	1500
Total	369800	162567	44	324900
EXPENSES				
Salaries	217044	107791	50	217000
Materials	59630	18821	32	41000
Occupancy	56200	27944	50	56200
Services	7500	2733	36	5500
Sup, Equip, Auto	13000	8568		13000
Insurance	5500	2602	47	6000
Int. and Fin.	2500	1065	43	2500
Commission NISH	2596	571	22	2600
Other	6100	3864	63	16100**
Total	369800	171959	47	359900
Balance		-9392		-35000

**includes \$10,000 Dept of Labor Adjustment

ARCA

ASSOCIATION FOR RETARDED CITIZENS OF ANCHORAGE, INC.

2330 NICHOLS STREET • ANCHORAGE, ALASKA 99504 • TELEPHONE (907) 276-4353

March 13, 1978

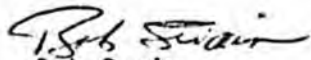
Honorable Representative Steve Cowper
Chairman, House Finance Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Cowper:

Enclosed is the material required to support ARCA's request for a Supplemental Legislative Appropriation (ARCA clients backwage portion).

Please advise us at your earliest convenient time on the current status of our request for a Supplemental Legislative Appropriation. Also, if you have questions or require additional information, please telephone me at 276-5411.

Sincerely,


Bob Swain
Executive Director

BS:smt

Enclosure (1)



in Master File
+ HFC

TRUE EXACT COPY

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645

RCA MAILGRAM

1-032805D065-002 03/07/78 ICS SOTOIPO MLTN ANGB
SUSPECTED DUPLICATE: 1-039421M065 TWX US DOL SEA
75175 MGM SEATTLE WA 3-6-78

MR. ROBERT B SWAIN EXECUTIVE DIRECTOR
ASSN FOR RETARDED CITIZENS OF ANCHORAGE INC
2330 NICHOLS STREET
ANCHORAGE AK 99504

THIS IS TO PROVIDE A PRELIMINARY REPORT OF FAIR LABOR STANDARDS ACT (FLSA) FINDINGS RESULTING FROM THE ON SITE REVIEW WHICH WAGE AND HOUR CONDUCTED AT YOUR REQUEST.

WE HAVE DETERMINED THAT SINCE APPROXIMATELY JANUARY 1 OF THIS YEAR, YOUR FACILITY HAS BEEN IN GENERAL COMPLIANCE WITH THE ACT. HOWEVER, FROM MARCH 1, 1976 TO DECEMBER 31, 1977, HANDICAPPED CLIENTS EMPLOYED AT THE FACILITY WERE NOT PAID IN COMPLIANCE WITH THE SPECIAL MINIMUM WAGE CONDITIONS OF YOUR SECTION 14 FLSA SUBMINIMUM WAGE CERTIFICATE. AS A RESULT OF THESE PRACTICES, WE ESTIMATE THAT APPROXIMATELY \$57,402.68 IN BACK WAGES IS DUE 300 EMPLOYEES.

SINCE ARCA HAS A LEGAL LIABILITY FOR THESE BACK WAGES, THIS IS A REQUEST FOR A REPORT DETAILING HOW AND WHEN THIS DEBT WILL BE PAID. A LETTER MORE FULLY EXPLAINING OUR FINDINGS WILL FOLLOW.

LOREN E GILBERT ARA WAGE AND HOUR ESA USDOL

0028 EST

MGMCOMP MGM

ASSOCIATION FOR RETARDED CITIZENS OF ANCHORAGE, INC.

2330 NICHOLS STREET • ANCHORAGE, ALASKA 99504 • TELEPHONE (907) 275-4353

March 7, 1978

Ed Woodruff, Regional Wage Specialist
 U.S. Department of Labor
 Room 4097 Federal Office Building
 909 First Avenue
 Seattle, Washington 98174

Dear Ed:

This letter is in response to your recent compliance survey of ARCA and specifically in respect to our back wage liability to clients served during the period of February 1, 1976, to January 31, 1978.

The following is our estimate of our back wage liability based on wages paid in calendar years 1976 and 1977. January, 1978, is not included since you found us to be in substantial compliance at that time.

	<u>Wages Paid</u>	<u>Work Type</u>	<u>% Under Prevailing</u>	<u>Wages Due</u>	<u>Total</u>
WAC 1976	9,830.46	Laundry Proc.	11	1,081.35	
1977	18,723.93	Laundry Proc.	19	3,557.55	4,638.90
SWS 1976	24,787.52	Packaging	60	14,872.51	
	33,050.02	Laundry Proc.	11	3,635.50	
	8,262.50	Laundry Mach.	33	2,726.63	
1977	30,488.39	Packaging	85	25,915.13	
	40,651.18	Laundry Proc.	19	7,723.72	
	10,162.79	Laundry Mach.	42	4,268.37	59,141.86

GRAND TOTAL ESTIMATED LIABILITY

\$63,780.76

It should be understood that the distribution of wages, under the "Wages Paid" column above, were determined for the three different work types by taking an average of contract sales for the best and worst months of the current fiscal year and applying that average percentage against the total wages paid. This was necessary inasmuch as prior to the current fiscal year accounting records did not reflect the wages by contract type.

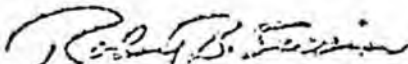
We propose the following plan as a method for paying off our back wage liability and providing the necessary documentation that we have complied and acted in good faith with respect to the Wage and Hour laws as they relate to rehabilitation facilities.

1. Deposit in an Escrow Account the necessary funds to cover our liability.
2. Secure a listing of all clients served by the agency during the liability period consisting of name, address, and pay periods in attendance.
3. If possible, isolate those clients served only in the Work Activity Center for the period in question. These people would be paid in relation to the Work Activity Center liability, and all others would be paid in relation to the Sheltered Workshop liability.
4. If #3 is not possible to determine, then all clients would receive back pay in relation to the total liability.
5. The method of determining back pay would be to derive the total pay periods present for all clients (by program, if possible) and divide this total into the appropriate liability to arrive at the shortage/client/pay period. This figure would then be multiplied by the number of pay periods present for each client less 10% for annual and sick leave paid to clients. If the final figure for a client is less than \$10.00, we will disregard it; in all other instances, we proceed to the next steps.
6. A form letter will be sent out to all clients who are entitled to more than \$10.00 via certified mail (return receipt requested) informing them that they are eligible for back wages and, if we have reached them successfully, to contact us for payment.
7. Upon issuing the client a check, the check number, date of payment, and gross amount will be recorded on the form described in #2 above.
8. In those cases where we cannot contact the client, we will have the returned letter as proof of attempt to reach the client.

If the above estimated back wage liability and proposed method of payment appear to be an equitable solution to the problem defined in your compliance survey, we will institute the process of payment upon receipt of your confirmation that the above stated plan, or your modifications to it, will comply with the intent of the law.

In closing, we wish to express our appreciation to you and Jack Harty for your positive direction in this matter. We enjoyed working with you and regret that our agency did not measure up to the survey. Be assured that the present management will do everything possible to assure that there will not be a repeat of the identified deficiencies. Thank you for your interest in our programs.

Sincerely yours,


Robert B. Swain
Executive Director

RBS:dw

cc: Jack Harty
Bob Mothershead

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR REGIONAL OFFICE

Room 4097 Federal Office Building
November 22, 1977

909 First Avenue

Seattle, Washington 98174
Area Code 206, 442-1916
442-1914



Mr. Robert B. Swain
Association for Retarded Citizens of Anchorage, Inc.
2330 Nichols Street
Anchorage, Alaska 99504

Dear Mr. Swain:

This is to advise that because of program changes beyond my control, I have found it necessary to change the date of my planned visit to your establishment from December 5, 1977 to January 9, 1978. If this new date will cause any inconvenience, please let me know and we will agree on an alternate day.

Sincerely yours,

A handwritten signature in cursive script that reads "Edward E. Woodruff".

Edward E. Woodruff
Regional Wage Specialist

1 cc Tom [unclear] ✓
1 cc [unclear] ✓
[unclear] ✓
Reference Regional [unclear] ✓
[unclear]

Dispute
File
AG

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR REGIONAL OFFICE

Room 4097 Federal Office Building

909 First Avenue

Seattle, Washington 98174
Area Code 206, 442-1916
442-1914

October 4, 1977



Mr. Robert B. Swain, Executive Director
Association for Retarded Citizens of Anchorage, Inc.
2330 Nichols Street
Anchorage, Alaska 99504

Dear Mr. Swain:

This is to advise that I will visit your establishment in the near future for the purpose of determining compliance with the Fair Labor Standards Act with respect to the terms and conditions of your Sheltered Workshop Certificate.

In order to expedite this review and to minimize the amount of inconvenience which my presence at your facility could cause, you are requested to prepare and mail the following lists to this office no later than October 21, 1977:

1. A list of all handicapped clients who have been employed 18 months or longer and who have performed work in at least one pay period since March 1, 1977 (identify the disability for each client named).
2. A list of all major customers (i.e., the product or contract accounts for 10% or more of annual gross operating income generated by the work program) during the past two years; the product or service provided; the period of time over which the work was performed; the various prevailing rates applied to each individual contract and the date of such survey to establish such rates; the contract or job price, and that portion of the price allocated for direct labor costs. On jobs where time studies were made in conjunction with establishing prices, copies of those studies would also be helpful.
3. A copy of the most recent annual operating statement and balance sheet.
4. Copies of one client's compensation record including a report of his/her productivity and the time study establishing the applicable "norm" as well as a copy of his/her time card for one pay period.

Mr. Swain
October 4, 1977
Page 2

Please have the following items available for my review at your workshop:

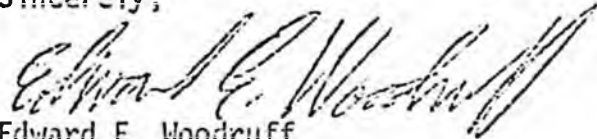
1. The last three annual financial statements.
2. Files on all contracts received for work performed during the past two years.
3. Basic time records for all non-exempt staff (see attached Part 541).
4. Client disability and productivity evaluation files.

I regret that at this time the Department is without funding for this fiscal year and until an appropriation is approved, I cannot schedule my visit. Rest assured that as soon as I have authority to travel, I will contact you and make an appointment for the date of my on-site review.

Enclosed for your general information are several non-technical pamphlets explaining Wage and Hour laws and procedures.

If you have any questions, please contact me.

Sincerely,



Edward E. Woodruff
Regional Wage Specialist

Enclosures

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
Wage and Hour Division
WASHINGTON, D.C. 20210



OCT 9 1977

Mr. Robert B. Swain
Executive Director
Association for Retarded Citizens
of Anchorage, Inc.
2330 Nichols Street
Anchorage, Alaska 99504

Dear Mr. Swain:

This is in response to your letter of September 12, 1977 requesting technical assistance with respect to the application of the Fair Labor Standards Act to handicapped workers employed in sheltered workshops.

I have discussed your request with our Seattle Regional Office which is responsible for the enforcement of the Act in Alaska and have been informed that they will be able to send a staff member who has expertise on this particular subject in October. That office will be in further contact with you as to the specific date of arrival.

Thank you for your interest on behalf of handicapped workers.

Sincerely,

A handwritten signature in cursive script, reading "Herbert J. Cohen", is written over the typed name.

Herbert J. Cohen
Assistant Administrator

ARCA

September 12, 1977

Mr. F. Ray Marshall, Secretary
 U.S. Department of Labor
 S201B, Department of Labor Building
 200 Constitution Avenue, N.W.
 Washington, D. C. 20210

Dear Mr. Marshall:

We need desperately to have a technical assistance visit here from your Region X Wage and Hour Office. The specific subject to be covered is wages paid to handicapped workers.

Although your Department of Labor, June 1977, Sheltered Workshop Study provides us with valuable information, it does not provide us with enough information to solve wage problems and differences in opinions between the various state and local governmental representatives or businesses in our state.

I respectfully request that you authorize a person from your Region X Office to travel to Alaska to conduct a workshop on wages paid to handicapped workers. The target population to be served during the workshop would be state and local governmental agency personnel as well as other businesses and agencies confronted with hour and wage complaints or problems related to handicapped workers.

If you require additional information, please telephone me at (907) 276-5411.

Sincerely,

Robert B. Swain

Robert B. Swain
 Executive Director

RBS:dw

cc: Bob Mothershead, President
 Association for Retarded Citizens of Anchorage

Paul Marchand, Director
 National Association for Retarded Citizens
 Washington, D. C.

bcc: Mr. Edward E. Woodruff

S/23/77

Claude W. Whitehead
U.S. Department of Labor
Division of Evaluation and Research, Room C3315
200 Constitution Avenue, N.W.
Washington, D.C. 20210
August 13, 1977

Mr. Robert B. Swain
Anchorage Association for Retarded Citizens
2330 Nichols Street
Anchorage, Alaska 99504

Dear Mr. Swain:

Mike Meyers, of the NARC staff, has asked that I send you information regarding wage determination under the Fair Labor Standards Act as Amended in 1966. As you know, wage payments to handicapped persons employed in sheltered workshops are generally governed by two factors: (1) the type of program provided to the handicapped client and (2) the level of productivity of the client. For example, if the client is involved in producing goods or services for an employer (the workshop) he or she must be paid wages which are commensurate with his or her productivity in comparison to that of a nonhandicapped person performing essentially the same type, quality and quantity of work in the local community or vicinity. This requirement applies regardless of the type of program the client is in. This provision of the FLSA regulations has been the subject of controversy by workshop staff and Department of Labor Staff over the past several years, and there has been no resolution because of the lack of specific guidelines. I have enclosed a copy of USDOL publication, "A Guide to Sheltered Workshop Certification" which contains helpful information.

It is my personal opinion, after studying data on wage payments to handicapped clients from two separate DOL surveys, that wage payments to handicapped workers are generally inadequate and are not commensurate with wage payments in the vicinity for similar work. The major barriers to commensurate wage payment seem to relate to the lack of readily available wage data on comparable jobs (state employment service offices do not generally collect such data because of the low-skill requirement), the lack of financial support for the workshop operation and the lack of technical/industrial staff to develop the necessary wage data and engineer jobs.

DOL records indicate that your organization is certificated for all types of workshop programs. In our studies we found that this type of operation (multi-program) was the most effective in serving handicapped individuals especially in the area of professional services and wage payments.

*JWR: Talked with Edward G. Worschke, Region 4
Hours + Wages. Talked with Paul Mansfield,
Assoc. Gov. Alaska. Ltr to Secretary of Labor
Requesting T.A. Since 12, 1977*