

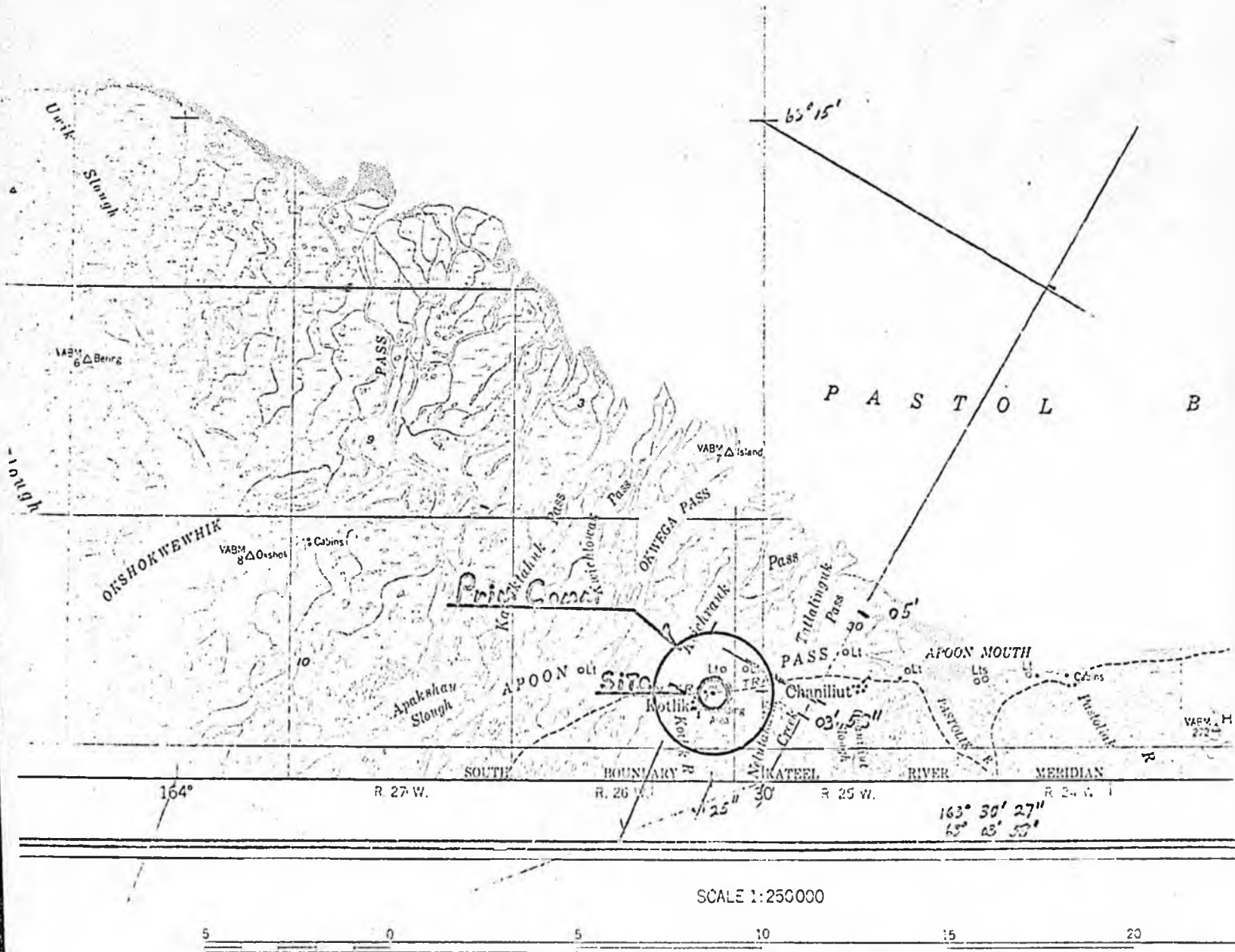
LEG. FINANCE - BILLS 1977 - 1978 905

SB 120 cont., thru CSSB 121 905

# Exhibit 5

## Sec III

### Par 2



11/6/76  
OP

KOTLIK

CONTOUR INTERVAL 100 FEET  
DATUM IS MEAN SEA LEVEL

DEPTH CURVES IN FEET-DATUM IS MEAN LOWER LOW WATER  
SHORELINE SHOWN REPRESENTS THE APPROXIMATE LINE OF MEAN HIGH WATER

1950 MAGNETIC DECLINATION AT SOUTH EDGE OF SHEET VARIES FROM 17° TO 19°20' EAST  
THIS MAP IS AVAILABLE IN BOTH SHADED RELIEF AND CONTOUR EDITIONS

FOR SALE BY U. S. GEOLOGICAL SURVEY  
FAIRBANKS, ALASKA 99701, DENVER, COLORADO 80225, OR WASHINGTON, D.C. 20242  
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

Introduced: 2/3/77  
Referred: Finance

1 THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 120

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriat'on to the  
7 Department of Education; and providing for an effec-  
8 tive date."

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

10 \* Section 1. The sum of \$150,000 is appropriated from the general fund  
11 to the Department of Education, Vocational Rehabilitation, for Fiscal Year  
12 1977.

13 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
14 10.070(c).

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MEMORANDUM

50 120

TO:  Milt Barker, Legislative Budget Analyst  
Legislative Budget & Audit

DATE : February 10, 1977

*MCM*  
FROM: Michael C. Morgan, Director.  
Division of Vocational Rehabilitation  
Department of Education

SUBJECT: Senate Bill 120, D.V.R.  
Supplemental Appropriation  
\$150,000

The Legislature appropriated a total of \$1,469,900 in case service funds. Of that total, \$102,700 are 100% federal trust funds, and must be expended only on the rehabilitation of special Social Security Title II Disability Insurance Beneficiaries; \$125,000 in 100% federal funds that must be expended only on the rehabilitation of special Social Security Title XVI recipients; \$90,000 in Workman's Compensation that are limited to expenditure for the rehabilitation of Second Injury clients. This leaves a total of \$1,152,500 for the provision of case services to the agency's general clientele.

Of the \$1,152,500 appropriated for the provision of services to our general clientele, \$1,013,959.15 has been disbursed or committed to a client with an existing rehabilitation plan in progress. This leaves a balance for the year of \$139,693.35 in funds not so committed.

Of the \$139,693.35 not committed directly to a rehabilitation program at this point, \$17,526 are identified for the purchase of client evaluations from rehabilitation workshops, and \$39,273.72 are identified for the development of blind vending stands in state and federal buildings. This leaves a total uncommitted balance of \$82,893.53.

At the current rate of referrals to this Division, we are expecting an additional 900 referrals to this agency by the end of this fiscal year. With the cost of medical services continually increasing, we are estimating that we will require \$75,000 in order to provide just the basic diagnostic information necessary to make an eligibility determination on these referrals, leaving little or no balance for the implementation of any new rehabilitation plans, or any emergency physical restoration procedures on the clients now in service.

Our current monthly rate of expenditure and plan commitment is about \$45,519 per month, requiring an estimated \$227,595 for the remaining five months of this fiscal year. The \$150,000 requested in SB 120, plus the \$82,893 in uncommitted funds, would equal \$232,893 - a sufficient balance to maintain service.

Without the requested supplemental, this agency will very soon have to retard the implementation of new rehabilitation plans until next July 1st, and severely curtail its activities in the blind vending stand program.

I hope this information is helpful to the committee. If you require anything further, please call me at 586-6500.

MCM:sw

ARCA ASSOCIATION FOR RETARDED CITIZENS OF ANCHORAGE, INC.

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

March 8, 1977

John L. Rader, President of the Senate  
State of Alaska  
Capitol, Room 104  
Juneau, AK 99811


Dear Senator Rader:

We were advised on March 7th by the Anchorage Office of Vocational Rehabilitation that they will no longer be able to place clients at our facility due to lack of funds. They further advise us that the reasons for this demise is the fact that the request for supplemental appropriations that has been submitted through the department has not yet been approved.

This letter is to call your attention to the fact that the services provided by the Association for Retarded Citizens of Anchorage, Inc. will suffer drastically as a result. We depend heavily on OVR for our funding and we are requesting any assistance that you might offer; in terms of processing the supplemental appropriation request which I understand is before the Senate Finance Committee.

On behalf of ARCA and the clients we serve, our thanks for your considerations.

Sincerely,

  
Raymond L. Kent  
Executive Director

RLK:bw

cc: Dale Reeves, DVR

TO:

Ron Lind, Director  
Division of Budget and Management  
Office of the Governor

DATE December 8, 1976

FROM:

*Michael Orlove*  
Michael Orlove, Budget Analyst  
Division of Budget & Management  
Office of the Governor

SUBJECT: FY 77 Supplemental, Department  
of Education, Division of  
Vocational Rehabilitation

The Department of Education, Division of Vocational Rehabilitation requests a FY 77 supplemental request in the amount of \$150,000 in State general funds to cover increased costs due to inflation.

The FY 77 Legislature reduced the Governor's requested budget level by \$150,000 with an intent statement that a supplemental should be submitted if actual costs exceed the appropriation.

Unlike formula grant programs (AFDC, Longevity Bonus, etc.) which cannot control the expenditure levels, this program can. However, without these additional funds, the program would be reduced below maintenance level and services would be reduced.

Backup information is attached.

MO/dtp

attachments

TO: [ Ron Lind, Director  
Division of Budget & Management

Thru: Michael Orelove, Budget Analyst

DATE : November 12, 1976

FROM: Michael C. Morgan, Director  
Division of Vocational Rehabilitation

SUBJECT: FY'77 Supplemental Budget  
Request

Attached hereto is the FY'77 Supplemental Budget Request for the Division of Vocational Rehabilitation. This request is in the amount of \$150,000 as stipulated by the Governor's review committee, and is consistent with the Legislature's actions and intent of the last session. See attached.

Thank you very much for your assistance in this matter.

MCM:sw

Attachment: As stated

cc: Bill Thompson, Director, Management, Law & Finance, D.O.E. .

RECEIVED  
NOV 12 1976  
BUDGET & MANAGEMENT

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

REVISED PROGRAM SUMMARY  
 by  
 APPROPRIATION  
 SUPPLEMENTAL REQUEST

For the Fiscal Year Ending June 30, 1977

AGENCY Education	CATEGORY	02	Social Services
	PROGRAM	22	General Social
DIVISION Vocational Rehabilitation	SUB-PROGRAM	06	Vocational Reha
	ELEMENT		
	SUB-ELEMENT		

APPROPRIATION COMPONENTS	PRESENT AUTHORIZATION	REVISION INCREASE (DECREASE)	AMENDED AUTHORIZATION
-01 Counseling and Placement	1,491.8	-	1,491.8
-02 Services to Clients	1,469.9	150.0	1,619.9
-03 Administration	460.5	-	460.5
-04 Specialized Facilities	55.0	-	55.0
-06 Disability Determination	357.3	-	357.3
-07 Employ the Handicapped	20.5	-	20.5
<b>TOTAL</b>	<b>3,855.0</b>	<b>150.0</b>	<b>4,005.0</b>
<b>SOURCE OF FUNDS</b>			
FEDERAL RECEIPTS	2,632.3		2,632.3
REQUIRED GENERAL FUND MATCHING	617.0		617.0
OTHER GENERAL FUND	510.7	150.0	660.7
INTER-AGENCY TRANSFERS	90.0		90.0
OTHER	5.0		5.0
<b>TOTAL</b>	<b>3,855.0</b>		<b>4,005.0</b>
PERMANENT FULL-TIME POSITIONS	83	-	83
PERMANENT PART-TIME POSITIONS			
TEMPORARY (FULL-TIME EQUIVALENTS)	1	-	1
NUMBER OF MAN MONTHS	1,008		1,008

34

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

REVISED PROGRAM  
 COST ANALYSIS SUMMARY  
 by BUDGET COMPONENT

SUPPLEMENTAL REQUEST

AGENCY	Education	CATEGORY	02	Social Services
		PROGRAM	22	General Soc. Serv
DIVISION	Vocational	SUB-PROGRAM	06	Vocational Rehab.
	Rehabilitation	ELEMENT	02	Services to Client
		SUB-ELEMENT		

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	1,469.9	150.0	1,619.9
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>1,469.9</b>	<b>150.0</b>	<b>1,619.9</b>
NEW CODE	FEDERAL RECEIPTS	1,024.3	-	1,024.3
	REQUIRED GENERAL FUND MATCHING	245.8	-	245.8
	OTHER GENERAL FUND	109.8	150.0	259.8
	INTER-AGENCY TRANSFERS	90.0	-	90.0
	OTHER:			
	<b>TOTAL</b>			
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

(CURRENT FY)  
 ↓

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

35



Explanation

Supplemental Budget Request for FY'77

In preparing the FY'77 budget request for the Division of Vocational Rehabilitation, the agency indicated that with the settlement of the medical malpractice insurance issue, the fees for medical services would increase from 25% to 35%. In preparing the budget, the low estimate of 25% increase was used for that proportion of case service funds which is used for medical services. In making the initial supplemental budget request, in July, 1976, the agency estimated that the increase of 25% would probably be very low, and that the increase would be closer to 40% by the fiscal years' end.

In addition, the agency's original budget request included a 10% standard allowed inflationary estimate for the balance of case service funds, which are used to provide diagnostic evaluation studies in facilities as well as other services.

The combination of these two components of case service funds averaged out to a requested increase of 17% over FY'76 funds.

The Legislature, in appropriating funds for FY'77, cut the agency's case service budget in the amount of \$150,000, granting an increase over FY'76 of only 6% to meet the anticipated increases which were based on these low estimates factored into the budget request.

Although we are not even halfway into the budget year, the following is known:

- Fees for physician's services will come closer to a 40% increase by the end of the fiscal year.
- The physicians in the small communities are ignoring any fee schedules negotiated by this agency with the Alaska Medical Association, thus forcing the agency to go to customary and usual payments for their services. This is also beginning to occur in the larger areas, thus driving the costs of medical services up by even more than inflationary increases.
- The U.S. Public Health Service has recently informed this Division that due to their own resource crunch, they will be unable to provide prompt and satisfactory basic medical examinations on native Alaskans who are clients of Vocational Rehabilitation (copy attached).
- Alaska's two rehabilitation facilities have increased their daily service fees. The ARCA Rehabilitation Workshop in Anchorage is increasing its fees 13%. HOPE Industries in Fairbanks is increasing their fees 24%.

BRU VOCATIONAL REHABILITATION BRU CODE 02-22-06-00-00 REVISED \_\_\_\_\_

Supple. EXPLANATION



## Explanation

Although the Legislature allowed only a 6% increase to meet these inflationary pressures, they stipulated that it was their intent that the agency should file for a supplemental budget request if costs should exceed the appropriation.

The agency now has over 85% of its general program funds encumbered for the provision of client services. Since the Vocational Rehabilitation program is essentially a planning program, the agency must submit the request for a supplemental at this point, hopefully receiving the authority from the Legislature by the end of March, to expend the funds. If the agency has to discontinue the planning for client services for any length of time, the impact will be felt for 1 to 3 years afterward, depending upon the length of time of the interruption, and the degree of service reduction.

BRU VOCATIONAL REHABILITATION

BRU CODE 02-22-02-00-00

REVISED

37

Supple.

EXPLANATION

Page 2 of 2

02-16-23

CATEGORY: SOCIAL SERVICES  
AGENCY: EDUCATION

PROGRAM: VOCATIONAL REHABILITATION  
SUB-PROGRAM: SERVICES TO CLIENTS

03-05-01-02-00  
052208060200

\*\*\* F.C.C. ANALYSIS \*\*\*

OBJECT GROUP	\$ DIFF.	% DIFF.	DESCRIPTION OF DIFFERENCES: GOVERNOR - F.C.C.
GT GRANTS, CLMS	-150.0	-10.2	
TOTAL	-150.0	-10.2	

LEGISLATIVE INTENT:  
A SUPPLEMENTAL SHOULD BE SUBMITTED IF ACTUAL COSTS EXCEED THE APPROPRIATION.

# MEMORANDUM

# State of Alaska


TO: MICHAEL C. MORGAN, DIRECTOR  
CENTRAL OFFICE / JUNEAU

DATE: 10/20/76

FILE NO:

TELEPHONE NO:

FROM: DON HITCHCOCK, CHIEF OF  
REHABILITATION SERVICES  
ANCHORAGE BRANCH OFFICE

 SUBJECT: ALASKA NATIVE MEDICAL CENTER

Enclosed is a letter from Dr. Robert Fortuine which is self-explanatory and one that knocks holes in our first dollar concept. This staff has been advised to utilize the Alaska Native Medical Center as per the good doctor's request but I am sure you realize that it is going to cost us a good deal of money for diagnostics where we have been able to utilize this service in the past. Inasmuch as I am also discussing fees and doctors, I think the reality of going to usual customary with the physicians statewide is about upon us. I certainly think that this is a subject that we want to discuss at our administrative meeting November 1.

DH/rrr

REC'D BY D.V.R.

OCT 25 1976

CENTRAL OFFICE



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
PUBLIC HEALTH SERVICE  
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

October 12, 1976

Alaska Native Medical Center

ALASKA AREA NATIVE HEALTH SERVICE  
Box 7-741  
ANCHORAGE, ALASKA 99510

REC'D DVR

OCT 14 1976

Anchorage, Alaska

Mr. Donald Hitchcock ✓  
Director of Southcentral Region  
Division of Vocational Rehabilitation  
MacKay Building - 338 Denali Street  
Anchorage, Alaska 99501

Dear Mr. Hitchcock:

As you are probably aware, the demands on our hospital clinics have been increasing at a significant rate each year for a long time. This year our problems have been aggravated by a vacancy among the five medical officer slots we normally have for the general clinic.

One of the outcomes has been increased waiting times for appointments for clinic services, particularly physical examinations. In discussing this matter with representatives of the Cook Inlet Native Association Social Services Program, it was suggested that, for the time being, many of the clients for vocational rehabilitation services might receive prompt and, therefore, more satisfactory service if they could obtain their medical examinations through contractual arrangements in the private sector.

We would foresee, however, that a few patients, especially those from the villages, might have a strong preference for obtaining their examinations with us; if such be the case, we would be happy to try to accommodate them as before.

Please be assured that we are eager to provide as comprehensive a health program as possible for the Alaska Native people. With our present constraints, however, we must set some limits in order to continue to offer emergency and routine medical care in our appropriate fashion.

Thank you for your consideration and support.

Sincerely

Robert Fortune, M.D.  
Director

cc:  
Ms. Margaret Farrant, CINA  
Dr. Park  
Mr. Reynolds

STATE  
of ALASKA

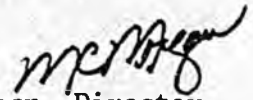
## MEMORANDUM

TO:  Senator Pete Meland  
Senate Finance Committee  
10th Alaska State Legislature

DATE: March 17, 1977

FILE NO:

TELEPHONE NO:

FROM:   
Michael C. Morgan, Director  
Division of Vocational Rehabilitation  
Department of EducationSUBJECT: S.B. 120, Supplemental  
Appropriation for Vocational  
Rehabilitation

Dear Senator Meland;

I am hereby transmitting the additional information for backup data on S.B. 120, requested by Senate Finance this morning. I have responded to each of the items in the order of their appearance on page 1 of the explanation form contained in the supplemental request.

The last medical fee schedule negotiated with the Council of the Alaska State Medical Association increased the Division's medical per unit costs as follows (units of service are based on the 1969 California Relative Value Study):

Medical Procedures	\$ .90	to	\$ 1.25	per unit, an increase of 39%
Surgical Procedures	36.00	to	50.00	per unit, an increase of 39%
Anesthetic Procedures	8.10	to	12.00	per unit, an increase of 48%
Radiology Procedures	3.60	to	4.50	per unit, an increase of 25%
Pathology Procedures	.45	to	.50	per unit, an increase of 11%

The Division of Vocational Rehabilitation has tried to absorb some of these large increases and in its budget preparation estimated an additional 25% to meet some of these costs. However, because of competing pressures, the Division was unable to succeed, and the estimate was at least 14% low in the categories used most by this Division.

In addition to the estimated 14%, as represented above, negotiations with the Council of the Alaska State Medical Association earlier this year, have convinced the Division that it must go to a "usual and customary" fee schedule for medical services (see Attachment #1 from Robert Whaley, M.D.). Although going to a usual and customary fee for medical services depends upon the geographical location, a minimum increase of 20% can be expected (see Attachment #2, table). Using only minimum figures then, the total known increase for physician's services would be at least 34%.

The inability of the Alaska Native Medical Center to provide us with basic medicals for Alaskan natives (see Attachment #3 from Robert Fortune, M.D.) adds the additional cost increase of purchasing these services. However, we are unable to predict or estimate this impact with any degree of accuracy.

Another component in the area of medical increases which is difficult to establish with any degree of precision is the impact of the final solution to the malpractice insurance issue. However, any additional incurred costs will be reflected in the increased rates of the future, and the Division uses many of the highest risk procedures, e.g., cardiovascular surgery, anesthesiology, etc.

Additionally, the rates for hospital care have increased significantly as follows (source: Providence Hospital):

	<u>1976</u>	<u>1977</u>	<u>% Increase</u>
4-Person Ward	\$130 per day	\$163 per day	35%
Semi-private	140 per day	160 per day	14%
Intensive Care Unit	180	345	92%

In reference to the increases in the rates for service at Alaska's two rehabilitation facilities, the fee was raised from \$22 per client day to \$25 at the ARCA Workshop in Anchorage, an increase of 13% (see Attachment #4). Hope Industries in Fairbanks raised their fees from \$25 per client day to \$31, an increase of 24%. An additional \$5 per client day is charged for those requiring transportation, making the increase in these situations 44% (see Attachment #5).

The Division attempted to document the increases for the transportation of clients, but was informed by the local travel agency that these costs vary significantly with each airline. They did say that increases have been occurring at a rate of 2% to 3% per month.

I hope these data will be useful in the committee's deliberations. If I can be of any further assistance, please call me at 586-6500.

Thank you.

MCM:sw

cc: Sue Green, Governor's Office  
Mike Orelove, Division of Budget and Management

# STATE OF ALASKA

## DEPARTMENT OF EDUCATION

### DIVISION OF VOCATIONAL REHABILITATION

JAY S. HAMMOND, GOVERNOR

SB 120

March 25, 1977


The Honorable Steve Cowper, Chairman  
House Finance Committee  
Tenth Alaska State Legislature

Dear Mr. Cowper;

Just recently, S.B. 120, a supplemental appropriation for the Division of Vocational Rehabilitation was passed by the Senate.

The Senate Finance Committee, in its discussions, requested additional backup for the bill. I am taking the liberty of enclosing copies of that information, hoping that it will be useful in the deliberations of your committee.

Sincerely yours,



Michael C. Morgan  
Director

MCM:sw

MEMORANDUM

*Murphy*

TO:  Senator Pete Meland  
Senate Finance Committee  
10th State Legislature

DATE: March 21, 1977

FILE NO:

TELEPHONE NO:

FROM: *M.C. Morgan*  
Michael C. Morgan, Director  
Division of Vocational Rehabilitation  
Department of Education

SUBJECT: Senate Bill 120

Dear Senator Meland;

I have included below some data, additional to that contained in my memorandum of March 17, 1977, which might be useful to the finance committee in reference to S.B. 120, the supplemental appropriation for the Division of Vocational Rehabilitation.

As of February 28, 1977, we have received 1,324 referrals since July 1, 1976; made 457 determinations of eligibility; written or implemented 194 extended evaluation plans; and written or implemented 420 service plans. Using these current workload statistics and based on the assumption that services were not interrupted or changed in any fashion, by using regression analysis we can project a year-end estimate. The difference between the two sets of data measures the area of impact and identifies the numbers that can be effected because of interrupted or delayed services.

	<u>As of 2/28</u>	<u>Year-End Projection</u>	<u># Impacted By Svcs. Interrupted</u>
Referrals	1,324	2,113 ±75	789 ±75
Acceptances	457	900 ±54	443 ±54
Extended Eval.	194	251	57
Service Plans	420	789 ±87	369 ±87

At our current funding level, we anticipate that we will be able to receive and process most of the referrals still to come. The interruption in service comes after the referral process. We do not have the funds to implement extended evaluation plans for client assessments in rehabilitation facilities, nor to implement service plans for physical or mental restoration, education, training, etc.

Another factor of increasing importance which the committee may wish to review, is the increasing proportion of the severely disabled being served as a result of the continuing emphasis on this category. The following table shows our increasing involvement with the severely disabled.

<u>Fiscal Year</u>	<u>Severely Disabled % of Total Served</u>	<u>Severely Disabled As % of Total Rehab'd.</u>
1974	20.7%	21.9%
1975	28.8	24.0
1976	31.0	36.1

The severely disabled require proportionately more medical services than do the non-severely disabled, and total program costs are significantly higher for this

group. The data below show the comparisons.

<u>Fiscal Year</u>	<u>Case Cost Per Severely Disabled</u>	<u>Case Cost Per Non-Severely Disabled</u>
1975	\$ 1,689	\$ 1,018
1976	1,615	1,253

In looking at the time spent in the rehabilitation system, there is also a significant difference between severely disabled and non-severely disabled as indicated below:

<u>Fiscal Year</u>	<u>Average Time Severely Disabled</u>	<u>Average Time Non-Severely Disabled</u>
1975	24.3 months	20.9 months
1976	25.2 months	19.7 months

What the above seems to indicate therefore, is that virtually all aspects of the rehabilitation process take longer and cost more for the severely disabled than for the non-severely disabled.

I hope this information is useful to the committee in its deliberations on S.B. 120.

Thank you very much.

MCM:sw

cc: Sue Green, Office of the Governor  
Mike Orelove, Div. of Budget and Management

## MEMORANDUM

TO:  Senator Pete Meland  
Senate Finance Committee  
10th Alaska State Legislature

DATE: March 17, 1977

FILE NO:

TELEPHONE NO:

FROM: *mc Morgan*  
Michael C. Morgan, Director  
Division of Vocational Rehabilitation  
Department of Education

SUBJECT: S.B. 120, Supplemental  
Appropriation for Vocational  
Rehabilitation

Dear Senator Meland;

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In addition to the estimated 14%, as represented above, negotiations with the Council of the Alaska State Medical Association earlier this year, have convinced the Division that it must go to a "usual and customary" fee schedule for medical services (see Attachment #1 from Robert Whaley, M.D.). Although going to a usual and customary fee for medical services depends upon the geographical location, a minimum increase of 20% can be expected (see Attachment #2, table). Using only minimum figures then, the total known increase for physician's services would be at least 34%.

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Additionally, the rates for hospital care have increased significantly as follows (source: Providence Hospital):

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4-Person Ward	\$130 per day	\$163 per day	35%
Semi-private	140 per day	160 per day	14%
Intensive Care Unit	180	345	92%

In reference to the increases in the rates for service at Alaska's two rehabilitation facilities, the fee was raised from \$22 per client day to \$25 at the ARCA Workshop in Anchorage, an increase of 13% (see Attachment #4). Hope Industries in Fairbanks raised their fees from \$25 per client day to \$31, an increase of 24%. An additional \$5 per client day is charged for those requiring transportation, making the increase in these situations 44% (see Attachment #5).

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Thank you.

MCM:sw

cc: Sue Green, Governor's Office  
Mike Orelove, Division of Budget and Management

Increase in Per Unit Medical Costs by Usual & Customary  
Division of Vocational Rehabilitation

Procedure	FROM:	TO:							
		Fairbanks		Anchorage		Juneau		Ketchikan	
		U & C	%increase	U & C	% increase	U & C	%increase	U & C	%increase
Medical	\$1.25	\$ 1.54	23%	\$ 1.65	32%	\$ 1.25	0	1.50	20%
Surgical	50.00	66.00	32%	60.00	20%	60.00	20%	60.00	20%
Anaesthesia	12.00	**	**	**	**	**	**	**	**
Radiology	4.50	6.27	39%	5.80	29%	4.31	##	5.50	22%
Pathology	.50	.68	36%	.65	30%	.61	22%	na	na

\*\*Anaesthesiologists are no longer calculating their rates on the basis of the California Relative Value Study and this information is not available for comparison.

##If Usual & Customary is less than fee schedule, the lesser amount is paid.

REC'D BY D.V.R.

NOV 23 1976

CENTRAL OFFICE

November 16, 1976

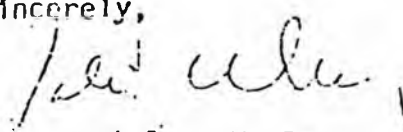
J. Ray Langdon, M. D.  
Chief Medical Consultant  
Vocational Rehabilitation  
3401 E. 42nd Avenue  
Anchorage, Alaska 99504

Dear Dr. Langdon:

The Council of the Alaska State Medical Association decided not to negotiate a fee agreement between the Division of Vocational Rehabilitation and the Association's members since the agreed fee schedule cannot be binding on the membership. We would therefore like to recommend that the Division of Vocational Rehabilitation continue to pay the usual and customary fees.

The Alaska State Medical Association's relationship with Vocational Rehabilitation has been a very good one in the past and we hope it will continue to be so. We wish to cooperate anyway we can in the future and are sorry we cannot be of more help at this time.

Sincerely,

  
Robert Whaley, M. D.  
President

RW:mlm

cc. ✓ Mike Morgan, Director, Juneau  
Don Hitchcock, Anchorage

ATTACHMENT # 1



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
PUBLIC HEALTH SERVICE  
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

October 12, 1976

Alaska Native Medical Center

ALASKA NATIVE HEALTH SERVICE  
BOX 7741  
ANCHORAGE, ALASKA 99510

REC'D DVR

OCT 14 1976

Anchorage, Alaska

Mr. Donald Hitchcock ✓  
Director of Southcentral Region  
Division of Vocational Rehabilitation  
MacKay Building - 338 Denali Street  
Anchorage, Alaska 99501

Dear Mr. Hitchcock:

As you are probably aware, the demands on our hospital clinics have been increasing at a significant rate each year for a long time. This year our problems have been aggravated by a vacancy among the five medical officer slots we normally have for the general clinic.

One of the outcomes has been increased waiting times for appointments for clinic services, particularly physical examinations. In discussing this matter with representatives of the Cook Inlet Native Association Social Services Program, it was suggested that, for the time being, many of the clients for vocational rehabilitation services might receive prompt and, therefore, more satisfactory service if they could obtain their medical examinations through contractual arrangements in the private sector.

We would foresee, however, that a few patients, especially those from the villages, might have a strong preference for obtaining their examinations with us; if such be the case, we would be happy to try to accommodate them as before.

Please be assured that we are eager to provide as comprehensive a health program as possible for the Alaska Native people. With our present constraints, however, we must set some limits in order to continue to offer emergency and routine medical care in our appropriate fashion.

Thank you for your consideration and support.

Sincerely

Robert Fortune, M. D.  
Director

cc:  
Ms. Margaret Farrant, CINA  
Dr. Park  
Mr. Reynolds

ARCA

Association for Retarded Citizens of Anchorage, Inc

Post Office Box 953, Anchorage, Alaska 99510 (907) 277-1522

2330 Nichols Street, Anchorage, Alaska 99504

October 8, 1976

RECD DVR

OCT 14 1976

Mr. Charlie Fillierson  
Facilities Specialist  
Office of Vocational Rehabilitation  
338 Densli Street  
910 MacKay Building  
Anchorage, Alaska 99501

Anchorage, Alaska

Dear Charlie,

This is in reference to your letter of September 22nd, in response for a rate adjustment. Attached you will find a budget which gives a clear breakdown of the expenses of the evaluation and work adjustment program.

As you can see from the budget, we have separated those expenses that we consider to be associated primarily with OVR clients and is based upon estimates of client population that were made previously in the year. The client population projections are as follows:

In the evaluation component of the program, it is anticipated that there will be 15 clients per day. This will amount to approximately 4,000 client-days for the present budget period.

In the work adjustment component of the program, the same numbers were used in order to arrive at a projection. There will be 15 people in the program for a total of approximately 4,000 client-days.

Combining the two programs, this gives us a total of approximately 8,000 client-days during this budget period. By dividing the total number of client-days into the total cost of operating the program, one can readily see that it comes out in excess of \$25 per person, per day. However, as you can see from looking at the budget, there are additional sources of income. This income is being applied to create a reduction in the total cost of service per person, per day.

There is one other area that needs to be considered, that being the total cost factors that have changed during the previous period up to the present period; although the budget process that were used in the previous year is extremely difficult to follow and there appear to be no specific allocation of cost for the work adjustment and evaluation programs.

We have been able, with the assistance of our auditors, to determine what amounts of money were expended there last year and have compared that figure to the amount of money that we anticipate spending this year.

This represents an approximate 25% increase in costs. Some of which occurs be-

Mr. Charlie Williamson

October 8, 1976

cause of the normal inflation that is prevalent at this time. Some of it also occurs because of the refining of the staff situation for that department. As you can see from examining the budget, there are presently 4 staff in that department, previously we had only 2.

What we end up with is, from what we can determine, a new overall increase in cost of about 20% to 25%. We're also anticipating client referrals from other resources which will, in effect, increase the amount of available dollars by approximately \$90,000. But will also necessitate the expanding of the budget by that amount in the area of purchase of services and salaries for the clients.

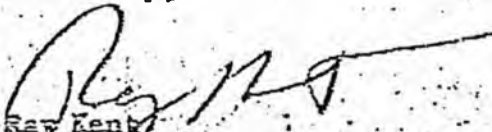
The budget document attached represents a very close and accurate picture, and I will predict that, if the client projection is accurate, the budget is within 2% being correct as it relates to OVR. The net effect is that the overall expenses have increased and that 12% is being passed along to OVR in terms of a rate increase from \$22 a day to \$25 a day. Notice of which was sent to you in previous correspondence.

However, it was intended that this rate increase take effect on the 1st of October, as the correspondence indicated, and I find that I must request that this information be passed along to your counselors who are referring people here. It is necessary, effective the 1st of October, to charge the \$25 per person, per day rate.

I sincerely hope that you expedite the processing of this rate through your end to insure against possible problem in the very near future.

If you have any questions on this matter, please feel free to call me. You will find that the budget is completely explanatory, all charges have been assigned in accordance with sound accounting practices. The books have recently been audited. I will forward to you a copy of the audit report upon receipt of same.

Sincerely,



Ray Kent  
Executive Director

RK:jm  
encis.

RECD DVR

OCT 14 1976

Anchorage, Alaska



Proposed Budget for  
Fiscal Year 7/1/76 - 6/30/77

RECD DVR

06/14/1976

Balance

Grants

OVR

Miscellaneous

Expenses

Salaries - Directors

Salaries - Soc Evaluators

Work Aides - Counselors

Eval. Expense

Wages - Client

Payroll Taxes

Phone Expense

Consultant Fees

Office Supplies

Travel Supplies

Rep. Expense Maint

Contracts

Utilities

Auto Oil - Motor Vehicle

Insurance

Equip. Purchase

Auto Printing & Publication

Equip. Repair & Maint

Travel & Mileage

Long Service Training

Misc. Expense

Equip. Rental

Expense Account

Program Service Allocation

Administrative Allocation

251500

25000000

70662

2772062

274500

1714500

1354500

106000

6484500

1583275

705557

1269000

305500

477471

350545

350520

597621

791138

524076

263500

250000

504710

207452

200000

76500

105000

20559

22500

7690450

1793575

655521

8347876

22524176

191538

343 Beach Street  
910 Mackay Building  
Anchorage, Alaska 99501

MICHAEL C. HOGAN  
DIRECTOR

September 22, 1976

Ray Kent, Executive Director  
ADA  
2330 Nichols Street  
Anchorage, Alaska 99504

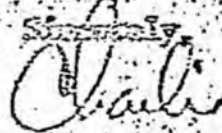
Dear Ray:

Your letter of September 10, 1976, to Mr. Dale Hayes has been forwarded to me for reply.

As has been our policy and past practice, Division of Vocational Rehabilitation cannot approve an increase in the fee for services until such time as a complete cost analysis has been provided to the Division of Vocational Rehabilitation showing direct and indirect expenses relative to the provision of rehabilitation services. Once the cost analysis has been prepared, reviewed, and any questions have been answered, a recommendation is made to Michael C. Hogan, Director, Division of Vocational Rehabilitation, who ultimately either approves or disapproves the fee. Once formal approval is given, then the new fee is in effect and Division of Vocational Rehabilitation counselors can authorize accordingly. However, until approval is given, counselors are instructed to authorize \$22.00 per day. Over the past several years, Division of Vocational Rehabilitation and Rehabilitation Industries have been attempting to reach an equitable solution to the problem of establishing the actual cost of providing services.

I have copies of the last cost analysis agreed upon by Division of Vocational Rehabilitation and Rehabilitation Industries and the formula applied to the analysis.

If you would care to review this process, please contact me and we can sit down and go over it.

Sincerely,  


Charles Williams  
Facilities Specialist

CL/ax

# STATE OF ALASKA

DEPARTMENT OF EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

MICHAEL C. MORGAN  
DIRECTOR

JAY S. HAMMOND, GOVERNOR

338 Denali Street  
910 Mackay Building  
Anchorage, Alaska 99501

September 14, 1976

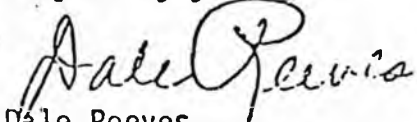
Tom Henderson, Director  
Fairbanks Rehabilitation Association  
117 Slater Drive  
Fairbanks, Alaska 99701

Dear Mr. Henderson:

This letter is to confirm our telephone conversation this date in which I advised you that the Division of Vocational Rehabilitation has agreed to a fee of \$31.00 per day for Work Evaluation and Work Adjustment at Hope Industries. In addition, the Division will pay \$5.00 per day for round trip transportation provided by Fairbanks Rehabilitation Association within a ten (10) mile radius for such clients needing that transportation service.

These new rates take effect September 15, 1976. Mr. Williamson is currently still working with the problem of what to do about the Singer System equipment and we are not at this point clear whether it can be utilized in some other facility in Fairbanks. However, I am hopeful that upon his return from a meeting in Portland, some definite decision can be reached so that it can be taken out of your way.

Very truly yours,



Dale Reeves  
Chief of Special Projects  
and Blind Services

DR/rrr

cc: M. Morgan ✓  
D. Quisenberry  
T. Buckner  
C. Williamson

REC'D BY D.V.R.

SEP 17 1976

CENTRAL OFFICE

5

THIS IS A COST ANALYSIS  
OF THE SINGER SYSTEM  
FOR THE FISCAL YEAR 1975-1976

PRESENT BUILDING

Staff Salary = \$16,000.000  
Space 462 sq.ft. = \$1,718.64 @ .31/sq.ft.  
Utilities \$738.88/month @ 6750 sq. ft.  
.11 x 462 = \$50.82/month  
\$50.82/month x 12 = \$609.84  
Job Materials \$1,000.00  
ANNUAL COST OF EVALUATION (insurance omitted) - \$19,328.48

NEW BUILDING

Staff Salary = \$16,000.00 annual  
Space 775 sq.ft. = \$9,486.00 @ \$1.02/sq. ft. / 12 months  
Utilities .11/sq. ft. x 775 = 85.25/ month x 12 months = \$1,023.00  
Job Materials \$1,000.00  
ANNUAL COST OF EVALUATION (insurance omitted) \$27,509.00

Services provided from 7/1/75 - 6/30/76 equal to 248 days of evaluation  
\$6,200 @ \$25/day for DVR service money  
2.41 persons/month for the year  
\$180 from TVCC course  
\$6,200.00 DVR & TCC  
+ 180.00 TVCC INCOME  
6,380.00 TOTAL INCOME FOR FISCAL 1976  
19,328.48  
6,380.00  
12,948.48 TOTAL LOSS OF FISCAL 1976

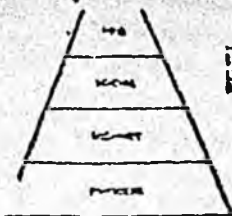
\$27,509.00 COST FOR FISCAL YEAR 1977 IN NEW BUILDING  
-6,380.00 PROJECTED INCOME  
21,129.00 ESTIMATED LOSS FOR FISCAL YEAR 1976

In order to break even on the Singer System in the new building, the following is necessary.

- (1) 4.2 clients per month @ \$25 per day @ 22 days per month for 12 months = \$27,720.00 (profit \$211.00)

RECOMMENDATION:

- (1) Request the Division of Vocational Rehabilitation to block fund for 4.2 clients per month or 51 clients per year for fiscal 1977, plus transportation cost.
- (2) Request the Division of Vocational Rehabilitation to block fund for \$ of 51 clients per year and the North Star School District to block fund for a \$ of 51 clients per year in order to break even in fiscal 1976/1977.



# Fairbanks Rehabilitation Association, Inc.

117 SLATER DRIVE - FAIRBANKS, ALASKA 99701

TELEPHONE (907) 452-5225

HOPE CENTER DIVISION  
117 SLATER DRIVE  
452-5225

## COST ANALYSIS FOR WORK ADJUSTMENT

HOPE INDUSTRIES DIVISION  
1443 DAVIS ROAD  
478-0210

Work Adjustment services in Fiscal 1976 is broken out as follows:

Staff Salary	\$15,300
Rent (29%)	7,228
Utilities	2,400
Program Supplies	8,485
Transportation	5,156
	<u>\$35,124.00</u>

Administrative salaries totaled \$43,200/year. Work Adjustment absorbs 29% of these salaries which equals \$12,528. The total cost of Work Adjustment services in Fiscal 1976 was \$50,652.00.

Work Adjustment Services in Fiscal 1977 is broken out as follows:

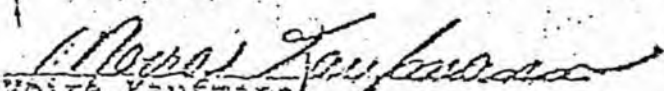
Staff Salary	\$16,830
Rent	43,002
Utilities	4,647
Program Supplies	9,333
	<u>\$73,812</u>
Administrative	12,528
TOTAL	<u>\$86,340</u>

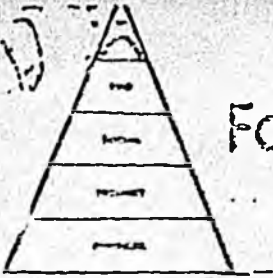
The total client days in work adjustment for Fiscal 1976 totaled 1719. There were a total of 24 clients served in work adjustment in Fiscal 1976. There were 251 working days available in Fiscal 1976 as Hope Industries closed December 24, 1975 - January 5, 1976. Average number of clients per day in Fiscal 1976 equaled 6.84. Average cost of services per client per day equaled \$29.46. Loss in Fiscal 1976 totaled \$7,677.

Hope Industries will have 259 working days available in Fiscal 1977. In order to break even in Fiscal 1977 it will be necessary to maintain a client load of 12/day at \$27 per day/client.

It is significant to note that transportation costs for Fiscal 1977 have not been included.

Hope Industries will offer transportation services at a cost of \$5/day for clients residing within a 10 mile radius of Hope Industries and .20/each additional mile. One way transportation may be purchased for \$2.50 for clients residing within 10 mile radius and .20 per each additional mile.

  
Mirra Kaufmann  
Vocational Director



# Fairbanks Rehabilitation Association, Inc.

117 SLATER DRIVE - FAIRBANKS, ALASKA 99701  
TELEPHONE (907) 452-5226

HOPE CENTER DIVISION  
117 SLATER DRIVE  
452-5228

HOPE INDUSTRIES DIVISION  
1448 DAVIS ROAD  
478-1210

## MEMORANDUM

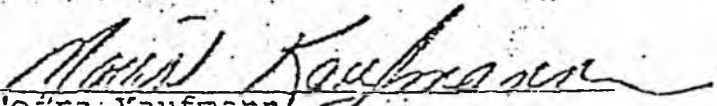
TO: Referring Agents

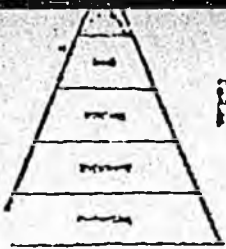
RE: Transportation

FROM: Moira Kaufmann

DATE: July 20, 1976

This is to inform you that Hope Industries will offer transportation as a separate service effective August 1, 1976. Round trip transportation may be purchased for the amount of \$5.00/day for individuals residing within a 10 mile radius of Hope Industries and \$2.50/day for one way transportation. A \$.20/mile charge will be added to these costs for individuals residing outside the 10 mile limit. Billing for transportation will be processed monthly.

  
Moira Kaufmann  
Vocational Director



# Fairbanks Rehabilitation Association, Inc.

2

117 SLATER DRIVE - FAIRBANKS, ALASKA 99701

TELEPHONE (907) 452-5228

HOPE CENTER DIVISION  
117 SLATER DRIVE  
452-5228

HOPE INDUSTRIES DIVISION  
1443 DAVIS ROAD  
479-6210

## COST ANALYSIS - OJT WAGPS

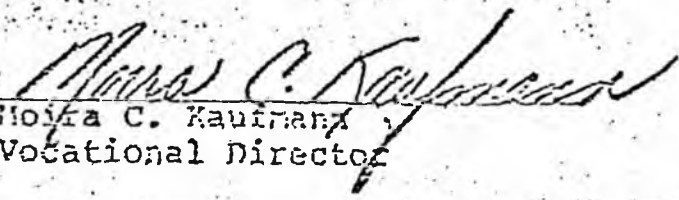
In Fiscal 1976 the Division of Vocational Rehabilitation payed to PRA a 10% adjustment cost above each client wage for OJT i.e., if a client on an OJT earned \$30.00 a \$3 fee was charged to DVR for the processing of this check.

It is significant to note that this client was covered under FRA'S Workmen's Compensation Insurance and PRA was responsible for payroll tax on each check.

Payroll tax averages 7% of a given wage  
Workmen's Compensation 1% of a given wage

In Fiscal 1977 it will be necessary to charge a 15% adjustment cost for OJT check dispensing to cover the above costs and staff involvement.

The adjustment cost will be effective August 1, 1976.

  
Myra C. Kaufman  
Vocational Director

from the desk of **Rosie Porter**

John,

If you think  
changes should be  
made - Go ahead  
& PRINT them on the  
original cover letter &  
I will re-type later.  
Thanks

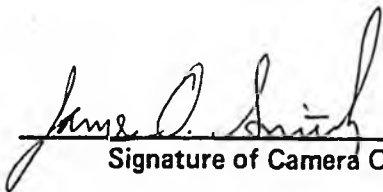
R.

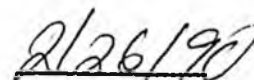


# RECORDS CERTIFICATION



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.

  
\_\_\_\_\_  
Signature of Camera Operator

  
\_\_\_\_\_  
Date

# COMMITTEE REPORT

4-6-77

## HOUSE

April 17 1977 Date

Mr. Speaker:

The Committee on FINANCE has had CSSB 121 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for Finance (House) HB 121 and that CS for Finance (House) HB 121 do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

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

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

<u>[Signature]</u>	recommends: <u>no</u>	_____
<u>[Signature]</u>	recommends: <u>no</u>	_____
<u>[Signature]</u>	recommends: <u>no</u>	_____

[Signature]  
Chairman

POUCH V  
JUNEAU, ALASKA 99811  
TELEPHONE (907) 485-3708

Alaska State Legislature



REPRESENTATIVE  
Steve Cowper  
CHAIRMAN  
FINANCE COMMITTEE

House of Representatives

April 19, 1977

HOUSE FINANCE COMMITTEE

Letter of Intent

for

HCS for CS for Senate Bill No. 121

It is the intent of the Legislature that local residents be hired for eligibility determination positions whenever possible.

A handwritten signature in cursive script, appearing to read "Steve Cowper", written over a horizontal line.

Steve Cowper, Chairman  
House Finance Committee

Original sponsor: Rules Committee by  
request of the Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 121

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

10 \* Section 1. The sum of \$821,000 is appropriated to the Department of  
11 Health and Social Services to be allocated and funded as follows:

	General Fund	Federal
12		
13 Program Services	\$185,600	\$296,300
14 Alcoholism Grants	269,100	
15 Eligibility Determination	43,000	27,000

16 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

18  
19  
20 *Carbon dioxide*

21  
22  
23  
24  
25 *error, capped*  
26 *in numbered funds*

27  
28  
29 *Foster Care*  
*Institutional Care*  
*Better*  
*estimate*

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

JAY S. HAMMOND, GOVERNOR

POUCH AM — JUNEAU 99811  
PHONE 465-2213

April 19, 1977

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

Dear Representative Cowper:

Please amend Senate Bill 121, in your Finance Committee now, for the supplemental appropriation request for the Department of Health and Social Services, Office of Alcoholism BRU, Grants component, reducing from the original request of \$308,600 to a current request of \$269,100 State general funds.

This supplemental request is to pay prior year's obligations to the Greater Anchorage Area Borough (GAAB) and the University of Alaska.

Funds were appropriated for the GAAB contract in FY 75 and were encumbered, however, due to administrative error, these funds were not paid and the funds lapsed at the end of FY 76.

Funds for the University of Alaska contract were appropriated in FY 74 however, final payment was withheld until completion of the audit. These funds lapsed at the end of FY 75.

The adjustment in SB 121 is possible because the finalized audit indicates the amount due to GAAB is \$251,650 instead of \$291,193 originally estimated.

Additional backup information from the Department of Health and Social Services is attached.

Sincerely,



Ron Lind  
Director

attachment

RL/MO/dtp

STATE  
of ALASKA

## MEMORANDUM

RECEIVED

APR 11 1977

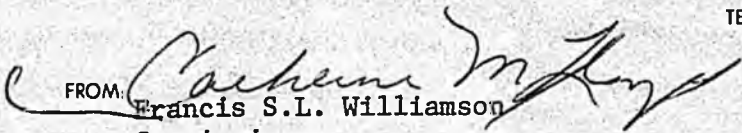
TO: Ron Lind, Director  
Division of Budget and Management  
Office of the Governor

DATE: April 6, 1977

BUDGET & MANAGEMENT

FILE NO:

TELEPHONE NO:

FROM:   
Francis S.L. Williamson  
Commissioner  
Department of Health  
and Social ServicesSUBJECT: FY 77 Supplemental Request  
Updated Projections--Revised  
SB 121  
Department of Health and  
Social Services, Alcoholism  
Grants

Alcoholism Grant Component, Collocation Code 06-24-5-225 (State General Funds).

Current authorization level as of January 31, 1977: \$1,856,700.00  
 Expenditures through January 31: \$642,610.65  
 Encumbrances recorded through January 31: \$1,088,744.35  
 (Authorization Balance report includes \$45,432 that was incorrectly encumbered.)  
 Obligations through January 31 that are not encumbered: \$74,712.00  
 Balance available from February 1 through June 30: \$50,633.00\*  
 Additional funding required through June 30: \$269,100.00

This is the only applicable collocation code in the Alcoholism Grant Component. Both the other collocation codes are federal funds which would not be applicable since they cannot be used for this purpose.

This supplemental appropriation of \$269,100 will be required by the State Office of Alcoholism for the Grants Component. This is due primarily to the lapse of FY 75 monies owed to the Greater Anchorage Area Borough. GAAB had a contract (#06-2930) with the State Office of Alcoholism in FY 75 in the amount of \$576,650. This amount of Titles IV-A and VI funding was appropriated for FY 75 and was encumbered in December 1974. A total of \$285,457 was paid to the Borough, although billings for the full amount of the contract were submitted. However, as a result of the processing system that was in existence at that time, only those billings submitted on Social Services Invoices were processed and paid. The other billings apparently were not forwarded for payment. The Borough did not inform the State at any time that only partial payment of each bill was being received. This underpayment was discovered in a recently completed audit of the Borough alcoholism program for FY 75. The remaining funds lapsed June 30, 1976.

There is an additional \$17,450 included in this supplemental for final payment of an FY 74 grant and contract to the University of Alaska. Final payment was withheld until completion of the audit. The audit was finalized after those funds had lapsed. This amount was found to be owed to the University in the audit report.

Ron Lind  
April 6, 1977  
Page 2

\*On March 25, 1977, the Governor's Advisory Board on Alcoholism recommended the distribution of these funds among eleven local alcoholism programs throughout the state. These grant award notifications are currently being processed by the State Office of Alcoholism. These funds will enable the programs to regain operating funds requested on their initial FY 77 applications that were justified but for which there were not sufficient funds.

Municipality  
of  
Anchorage



POUCH 6-650  
ANCHORAGE, ALASKA 99502  
(907) 279-2511

GEORGE M. SULLIVAN,  
MAYOR

DEPARTMENT OF HEALTH AND ENVIRONMENTAL PROTECTION  
(825 "L" Street)

March 2, 1977



Margaret Spence, Chief Fiscal Auditor  
Department of Health and Social Services  
Room 222, MacKay Building  
338 Denali Street  
Anchorage, AK 99501

Dear Ms. Spence:

We have the audit report and Mr. Lange's letter concerning Contract No. 06-2930 for alcoholism services during the period July 1, 1974 and June 30, 1975.

The conclusion reached in the audit is that the required monitoring and evaluation of the Alcoholism Program is lax. The Municipality recognized this in the early part of 1976 and initiated steps to transfer the responsibility for contract monitoring and enforcement to the Administrative Unit within the Health Department. To initiate this concept, two administrative officers are in the process of being hired, one to monitor and enforce contractor's fiscal performance and reliability; the second to monitor and enforce contractor's programmatic performance and reliability.

This does not mean that the Program Manager is relieved of the responsibility but rather that potential problem areas are identified and corrected (if not at the Program Manager level, then at the Department Director level) early in the fiscal year.

Specifically, the responses to the recommendations are:

- (1) The Administrative Unit within the Health Department will review all contract provisions and budgets and will see that all items agree as spelled out in the State Grant/Contract and passed on to the Municipalities sub-contractors.
- (2/3) All sub-contractors and the Municipality will adhere to standards outlined and stipulated in Appendix "B" of the contract with the State of Alaska.
- (4) The Municipality agrees with the computation of the Auditor arriving at the \$251,650 due the Municipality.

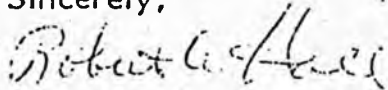
RECEIVED  
MAR 10 1977

OFFICE OF ALCOHOLISM

Page Two  
Margaret Spence  
March 2, 1977

If there is any additional information needed, please contact the undersigned or Mr. Raymond D. Burt at 279-2511, the Municipal Department of Health and Environmental Protection.

Sincerely,



ROBERT A. (BERT) HALL  
Director

RAH/nls

CSSB 121  
121

TO: Ron Lind, Director  
Division of Budget and Management  
Office of the Governor

DATE: December 16, 1976

FROM: *Michael Orelove*  
Michael Orelove, Budget Analyst  
Division of Budget and Management  
Office of the Governor

SUBJECT: FY 77 Supplemental  
Department of Health & Social Services  
Program Services

The Department of Health and Social Services requests a FY 77 supplemental appropriation for the Program Services BRU as follows:

	<u>Total</u>	<u>Federal</u>	<u>General Fund</u>
Foster Care	\$271,000	\$ 50,800	\$220,200
Institutional Care	295,400	55,400	240,000
	<u>\$566,400</u>	<u>\$106,200</u>	<u>\$460,200</u>

Foster Care

The Department of Health and Social Services has indicated that their FY 77 budget request was based on an estimated 520 children at an average of \$10.08 per day for a total need of \$1,913,200. The FY 77 appropriation was \$1,595,200. Current estimates which include a rate increase in FY 77 are based on FY 76 full time equivalent children of 467.

467 children x \$10.95 x 365 = \$1,866,200

\$1,866,200	FY 77 need
<del>\$1,595,200</del>	FY 77 appropriation
<u>\$ 271,000</u>	Shortfall

*reestimate*

Institutional Care

The Department of Health and Social Services has indicated that their FY 77 budget request was based on an estimated 180 children at an average of \$37.54 per day for a total need of \$2,466,500. The FY 77 appropriation was \$2,159,500. Current estimates which include a rate increase in FY 77 are based on FY 76 full time equivalent children, plus a 4% caseload increase.

209 children x \$32.18 x 365 = \$2,454,900

\$2,454,900	FY 77 need
<u>\$2,159,500</u>	FY 77 appropriation
\$ 295,400	Shortfall

TO: 

Ronald B. Lind, Director  
Budget and Management  
Office of the Governor

DATE : November 23, 1976

FROM: *for*

*Francis S. L. Williamson*  
Francis S. L. Williamson  
Commissioner  
Dept. of Health and Social Services

SUBJECT: FY-77 Supplemental Budget  
Requests - RP #11  
(FY-78 Budget Memo #16)

Attached is Revised Program No. 11 reflecting the FY-77 supplemental budget request for the Program Services BRU, in the total amount of \$568.4. The justification for the additional funds is as follows. The Division is required to provide care of children under AS 47.

#### Foster Care

Supplemental funds of \$271,000 are required in order to provide foster care for children. The legislature approved a 10 percent rate increase effective July 1, 1976; however, the FY-77 appropriation level was below that for FY-76.

A daily full-time equivalent (FTE) of 467 children in 24-hour foster homes and subsidized adoptive home placements, and in emergency shelter care facilities is anticipated for FY-77. The total number of days of care during FY-76, divided by 365 days, equals the FTE of 467. The total amount expended in FY-76 divided by 467 children and by 365 days, plus the 10 percent rate increase effective July 1, 1976, equals the average daily rate of \$10.95. Thus, total vendor payments for FY-77 are estimated at:

467 children X \$10.95 X 365 days = \$1,866,240

The FY-77 appropriation for vendor payments is:

Foster Care	\$1,452,000	
Protective Svcs.,	113,600	
Subsidized Adoptions	29,600	
Total		<u>\$1,595,200</u>

Projected deficit for vendor payments \$ 271,040

If a supplemental appropriation of this amount is not granted, the providers will not be paid for approximately 53 days of care per child. This would undoubtedly result in the loss of many providers in future months.

Institutional Care

Supplemental funds of \$295,351 are required in order to provide appropriate institutional care for children under the full-cost-of-care statute AS 47.40.040. The supplemental request is based strictly upon the FTE number of children for whom care was provided in FY-76, plus the four percent caseload increase anticipated for FY-77, for a FTE of 209 children a day and the total amount expended, divided by 209 children and by 365 days, plus the 10 percent rate increase approved for FY-77 for an average daily rate of \$32.18. The supplemental request does not take into consideration possible impact of the Attorney General's opinion on cost settling or on standards of allowable costs since there is no data as yet upon which to base accurate increases. Thus, total institutional care vendor payments for FY-77 are estimated at:

209 children X \$32.18 X 365 = \$2,454,851

The FY-77 appropriation for vendor payments is:

Institutional Care	\$2,132,500	
Protective Services, IC	<u>27,600</u>	
Total		<u>\$2,159,500</u>

Projected deficit for vendor payments \$ 295,351

If a supplemental appropriation in this amount is not granted, providers will not be paid for approximately 44 days of care per child.

REVISED PROGRAM  
 COST ANALYSIS SUMMARY  
 by BUDGET COMPONENT

Rev. #11  
 11/1/76

AGENCY Health and Social Services	CATEGORY PROGRAM	021	Fam. & Ch.
DIVISION Soc. Services	SUB-PROGRAM	3	Social Ser
	ELEMENT	02	Program Se
	SUB-ELEMENT	03	Foster Car

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL	33.8		33.8
300	CONTRACTUAL SERVICES	1,463.0	271.0	1,734.0
400	COMMODITIES	31.1		31.1
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>1,527.9</b>	<b>271.0</b>	<b>1,798.9</b>
NEW CODE				
	FEDERAL RECEIPTS	354.1	50.8	404.9
	REQUIRED GENERAL FUND MATCHING	267.5	50.8	318.3
	OTHER GENERAL FUND	656.3	169.4	825.7
	INTER-AGENCY TRANSFERS			
	OTHER: Program Receipts	193.2		193.2
	Federal Title XX	56.8		56.8
	<b>TOTAL</b>	<b>1,527.9</b>	<b>271.0</b>	<b>1,798.9</b>
	PERMANENT FULL-TIME POSITIONS	0		0
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS	0		0

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

REVISED PROGRAM  
 COST ANALYSIS SUMMARY  
 by BUDGET COMPONENT

Rev. #11  
 11/1/76

AGENCY Health and Social Services	CATEGORY	06	al Servic
DIVISION Social Svcs.	PROGRAM	21	Fam. & Child.
	SUB-PROGRAM	3	Social Servic
	ELEMENT	02	Program Servi
	SUB-ELEMENT	03	Institutional

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL	26.5		26.5
300	CONTRACTUAL SERVICES	2,137.5	295.4	2,432.9
400	COMMODITIES	4.0		4.0
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>2,168.0</b>	<b>295.4</b>	<b>2,463.4</b>
NEW CODE				
	FEDERAL RECEIPTS	398.3	55.4	453.7
	REQUIRED GENERAL FUND MATCHING	398.3	55.4	453.7
	OTHER GENERAL FUND	1,326.0	184.6	1,510.6
	INTER-AGENCY TRANSFERS			
	OTHER: Program Receipts	45.4		45.4
	<b>TOTAL</b>	<b>2,168.0</b>	<b>295.4</b>	<b>2,463.4</b>
	PERMANENT FULL-TIME POSITIONS	0		0
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS	0		0

(CURRENT FY)

	FY _____	FY _____	FY _____	FY _____	FY _____	FY _____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

45



TO: Marsha Hubbard, Budget Analyst  
Division of Admin. Services

THRU: Sam J. Granato, Director  
Division of Social Services

FROM: Mary Eldemar, Budget Analyst  
Division of Social Services

DATE . December 8, 1976

SUBJECT: FY 77 Supplemental Budget  
Request - Revised Program #11

This is in response to Mike Orelove's verbal request for additional information relating to the original request for FY 77 as a base for the supplemental budget request for the Program Services BRU.

The final FY 77 request in Contractual Services following House and Senate Finance Committee actions was as follows:

Foster Care:

We requested the FCC appropriate \$1,913,200 based upon an estimated 520 children at an average of \$10.08 a day x 365 days.

The breakdown was:

Foster Care	\$1,795,800
Protective Svcs. Foster Care	87,600
Subsidized Adoptions	29,600
	<u>\$1,913,200</u>

The FCC appropriation was:

Foster Care	\$1,452,000
Protective Svcs. Foster Care	113,600
Subsidized Adoptions	29,600
	<u>\$1,595,200</u>

The appropriation level was estimated to be \$318.0 below estimated needs. As detailed in my memo of November 3, care of 467 children at \$10.95 a day will be \$1,566,240, for a projected deficit of \$271,040.

Institutional Care:

We requested the FCC appropriate \$2,466,500, based upon an estimated 180 children at an average of \$37.54 a day x 365 days as follows:

Institutional Care	\$2,426,200
Prot. Svcs. Inst. Care	40,300
	<u>\$2,466,500</u>

The FCC appropriation was:

Institutional Care	\$2,132,500
Prot. Svcs. Inst. Care	<u>27,000</u>
	\$2,159,500

The appropriation level was estimated to be \$307.0 below estimated needs. As detailed in my memo of November 3, care of 209 children at \$32.18 a day will be \$2,454,851, for a projected deficit of \$295,351.

ME:ls

# MEMORANDUM

TO: Ron Lind, Director  
Division of Budget and Management  
Office of the Governor

DATE: December 2, 1976

FROM: *Michael Orelove*  
Michael Orelove, Budget Analyst  
Division of Budget and Management  
Office of the Governor

SUBJECT: FY 77 Supplemental  
Department of Health & Social Services  
Office of Alcoholism

The Department of Health and Social Services requests a FY 77 supplemental appropriation for the Office of Alcoholism to pay prior years obligations as follows:

Greater Anchorage Area Borough for FY 75	\$291,193
University of Alaska for FY 74	\$ <u>17,450</u>
Total State General Fund	\$308,643

Funds were appropriated for the Greater Anchorage Area Borough contract in FY 75 and were encumbered, however, due to administrative error these funds were not paid and the funds lapsed at the end of FY 76.

Funds for the University of Alaska contract were appropriated in FY 74, however, final payment was withheld until completion of the audit. These funds lapsed at the end of FY 75.

Backup information is attached.

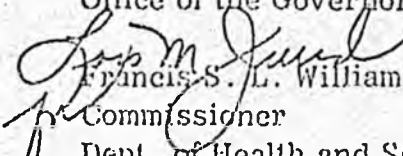
MO/ld  
attachments

TO: Ronald B. Lind, Director  
Budget and Management  
Office of the Governor

DATE

November 23, 1976

FROM:

  
Francis S. L. Williamson  
Commissioner  
Dept. of Health and Social Services

SUBJECT:

FY-77 Supplemental

A supplemental appropriation of approximately \$308,600 will be required by the State Office of Alcoholism for the Grants Component. This is due primarily to the lapse of FY75 monies owed to the Greater Anchorage Area Borough and the results of an audit finalized after the funds had lapsed.

GAAB had a contract (#062930) with the State Office of Alcoholism in FY-75 in the amount of \$576,650. This amount of Titles IVA and VI funding was encumbered in December 1974. A total of \$285,457 was paid to the Borough, although billings for the full amount of the contract were submitted. However, as a result of the processing system that was in existence at that time, only those billings submitted on Social Services Invoices were processed and paid. The other billings apparently were not forwarded for payment. The Borough did not inform the State at any time that only partial payment of each bill was being received. This underpayment came out in a recently completed audit of the Borough alcoholism program for FY75. The remaining funds lapsed June 30, 1976.

We are requesting the full remainder of the lapsed encumbrance \$291,193-pending finalization of the audit and appeal process. Upon finalization of the amount payable to the Borough, the supplemental amount will be revised accordingly.

There is an additional \$17,450 included in this supplemental for final payment of an FY74 grant and contract to the University of Alaska. Final payment was withheld until completion of the audit. The audit was finalized after those funds had lapsed.

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

REVISED PROGRAM  
 COST ANALYSIS SUMMARY  
 by BUDGET COMPONENT

AGENCY Health and Social Services	CATEGORY	code 02	Social Services
DIVISION Office of Alcoholism	PROGRAM	24	Addiction
Commissioner	SUB-PROGRAM	01	Alcoholism
	ELEMENT	02	Grants
	SUB-ELEMENT		

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	2,587.7	308.6	2,896.3
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>2,587.7</b>	<b>308.6</b>	<b>2,896.3</b>
NEW CODE	FEDERAL RECEIPTS	731.0		731.0
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	1,856.7	308.6	2,165.3
	INTER-AGENCY TRANSFERS			
	OTHER:			
	<b>TOTAL</b>	<b>2,587.7</b>	<b>308.6</b>	<b>2,896.3</b>
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G. F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

51



TO: [ William C. Mullin, Director  
Division of Finance  
Department of Administration  
*(Signature)*

FROM: Catherine M. Lloyd  
Deputy Commissioner for  
Administrative Management  
Department of Health & Social Services

DATE : October 27, 1976

SUBJECT: Reinstatement of FY 75  
Encumbrance - Office  
of Alcoholism

It has come to our attention that approximately \$250,000 in billings from the Municipality of Anchorage for FY 75 alcoholism services has not been paid due to simple administrative error and subsequent oversight.

A proper encumbrance was recorded to cover these obligations, and there is evidence that the billings were submitted in a timely manner. The Office of Alcoholism thought the bills had been paid, but apparently these billings went astray during routine processing for payment by the Office of Alcoholism. The encumbrance for these obligations was removed on June 30, 1976.

Since all unpaid obligations are less than two years old, reinstatement of the encumbrance is requested so as to permit a prompt resolution of this matter. This action is requested in accordance with the provisions of AS 37.25.010. Necessary documentation to reinstate the encumbrance and effect payment of the obligation is attached. Your prompt approval and processing of this request will be sincerely appreciated.

Attachment

cc: Office of Budget and Management  
Office of the Governor

CML: bal

Catherina M. Lloyd  
Deputy Commissioner  
Department of Health and  
Social Services

DATE : November 4, 1976

FROM: Richard W. Fraen  
Acting Commissioner  
Department of Administration

SUBJECT: Alcoholism Grant-In-Aid  
1975 Appropriation  
Reestablishment

Reference your request to reestablish the encumbrance for an indebtedness to Anchorage Borough under the alcoholism program, FY 1975. Your request is hereby denied. Per AS 37.25.010(b) the subject indebtedness shall be paid from your current year appropriations. It is realized that this action could necessitate your requesting a supplemental appropriation.

It is recommended that the subject indebtedness be paid in an expeditious manner so that any possible federal reimbursement may be requested as soon as possible.

As you are aware the federal audit of this program for FY 1974 raised serious doubt as to the eligibility of the program for federal participation. Perhaps this is an indication that the program should be reviewed at the State level as to its worthiness for State support.

RWF/LB/rjc

*Harry Bell*



Original sponsor: Rules Committee by  
request of the Governor

Offered: 3/29/77  
Referred: Rules

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 121

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

10 \* Section 1. The sum of \$790,543 is appropriated to the Department of  
11 Health and Social Services to be allocated and funded as follows:

	General Fund	Federal
12 Program Services	\$185,600	\$296,300
13 Alcoholism Grants	308,643	

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

Original sponsor: Rules Committee by request  
of the Governor

Offered: 3/28/77  
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 119

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

10 \* Section 1. The sum of \$528,627 is appropriated from federal funds to  
11 the Department of Administration, longevity bonus program, for the fiscal  
12 year ending June 30, 1977.

13 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
14 070(c).



TO:  Ronald B. Lind, Director  
Budget and Management  
Office of the Governor

DATE: November 23, 1976

FROM: *for* *Cassius J. Lloyd*  
Francis S. L. Williamson  
Commissioner  
Dept. of Health and Social Services

SUBJECT: FY-77 Supplemental Budget  
Requests - RP #11  
(FY-78 Budget Memo #16)

Attached is Revised Program No. 11 reflecting the FY-77 supplemental budget request for the Program Services BRU, in the total amount of \$568.4. The justification for the additional funds is as follows. The Division is required to provide care of children under AS 47.

#### Foster Care

Supplemental funds of \$271,000 are required in order to provide foster care for children. The legislature approved a 10 percent rate increase effective July 1, 1976; however, the FY-77 appropriation level was below that for FY-76.

A daily full-time equivalent (FTE) of 467 children in 24-hour foster homes and subsidized adoptive home placements, and in emergency shelter care facilities is anticipated for FY-77. The total number of days of care during FY-76, divided by 365 days, equals the FTE of 467. The total amount expended in FY-76 divided by 467 children and by 365 days, plus the 10 percent rate increase effective July 1, 1976, equals the average daily rate of \$10.95. Thus, total vendor payments for FY-77 are estimated at:

467 children X \$10.95 X 365 days = \$1,866,240

The FY-77 appropriation for vendor payments is:

Foster Care	\$1,452,000	
Protective Svcs.,	113,600	
Subsidized Adoptions	29,600	
Total		<u>\$1,595,200</u>

Projected deficit for vendor payments \$ 271,040

If a supplemental appropriation of this amount is not granted, the providers will not be paid for approximately 53 days of care per child. This would undoubtedly result in the loss of many providers in future months.

Institutional Care

Supplemental funds of \$295,351 are required in order to provide appropriate institutional care for children under the full-cost-of-care statute AS 47.40.040. The supplemental request is based strictly upon the FTE number of children for whom care was provided in FY-76, plus the four percent caseload increase anticipated for FY-77, for a FTE of 209 children a day and the total amount expended, divided by 209 children and by 365 days, plus the 10 percent rate increase approved for FY-77 for an average daily rate of \$32.18. The supplemental request does not take into consideration possible impact of the Attorney General's opinion on cost settling or on standards of allowable costs since there is no data as yet upon which to base accurate increases. Thus, total institutional care vendor payments for FY-77 are estimated at:

209 children X \$32.18 X 365 = \$2,454,851

The FY-77 appropriation for vendor payments is:

Institutional Care	\$2,132,500	
Protective Services, IC	<u>27,000</u>	
Total		<u>\$2,159,500</u>

Projected deficit for vendor payments \$ 295,351

If a supplemental appropriation in this amount is not granted, providers will not be paid for approximately 44 days of care per child.

STATE OF ALASKA  
 Dept: Administration  
 Budget & Management Div.

REVISED PROGRAM  
 COST ANALYSIS SUMMARY  
 by BUDGET COMPONENT

Rev. #11  
 11/1/76

AGENCY Health and Social Services	CATEGORY	code 0	Familial Services
DIVISION Soc. Services	PROGRAM	21	Fam. & Child
	SUB-PROGRAM	3	Social Services
	ELEMENT	02	Program Services
	SUB-ELEMENT	03	Foster Care

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL	33.8		33.8
300	CONTRACTUAL SERVICES	1,463.0	271.0	1,734.0
400	COMMODITIES	31.1		31.1
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>1,527.9</b>	<b>271.0</b>	<b>1,798.9</b>
NEW CODE				
	FEDERAL RECEIPTS	354.1	50.8	404.9
	REQUIRED GENERAL FUND MATCHING	267.5	50.8	318.3
	OTHER GENERAL FUND	656.3	169.4	825.7
	INTER-AGENCY TRANSFERS			
	OTHER: Program Receipts	193.2		193.2
	Federal Title XX	56.8		56.8
	<b>TOTAL</b>	<b>1,527.9</b>	<b>271.0</b>	<b>1,798.9</b>
	PERMANENT FULL-TIME POSITIONS	0		0
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS	0		0

(CURRENT FY)  
 ↓

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

REVISED PROGRAM  
 COST ANALYSIS SUMMARY  
 by BUDGET COMPONENT

Rev. #11  
 11/1/76

AGENCY Health and Social Services	CATEGORY	06	State Social Serv
DIVISION Social Svcs.	PROGRAM	21	Fam. & Child.
	SUB-PROGRAM	3	Social Serv
	ELEMENT	02	Program Servi
	SUB-ELEMENT	03	Institutional

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL	26.5		26.5
300	CONTRACTUAL SERVICES	2,137.5	295.4	2,432.9
400	COMMODITIES	4.0		4.0
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>2,168.0</b>	<b>295.4</b>	<b>2,463.4</b>
NEW CODE	FEDERAL RECEIPTS	398.3	55.4	453.7
	REQUIRED GENERAL FUND MATCHING	398.3	55.4	453.7
	OTHER GENERAL FUND	1,326.0	181.6	1,510.6
	INTER-AGENCY TRANSFERS			
	OTHER: Program Receipts	45.4		45.4
	<b>TOTAL</b>	<b>2,168.0</b>	<b>295.4</b>	<b>2,463.4</b>
	PERMANENT FULL-TIME POSITIONS	0		0
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS	0		0

(CURRENT FY)

	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G.F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

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TO: Marsha Hubbard, Budget Analyst  
Division of Admin. Services

THRU: Sam J. Granato, Director  
Division of Social Services

FROM: Mary Eldemar, Budget Analyst  
Division of Social Services

DATE : December 8, 1976

SUBJECT: FY 77 Supplemental Budget  
Request - Revised Program #11

This is in response to Mike Orelove's verbal request for additional information relating to the original request for FY 77 as a base for the supplemental budget request for the Program Services BRU.

The final FY 77 request in Contractual Services following House and Senate Finance Committee actions was as follows:

Foster Care:

We requested the FCC appropriate \$1,913,200 based upon an estimated 520 children at an average of \$10.08 a day x 365 days.

The breakdown was:

Foster Care	\$1,795,800
Protective Svcs. Foster Care	87,600
Subsidized Adoptions	29,600
	<u>\$1,913,200</u>

The FCC appropriation was:

Foster Care	\$1,452,000
Protective Svcs. Foster Care	113,600
Subsidized Adoptions	29,600
	<u>\$1,595,200</u>

The appropriation level was estimated to be \$318.0 below estimated needs. As detailed in my memo of November 3, care of 467 children at \$10.95 a day will be \$1,866,240, for a projected deficit of \$271,040.

Institutional Care:

We requested the FCC appropriate \$2,466,500, based upon an estimated 180 children at an average of \$37.54 a day x 365 days as follows:

Institutional Care	\$2,426,200
Prot. Svcs. Inst. Care	40,300
	<u>\$2,466,500</u>

The FCC appropriation was:

Institutional Care	\$2,132,500
Prot. Svcs. Inst. Care	<u>27,000</u>
	\$2,159,500

The appropriation level was estimated to be \$307.0 below estimated needs. As detailed in my memo of November 3, care of 209 children at \$32.18 a day will be \$2,454,851, for a projected deficit of \$295,351.

ME:ls

TO: Ron Lind, Director  
Division of Budget and Management  
Office of the Governor

DATE : December 2, 1976

FROM: *Michael Orelove*  
Michael Orelove, Budget Analyst  
Division of Budget and Management  
Office of the Governor

SUBJECT: 77 Supplemental  
Department of Health & Social Services  
Office of Alcoholism

The Department of Health and Social Services requests a FY 77 supplemental appropriation for the Office of Alcoholism to pay prior years obligations as follows:

Greater Anchorage Area Borough for FY 75	\$291,193
University of Alaska for FY 74	\$ 17,450
Total State General Fund	\$308,643

Funds were appropriated for the Greater Anchorage Area Borough contract in FY 75 and were encumbered, however, due to administrative error these funds were not paid and the funds lapsed at the end of FY 76.

Funds for the University of Alaska contract were appropriated in FY 74, however, final payment was withheld until completion of the audit. These funds lapsed at the end of FY 75.

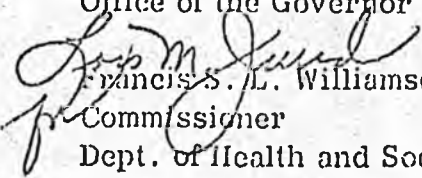
Backup information is attached.

MO/ld  
attachments

TO: Ronald B. Lind, Director  
Budget and Management  
Office of the Governor

DATE : November 23, 1976

FROM:

  
Francis S. L. Williamson  
Commissioner  
Dept. of Health and Social Services

SUBJECT: FY-77 Supplemental

A supplemental appropriation of approximately \$308,600 will be required by the State Office of Alcoholism for the Grants Component. This is due primarily to the lapse of FY75 monies owed to the Greater Anchorage Area Borough and the results of an audit finalized after the funds had lapsed.

GAAB had a contract (#062930) with the State Office of Alcoholism in FY-75 in the amount of \$576,650. This amount of Titles IVA and VI funding was encumbered in December 1974. A total of \$285,457 was paid to the Borough, although billings for the full amount of the contract were submitted. However, as a result of the processing system that was in existence at that time, only those billings submitted on Social Services Invoices were processed and paid. The other billings apparently were not forwarded for payment. The Borough did not inform the State at any time that only partial payment of each bill was being received. This underpayment came out in a recently completed audit of the Borough alcoholism program for FY75. The remaining funds lapsed June 30, 1976.

We are requesting the full remainder of the lapsed encumbrance \$291,193- pending finalization of the audit and appeal process. Upon finalization of the amount payable to the Borough, the supplemental amount will be revised accordingly.

There is an additional \$17,450 included in this supplemental for final payment of an FY74 grant and contract to the University of Alaska. Final payment was withheld until completion of the audit. The audit was finalized after those funds had lapsed.

REVISED PROGRAM  
 COST ANALYSIS SUMMARY  
 by BUDGET COMPONENT

AGENCY Health and Social Services	CATEGORY	02	Social Services
DIVISION Office of Alcoholism	PROGRAM	24	Addiction
Commissioner	SUB-PROGRAM	01	Alcoholism
	ELEMENT	02	Grants
	SUB-ELEMENT		

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL			
300	CONTRACTUAL SERVICES			
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE	2,587.7	308.6	2,896.3
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	<b>TOTAL</b>	<b>2,587.7</b>	<b>308.6</b>	<b>2,896.3</b>
NEW CODE	FEDERAL RECEIPTS	731.0		731.0
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	1,856.7	308.6	2,165.3
	INTER-AGENCY TRANSFERS			
	OTHER:			
	<b>TOTAL</b>	<b>2,587.7</b>	<b>308.6</b>	<b>2,896.3</b>
	PERMANENT FULL-TIME POSITIONS			
	PERMANENT PART-TIME POSITIONS			
	TEMPORARY (FULL-TIME EQUIVALENTS)			
	NUMBER OF MAN MONTHS			

	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
EXPENDITURES - TOTAL						
SOURCE OF FUNDS						
FEDERAL						
REQ. G. F. MATCH						
OTHER G. F.						
OTHER (SPECIFY)						

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TO: William C. Mullin, Director  
Division of Finance  
Department of Administration  
*(Signature)*

FROM: Catherine M. Lloyd  
Deputy Commissioner for  
Administrative Management  
Department of Health & Social Services

DATE: October 27, 1976

SUBJECT: Reinstatement of FY 75  
Encumbrance - Office  
of Alcoholism

It has come to our attention that approximately \$250,000 in billings from the Municipality of Anchorage for FY 75 alcoholism services has not been paid due to simple administrative error and subsequent oversight.

A proper encumbrance was recorded to cover these obligations, and there is evidence that the billings were submitted in a timely manner. The Office of Alcoholism thought the bills had been paid, but apparently these billings went astray during routine processing for payment by the Office of Alcoholism. The encumbrance for these obligations was removed on June 30, 1976.

Since all unpaid obligations are less than two years old, reinstatement of the encumbrance is requested so as to permit a prompt resolution of this matter. This action is requested in accordance with the provisions of AS 37.25.010. Necessary documentation to reinstate the encumbrance and effect payment of the obligation is attached. Your prompt approval and processing of this request will be sincerely appreciated.

Attachment

cc: Office of Budget and Management  
Office of the Governor

CML:hal

Catherina M. Lloyd  
Deputy Commissioner  
Department of Health and  
Social Services

DATE : November 4, 1976

FROM: Richard W. Freen  
Acting Commissioner  
Department of Administration

SUBJECT: Alcoholism Grant-In-Aid  
1975 Appropriation  
Reestablishment

Reference your request to reestablish the encumbrance for an indebtedness to Anchorage Borough under the alcoholism program, FY 1975. Your request is hereby denied. Per AS 37.25.010(b) the subject indebtedness shall be paid from your current year appropriations. It is realized that this action could necessitate your requesting a supplemental appropriation.

It is recommended that the subject indebtedness be paid in an expeditious manner so that any possible federal reimbursement may be requested as soon as possible.

As you are aware the federal audit of this program for FY 1974 raised serious doubt as to the eligibility of the program for federal participation. Perhaps this is an indication that the program should be reviewed at the State level as to its worthiness for State support.

RWF/LB/sjc

*Harry Bell*

