

LEG. FINANCE - BILLS 1977 - 1978 906

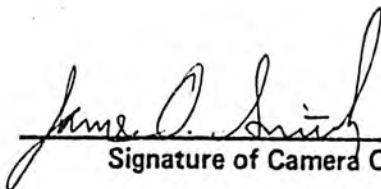
SB 121 thru CSSB 122 906

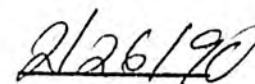


RECORDS CERTIFICATION



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
SENATE

2/16/77

March 29, 1977

Date

Mr. President:

The Committee on FINANCE has had SB 121
supplemental appropriation to Dept. of Health & Social Services
under consideration. A majority of the members of the Committee

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

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

Chairman

Original sponsor: Rules Committee by
request of the Governor

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 121

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

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

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

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

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

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

STATE OF ALASKA

OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT

JAY S. HAMMOND, GOVERNOR

POUCH AM — JUNEAU 99811
PHONE 465-2213

March 16, 1977

Honorable John Sackett
Chairman, Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

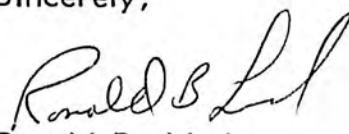
Please amend Senate Bill 121 for the Supplemental appropriation request for the Department of Health and Social Services, Program Services BRU, Foster Care component, reducing from the original request of \$271,000 to a current request of \$186,500.

The original request was reduced by \$35,500 in anticipation of the transfer of funds requested in revised program 77-99X.

Revised program 77-99X (copy attached) also transferred \$49,000 state general funds from the Day Care component to the Foster Care component, therefore Senate Bill 121 can be reduced by \$49,000 state general funds.

Also attached is additional backup information for the Program Services supplemental request prepared by the Department of Health and Social Services after the supplemental request was reduced by \$35,000 but prior to the \$49,000 reduction.

Sincerely,


Ronald B. Lind
Director

enclosures

MEMORANDUM

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

DATE: February 22, 1977

FILE NO:

TELEPHONE NO:

FROM: Francis S.L. Williamson, Commissioner
Dept. of Health & Social Services

SUBJECT: FY 77 Supplemental Request
Updated Projections - SB 121
Department of H&SS
Program Services

This is in response to your memo of February 17 requesting certain information relating to Senate Bill 121.

1. Authorization as of January 31, 1977:

	<u>Total</u>	<u>Contractual</u>
Foster Care (Increased by RP 77-288)	\$1,563.4	\$1,498.5
Protective Services Foster care	113.6	113.6
Adoptions	39.7	29.6
Subtotal	\$1,716.7	\$1,641.7
Institutional Care	2,168.0	2,137.5
Protective Services Institutional Care	27.0	27.0
Subtotal	\$2,195.0	\$2,164.5
Total	\$3,911.7	\$3,806.2

2. Expenditures as reflected on January 31 journal:

	<u>Total</u>	<u>Contractual</u>
Foster Care	\$ 811.1	\$ 775.7
Protective Services Foster Care	46.5	44.3
Adoptions	2.5	2.4
Subtotal	\$ 860.1	\$ 822.4
Institutional Care	1,182.6	1,160.0
Protective Services Institutional Care	33.1*	30.1
Subtotal	\$1,215.7	\$1,190.1
Total	\$2,075.8	\$2,012.5

*Expenditure erroneously showing for Personnel Services is in the process of being adjusted to the proper account and has not been included as a part of \$33.1.

3. Encumbrances recorded through January 31:

	<u>Total</u>	<u>Contractual</u>
Foster Care	\$ 82.7	\$ 82.7
Protective Services Foster Care	31.5	31.5
Adoptions	-0-	-0-
Subtotal	\$ 114.2	\$ 114.2
Institutional Care	411.6	411.6
Protective Services Institutional Care	-0-	-0-
Subtotal	\$ 411.6	\$ 411.6
Total	\$ 525.8	\$ 525.8

4. Estimated obligations through January 31, which are not encumbered:

	<u>Total</u>	<u>Contractual</u>
Foster Care	\$ 147.5	\$ 141.0
Protective Services Foster Care	8.5	8.1
Adoptions	.4	.4
Subtotal	\$ 156.4	\$ 149.5
Institutional Care	197.1	193.3
Protective Services Institutional Care	5.5	5.0
Subtotal	\$ 202.6	\$ 198.3
Total	\$ 359.0	\$ 347.8

5. Estimated balances available from February through June 30 after encumbrances and other obligations have been satisfied:

	<u>Total</u>	<u>Contractual</u>
Foster Care	\$ 522.1	\$ 499.1
Protective Services Foster Care	27.1	29.7
Adoptions	36.8	26.8
Subtotal	\$ 586.0	\$ 555.6
Institutional Care	376.7	372.6
Protective Services Institutional Care	11.6	8.1
Subtotal	\$ 365.1	\$ 364.5
Total	\$ 951.1	\$ 920.1

6. Additional funding required through June 30:

	<u>Total</u>	<u>Contractual</u>
Foster Care	\$ 235.5	\$ 235.5
Institutional Care	295.4	295.4
Total	\$ 530.9	\$ 530.9

7. The original budget requests, Governor's Budget and the Free Conference Committee appropriations varied as follows:

	<u>Maint. Request</u>	<u>Governor's Budget</u>	<u>FCC Appropriation</u>	<u>Decrease From Request</u>
Foster Care	\$2,119.1	\$1,914.9	\$1,527.9	\$591.2
Inst. Care	<u>2,313.7</u>	<u>2,318.9</u>	<u>2,168.0</u>	<u>145.7</u>
Total	\$4,432.8	\$4,233.8	\$3,695.9	\$736.9

8. Attachment No. 1 and 2 were submitted immediately following action on the Appropriation Bill by the House and Senate requesting additional funding. Upon passage of the FY 77 Appropriations Bill, my memo of June 10, 1976, to then Commissioner Warwick explained that supplementals would definitely be required in Foster Care and Institutional Care (see page 3, 3e of Attachment No. 3).

The FCC Report, pages 94 and 96 include legislative intent that "a supplemental will be considered based on adequate justification."

9. Not applicable
10. Not applicable.
11. Not applicable.
12. The reasoning behind the supplemental is based on actual full-time rates paid. Detail is set out in the position paper on SB 121 for the Program Services BRU, attachment No. 4.

The total authorized for Foster Care and Institutional Care in Contractual Services is \$3,806.2, less \$16.0 for special needs and foster home liability insurance, or \$3,790.2. Estimated payments for care will total \$4,321.1, resulting in an estimated deficit of \$530.9.

Total expenditures recorded as of January 31 are \$2,012.5, less \$4.4 expended for special needs and \$11.6 for liability insurance and the special needs balance, or \$1,996.5. There is approximately a seven week lag between the receipt of an invoice, payment and its inclusion on the expenditure journal. There are 31 weeks in the period July 1, 1976. through January 31, 1977. Expenditures of \$1,996.5 for care divided by 24 weeks (due to the lag) equals an average weekly expenditure of \$83.2, times 52 weeks results in a total estimated need of \$4,325.8, minus the authorization of \$3,790.2, results in an estimated deficit of \$535.5

COMPONENT		Foster Care	Revised Governor	House	Senate	Suggested Agency
100	Personal Services					
200	Travel		33.8	33.8	33.8	33.8
300	Contractual Services		2,105.5	2,105.5	1,463.0	1,795.8
400	Commodities		31.1	31.1	31.1	31.1
500	Equipment					
600	Land, Buildings, Non-Structural Improvements					
700	Grants, Claims, and Shared Revenue					
800	Miscellaneous					
TOTAL			2,170.4	2,170.4	1,527.9	1,860.7
900	Inter-Agency Charges (Included Above)					
FUNDING SOURCE	Federal Receipts		503.1	503.1	354.1	440.4
	Required General Fund Matching		380.0	380.0	267.5	317.4
	Other General Fund		1,037.3	1,037.3	656.3	852.9
	Inter-Agency Receipts		193.2	193.2	193.2	193.2
	Other: Federal Title XX		56.8	56.8	56.8	56.8
POSITIONS	Permanent Full-Time					
	Permanent Part-Time					
	Temporary (Full-Time Equivalents)					
	Number of Man-Months					

COMMENTS AND JUSTIFICATION OF SUGGESTED CHANGES:

Foster Care - The revised Governor's and the House Budgets included \$255.5 to provide for emergency shelter care. This amount must be reinstated in order for the Division to comply with court directives to provide emergency shelter care to children brought before the courts. If emergency shelter care is not available there is a good possibility the court will order that such care be provided and, if we are unable to comply, will be found in contempt. \$56.8 is claimable under Title XX. The remainder must be general funds. Based on revised estimates for FY 76, and an anticipated 5% caseload increase and 10% rate increase, 493 children at \$8.56 a day x 365 days will result in a total need of \$1,540.3 for standard foster care. Total Foster care including travel and commodities will require \$1,860.7.

Attachment No. 1

BRU		Program Services			
COMPONENT		Institutional Care		Revised Governor	Suggested Agency
				House	Senate
100	Personal Services				
100	Travel	26.5	26.5	26.5	26.5
100	Contractual Services	2,426.2	2,426.2	2,137.5	2,426.2
100	Commodities	4.0	4.0	4.0	4.0
100	Equipment				
100	Land, Buildings, Non-Structural Improvements				
100	Grants, Claims, and Shared Revenue				
100	Miscellaneous				
TOTAL		2,456.7	2,456.7	-2,168.0	2,456.7
100	Inter-Agency Charges (Included Above)				
FUNDING SOURCE	Federal Receipts	451.1	451.1	398.3	451.1
	Required General Fund Matching	451.1	451.1	398.3	451.1
	Other General Fund	1,509.1	1,509.1	1,326.0	1,509.1
	Inter-Agency Receipts	45.4	45.4	45.4	45.4
	Other:				
POSITIONS	Permanent Full-Time				
	Permanent Part-Time				
	Temporary (Full-Time Equivalents)				
	Number of Months				

COMMENTS AND JUSTIFICATION OF SUGGESTED CHANGES:

Institutional Care - Due to possible rate increases not yet identifiable, and to avoid possible law suits, we request an addition to current legislative intent which will provide authorization to meet full cost of care under the provisions of AS 47.40. We have been given notice by some institutions that they may file suits under the full cost of care statute. In addition, based upon the attached breakdown, we request reinstatement of the Governor's and House Budget which will enable meeting only a 10% rate increase.

10.2

MEMORANDUM

State of Alaska

TO: The Honorable Andrew S. Warwick
Commissioner
Department of Administration

DATE: June 10, 1976

FILE NO:

TELEPHONE NO:

FROM: *Francis S. L. Williamson*
Francis S. L. Williamson
Commissioner
Department of Health and Social Services

SUBJECT: FY 77 Budget
Legislation

Pursuant to Governor Hammond's memorandum dated June 3, 1976, we have analyzed all budget legislation affecting this department to ascertain the five areas of potential impact and/or recommended action as outlined below:

1. Items added by the legislature which could set an undesirable precedent
 - a. The Office of Aging was appropriated \$82.5 for senior citizens facilities at three locations with no intent or other directive.
 - b. Division of Mental Health, Contract Institutions - The legislature dictated specific amounts for contracts without statements of intent. This places the agency in the position of "gift-giving." No intent or other directives were specified by the legislature. No additional operating funds were provided to implement construction or repairs of the three named separate facilities.
 - c. (1) Division of Social Services, Protective Services - Legislative intent indicates that 53.0 is to go to Anchorage Child Abuse, Inc. This reduces the availability of funds to meet the demands on the division which may be of a higher priority. It would be helpful if the Governor in his budget message indicated that legislative intent should be followed only if it is determined that the services of the Anchorage Child Abuse take precedence over other needs met by this component.
 - (2) Other Services - The 10.0 appropriated for a grant to Girls Club in Anchorage is undesirable for reasons stated above. This 10.0 is additional to the Governor's budget, but the division recommends this be appropriated in contractual services rather than grants.
 - (3) Social Services - The 10.0 appropriated for a grant to Easter Seal Society is undesirable for reasons stated above. This type of legislative intent does not allow

Attachment No 3

the Department to plan or prioritize its programs.

- d. Division of Public Health, Maternal and Child Health - Without consultation, the legislature directed 10.0 in travel funds to grants with specific intent for Bethel Prenatal Home. This does not allow the division to develop a systemic program based on statewide priorities. Instead, it forces the division into the role of "gift-giving" without planning.

2. Items of intent which are unrealistic or for other reasons should be deleted:

- a. (1) Office of Aging - Requirement of a report on housing alternatives for the elderly.
- (2) The WCC report indicates the Department of Community and Regional Affairs is apparently to duplicate Office of Aging efforts relating to senior citizen housing development grants.
- b. Division of Mental Health, Contract Institution - The award of 53.2 to ARCA in addition to the regular contract and the award of 25.0 to Gateway Center are presently substantiated, but no additional funding was provided.
- c. Division of Public Health, Capitol Improvement - In the Capitol Improvement Budget there is an item for the Fairbanks Breast Cancer Screening Unit of 30.0. Again the Department has no knowledge of the intent of the grantee or planned use of the funds. There is a comparable unit available in the community. Apparently, a group of local Fairbanks women organized a local campaign for mass screening of women for breast cancer. The hospital services are more restrictive and did not fit the group's plans. How the center will work is not known. The techniques to be used are presently being debated in national medical circles as to the safety and potential harm to women being screened. Until a reliable plan is submitted, the granting of funds should be withheld as the plan represents duplication of equipment.

3. Programs which were underfunded which will require supplemental appropriations

- a. Office of Planning and Research - 13.5 was included under other funds for the new research analyst. However, this 13.5 was not appropriated to the Health Information System of Public Health. Therefore, the position must either be filled for only 6 months or a supplemental of 13.5 is required.
- b. Alaska Board of Parole - The heavy cut in travel funds will reduce rescission hearings by 6, and briefings with correctional

institute personnel will be almost completely eliminated with a corresponding liability for civil judgment against the state. We will request a supplemental of 10.0.

- c. (1) Division of Mental Health, Alaska Psychiatric Institute - The vacancy and turnover is unrealistic as budget amendment #61 was not incorporated. This, plus HB 887 (medical staff in exempt status), will require a supplemental of 466.0.

- (2) Hope Cottage (contract institutions) will require a supplemental of 550.0 due to underestimated expenses by contract vendors.

- d. Division of Public Assistance, Assistance Payments - No provision was made for costs estimated at 373.3 for grants to recipients that have to be increased to offset the child support currently being paid by absent fathers. The child support payments will go to the child support agency.

- e. Division of Social Services Foster Care and Institutional Care appropriations are 332.8 and 288.7, respectively, less than the Governor's budget. As the services are required under full cost-of-care statute, supplementals will be required.

- f. Division of Corrections -

- (1) Juvenile Confinement

- (a) If Alcantra closes, our workload for private care institutions will go up by about 10 beds. At \$48/day, this rate will require a supplemental of 175.0.
- (b) Full cost-of-care rate is running \$48/day rather than the projected \$39/day. A supplemental of 246.0 will be required.
- (d) Out-of-state juvenile care will be double what is currently projected. This will require a supplemental of 222.0.

- (2) Adult Confinement

- (a) Use of the "employee model" for delivery of routine medical services in Anchorage area institutions will require a supplemental of 100.0 over what was budgeted under "contract model" assumption.
- (b) In-patient hospitalization and special treatment fees of doctors cost the division two and one-half times the budgeted amount in FY 76. The division is requesting a 100.0 medical reserve

supplemental to cover possible medical service budget deficits.

- g. Office of Quality Control/Collection Agency - The legislature failed to approve and fund a Clerk Typist III position for the Anchorage office. Currently ten professional personnel must divert time and energy from audit and collection activity to do office routines. Requires a supplemental of 14.3.
 - h. Vital Statistics - Denial of the State Registrar position creates serious problems for the Bureau, as essential federal grants will not be available for the upgrading of the services, and effective responsiveness to legal questions regarding vital statistics and rulings will be delayed. Clerical personnel cannot be expected to make rulings and decisions that by statute are vested in the State Registrar. To partially meet the needs and cover the position deficiency, redefinition of present positions are planned to increase the efficiency of the unit, but this in no way fulfills the need for a State Registrar and meeting statutory requirements.
4. New legislation with fiscal impact not adequately funded.
- a. HB 887 Exempt Service for Licensed Physicians Employed by Division of Mental Health - This legislation will allow salaries to be set as required to recruit staff. When the fiscal note was submitted, it indicated 118.6 was required to implement HB 887. The legislature appropriated 104.8, a reduction of 13.8. Vacancy and turnover will need to be increased to offset this reduction.
 - b. SB 654 An Act Relating to Statewide Coordination, Development and Planning for the Delivery of Social Services - The legislature enacted SB 654 but did not provide for any additional funds or personnel to fulfill the intent of the bill. We feel the authority to undertake planning which is authorized by the bill already exists; however, lacking appropriated funds and positions it would be impossible for the Department to meet the detailed statewide planning set out in this legislation.
 - c. SB 659 Child Support Enforcement - We recommend that the Governor allow the bill to become law without signature for the following reasons and conditioned upon the provisions of the last paragraph (No. 4) of this memo:
 - (1) In light of last minute legislative amendments and without a change in federal law and/or regulation, we do not anticipate the ability of the agency to receive federal funds. This may effectively reduce the funding level to \$350,000 (from \$500,000 in the fiscal note to the bill). That \$350,000 level is one-third the amount of the budget request made through the Governor's

operating budget.

Normally, a reduction to one-third of requested funding would preclude the operation of the proposed program. It would not permit a program designated as "effective" as defined in federal requirements for such a program. That appears now to be the situation at hand under the final version of Senate Bill 659. However, \$198,000 in State General Funds apparently were not removed from the operating budgets (Court System, \$88,000; Department of Law, \$110,000) as provided in the Governor's FY 77 budget submittal. At the legislative hearings on Senate Bill 659, House Finance Committee, May 21, 1976, there was a confirmation that those funds were still contained in the two respective budgets. Assuming then the use of these funds for FY 1977, the effective funding of the child support child support agency would increase to \$548,000 (State General Funds: DHSS, \$350,000; Department of Law, \$110,000; Court System, \$88,000). That level of funding could provide a skeletal program to enable some relief to the thousands of Alaskan children not being supported by their absent responsible parent(s). The final version of Senate Bill 659 would then be a limited effort and possibly should be allowed to become law since it would represent useful activity in securing child support from those with legal liability to pay.

- (2) If these funds were not made available to the child support agency through Reimbursable Service Agreement with the Court System and the Department of Law and if they were not reduced or deleted through line item veto by the Governor, then they could be construed as a "windfall" to the Court System, and Department of Law and not "volunteered" by those entities to aid in establishing child support. By allowing the bill to become law without signature, the Governor may wish to consider adding his concerns in an accompanying letter over the inadequate level of funding in the bill itself and the excessive constraints placed on the agency that could preclude federal funding. This Department will do everything reasonable to secure approval for the enacted version of SB 659 and will make every effort to qualify the new agency for receipt of the \$150,000 in federal funds appropriated by the legislature.
- (3) In addition to the fiscal problems described above, the State will lose an annual amount, approximating \$350,000 in federal reimbursement for the Aid to Families with Dependent Children (AFDC), unless the program meets federal standards. This loss is technically 5% of the current federal AFDC reimbursement and is

imposed as a penalty for not implementing an "effective" acceptable child support program to complement the AFDC program. Since the penalty applies effective January 1, 1977, the FY 1977 penalty is estimated to be \$175,000 initially and \$350,000 annually thereafter.

In addition, since the AFDC and child support efforts are linked by federal law and state plans so heavily, it is possible that the federal government would disallow the entire federal portion of AFDC. This would raise the total federal penalty to \$7,700,000 annually, to include the \$350,000 5% penalty, all AFDC participation, and other administrative charges made because of the AFDC participation. The Medicaid program could be affected also if the federal government makes a determination that the AFDC compliance issue would preclude Medicaid eligibility since, in effect, Alaska would no longer have an acceptable AFDC (Title IV-A) program. In considering his options on the final version of Senate Bill 659, the Governor may want to consider the above in making his decision.

- (4) If the Department of Health and Social Services cannot be assured of the \$110,000 of Department of Law participation and \$88,000 transfer from the Court System to constitute a total of \$548,000 to operate the agency for FY 1977. The only funds available and assured will then be the \$350,000. In that eventuality, it is recommended that the Governor veto the bill. It is the Department's position that a program deemed acceptable by this administration cannot be operated by this agency at that funding level.

5. Items for which the funding could be deleted or reduced

- a. Division of Social Services, Alcantra - It is recommended that the operation component be reduced to Governor's budget request of 33.8 (Other General Funds) for custodial maintenance of the closed facilities. 132.8 should remain as the appropriation for the Debt Service Component. Note should be taken, however, of the proposed supplemental request [3.4(1)(a)] by the Division of Corrections for 175.0 for private care institutions if Alcantra is closed. The net effect of the reduction and supplemental is a reduction in required appropriations of 122.0.

SENATE BILL 121

(PROGRAM SERVICES ONLY)

"An Act making a supplemental appropriation to the Department of Health and Social Services; and providing for an effective date."

Senate Bill 121 requests a supplemental in the amount of 566.4. The Department of Health and Social Services respectfully requests the Senate Bill 121 be amended to provide a supplemental in the amount of 530.9 for the Program Services BRU. The purpose of this supplemental is to provide funds for Foster Care and Institutional Care. The requested amendment would reduce the total amount requested in SB 121 for general funds by \$225,600.

	<u>SENATE BILL 121</u>	<u>REVISED SENATE BILL 121</u>	<u>DIFFERENCE</u>
FED.	106.2	296.3	190.1
GF	460.2	234.6	(225.6)
TOTAL	566.4	530.9	(35.5)

The amendment to Senate Bill 121 is based on the availability of additional Title XX funds. The FY 77 Legislative Appropriation to the Department of Health and Social Services appropriated \$3,975,000 in Title XX funds. However this appropriation was reduced by \$206,500 through the Governor's veto of the Alcantra appropriation. Presently the Department of Health and Social Services could claim for these vetoed Title XX funds if there was authorization to do so. The amendment would re-appropriate \$190,100 of the vetoed \$206,500 Title XX funds to the Program Services BRU.

Attachments: -2-Foster Care
-3-Institutional Care

Recommended by:

Sam Granato 2/9/77
Sam Granato, Director
Division of Social Services

Approved by:

Francis S. L. Williamson
Francis S. L. Williamson
Department of Health & Social Services

Attachment No. 1

Foster Care

Supplemental funds of \$235,500 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:

$$467 \text{ children} \times \$10.95 \times 365 \text{ days} = \$1,866,240$$

The funds available for vendor payments are:

Foster Care	\$1,487,500	
Protective Svcs., FC	113,600	
Subsidized Adoptions	29,600	
Total		\$1,603,700

Projected deficit for vendor payments \$235,500

	<u>SENATE BILL 121</u>	<u>REVISED SENATE BILL 121</u>	<u>DIFFERENCE</u>
FED.	50.8	99.8	49.0
GF	<u>220.2</u>	<u>135.7</u>	<u>(84.5)</u>
TOTAL	271.0	235.5	(35.5)

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 case-load 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 \$30.18. 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 days = \$2,454,851

The FY 77 appropriation for vendor payments is:

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

Projected deficit for vendor payments \$295,351

	<u>SENATE BILL 121</u>	<u>REVISED SENATE BILL 121</u>	<u>DIFFERENCE</u>
FED.	55.4	196.5	141.1
	<u>240.0</u>	<u>98.9</u>	<u>(141.1)</u>
TOTAL	295.4	295.4	-0-

TO: [] DIVISION DIRECTORS AND
SEPARATE OFFICE CHIEFS

FROM:


V. L. Iverson, Director
Division of Administrative Services

DATE : February 17, 1977

SUBJECT: Requested Supplementals

The Senate Finance Committee Chairman has requested the Governor to provide certain information to his committee.

As a result of this request, the Department of Health and Social Services has been instructed to provide the Division of Budget and Management the following memorandum.

A memo addressed to Ron Lind from Commissioner Williamson with the Subject identified as follows:

FY 77 Supplemental Request
Updated Projections
HB _____ or SB _____
Department of _____
_____ (Program/BRU)

Since the Legislative staff utilizes the Authorization Balance report in review of the supplemental requests, the body of the memo should contain the following information.

1. Current authorization level as of January 31, 1977. If different than the January 31 Authorization Balance report, explain the difference.
2. Expenditures through January 31.
3. Encumbrances recorded through January 31.
4. Obligations through January 31, but not encumbered.
5. Balance available from February 1 through June 30 after encumbrances and other obligations have been subtracted.

6. Additional funding required through June 30.
7. Actual history resulting in the supplemental.
8. Research and written documentation from the previous year's minutes relating to the supplemental.
9. Research and documentation of any appropriation as the supplemental relates to any previous BRU funding.
10. Check the Capital Improvement Budget for at least the past two years for potential conflicts.
11. Research budget documentation from various existing departments - Fiscal Year 77 and 78.
12. An explanation as to your reasoning behind the supplemental and verification of figures through a number of tests to determine the accuracy of the requested supplemental.

STATE
of ALASKA

MEMORANDUM

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

DATE: March 10, 1977

RP 77-99X

FILE NO:

TELEPHONE NO:

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

SUBJECT: Department of Health and Social
Services Request to Transfer Funds
Between Allocations in the Division
of Social Services, Program Services
BRU

The Department of Health and Social Services requests approval to transfer funds between allocations in the Division of Social Services to reduce the FY 77 supplemental request in the Foster Care component.

The Foster Care program requires an additional \$271,000 to meet foster care payments in FY 77. Various funding sources can be used to meet this funding deficit.

Senate Bill 121 (supplemental request for Program Services BRU) originally requested this \$271,000 which was amended by the Department of Health and Social Services to utilize \$35,500 of federal Title XX funding to be transferred to the Foster Care component by this revised program.

These Title XX funds are not required in the Day Care program in the Department of Health and Social Services as a result of passage of SLA 1976, Chapter 253 which transferred the responsibility for Day Care for AFDC recipients to the Department of Community and Regional Affairs. Revised program 77-184 transferred \$129,800 State General Funds to the Department of Community and Regional Affairs. The 75% Title XX funds appropriated to match these state funds was \$389,400, which remained in the Day Care component after the transfer of the State General Funds.

This revised program will further reduce this supplemental need by transferring in \$49,000 general funds also currently appropriated in the Day Care component.

These general funds are not required in the Department of Health and Social Services Day Care program per the most current estimates from the department.

A summary of the funding in the Day Care component is 'as follows:

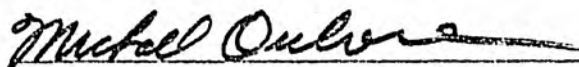
	<u>Total</u>	<u>General Fund</u>	<u>Title XX</u>
FCC FY 77 Appropriation	\$730.0	\$182.5	\$547.5
RP 77-184 transfer to C&RA	(129.8)	(129.8)	
RP 77-313 transfer to Admin/Soc Svcs	<u>(199.3)</u>	<u> </u>	<u>(199.3)</u>
Current balance before this RP	\$400.9	\$ 52.7	\$348.2

This revised program will transfer \$35,500 of the Title XX funding and \$49,000 of the general funds from the Day Care component to the Foster Care component.

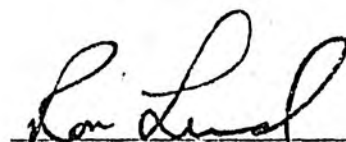
A summary of these actions is as follows:

<u>Appropriation</u>	<u>Allocation</u>	<u>Total</u>	<u>Title XX</u>	<u>General Fund</u>
Program Svcs	Day Care	(84.5)	(35.5)	(49.0)
Program Svcs	Foster Care	84.5	35.5	49.0

Your approval is requested in accordance with AS 37.07.080(e).


 Michael Orelove, Budget Analyst
 Division of Budget and Management

Approved this 22 day of March, 1977.


 Ron Lind, Director
 Division of Budget and Management

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER
OFFICE OF ALCOHOLISM

JAY S. HAMMOND, GOVERNOR

POUCH H 05F - JUNEAU 99811

March 9, 1977

The Honorable Glenn Hackney
Chairman, Health, Education
& Social Services Committee
State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Hackney,

This memo provides clarification on the appropriations bill requested by the Administration for the Office of Alcoholism and Department of Education for FY 78. Each sub-appropriation is explained in order.

1) Medical Alcohol Detoxification Services - \$100,000

In some cases, medical supervision is appropriate for the detoxification process. On occasion, the potential for cardiovascular arrest, convulsions, respiratory failure, or other severe withdrawal symptoms may be serious. Hospitals around the State have often been reluctant or unwilling to admit people for detoxification, sometimes because they do not agree that hospitalization is necessary, other times because they lack appropriate staff to "handle" a potentially troublesome alcoholic patient. In view of the underutilization of beds at many Alaskan hospitals, the Office of Alcoholism believes that arrangements for medical detoxification may be possible if funds are available for providing staff, staff training or equipment required to operate the program. This would be a demonstration effort designed to provide incentives for hospitals to take on this service, through the provision of 75% SGF/25% "other funds" grants to one or two selected hospitals who may be persuaded to attempt this service. Hospitals will be selected on the basis of "Requests for Proposals" to be published in the media state wide.

2) Non-Medical Alcohol Detoxification Facility Acquisition Grants - \$367,100

The objective of these grants is to provide at least 15,000 client days per year of non-medical detoxification in Juneau, Ketchikan, Valdez, Yakutat, Wrangell, Petersburg, Seward, Unalaska, Cordova, Kotzebue, Kenai, and Barrow. Single wide trailers are contemplated for Yakutat, Wrangell, Petersburg, Unalaska, and Cordova. Double wide trailers would be placed at the other sites.

The Honorable Glenn Hackney
 March 9, 1977
 page two

It is proposed that the state provide 50% matching funds for capital construction except in "poverty" communities, where the state would pay 90% matching. Release of matching funds would be contingent on the local community coming up with the other 50% or 10% depending on "poverty" designation. Starting in FY 79 it is proposed that the state pay 75% of the operating costs contingent on a local match of 25%, except in "poverty" communities where the state: local ratio would be 90:10. This is consistent with current matching arrangements under the State's alcoholism grant-in-aid program.

	<u>OPERATING</u>			<u>CAPITAL</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
FY 78				367.1	247.9	615.0
FY 79	1636.5	444.3	2080.8			
FY 80	1751.1	475.4	2226.5			

The 50/50 matching proposal for facility acquisition can occur only if the State Office's proposed revision of AS 47.37.310(c) is passed. Currently, the State can require only a 25% match from the community, though the proposed revision would allow the State to require up to a 50% match for capital construction or facility acquisition.

Capital cost projections for FY 78 are as follows:

	<u>Double-Wide</u>		<u>Single-Wide</u>	
	<u>State</u>	<u>Local</u>	<u>State</u>	<u>Local</u>
Juneau	27.0	27.0		
Ketchikan	27.0	27.0		
Valdez	27.0	27.0		
Seward	27.0	27.0		
Kenai	27.0	27.0		
Barrow	27.0	27.0		
Kotzebue (Pov.)	48.6	5.4		
Wrangell			23.7	23.7
Petersburg			23.7	23.7
Cordova			23.7	23.7
Yakutat (Pov.)			42.7	4.7
Unalaska (Pov.)			42.7	4.7
Totals	210.6	167.4	156.5	80.5
Total State = 367.1	Total Local = 247.9			

Cost of double wide estimated at 54.0, including 36.0 purchase and trans., 8.0 site prep., and 10.0 beds and equipment. Provides for sprinkler and fire walls per Fire Marshall. Cost of single wide estimated at 47.4, including 29.4 purchase and trans. 8.0 site prep.

Honorable Glenn Hackney
March 9, 1977
page three

Operating costs for FY 79 are estimated at \$1636.5 State General Fund and \$444.3 local match.

This includes funds to provide 24 hour staffing for each facility with two persons on duty most of the time. 24 hours x 7 days x 2 persons = 336 manhours per site per week. 336 manhours divided by 40 hours per person per week = 8.4 full time employees. The following total number of full time employees and costs are therefore included in the operating cost projection:

	<u>Employees</u>	<u>Other Operating Cost</u>	<u>Total State</u>	<u>Total Local</u>
Juneau	8	8.4	126.3	42.1
Ketchikan	8	8.4	126.3	42.1
Valdez	8	8.4	126.3	42.1
Seward	8	8.4	126.3	42.1
Kenai	8	8.4	126.3	42.1
Barrow	8	8.4	126.3	42.1
Kotzebue (Pov.)	8	8.4	151.6	16.8
Wrangell	7	8.4	111.3	37.1
Petersburg	7	8.4	111.3	37.1
Cordova	7	8.4	111.3	37.1
Yakutat (Pov.)	7	8.4	133.6	14.8
Unalaska (Pov.)	7	8.4	133.6	14.8
Kodiak	6	-	90.0	30.0
Bethel	<u>2</u>	<u>-</u>	<u>36.0</u>	<u>4.0</u>
Totals	99		1636.5	444.3

Personnel costs estimated at 16.0 per position plus 25% benefits. Total estimate = 20.0 per position.

If the detox center were to be closed for some period of time each day due to limited staff, the clients would have to be ushered out every day precluding the possibility of several days continuous "drying out", and setting the tone of the operation as basically an overnight "flop-house". Though one employee on duty would often be sufficient, particularly at the smaller sites, the arrival of two belligerent or "uncooperative inebriates" at a center would clearly require two people. Such arrivals cannot be predicted or somehow evened out.

Other operating costs include an estimated \$500 per month per site for utilities, heat, phone, etc., plus \$200 per month supplies, drugs (asprin, Maalox, coffee, etc.), and incidental expenses. \$700 x 12 months = \$8400 per year site.

Honorable Glenn Hackney
March 9, 1977
page four

3) Operation of 30-day Residential Intensive Treatment Facility for Alcohol Affected Persons - \$600,000.

This appropriation would provide intensive care and rehabilitation to approximately 600 alcoholics per year, 30% of whom should be immediately returned to normal or near normal levels of productivity, and 70% having 20-50% restoration of normalcy.

The Alaska Alcoholism Treatment center (AATC) in Anchorage (Point Woronzof) currently is attempting to operate such a program without benefit of state or local funds. The facility itself is in excellent condition and well suited to a 30 day program. AATC is currently being evaluated by the State Office of Alcoholism, with formal results expected within a few weeks. Informal evaluation of the program indicates that the staff is inadequate due to lack of funds and its capacity is underutilized for a number of reasons including inadequate staff and consequent lack of referrals. After an in-depth review, and evaluation of their application, it is the intention of this office to fund AATC up to a maximum of \$600,000 for a one year period at a 75/25 matching level and a reduced level of State funding support for a second year. These funds would be restricted for FY 78 until an exact determination can be made regarding the level of third party payments that can be anticipated. This would enable AATC to develop a solid, high quality program without the current fluctuations of funding and service provision capability. After this two-year period of stability and development it is anticipated that the program would be able to obtain sufficient first and third party payments to permit the deletion of State funding. This would provide the State of Alaska with a high quality, private non-profit alcoholism treatment facility.

- 4) *Public Information & Education Regarding Alcohol Abuse - \$350,000*
It is anticipated that these funds would be used for development of educational material for dissemination by the media. The request includes funds for purchase of media time. The emphasis will be on informational presentations rather than dramatizations. In addition, funds are contained in this request for two regional information specialists, who would be in a position to advise local communities on laws, regulations, and options available to them regarding the sale and distribution of alcohol, and who would also be able to make informational presentations on the subject of alcohol abuse to interested groups around the state.
- 5) Training of Personnel for Service in Alcohol Treatment and Counseling Programs at Various Locations - \$104,500

This appropriation for training is composed of three sections:

- a) Two full time teaching positions at the University of Alaska Center for Alcohol and Addictions Studies.

One would develop and implement university accredited continuing education and in-service training courses on the nature of alcoholism, its treatment, and rehabilitation for professionals and paraprofessionals currently working in the fields of medicine, social work and criminal justice. The benefit to the state will be a more knowledgeable

Honorable Glenn Hackney
March 9, 1977
page five

population of people currently providing services to alcohol-related cases in their respective occupations, thereby enabling them to provide more effective services to current cases.

The other would develop and implement a university accredited counselor certification education program for alcoholism counselors currently working and/or young people who may wish to enter the field. This is the first step in a process of professionalization of alcoholism counselors in Alaska. The benefits to the state would be: 1) a population of counselors better trained and therefore more able to assist their alcoholic clients and: 2) greater credibility of all alcoholism programs resulting in increased willingness of third party payors to reimburse alcohol treatment programs who employ certified counselors.

The total cost of this section would be \$83,390 for the two positions.

b) A workshop for alcoholism and drug abuse program managers in program administration and management.

This three-day workshop would be held in Anchorage and would be attended by all program managers at a cost for air fare and per diem of \$8,094.

c) Emergency Medical Technician I Training Course.

Twenty existing non-medical detoxification staff in local alcoholism programs will attend this fourteen-day course at the State Trooper Training School in Sitka to ensure proper training in identifying and handling medical emergencies in programs providing this service.

This total package would ensure that current and prospective staff members in local alcoholism and drug abuse programs receive an appropriate type and level of training to better perform their jobs.

Sincerely yours,

Francis S.L. Williamson
Commissioner

STATE
of ALASKA

MEMORANDUM

TO: Kent Dawson
Administrative Assistant
Office of the Governor

DATE : February 4, 1977

FROM: *DL*
Diane LeResche, Chief
Health Education Section
Department of Education
465-2850

SUBJECT: ICC Cost Projection
Narrative: Primary
Prevention of Alcohol
Associated Problems
Through Education in
the Schools

Project Objective:

To formulate an elementary and secondary school alcohol education curriculum package, develop and implement a training program for school personnel to adequately use the curriculum package, and produce a promotional program for school alcohol education programs in order to ultimately reduce alcohol abuse among our Alaskan youth and future adults.

Estimated Project Life:

Costs to State: 3 years; on-going at local level thereafter.

Cost Projection:

FY 78	66.0
FY 79	64.0
FY 80	210.0

Narrative:

There is currently no appropriate alcohol education curriculum package for use in Alaskan schools. There are continually requests by teachers, counselors and school administrators for assistance in this area. There are no existing Alaskan training programs in this area for school personnel. There is evidence that teachers are inadequately prepared to provide students with up-to-date information, attitude formation and building of habits conducive to making responsible decisions about the use of alcohol.

The approach to be taken will not be like that of the drug education programs of the 60's. It will not be a short-termed crisis program using scare tactics, information alone and even mis-information. While the central focus will be on objective information about the substance, its use and abuse, the curriculum package and teacher training will combine information with helping youth learn responsible decision-making

February 4, 1977

and problem-solving skills, how to identify and practice alternatives to the mis-use of alcohol and other drugs, the control of impulses and peer pressures, learning inter-personal relations skills, and the development of a positive self-image.

Although some instructional materials of this nature do exist, they are scattered, dis-organized and usually not relevant to most Alaskan communities. An Alaskan curriculum package does need to be developed, field tested, duplicated and distributed to all school districts. It will be used and used appropriately if accompanied by a promotional and on-site training program. Each of the 52 school districts in Alaska (with a total of 92,546 students in grades K-12 in 1976) will be involved in the alcohol education program.

DL/nj

Introduced: 2/3/77
Referred: Health, Education &
Social Services and Finance

1 THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 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 pro-
8 viding for an effective date."

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

10 * Section 1. The sum of \$875,043 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	\$460,200 \$106,200
14	Alcoholism Grants	308,643

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).

STATE OF ALASKA

OFFICE OF THE GOVERNOR

JAY S. HAMMOND, GOVERNOR

BUDGET & MANAGEMENT

POUCH AM — JUNEAU 99811
PHONE 465-2213

*Handy
Put in folder*

March 4, 1977

Honorable John Sackett
Chairman, Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

Attached is a memorandum from the Department of Health and Social Services containing additional backup information for the FY 77 supplemental request for the Office of Alcoholism. This supplemental is contained in Senate Bill 121.

Sincerely,



Ron Lind
Director

enclosure

STATE
OF ALASKA

MEMORANDUM

RECEIVED

MAR 4 1977

BUDGET & MANAGEMENT

TO: ☐

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

DATE : February 28, 1977

FROM:

Catherine M. Lopez
Francis S. L. Williamson
Commissioner
Department of Health and Social Services

SUBJECT: FY-77 Supplemental Request
Updated Projections 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, 1977:	642,610.65
Encumbrances recorded through January 31, 1977:	1,088,744.35
(Authorization Balance report includes \$45,432 that was incorrectly encumbered.)	
Obligations through January 31, 1977 that are not encumbered:	74,712.00
Balance available from February 1 through June 30, 1977:	50,633.00*
Additional funding required through June 30, 1977:	308,643.00

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 \$308,643 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.

* Letters have been sent to the local alcoholism programs informing them that these funds are available and requesting applications. These funds will enable them to regain operating funds requested on their initial FY-77 applications that were justified but for which there were not sufficient funds. It is anticipated that these funds will be granted by 3/31/77.

STATE
of ALASKA

MEMORANDUM

TO: ☐ Kent Dawson
Administrative Assistant
Office of the Governor

DATE: March 9, 1977

FILE NO:

TELEPHONE NO:

FROM: AVRUM M. GROSS
ATTORNEY GENERAL

SUBJECT: MICA

By: *RMM*
Robert M. Maynard
Assistant Attorney General

In response to your request dated March 2, 1977, we are of the opinion that the Pioneer homes have valid insurance coverage from the Medical Indemnity Corporation of Alaska ["MICA"] beginning July 1, 1976 through January 1, 1978. The binder issued by MICA dated November 23, 1976, although issued after July 1, 1976, is valid as applied to retroactive coverage to from July 1, 1976 through November 23, 1976. This validity is authorized or reinforced by AS 21.88.050(1), which provides in part that

at the option of the physician
or hospital. . . the contract
[indemnifying the hospital] may
cover claims against the physician
or hospital for any period after
December 31, 1974. . . .

Merely because actual policy forms or applications were not developed and executed by MICA until November of 1976 does not affect the ability of MICA and the hospital to enter into a contract providing coverage prior to that date.

RMM:ml1

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C - JUNEAU 99811

March 16, 1977

JAY S. HAMMOND, GOVERNOR

Honorable John C. Sackett
Alaska State Legislature
Pouch V - State Capitol
Juneau, Alaska 99811

Re: Alcoholism Grant-In-Aid
1975 Appropriation Reestablishment

Dear Senator Sackett:

The Commissioner, Department of Health and Social Services, has requested this office clarify our memo of November 4, 1976, subject as above. Also, since the request for clarification came during testimony on Senate Bill 121, Commissioner Williamson has requested we respond directly to you on this matter.

For the sake of clarity a copy of the memo in question is attached. The following explanation is keyed to each of the three paragraphs of the memo.

Paragraph 1. AS 37.25.010(a) gives the length of time a one-year appropriation may be encumbered, which is two fiscal years: the year the appropriation is made and the succeeding year. After the second year the unexpended balance lapses. Any outstanding indebtedness against a lapsed appropriation must be paid in accordance with AS 37.25.010(b). This section states in part that an indebtedness arising from a prior year for which the appropriation has lapsed shall be paid from the current year's appropriation. In accordance with the above cited statutes the request for reestablishment of the encumbrance was denied. It was realized that payment of the indebtedness might necessitate the Department requesting a supplemental appropriation and this was so stated.

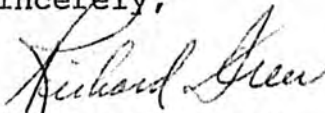
March 16, 1977

Paragraph 2. Until October 1975 the Alcoholism program was funded by 75% federal funds up to a maximum amount. The Department of Health and Social Services did not know whether they were eligible for any more federal funding for the period covered by the indebtedness. Since the federal participation was on a reimbursement basis, we recommended the indebtedness be paid in an expeditious manner and that any federal reimbursement be requested as soon as possible.

Paragraph 3. The U. S. Department of Health, Education and Welfare performed an audit of "Purchased Services Under Titles IV - Part A and VI of the Social Security Act Administered by the State of Alaska," for FY 1974. The alcoholism program was funded under Title IV of the Social Security Act. During the course of this audit serious questions were raised as to the eligibility of the alcoholism program for federal participation. As a result of these questions by HEW the Department of Health and Social Services changed the alcoholism program from 75% federal funding to 100% state funding beginning October 1975. The idea we have attempted to convey in paragraph 3 is that perhaps the alcoholism program should be examined at the State level to determine whether this program is fulfilling the purpose for which it was created.

I hope this answers any questions you may have concerning our memorandum of November 4, 1976. If this office can be of any further assistance please do not hesitate to contact us.

Sincerely,



Richard W. Freer
Deputy Commissioner

RWF/LB/kw
Attachment

STATE
of ALASKA

MEMORANDUM

TO: ☐

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

DATE : November 4, 1976

FROM:

Richard W. Freer
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.

RMF/LB/mjc

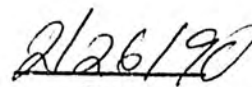


RECORDS CERTIFICATION



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

4-13-77

HOUSE

April 19 1977 Date

Mr. Speaker:

The Committee on FINANCE has had CSSB 122

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 HCS for House Senate Finance SB 122 and that
Senate Finance SB 122 HCS for SB 122 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>Freeman</u>	<u>Buchanan</u>	_____
<u>W. H. H. H.</u>	<u>W. H. H. H.</u>	_____
<u>Murkin</u>	<u>Conroy</u>	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

<u>Hansen</u>	recommends:	<u>no rec</u>
<u>Freeman</u>	recommends:	<u>no rec</u>
_____	recommends:	_____

Mar. O'Neil
Chairman

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. 122

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 \$845,551 is appropriated to the Department of
11 Health and Social Services for the fiscal year ending June 30, 1977, to be
12 allocated and funded as follows:

	General Fund	Federal
13		
14 Malpractice Insurance		
15 Public Health Administration	\$ 1,980	
16 Alaska Psychiatric Institute	70,000	\$ 8,600
17 Harborview Center	32,900	23,800
18 Public Assistance Administration	871	
19 Contract Institutions	99,300	- estimate
20 General Relief Medical	243,200	- estimate
21 ARCA	200,000	
22 Fairbanks Rehabilitation Association, Inc.	65,000	
23 Gateway Opportunity Center	25,000	- forgot funding
24 Public Health Laboratories	29,900	
25 Adult Protective Services, Demonstration		
26 Program Grant	25,000	

27 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
28 070(c).
29



Alaska State Legislature

April 15, 1977

POUCH Y, STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

M E M O R A N D U M

TO: Representative Steve Cowper
Chairman, House Finance Committee

FROM: Milt Barker
Fiscal Analyst
Legislative Finance Division

SUBJECT: SB 122

The Department of Health and Social Services has indicated that the language for the "Adult Protective Services, Demonstration Program" should be changed to "Adult Protective Services, Demonstration Program Grant" because there is no existing statutory authority for the Department to make grants in this area.

MBB:pw

122

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 and Social Services
Malpractice Insurance

The Department of Health and Social Services requests a FY 77 supplemental appropriation for Malpractice Insurance as follows:

Division of Mental Health	~~\$137,409.00~~ 138,549
Division of Public Health	\$ 5,174.00
Division of Public Assistance	\$ 871.00
Total State General Fund	~~\$143,454.00~~ 144,594

These figures are based on estimates from the Department of Administration, Division of General Services and Supply and are subject to approval of the Director of Insurance.

Application has been made to the Medicaid Indemnity Corporation of Alaska for malpractice insurance based on a rate of \$19.80 per \$1000 payroll for state employed doctors and \$550 per bed for psychopathic or retardation beds.

The amounts calculated for the Department of Health and Social Services were based on the figure of \$545 per bed, however the total amount requested should be close to the actual amount due to final adjustment of rates and actual occupancy during FY 77.

Medicaid funding will be available for a portion of this request but the amount will not be known until after the end of this fiscal year. Any excess appropriation would lapse.

Backup information is attached.

MO/pf
attachments

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

DATE: November 22, 1976

FROM: Catherine M. Lloyd *Catherine Lloyd*
Deputy Commissioner for *for Marshall*
Administrative Management
Dept. of Health and Social Services

SUBJECT: Malpractice Premiums
FY-77 and FY-78

7. [It is my understanding that the Department of Administration will be submitting a supplemental requesting the total amount of Malpractice Premium for the Department of Health and Social Services for the FY-77 budgets. These monies are to be distributed to the respective divisions within the Department of Health and Social Services.

Further, I understand your office has entered estimated Malpractice Premium amounts into the FY-78 budgets for submission to the Budget Review Committee.

If this is infact the manner in which Malpractice will be handled, please confirm.

Attachments: Malpractice Premium Estimates

RECEIVED

NOV 23 1976

BUDGET & MANAGEMENT

MH 137409
PH 5174
PA 871
C 1474
144,928

Malpractice Premium Estimates

Division of Mental Health

Admin./Support - Mental Health

06-32-2-03-00-00

A. 1 Physician

1,140.00

1,140.00✓

Total

1,140.00Alaska Psychiatric Institute

06-3-21-01-01.

A. 7 Physicians

7,752.00B. 185 bed operating capacity *OK*average 130 beds filled @ 545.00 = 70,850.00

Total

78,602.00

78,602.00✓

Harborview

06-3-32-01-0-3

A. 120 bed capacity *OK*

1 average 104 beds filled @ 545.00

56,680.00

Total

56,680.00

56,680.00✓

State Operated Mental Health Centers

06-3-32-02-01

A. 2 Physicians

2,127.00

Total

2,127.002,127.00✓

Total Estimated Premium

for Mental Health

~~137,409.00~~

138,549.

Malpractice Premium Estimates

Division of Public Health

Communicable Disease Control

A. 1 Physician TB Control

06-31-1-02-00-00

06-31-01-02-01-00 780.00

B. 1 Physician Epidimology

06-31-01-02-02-00 734.00

Total

1,514.00✓ 1,514.00

Family Health

A. 1 Physician Child Dev. Services

06-31-01-05-01-00

06-31-01-05-06-00 840.00

B. 1 Physician - Admin./Support

06-31-01-05-05-00 840.00

Total

1,680.00✓ 1,680.00

Admin./Support - Public Health

A. 2 Physicians

06-31-1-09-01-00

1,980.00

Total

1,980.00✓ 1,980.00

Total Estimated Premium
for Public Health

5,174.00

Malpractice Premium Estimates

Division of Public Assistance

Public Assistance Administration

03-33-03-00

A. 1 Physician

871.00

Total for Public Assistance

871.00

MEMORANDUM

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

DATE: December 2, 1976

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

SUBJECT: FY 77 Supplemental
Department of Health & Social Services
Contract Institutions

The Department of Health and Social Services requests a FY 77 supplemental appropriation for the Contract Institutions BRU for the difference between the original authorization and the actual cost of a negotiable contract with Hope Cottage Inc. to provide residential care for persons who are developmentally disabled.

The amount of this request is \$216,500 from the State general fund

Backup information is attached.

MO/ld
attachments

MEMORANDUM

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

DATE : November 23, 1976

FROM:

Catherine M. Lloyd
Francis S. L. Williamson
Commissioner
Department of Health and Social
Services

SUBJECT:

Revised Programs
Supplemental Funding
Division of Mental
and Developmental Disa-
bilities
BRU: Contract Institu-
tions

The attached Revised Program reflects the addition of 216.5 funding to the contract BRU of Mental Health and Developmental Disabilities. This funding is required to make up the difference between the original authorization and the actual cost of a negotiable contract with Hope Cottage, Incorporated to provide residential care for persons who are developmentally disabled. At the time of the final negotiation of the contract, the projected shortfall was identified and discussed with the Office of the Governor. The Department was subsequently instructed to proceed with the contract and, if necessary, request any required additional funds as a supplemental budget request. This Revised Program reflects that need.

There are no additional federal or third party funds which are projected as a part of this BRU and we, therefore, request only general funds.

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

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

AGENCY Health & Social Services	CATEGORY	03	Health
DIVISION Mental Health & Developmental Disabilities	PROGRAM	32	Mental Health & Inst. Services
	SUB-PROGRAM	01	Contract Inst.
	ELEMENT	04	
	SUB-ELEMENT		

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL	7.7		7.7
300	CONTRACTUAL SERVICES	2426.2	216.5	2642.7
400	COMMODITIES			
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
	TOTAL	2433.9	216.5	2650.4
NEW CODE	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	1502.0	216.5	1718.5
	INTER-AGENCY TRANSFERS	931.9		931.9
	OTHER:			
	TOTAL	2433.9	216.5	2650.4
	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						
REG. G.F. MATCH						
OTHER G.F.						
OTHER (SPECIFY)						

REVISED PROGRAM SUMMARY

by

APPROPRIATION

		code	
AGENCY H & SS	CATEGORY	03	Health
	PROGRAM	32	Mental Health D.D.
DIVISION Mental Health	SUB-PROGRAM	01	Institutional Svcs
& Developmental	ELEMENT	04	Contract Instit.
Disabilities	SUB-ELEMENT		

128

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

DATE December 28, 1976

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

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

The Department of Health and Social Services requests a FY 77 supplemental appropriation for the Medicaid BRU in the amount of \$2,607,800, of which \$1,303,900 is State General Funds and \$1,303,900 is federal funds.

The Department has indicated that the principal cause for this request is the cost settling of prior years expenditures.

Backup information is attached.

MO/ld
attachments

MEMORANDUM

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

DATE : December 14, 1976

FROM:  Lawrence J. Sullivan, Director
Division of Public Assistance

SUBJECT: Justification --
FY 77 Medicaid Supplemental

The projected deficit in the Medicaid budget results from, and includes, the following significant items:

- 1) \$1,221,887 in cost settlements to date (since July 1, 1976), and an estimated additional \$1,300,000 by fiscal year end. In prior years, cost settlements were taken against prior year encumbered funds, as adjustment of prior year obligations and billings. Beginning with FY 77, cost settlements have been directed to be taken from current year funds.
- 2) The \$4,030,265¹ projected June 30, 1977 deficit provides for 20 percent of late/delayed billings, i.e., the actual expenditures per month, multiplied by twelve, then divided by 80 percent yields approximately \$4,247,000 for payment of billings after June 30, 1977.
- 3) Spiraling health care costs, particularly of hospitals and nursing homes, have accounted for more increases, e.g., many facilities have seen two and three rate increases since January 1, 1976, with cumulative increases up to 47 percent. Documentation available. Note the following quotation from Washington, D.C. August 1976:

Health expenditures in fiscal 1977 are now expected to climb at least \$1 billion over the amount allocated for health in the First Concurrent Resolution on the Budget approved by Congress May 13.

Poor estimates for Medicaid expenditures for fy 1977, which starts October 1, the almost certain failure of Congress to enact legislation placing constraints on the Medicare and Medicaid programs, plus the need to appropriate funds for health programs which received their fy 1977 authorizations too late to be included in the regular HEW appropriations act have combined to force anticipated health spending in fy 1977 above the mark set in the First Concurrent Resolution.

LJS:WNN/mk

Division of Public Assistance
(Medical Assistance budgets only)
PROJECT 1 & ANALYSIS REPORT
Five Months Ending 11-30-76

		FY 77 Auth.	Expend. thru 11-30	Encumbered	Total Exp & Encumb.	Balance 11-30-76	Auth Exp Per Month	Actual Exp Per Month	Proj Bal 6-30-77
MEDICAID									
Travel		66 000	11 700	3510	15,210	50,790	5,500	3042	25 412
Contractual Svcs		17 091 900	3990 188	3,021 269	7,011,457	10,804,443	1,424,325	1,402,591	(3,942 465)
Commodities		23 000	34876	16 748	51,624	(28,634)	1,917	10,324	(111,212)
Total		17,180,900	4,036,764	3,041,527	7,078,291	10,826,609	1,431,742	1,415,657	(4,030,265)
GENERAL RELIEF-MEDICAL									
Travel		33 200	2209	663	2872	30,328	2767	574	25,164
Contractual Svcs		22 03 800	476 234	240 349	716 583	1,447,212	183,650	143,316	(1,558 847)
Commodities		610 700	106 550	42 840	149 390	461 310	50 892	21,518	142,405
Total		23 471 700	584 993	283 852	868 845	1,918,855	237,309	173,768	83 688
ADMIN & SUPPORT									
Personal Svcs		942 900	366 008	47,557	413,560	529,340	78,575	82,712	(42,641)
Travel		60 800	20 370	6111	26,481	34,319	5067	5296	(13,244)
Contractual Svcs		22 1 600	54 830	16 449	71,279	220 321	24,500	14,256	24,902
Commodities		12 800	2362	709	3071	9729	1,067	615	1730
Equipment		2 000	3,279	→	2,279	(299)	167	575	(201)
Total		1,313,100	445 864	70,826	516 690	793,410	109,174	103 454	(36,565)

RECEIVED

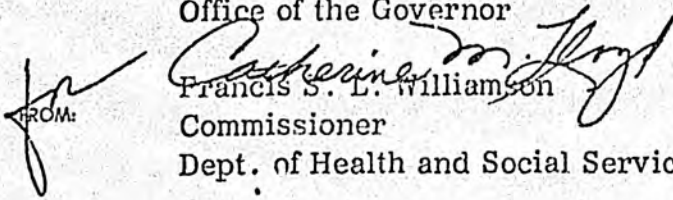
NOV 24 1976

BUDGET & MANAGEMENT

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

DATE :

November 24, 1976

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

SUBJECT:

Supplemental Request - FY77

The Division of Public Assistance, following completion of the October 31, 1976 Projection and Analysis Report, and conference with the division Medicaid auditor, must request a supplemental funding in Medicaid (Title XIX) for FY-77.

<u>Program-Object Code</u>	<u>FY-77 Authorized</u>	<u>Supplemental</u>
Medicaid 200	\$ 66,000	- 00 -
300	17,091,000	\$2,900,000
400	<u>23,000</u>	<u>120,000</u>
	\$ 17,180,900	\$3,020,000

Principal cause for the over-run is/will be the cost settling of nursing homes, both private and state-operated (Division of Mental Health). The dramatic increase in the Commodity cost arose from, a) under-estimation of prosthetic device costs at the time the Fiscal Note was prepared a year ago, and b) inclusion of examination costs on billing forms submitted by physicians.

Impact will be reflected in the Administration and Support budget but the Division so currently attempting to curtail and/or adjust expenditures within authorization.

Attachment

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

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT

FY 77 Supplemental

AGENCY	CATEGORY	code	
Health & Soc Svcs	PROGRAM	03	Health
DIVISION	SUB-PROGRAM	33	Medical Assistance
Public Assistance	ELEMENT	01	Medicaid
	SUB-ELEMENT		

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL	66.0		66.0
300	CONTRACTUAL SERVICES	17,091.9	2,900.0	19,991.9
400	COMMODITIES	23.0	120.0	143.0
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
NEW CODE	TOTAL	17,180.9	3,020.0	20,200.9
	FEDERAL RECEIPTS	8,520.0	1,510.0	10,030.0
	REQUIRED GENERAL FUND MATCHING	8,660.9	1,510.0	10,170.9
	OTHER GENERAL FUND			
	INTER-AGENCY TRANSFERS			
	OTHER:			
	TOTAL	17,180.9	3,020.0	20,200.9
	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)						

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

REVISED PROGRAM SUMMARY
by
APPROPRIATION

AGENCY	Health and Social Services	CATEGORY	03	Health
DIVISION	Public Assistance	PROGRAM	33	Med. Assis
		SUB-PROGRAM	01	Medicaid
		ELEMENT		
		SUB-ELEMENT		

For the Fiscal Year Ending June 30, 19 77

APPROPRIATION COMPONENTS	PRESENT AUTHORIZATION	REVISION INCREASE (DECREASE)	AMENDED AUTHORIZATION
Medicaid	17,180.9	3 020.0	20 200.9
TOTAL	17,180.9	3,020.0	20,200.9
SOURCE OF FUNDS			
FEDERAL RECEIPTS	8 520.0	1 510.0	10,030.0
REQUIRED GENERAL FUND MATCHING	8 660.9	1,510.0	10 170.9
OTHER GENERAL FUND			
INTER-AGENCY TRANSFERS			
OTHER			
TOTAL	17 180.9	3 020.0	20 200.9
PERMANENT FULL-TIME POSITIONS			
PERMANENT PART-TIME POSITIONS			
TEMPORARY (FULL-TIME EQUIVALENTS)			
NUMBER OF MAN MONTHS			

MEMORANDUM

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

DATE: December 2, 1976

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

SUBJECT: 77 Supplemental
Health & Social Services
General Relief Medical

The Department of Health and Social Services requests a FY 77 supplemental appropriation for the General Relief Medical BRU in the amount of \$125,000 state CF.

The Department has indicated the need for this supplemental is a greater number of medical exceptions and continuing spiralling health care costs.

Backup information is attached.

MO/ld
attachments

MEMORANDUM

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

DATE :

November 24, 1976

FROM:

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

SUBJECT:

Supplemental Request - FY77

The Division of Public Assistance, following completion of the October 31, 1976 Projection and Analysis Report, and conference with the division Medicaid auditor, must request a supplemental funding in General Relief-Medical budgets for FY77, as follows:

<u>Program-Object Code</u>	<u>FY-77 Authorized</u>	<u>Supplemental</u>
General Relief - Medical 200	\$ 33,200	-00-
300	2,203,800	\$125,000
400	<u>610,700</u>	<u>-00-</u>
	\$ 2,847,700	\$125,000

Principal cause for the over-run is a greater number of medical exceptions, and continuing spiralling health care costs.

Impact will be reflected in the Administration and Support budget but the Division is currently attempting to curtail and/or adjust expenditures within authorization.

Attachments

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

REVISED PROGRAM
COST ANALYSIS SUMMARY
by BUDGET COMPONENT
FY 77 Supplemental

AGENCY	CATEGORY	code	03	Health
Health & Soc Svcs	PROGRAM	33		Medical Assistance
DIVISION	SUB-PROGRAM	02		Gen Rel-Medical
Public Assistance	ELEMENT			
	SUB-ELEMENT			

CODE	EXPENDITURE BY OBJECT	PRESENT AUTHORIZATION	REVISION INCREASE, (DECREASE)	AMENDED AUTHORIZATION
100	PERSONAL SERVICES			
200	TRAVEL	33.2		33.2
300	CONTRACTUAL SERVICES	2,203.8	125.0	2,328.8
400	COMMODITIES	610.7		610.7
500	EQUIPMENT			
600	LANDS, BUILDINGS, NON-STRUCTURAL IMPROVEMENTS			
700	GRANTS, CLAIMS, SHARED REVENUE			
800	MISCELLANEOUS			
	INTER-AGENCY TRANSFERS (INCLUDED ABOVE)			
NEW CODE	TOTAL	2,847.7	125.0	2,972.7
	FEDERAL RECEIPTS			
	REQUIRED GENERAL FUND MATCHING			
	OTHER GENERAL FUND	2,847.7	125.0	2,972.7
	INTER-AGENCY TRANSFERS			
	OTHER:			
	TOTAL	2,847.7	125.0	2,972.7
	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)						

135

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

REVISED PROGRAM SUMMARY by APPROPRIATION

AGENCY Health and	CATEGORY	03	Health
Social Services	PROGRAM	33	Medical Ass
DIVISION Public	SUB-PROGRAM	02	Gen. Rel.
Assistance	ELEMENT		:
	SUB-ELEMENT		

For the Fiscal Year Ending June 30, 19 77

APPROPRIATION COMPONENTS	PRESENT AUTHORIZATION	REVISION INCREASE (DECREASE)	AMENDED AUTHORIZATION
General Relief Med.	2,847.7	125.0	2,972.7
TOTAL	2,847.7	125.0	2,972.7
SOURCE OF FUNDS			
FEDERAL RECEIPTS			
REQUIRED GENERAL FUND MATCHING			
OTHER GENERAL FUND	2,847.7	125.0	2,972.7
INTER-AGENCY TRANSFERS			
OTHER			
TOTAL	2,847.7	125.0	2,972.7
PERMANENT FULL-TIME POSITIONS			
PERMANENT PART-TIME POSITIONS			
TEMPORARY (FULL-TIME EQUIVALENTS)			
NUMBER OF MAN MONTHS			

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

SB 1224

MALPRACTICE INSURANCE SUPPLEMENTAL

	<u>Current Author- ization</u>	<u>Expend. Thru 1/31/77</u>	<u>Encumb. at 1/31/77</u>	<u>Oblig. Not Encumb. 1/31/77</u>	<u>Balance 1/31 After Encumb. and Obligation</u>	<u>Projected Needs 2/1/77 - 6/30/77</u>	<u>Projected Balance 6/30/77</u>	<u>Mal- Practice Insurance</u>	<u>Additional Funding Needed</u>	<u>Fed. Fund</u>	<u>Gen. Fund</u>
Mental Health Admin. & Support	933.7	478.3	42.5	25.3	387.6	343.5	44.1	1.1	-0-		
State Operated M. H. Centers	565.5	262.9	117.2	-0-	185.4	149.4	36.0	2.1	-0-		
Alaska Psychiatric Institute	5,545.0	3,110.8	75.7	229.2	2,129.3	2,564.7	(435.4)	78.6	78.6	8.6	70.0
Harborview	4,246.0	2,082.0	447.7	-0-	1,716.3	1,854.8	(138.5)	56.7	56.7	23.8	32.9
Public Assistance Admin. & Supp.	1,312.1	669.7	206.6	-0-	435.8	481.2	(45.4)	.9	.9		.9
Communicable Disease Control	1,309.0	507.4	54.0	79.9	667.7	497.8	169.9	1.5	-0-		
Family Health	2,981.2	916.9	318.1	303.0	1,443.2	1,324.4	118.8	1.7	-0-		
Public Health Admin. & Support	<u>1,029.0</u>	<u>282.8</u>	<u>5.1</u>	<u>317.4</u>	<u>423.7</u>	<u>442.3</u>	<u>(18.6)</u>	<u>2.0</u>	<u>2.0</u>		<u>2.0</u>
TOTAL	17,921.5	8,310.8	1,266.9	954.8	7,389.0	7,658.1	(269.1)	144.6	138.2	32.4	105.8

MABS 3/29/77

February 22, 1977

Honorable John Sackett
Chairman, Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

Please amend Senate Bill 121 to include the request for a supplemental appropriation to the Department of Health and Social Services, Eligibility Determination program in the amount of \$27,000 federal funds and \$43,000 state general funds.

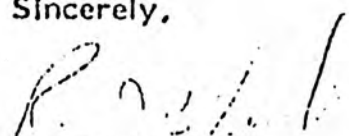
This additional funding is required to provide additional levels of services to families in Northern and Northwest Alaska who were adversely affected by the diminished caribou resource.

Specifically, levels of service were greatly increased in the Food Stamp program through the addition of temporary personnel to take applications and distribute food stamps at the village level.

We are attaching backup information for your review.

Thank you for your attention to this matter.

Sincerely,


Ronald B. Lind
Director

RBL/MO/ld
attachments

MEMORANDUM

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

DATE February 22, 1977

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

The Department of Health and Social Services requests a FY 77 Supplemental Appropriation of \$27,000 federal funds and \$43,000 State general funds for the Eligibility Determination program to provide additional levels of services to families in Northern and Northwest Alaska who were adversely affected by the diminished caribou resource.

Specifically, levels of service were greatly increased in the Food Stamp program through the addition of temporary personnel to take applications and distribute food stamps at the village level.

Funding of the additional positions and related costs are as follows:

Personal Services	\$50.6
Travel	10.0
Contractual Services	8.3
Commodities	1.1
	<u>\$70.0</u>

Federal Funds	\$27.0
State General Funds	43.0
	<u>\$70.0</u>

Backup Information is attached.

MO/ld

Ron Lind, Director
Division of Budget & Management

March 9, 1977

Francis S.L. Williamson
Commissioner
Department of Health & Social Services

FY 77 Supplemental Request
Updated Projections, Health &
Social Services
Eligibility Determination

This is to provide essential information related to the caribou supplemental which is intended to alleviate critical food shortages in Northwest Alaska.

Division of Public Assistance, Eligibility Determination BRU Summary:

- | | |
|---|-----------|
| 1. Authorization as of January 31, 1977 | \$2,945.8 |
| 2. Expenditures through January 31, 1977 | 1,466.9 |
| 3. Encumbrances recorded through January 31, 1977 | 244.3 |
| 4. Obligations not encumbered through January 31, 1977 | \$ |
| 5. Balance projected for February-June 1977 | (107.3) |
| 6. Additional funding required through June 1977 | 70.0 |
| 7. The events which have led to submission of this supplemental go back to late summer of 1976 at which time recent information from Fish and Game biologists regarding arctic caribou became generally known. Specifically, it was reported that the arctic herd, normally 200,000, was down to under 50,000 and, therefore, hunting would not be allowed on a significant scale. In effect, virtually the entire winter protein food source for residents of Northwest Alaska had been depleted, with no viable alternatives readily available. | |

Attached hereto, as appendices A-C, are copies of correspondence which describe the basic history of the involvement of this agency, to include the budget amendment for FY 78 dated March 8, 1977, and attached hereto as appendix D.

8. The Department of Health & Social Services had no indication that a food crisis of this nature was developing prior to this fiscal year.
9. No previous BRU funding is related to this crisis.
10. Capital improvement funds are not involved.
11. No other state agency is directly involved in responding to the caribou shortage problem. However, the Division of Public Assistance is coordinating very closely with the BIA General Assistance Program and the RuralCAP emergency food program.

Ron Lind, Director

- 2 -

March 10, 1977

12. In addition to the information contained in appendices A-E, and the background given in point 7 above, the Division has projected costs based upon comparable caseload staffing levels in Northwest Alaska in prior years, as well as the requirement for regular travel, and ongoing management and coordination of the BIA and RuralCAP efforts involved resulted in the \$70,000 projection of the cost of responding to this problem. (See Revised Program Forms in Appendix E.)

Initial analysis of our operations in the Kotzebue and Barrow areas indicates the requested funding levels are consistent with actual program increases, as shown in Appendix F.

Your favorable consideration of this supplemental is urgently requested.

FSLW/DK/EH/el

cc: Division of Public Assistance
Attachment

MEMORANDUM

State of Alaska

Don Kemp
A

Jessie Dodson
Special Assistant
Office of the Governor

DATE: October 28, 1976

FILE NO:

TELEPHONE NO:

Thru: Catherine M. Lloyd
FROM: Deputy Commissioner
Department of Health & Social Services

SUBJECT: October 25 Meeting - Northwest
Disaster Situation

Thru: Lawrence J. Sullivan, Director
Division of Public Assistance

From: Rod Betit
Public Assistance Program Officer

This memo is to summarize the meeting of October 25, held in your office to discuss the Northwest Disaster situation. For the record, the following persons were in attendance at this meeting:

Rod Betit	Division of Public Assistance, Dept. of Health & Social Services
Eric Hansen	Division of Public Assistance, Dept. of Health & Social Services
Jessie Dodson	Special Assistant, Office of the Governor
Mike Whitehead	Special Assistant, Office of the Governor
Gerald Gusterhout	Bureau of Indian Affairs
Reed Stoope	Department of Community & Regional Affairs

The preliminaries were devoted to identifying, with as much specificity as possible, all known elements that would have a bearing on our approach to the Northwest situation in the coming weeks. These elements were identified as follows:

- 1) The Department of Agriculture has advised us that they will formally deny Governor Hammond's request for emergency food stamp assistance; however they also indicated they will continue to search for a way to assist us through other administrative remedies.
- 2) The CSA grant which was requested through the organization of RURALCAP has been approved and these funds are now available to diminish some of the adverse impact caused by the caribou restriction.
- 3) The Bureau of Indian Affairs (BIA) has reaffirmed its commitment to meet the food needs of all eligible Natives under their on-going General Assistance program. Of the potential 1400 families who might need food assistance, approximately 1200 could be eligible for BIA General Assistance (GA).
- 4) The Food Stamp Program is available to meet the food needs of all eligible families also. However, the normal program application procedures are lengthy and time consuming. It is anticipated that at least a 30 day processing period could be anticipated before food stamp assistance could be provided.
- 5) Since CSA and BIA/GA assistance given to a family will affect their potential eligibility for food stamp assistance, our efforts to impact the Northwest problem must be coordinated in all respects so that assistance is provided within the limits established for each program (CSA, BIA/GA and Food Stamps).

October 28, 1976

Within the parameters above, there exists a complicated network of rules and regulations between these federal programs which will create many technical problems, some of which were briefly discussed at the meeting. The following questions surfaced during these discussions: (1) Since BIA/GA will be considered a prior resource to Food Stamps, how will this be controlled between BIA and the Division of Public Assistance; (2) How will CSA, BIA/GA and Food Stamp assistance be distributed - individually, to the local government in care of the families, directly to the food supplies, etc.; (3) When should the special effort to each community in the Northwest area be launched?; (4) Will the field staff of the Division of Public Assistance be able to absorb the increased work demand of the Northwest area? - this will depend heavily on how stable each family's situation will be during the next six months; (5) Following the emergency visit to each village, who in the village will follow through on helping interested families to apply for food stamp assistance? - BIA agents, village councils, etc.; and (6) When does NANA feel the emergency visits should take place?

Another complication mentioned was the apparent total lack of contact with a representative of the North Slope Borough.

The meeting was adjourned with the basic understanding that BIA and the Division of Public Assistance would develop a plan after working out all technical difficulties. A target date of November 5 was established for completion of this plan.

RB/dlh

NANA DEVELOPMENT CORPORATION, INC.

4706 HARDING DRIVE, ANCHORAGE, ALASKA 99503
TELEPHONE (907) 276-6030



Eric Hanson
Division of Public Assistance
Department of Health and Social Services
Pouch H
Juneau, AK 99811

Nov 5, 1976

Dear Eric:

After numerous conversations with our staff and the staffs of Mauneluk, RurALCAP and through them the Northwest Alaska School District and Hazel Norton, I can relay to you the following:

1) The disaster which we face is a long-term one, with severe effect on the meat supply (caribou) for at least the next five years; it will probably be 15-20 years before the Arctic Herd regains a size where previous harvest levels will again be possible.

2) The disaster which we face is different from an earthquake, flood, hurricane, etc., in that there have not been sudden losses of the resource (caribou), and there cannot be a short-term restoration of the resource.

3) The people of NANA Region have not been too enthused or informed about income-maintenance programs, preferring to rely on traditional methods of providing food.

4) However, due to the lack of caribou, it can be anticipated that past patterns will have to change. From the information available to us, we would estimate that the average caseload of foodstamp families in the Kotzebue district, which was 70 per month in 1975, will triple. This increase will be gradual, but may peak at 300 families later this winter (average persons per family estimated to be 6.6).

5) We anticipate that the BIA General Assistance (GA) program will operate as in the past, i.e., GA funds will be provided to families on an interim basis to cover necessities during the period between application for an income maintenance program and receipt of funds from that program.

6) Since the buildup in caseload is expected to be gradual, because people are unaware of or unfamiliar with programs and are not used to depending on outside agencies for financial support, we feel that what is required is not a big one-time effort to sign everybody up. That approach will do nothing for people who are not currently eligible (but will be eligible later) or who do not feel they are currently hurting badly enough to go on welfare. Our preference would be to put ade-

Eric Hanson
Page Two

Nov 5, 1976

quate Health and Social Service staff in the Region, with adequate travel funds to go to the villages every month or two and talk to the people and help them. A second-best approach would be to bring H&SS personnel into the Region to travel to the villages every month or two. Possibly either of these options could be carried out by means of a contract from H&SS to Mauneluk Association in Kotzebue. However, we feel that the one-time effort would be minimally effective, and the effort should be spread out over the winter.

7) In regard to a mass feeding program, we do not feel that it is the best solution. Our problem is not the usual disaster where people have no homes and/or food is unavailable via the usual supply channels. Our problem is long-range, and it is basically one of a lack of income coupled with extremely high prices for food and other commodities. Our preference would be for provision of foodstuffs on a long-range basis, subsidization of freight costs, and/or increasing the payments to families receiving income-maintenance funds so that, in real terms, the people of northwest Alaska will be on a par with their fellow citizens in the lower 48 and Anchorage. In conversations with school district personnel, we find that all schools in our region have kitchens which are set up to accomodate about 25% of the population. School personnel say there are distinct problems with sanitation, fire hazard and availability of cooks, but these are not insurmountable if mass feeding is the only way.

8) Ms Skeeter Mulloy has been hired by RurALCAP and is now working in Kotzebue. If Skeeter is to be successful in her job of informing people about the benefits and requirements of the various income-maintenance programs, it is essential that she receive training from competent persons in your Department. Only in this way will we be able to move toward our goal of ensuring that unnecessary hardship is eliminated.

I hope this letter answers the questions you have raised. The goal of NANA and Mauneluk is to work with your Department and other agencies to alleviate the disaster conditions in our region. Please call me if you have further questions or suggestions.

Sincerely,
Nick Landis
Nick Landis
Vice President for Planning

cc: Rod Betit, Food Stamps
Jesse Dodson, Governor's Office
Bob Worl, North Slope Borough
Dennis Tiepelman, Pres., Mauneluk Assn.

Jessie Dodson
Special Assistant
Office of the Governor

DATE : January 24, 1977

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

SUBJECT: Additional Administrative
Funds for Food Stamp Program -
Caribou Disaster

I am pleased to report to you that additional efforts taken by the Department of Health and Social Services relative to making food stamps more accessible to those Kotzebue-area residents affected by the diminished caribou resource have been quite successful to date. The comparison table below indicates the extent to which program participation has increased in Noorvik and Selawik as a result of the Division of Public Assistance's increased capability for travel to villages, thereby allowing collection of applications and distribution of food stamps on site. Although Noorvik and Selawik are the only villages visited since the special program began on January 10, 1977, we intend to complete the first quarterly visits to all affected villages in the Kotzebue area by February 25, 1977. The results of the first two visits are as follows:

FOOD STAMP PARTICIPATION AND VALUE OF STAMPS ISSUED
JANUARY 1976 and 1977
Noorvik and Selawik

Community	JANUARY 1976		JANUARY 1977 (As of 1/19)	
	No. Households Participating	\$ Value of Stamps	No. Households Participating	\$ Value of Stamps
Noorvik	11	\$4,257	22	\$7,921
Selawik	3	828	32	9,616

As you know, the Department's current and continued ability to make food stamps more readily accessible depends upon the identification of \$70,000 in additional administrative funds for the Eligibility Determination BRU. I understand that you were advised of the need for the additional funds and that the Governor's office approved of the expenditure of \$70,000 just prior to Don Kemp's departure for the final caribou disaster decision-making meeting in Kotzebue. In approving these funds you instructed Mr. Kemp and Rod Betit to look within the Department of Health and Social Services to identify a source for the needed State general funds. Toward that end, Mr. Betit and Mr. Kemp have looked for funds within the Department, and the Department's Budget Monitoring Unit has scrutinized every BRU in the Department in search of excess general funds which are not restricted to a limited purpose. In the final analysis, no unrestricted general funds could be found. However, it appears that adequate general funds are available in the General Relief Assistance (GRA) program which is a part of the Assistance Payments BRU. The GRA program is projecting a lapse at the end of the fiscal year. However, the following statement of legislative intent is attached to the GRA funds:

Jessie Dodson
January 24, 1977
Page Two

- (A) No funds are to be transferred from this appropriation.
- (B) Funds are to be used only for assistance.

It is my opinion that the only general funds possibly available to fund the special food stamp caribou project are located in the GRA program. These funds could be made available to the caribou project only on the approval of Governor Hammond since their use is restricted by legislative intent. Otherwise, funds must be found from a source outside the Department of Health and Social Services or we must move immediately to shut down our new capacity in the Kotzebue area.

Your interest and cooperation in this project to date has been greatly appreciated. If you need more information, please let me know.

DK/el

LEGISLATIVE CONSIDERATION
OF
BUDGET SUPPLEMENTAL REQUEST
FOR
CARIBOU DISASTER OPERATIONS
DIVISION OF PUBLIC ASSISTANCE

In November 1976, the Division of Public Assistance was asked to be the lead agency in providing food assistance (through the Food Stamp Program) to the people of Northern and Northwest Alaska who would suffer from a shortage of food due to the severely diminished Caribou resource.

This issue relates to the increased costs associated with a vastly increased Food Stamp program delivery system in those areas.

The additional efforts taken by the Department of Health and Social Services relative to making food stamps more accessible to those Kotzebue and Barrow area residents affected by the diminished caribou resource have been quite successful to date. The comparison table included herewith in appendix A indicates the extent to which program participation has increased as a result of the Department's travel to villages, thereby allowing collection of applications and distribution of food stamps on site.

The Department's current and continued ability to make food stamps more readily accessible depends upon a supplemental appropriation of \$70,000 in additional administrative funds for the Eligibility Determination BRU.

Increased food stamp participation resulting from efforts to make food stamps more accessible to persons affected by the diminished caribou resource.

FOOD STAMPS

Household's Participating

BARROW DISTRICT*

<u>Village</u>	Jan <u>76</u>	Feb <u>76</u>	March <u>76</u>	Jan <u>77</u>	Feb <u>77</u>
Barrow	4	7	12	12	10
Wainwright	3	1	1	2	27
Anaktuvuk	1	0	0	2	13
Households	8	8	3	6	50

*Figures not yet reported on field trips to Pt. Lay, Barter Island and Nuigsat.

KOTZESUE DISTRICT

	Date	Dec.	Jan	Feb	Dec	Jan	Feb
<u>Village</u>	<u>Visited</u>	<u>75</u>	<u>76</u>	<u>76</u>	<u>76</u>	<u>77</u>	<u>77</u>
Pt. Hope	1/17-19/77	0	0	2	12	16	11
Buckland	2/14-15/77	3	3	0	4	4	11
Ambler	1/24-28/77	7	7	3	5	4	9
Cardle		0	0	0	0	0	0
Deering		2	4	5	0	1	0
Kiana	2/8-10/77	1	0	0	1	1	7
Kivalina	2/16-17/77	1	0	0	6	1	18
Kobuk	1/24-28/77	0	0	3	1	3	1
Kotzebue		41	38	32	38	42	58
Noatak		5	4	8	5	5	4
Noorvik	1/3-5/77	8	11	4	6	21	13
Selawik	1/11-14/77	6	3	9	5	34	11
Shungnak	1/24-28/77	<u>2</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>3</u>	<u>4</u>
Households		76	71	68	74	135	147

POSITION PAPER
on
CSSB 122 (Public Health Laboratories Only)

"An Act making a supplemental appropriation to the Department of Health and Social Services; and providing for an effective date".

The following applies only to the Public Health Laboratories portion of CSSB 122 and provides the time sequence of events leading to the request.

Chronological Summary of Northern Regional Laboratory (NRL) move.

Oct. 1973	Notification to move NRL from State Courthouse to planned State Regional Office Building.
Sept. 1974	Notification that NRL could not be included in Regional Office and new space required.
Nov. 1974	Supplemental requested (80.7)
March 1975	SB 163 (Supplemental) introduced. Move to be accomplished by July 1975.
June 25, 75	HCSSB 163 Approved. Funds for FY 75. Move could not be made in remaining time.
June 25, 75	RSA 065-024 encumbered 80.7 for move.
Sept. 4, 75	Bids received for construction exceeded funds. 244.7 (low) vs 80.7 (funds). Architect subcontracted to bring costs down to funds available.
Nov. 1975	Laboratory moved from State Courthouse to Arctic Health Research Center - University of Alaska.
Dec. 1975	Air handling system inadequate and architect advised that new system required totaling \$46,800. University would pay \$15,600. Authorized to proceed.
June 1976	Notified that mechanical work could not be completed prior to June 30. RSA 065-024 (#194) submitted on June 25, 1976 to encumber 10.0. Delayed and did not reach Budget & Management until one day after encumbrance cut-off date. Funds lost.
Aug. 19, '76	Approval received to restore balance of original RSA encumbrance to pay bills.
Sept. 1976	Final bills totaled \$110,619. Funds 80,700. Required 29,920 to complete payments.
Feb. 10, 77	Revised program submitted to Legislative Budget and Audit requesting reallocation of funds from other BRUs within Division of Public Health. Directed to submit supplemental.
Feb. 17, 77	Supplemental (29,920) submitted.

The department supports the above portion of the bill as it relates to the Public Health Laboratories without change.

Recommended: *Robert J. ...*
Director, Division of Public Health

19 April 1977
Date

Approved: *Dois M. ...*
Commissioner, Dept. of Health
And Social Services

19 April 1977
Date

(CONTRACT INSTITUTIONS)

SENATE BILL 122
(CSSB 122)

"An Act making a supplemental appropriation to the Department of Health and Social Services; and providing for an effective date."

This bill provides supplemental funding to the Division of Mental Health and Developmental Disabilities in three program areas:

1. malpractice insurance costs under M.I.C.A.;
2. contracted costs for resident care of developmentally disabled patients;
3. costs for programs developed for developmentally disabled patients independently of contracts with this Division.

I. Under terms of the State M.I.C.A. program there are premium costs prorated to State operated programs under a schedule controlled by the Department of Administration. Some of these costs to the Division of Mental Health and Developmental Disabilities are in excess of available "surplus" funds to cover and supplemental funding is required.

II. The State contracted with Hope Cottage to provide care for a specific case load of developmentally disabled patients. The anticipated total annual cost of this contract was in excess of the available funding provided within the contract B.R.U. and exceeded the original request estimate by Hope Cottage. The major causes of this increase were payroll costs for salary increases granted to remain competitive in the labor market and overtime salary costs resulting from a National Labor Relations Board decision on eligibility for overtime in house parent situations in child care facilities.

All but 99.3 of the original 216.5 unbudgeted contract cost has been covered by diverting surplus funds to this expense. However, there are no additional efficiencies, etc., which we have been able to isolate which will further "surplus" funds and we therefore request additional (supplemental) funding of 99.3.

III. Specific programs operated by non-profit organizations provide services to disabled citizens, some of which are developmentally disabled and others who may be disabled as a result of industrial accident or by other causes. Various State agencies, examples of which are the Department of Education and the Department of Labor, as well as separate divisions in the Department of Health and Social Services have client responsibility for individual cases which may receive the service of these program operators such as the Association for Retarded Citizens of Anchorage.

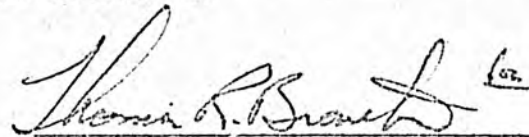
Private habilitation programs are free to develop concepts of service and select clients fitting to their programs, i.e., no single State agency controls program or enrollment. This results in a smorgasbord concept among users and vendors which historically results in financial woes. Whether the conduit of the client is used and additional funds are requested by programs to "pay unbudgeted costs incurred in purchasing client service" or the direct appropriation is made to "reimburse the Association for Retarded Citizens of Anchorage for costs of supplying program" is the key to control of these programs.

Page Two
(SB 122)

The individual costs per client have not been represented to the Division of Mental Health and Developmental Disabilities nor do we have access to the total finance package or program utilization of these "smorgasbord programs", hence we cannot verify the relationship of financial needs of the Association for Retarded Citizens of Anchorage and the responsibility of the Division of Mental Health and Developmental Disabilities. We know these programs service some clients for which we have responsibility and the financial failure of the Association for Retarded Citizens of Anchorage would have a serious impact on our program.

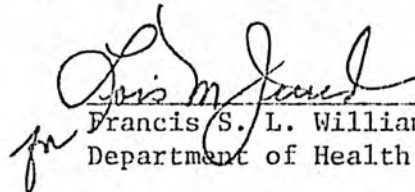
Recommendation: The Department recommends passage of this bill to the degree that it reflects the policy of the administration.

Recommended by:


Jerry L. Schrader, M.D.
Division of Mental Health &
Developmental Disabilities

4/19/77
DATE

Approved by:


for Francis S. L. Williamson
Department of Health & Social Services

4/19/77
DATE

POSITION PAPER (Revised)

ON

SENATE BILL NO. 122
(GENERAL RELIEF MEDICAL ONLY)

"An Act making a supplemental appropriation to the Department of Health and Social Services and providing for an effective date."

This position paper is a revision of the position paper presented to the Senate on February 11, 1977 and is based on updated information.

Projection of FY 77 expenditures against expenditure patterns for FY 75 and FY 74, disclosed that the General Relief Medical program will need \$243.2 in supplemental funds for FY 77. (FY 76 could not be used in the FY 77 projection due to extreme fluctuations in the monthly expenditure patterns, caused by installation of a new bill paying system within the Division of Public Assistance.)

The FY 77 supplemental need of \$243.2 was derived based on the following three (3) elements:

	<u>Amounts</u>
(1) Total Expenditures to February 28, 1977, were \$1,267.1. The average monthly expenditure for the period October 1976 through February 1977 was \$201.7. (Due to a three (3) month lag in the billing system each year, July through September 1976 period could not be used for determining the average monthly payment.)	
Total (1)	\$1,267.1
(2) Expenditure patterns for FY 75 and FY 74 reflect that in previous years, the average monthly payment for the period March through June has ranged from 6 to 20% higher than the October through February period. Therefore, a 5% increase was added to the \$201.7 average monthly payment in (1) to determine the projected expenditure for the March through June 1977 period. ($\$201.7 \times 105\% \times 4 \text{ months} = \$847.2$)	
Total (2)	847.2
Sub Total (1) and (2)	\$2,114.3
(3) The final element in the Department's FY 77 projection compensated for General Relief Medical billings which will be received after the fiscal year closes. Expenditure data for FY 74, FY 75 and FY 76 discloses that this adjustment is 32% of June 30 expenditures. The FY 77 adjustment was determined as follows ($.32 \times \$2114.3 = \$676.6$)	
Subtotal (3)	\$ 676.6
Projected FY 77 Expenditure (1 + 2 + 3)	2,790.9
Current FY 77 Authorization	2,547.7
Projected FY 77 Deficit	(\$243.2)

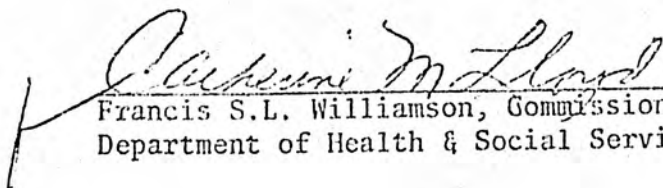
POSITION PAPER ON
SENATE BILL NO. 122

Approved By:



Don Kemp, Acting Director
Division of Public Assistance

4/4/77
Date



Francis S.L. Williamson, Commissioner
Department of Health & Social Services

4/4/77
Date

for SB 122



Fairbanks Rehabilitation Association, Inc.

117 SLATER DRIVE - FAIRBANKS, ALASKA 99701

TELEPHONE (907) 452-5226

March 1977

HOPE CENTER DIVISION
117 SLATER DRIVE
452-5226

HOPE INDUSTRIES DIVISION
1448 DAVIS ROAD
479-6210

SUBJECT: A request for a supplemental appropriation to meet operational needs of Fairbanks Rehabilitation Association/Hope Industries through June 1977.

PROGRAM DESCRIPTION OF FAIRBANKS REHABILITATION ASSOCIATION VOCATIONAL DIVISION

Hope Industries, a division of Fairbanks Rehabilitation Association (FRA) is a sheltered workshop serving vocational rehabilitation needs of mentally and physically disabled adults. Major program emphasis is given to work adjustment training and work evaluation. The former is a program designed on an individual client basis to help the client form a work personality that will allow him to increase his productivity and handle day to day demands of competitive employment. The tool in providing this service is real work. Work evaluation is a comprehensive process designed to assist the individual client in development by systematically utilizing work as the focal point for assessment and vocational exploration.

The sheltered workshop program is growing in size relative to work evaluation and adjustment. Six employment positions have been filled since March 1976 by clients who are not able to compete in the job market but who can perform skills needed for workshop production. Additionally, 12 clients whose ability is extremely limited are employed in unskilled supervised work activities.

PAST YEAR DEVELOPMENT

In November 1976 FRA received a three year accreditation from the Commission on the Accreditation of Rehabilitation Facilities (CARF). We are the only such agency in Alaska to receive the maximum certification. The Vocational Division received certification as both a sheltered workshop and a work adjustment facility.

*Commission on Accreditation of Rehabilitation Facilities
Accredited*

The State of Alaska approved a \$350,000.00 grant last spring for the acquisition of a new building to fully meet the requirements of a vocational facility and to expand programs and services. As the money did not become available until March of this year, the new facility has not yet been occupied. The limitations of the building currently in use have prevented us from entering a diversified production line in the workshop. This confinement has been a primary contribution to the deficit situation noted below under Revenue Shortfall. We will take ownership of the new building in May of this year.

CAUSE OF DEFICITS

Revenue Shortfall

Over the past several years, the primary source of income in the Vocational Division has been the General Services Administration (GSA) contracts, specifically furniture re-upholstery. IN FY '76, Hope Industries grossed \$149,000.00 from GSA work. Reduced income from GSA contracts over the next several years was anticipated and accounted for in the Industries current budget by a 8% reduction. Reduction occurred abruptly, however, and contracts fulfilled from July through December totalled only \$41,700.00, with no new contracts since then. We are currently bidding on a \$20,000.00 contract and are relatively assured of another \$37,000.00 worth of GSA contracts but are pessimistic about any further potential in this area. (Increased moving allowance for military dependents has essentially eliminated the need for re-upholstery work.) As nearly two-thirds of the cost of production in workshop operation is fixed cost, the loss of those reliable revenues has made a dramatic impact on operations. In the meantime, the space limitations of the present facility have made it inadvisable to consider procuring differing production contracts when space for completion was not available.

Solution. It is clear that single product emphasis is no longer a viable direction to follow. We are evaluating alternative products to suit the refined restrictions of a sheltered workshop. The new building will accomodate several production lines concurrently.

Rent Increase

Rent increased 92% representing \$23,328.00. The current budget was prepared in anticipation of relocation to the new facility.

Solution: Purchase of a new facility (Sanfair building) with income rental space will put us in the position essentially to designate our own rental obligations.

Client Load and Minimum Staffing

The Vocational Division is meeting the minimum staffing requirements to maintain our recent CARF accreditation as a work adjustment facility as well as a sheltered workshop. When block funding from the Division of Vocational Rehabilitation (DVR) was replaced by cost of care funding in September 1975 we were advised that accreditation would be a requirement for receiving further funding. Subsequently, our DVR client load has reduced to less than half of what would be necessary to support the staffing required to qualify for both work adjustment and vocational funding from DVR. While reduced client load has been a condition of the entire year, the exhaustion of all DVR funds as of February 28 is an additional burden to us.

The solution to the staffing-client load situation is not easy to project. Reduction in staff and services would eliminate work adjustment and evaluation, leaving only the sheltered workshop and pre-vocational work activities. If this were to occur, all funding from DVR would terminate. Even if sufficient revenue contracts could be generated to meet staffing needs, the loss of these services would jeopardize the function of Hope Industries as a program for normalization and integration of the mentally disabled.

The ability to achieve a self-support organization through revenue from product sales appears to be remote, though many avenues have not yet been investigated. As federal funding for vocational rehabilitation is progressively limited to lower and lower ability level recipients, the sophistication of potential workshop activities is reducing to a narrow field. While the need for long term or perpetual sheltered employment opportunities continues to grow, funding support from known sources is not available at this time.

Steps being taken to maintain present services while approaching a self-supporting level are several: purchase of the new building will reflect a savings of rent of approximately \$36,000.00 in the next fiscal year; a broad base publicity campaign has begun to obtain revenue contracts in the community; and alternative funding sources and service contracts are being explored.