

LEG. FINANCE - BILLS 1977 - 1978 951

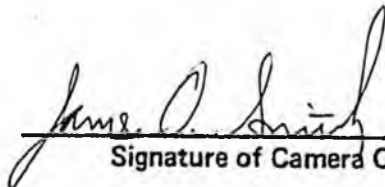
CSSB 394 thru SB 394



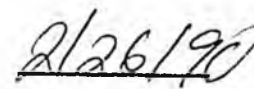
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Signature of Camera Operator



Date

COMMITTEE REPORT

HOUSE

FURTHER: _____

2/16/78

Date: _____

Mr. Speaker:

The Committee on FINANCE has had CSSB 394
"An Act making a supplemental appropriation to the Department of Health
and Social Services; eff. date."

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

() recommends it do pass () recommends it do not pass

() recommends it do pass with attached amendment(s)

() recommends it be replaced with ^{House} CS for CSSB 394

and _____ () new title () same title

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

() reports it back without recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

Chairman

Original sponsor: Rules Committee by
request of the Governor

IN THE SENATE

BY THE FINANCE COMMITTEE

HOUSE CS FOR CS FOR SENATE BILL NO. 394
IN THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE - SECOND 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 \$458,900 is appropriated from the general fund to
the Department of Health and Social Services for homemaker services, for the
fiscal year ending June 30, 1978.

* Sec. 2. The sum of \$2,000 is appropriated from the general fund to the
Department of Health and Social Services, Wrangell Social Services Office,
for the fiscal year ending June 30, 1978.

* Sec. 3. The sum of \$41,354 is appropriated from the general fund to the
Department of Health and Social Services, division of public assistance, for
the purpose of paying temporary employees for providing additional social
services in Fairbanks and Anchorage.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
070(c).

Original sponsor: Rules Committee by
request of the Governor

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Original sponsor: Rules Committee by
request of the Governor

Offered: 2/9/78
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 394

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

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A BILL

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17 070(c).

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January 10, 1978

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill making a supplemental appropriation to the Department of Health and Social Services, in the amount of \$110,000, for FY 78 Homemaker Services, use of which increased drastically during the first four months of FY 78. Measures taken by the commissioner of health and social services resulted in a lower level of use in November 1977, thus enabling the program to run through mid-January.

This appropriation -- necessary in order to avoid a drastic program shutdown -- would allow the program to continue operation at the November 1977 level through the end of March. Funds are needed by mid-January. To give the legislature time to review the entire program, a separate appropriation, to cover the remainder of this fiscal year, is being requested.

Sincerely,

S/ JSH

Jay S. Hammond
Governor

STATE
of ALASKA

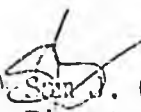
MEMORANDUM

RECEIVED
DEC - 5 1977
BUDGET & MANAGEMENT
374TO Francis S.J. Williamson
Commissioner
Department of Health & Social Services

DATE: November 30, 1977

FILE NO:

TELEPHONE NO:

FROM:  Sen. J. Granato
Director
Division of Social ServicesSUBJECT: FY 78 Supplemental Budget Request -
Homemaker Services

A \$274.3 general fund supplemental appropriation in the Program Services BRU, Homemaker Services Component, is requested.

Homemaker Services have been provided and estimated as follows:

	<u>Hours of Svc.</u>	<u>Total Cost</u>	<u>Average Rate an Hr.</u>	<u>Contractor</u>
FY 77 Actual	83,075	\$468,418	5.64 \$6.84	Alaska Homemaker Home Health Aide, Inc.
FY 78 Authorized	66,953	464,800	6.94	To be determined.
FY 78 Contracted Est.	74,569	464,800	6.23	Werners Bookkeeping Service
FY 79 Maintenance	74,569	561,538	7.53	To be determined.
FY 79 Change	24,802	186,766	7.53	To be determined.

The FY 79 rate increase is the result of aligning salaries of homemakers to the State salary schedule, Range 5B.

At the time the FY 78 budget request was prepared, the contractor's monthly billings indicated there would be a significant shortfall in the actual number of hours of services provided, resulting in an underexpenditure. Therefore, the FY 78 budget request was based on early activities in FY 77. However, the low trend did not continue throughout the fiscal year. To the contrary, services increased substantially during the last quarter.

The FY 78 contract was awarded to Werner's Bookkeeping Service. The contractor performs the accounting functions and processes the monthly payrolls to pay the homemakers for services provided. The Division's social service workers evaluate each applicant's needs, establish service plans to best meet those needs and, when homemaker services are a part of the plan, an authorization is completed and arrangements made for the services to be provided.

This method of delivering service has enabled the Division to provide more hours of service at a lower rate per hour. At this lower rate it would be possible to provide a total of 74,569 hours of service during FY 78 (or an average 6,214 hours a month) at an average of \$6.23 an hour.

While services provided during the first four months of FY 78 have resulted in a lower cost per hour, the number of hours of service provided have been higher than the estimated 6,214 a month. The first four months have averaged 11,006 a month. When it was realized the Division would be unable to stay within the FY 78 authorization of \$464,800, the following drastic measures were taken:

1. No new clients will be authorized homemaker services after October 25, 1977; i.e., use of homemaker support as a new resource for clients has been frozen.
2. Each case receiving homemaker services between October 1 and 25 will be reviewed with attention to:
 - a. Closure where any alternative is available or where the use of homemaker service is judged desirable but not necessary for life protection reasons.
 - b. Reduction of the number of units of service authorized in each situation to that number which is considered necessary for life protection reasons.
3. No overtime is to be authorized for a homemaker.
4. As soon as possible, but no later than December 1, 1977:
 - a. No authorizations are permitted for "live-in" situations. No related or unrelated person living in the same household as the client is to be authorized to provide support as a homemaker. Any such current authorizations must be recovered.
 - b. No authorizations are to be given when the homemaker/provider is the mother, father, brother, sister, daughter or son of the client, even if the homemaker does not reside in the same household as the client.

This action was taken to realign the services provided as closely as possible to the 74,569 hours estimated for the total fiscal year and to the authorization.

A 75% reduction of services from the level provided the first four months would be required to stay within the appropriation and provide services through the fiscal year. Realistically however, a 50% reduction would be the highest possible, but not probable, and if a 30% reduction is actually achieved it would be noteworthy. If in November & December a 30% reduction is achieved, funds will be depleted before the end of February:

	<u>Expended</u>	<u>Hours</u>
Actuals 7/1/77 - 10/31/77	\$280,727	44,414
Liability Ins. & Workmen's Comp. for FY	28,392	--
	<u>\$309,119</u>	<u>44,414</u>

30% reduction from 11,006 hours to 7,704 hours a month for period 11/1/77 - 2/28/78: 7,704 hours a month x \$6.23 a hour = \$47,995.92 a month x 4 months	<u>191,984</u>	<u>30,816</u>
Projected 7/1/77 - 2/28/78	501,103	75,230
FY 78 contract estimate	<u>464,800</u>	<u>74,569</u>
Projected deficit 2/28/78 without further reductions.	(36,303)	

An average monthly expenditure of \$47,995.92 equals an average daily expenditure of \$1,577.94. \$36,303 divided by \$1,577.94 represents 23 days in February for which funding will not be available unless it is possible to make further reductions.

This necessary drastic reduction in services for the four month period of November - February may very possibly result in a public outcry, claiming that the same level of service provided last fiscal year and the first four months of this fiscal year is no longer being provided. A complaint has already been filed with the Ombudsman and the Department has been informed that there will be an investigation.

The following alternatives have been considered:

1. Not to request a supplemental appropriation and maintain the drastically reduced level of services until funds are depleted in February. If the public can be made to accept services at this level, and if persons in dire need of services do not unduly suffer because of the restrictions, this may be a possibility.
2. To submit a delete and add supplemental request. This was determined to be impossible, since there are not sufficient funds elsewhere within the Department to cover the additional amount necessary.
3. To request a supplemental appropriation:
 - a. To maintain delivery of an average of 11,006 hours of service a month for the entire fiscal year, thus eliminating the need to impose drastic reductions of service. This would increase the total hours of service to 132,072 at an average rate of \$6.25 an hour requiring a total of \$822,809.

Amount required	822,809
FY 78 authorized	464,800
Supplemental Needs	<u>358,009</u>

This alternative is not possible due to time elements. There would not be sufficient time to request and obtain supplemental funds without first substantially overexpending the current authorization.

- b. If a 50% reduction of services is achieved (and this will not be known until January), in order to maintain the reduced level of service March 1 through June 30, 1978, a general fund supplemental appropriation will be required as follows:

$$7,704 \text{ hours} \times \$6.23 \times 4 \text{ months} = \$191,984 \text{ and } 30,816 \text{ hours}$$

If a supplemental appropriation is not made, those adults for whom services are discontinued would in most instances have to be placed in nursing homes or hospitals, and children in foster homes. Such alternate care would, of course, be more costly to the State.

- c. To meet the demands which will undoubtedly be made by the public and reinstate the level of services during the last several months to the level provided between July and October.

Average hours a month provided between 7/77 & 10/77	11,006
Less average hours available a month:	
Requested under Part b above	<u>7,704</u>
Additional hours a month to reinstate level of services provided between 7/77 and 10/77	3,302

Funds necessary to reinstate this higher level of service for the last four months are:

$$3,302 \text{ hours} \times \$6.23 = \$20,571 \times 4 \text{ months} = \$82,286$$

In summary, a supplemental appropriation is being requested as follows:

	<u>Average</u> <u>Hrs. a Mo.</u>	<u>Average</u> <u>Hr. Rate</u>	<u>Amount</u>	<u>Total Hours</u>
Provide reduced level of service	7,704	\$6.23	\$191,984	30,816
Reinstate to level of 1st 4 months	<u>3,302</u>	<u>6.23</u>	<u>82,286</u>	<u>13,208</u>
Total Supplemental Request	11,006	\$6.23	\$274,270	44,024
FY 78 authorized			\$464,800	
FY 78 contracted est.	<u>6,214</u>	<u>\$6.23</u>		<u>74,569</u>
Revised FY 78 Auth.	non-add	\$6.23	\$759,070	118,593

It is possible that additional funds will be necessary for February, but that cannot be determined until January.

The FY 79 Governor's budget allowed a rate increase to an average \$7.53 an hour, but allowed an increase of only 10,000 hours to a total of 84,569 hours and \$636,800. If a supplemental appropriation is made for FY 78, the Governor's budget must be increased accordingly:

	<u>Amount</u>	<u>Hours</u>
FY 78 authorized @ \$6.23	\$464,800	74,569
FY 78 Supplemental:		
Provide reduced services	191,984	30,816
Reinstate to 1st quarter level	<u>82,286</u>	<u>13,208</u>
FY 78 Revised Authorized	\$739,070	118,593
FY 79 Request @ \$7.53	\$748,300	99,371
FY 79 Governor's Budget	\$636,800	84,569

To provide 118,593 hours of service in FY 79 at an average of \$7.53 an hour, an appropriation of \$893,005 would be required, an increase of 34,024 hours and \$256,205.

SJG:ME:rme

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FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 76 ACTUAL	FY 77 FINAL AUTH.	FY 77 ACTUAL	FY 78 GOV. BUDGET	FY 78 INITIAL AUTH.	FY 78 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1 - 10/31	OTHER OBLIGATIONS 7/1 - 10/31	PROJECTED EXPENDITURES + ENCUMBRANCES 11/1 - 6/30	FY 78 (DEFICIT) OR EXCESS	FY 78 PAID RECEIVED
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES	388.9	577.5	575.2	464.8	464.8	464.8	450.1		289.0	(274.3)	561.5
COMMODITIES											
EQUIPMENT											
LANDS, BLDGS. ...											
GRANTS, CLAIMS. ...											
MISCELLANEOUS											
TOTAL	388.9	577.5	575.2	464.8	464.8	464.8	450.1		289.0	(274.3)	561.5
FEDERAL RECEIPTS	291.6	433.1	431.4								
REQUIRED GF MATCHING	97.3	144.4	143.8								
OTHER GENERAL FUND				464.8	464.8	464.8	450.1		289.0	(274.3)	561.5
INTER-AGENCY RECEIPTS											

MEMORANDUM

2 pgs

394

TO: Ron Lind, Director
Division of Budget & Management

DATE: December 21, 1977

FILE NO.

TELEPHONE NO.

FROM: *M. Orelove*
Milke Orelove, Budget Analyst
Division of Budget & Management
Office of the Governor

SUBJECT: Supplemental Appropriation
Request - Department of
Health & Social Services

<u>Agency Request</u>	<u>Analyst Recommendation</u>	<u>B & M Recommendation</u>
\$274.3 TOTAL	\$385.0 TOTAL	\$385.0 TOTAL
\$274.3 GF	\$385.0 GF	\$385.0 GF

Appropriation: Program Services - Homemaker Services

Agency Position: Homemaker utilization has increased during the first 4 months of FY 78 which, if continued, would exhaust the FY 78 appropriation prior to the end of December. The agency has implemented drastic measures to reduce the level of utilization to stretch their current appropriation through February when they will be out of money and hopefully receive this supplemental at that time.

Recap:	Hours	Amount	Admin. Costs	Total
July	6,847	44.6	30.0	
Aug.	10,533	70.0		
Sept.	13,213	74.9		
Oct.	13,432	83.8		
adjustment for O.T. hours	388	3.3		
Nov.	10,000	63.1		
subtotal		339.7	30.0	369.7
Dec. (estimate)	10,000	65.0		
Jan. (estimate)	10,000	65.0		
Feb. (estimate)	10,000	65.0		
subtotal		534.7	30.0	564.7
				less FY 78 authorized
				454.8
				shortfall by end of February
				99.9
Mar.-June estim.	40,000	260.0		260.0
				Total shortfall
				359.9

Basis for Analysts Recommendation:

Analyst recommends a supplemental appropriation in the Homemakers Program in the amount of \$385,000 to maintain the November level of services through the end of FY 78.

To allow the Legislature sufficient time to review the entire Homemakers Program supplemental request and continual services at the current reduced level until the entire supplemental need is appropriated, this request is divided into two parts as follows:

Part 1 \$110,000

This amount will be emergency relief for the department so that a drastic program shutdown will not occur. These funds are required by mid-January and will allow the Homemaker Program to continue operations at the November 1977 level through the end of March.

Part 2 \$275,000

This amount will allow the program to continue operations at the November 1977 level from April through June. This amount is requested with other Social Services Category supplemental requests to allow the Legislature sufficient time to review the entire program need.

Original sponsor: Rules Committee by
request of the Governor

Offered: 2/9/78
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 394

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act making a supplemental appropriation to the

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17 070(c).

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→ Sec. 3. The sum of \$41,354 is appropriated to
19 The Department of Health and Social Services, Division
20 of Public Assistance, to fund ^{temporary employees for} additional social services in
21 Fairbanks and Anchorage.
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 15, 1978

The Honorable Hugh Malone
Speaker of the House of
Representatives
Pouch V
Juneau, Alaska 99811

Dear Speaker Malone:

I wish to advise you that immediate action on SB 394 by the Legislature is necessary to avoid a drastic program shutdown in the Department of Health and Social Services, Homemaker Services Program.

The Homemaker Services Program will be out of money by the end of this week and the Department has been advised not to incur any additional obligations until they receive a supplemental appropriation.

Prior to the introduction of supplemental legislation it became obvious that immediate action would be required to avoid a complete program shutdown if sufficient funds were not made available. In anticipation that the regular legislative review process for supplemental requests would not be timely enough to avoid a program shutdown, the supplemental request was divided into two separate bills. SB 394, in the amount of \$110,000 was identified as emergency relief to allow the program to continue operation through the end of February.

The Governor's transmittal letter on SB 394 indicated that these funds were needed by mid-January. These funds were not made available by the Legislature by that time which required an emergency loan from the Governor's Contingency Fund of \$30,000 to allow the program to continue operation for a few more weeks and allow the Legislature added time in which to appropriate the additional funds. The funding is still not available. Yesterday SB 394 passed the Senate as a Committee Substitute with notice of Reconsideration and if passed today it will be transmitted to the House. The program, however, is out of money today. An additional emergency loan from the Contingency Fund of \$15,000 is being made today to continue the program through the end of next week. If the supplemental funding is not made available, it will be necessary to shut down the program Saturday, February 25.

The Honorable Hugh Malone
February 15, 1978

Page Two

The total amount of current funding available is identified as follows:

FY 78 Appropriation	\$464,800
Governor's Contingency Fund Loan #1	30,000
Governor's Contingency Fund Loan #2	15,000
Total Available Authorization	<u>\$509,800</u>

The expenditures to date are as follows:

	<u>Hours</u>	<u>Total Expenditure</u>
July	6,848	\$ 46,800
August	10,534	70,700
September	13,214	75,600
Overtime	388	3,300
October	13,432	84,400
November	10,509	67,000
December	7,685	49,700
Liability & Workman's Compensation		28,400
TOTAL Thru 12/31/77		<u>\$425,900</u>
January (estimate)		42,400
TOTAL Thru 1/31/78		<u>\$468,300</u>

RECAP:

Total Available Thru 1/31/78	\$509,800
Total Estimated Expended Thru 1/31/78	468,300
Balance Available for February	<u>\$ 41,500</u>

The contractor's first billing each month has averaged approximately 85% of the total monthly billings. The first billing for January support was \$36,041. Based on the assumption that amount will represent 85% of the month's costs, total costs for January will be \$42,398.

The Honorable Hugh Malone
February 15, 1978

Page Three

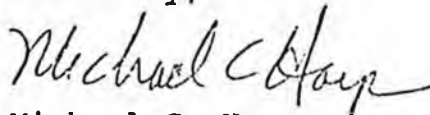
If the February expenditures equals the estimate for January, \$42,400 will be required. This relates to approximately \$1,368 per day. The \$41,500 available will be sufficient to allow the program to continue through February 25. There will remain \$7,300 to cover any additional billings, since the January and February estimates may be low.

If a supplemental appropriation is not made, those adults for whom services are discontinued would, in most instances, have to be placed in nursing homes or hospitals and children in foster homes. Such alternative care would, of course, be more costly to the State.

We anticipate that the Legislature will appropriate additional funding for this program, however, due to the Constitutional prohibition of expending funds without an appropriation it has become necessary to prepare for a program shutdown. The Homemaker Providers and service recipients are being advised of this possibility effective February 25th.

We hope such action will be unnecessary.

Sincerely,



Michael C. Harper
Administrative Assistant
to the Governor

Original sponsor: Rules Committee by
request of the Governor

Offered: 2/9/78
Referred: Rules

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BY THE FINANCE COMMITTEE

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MEMORANDUM

TO: Honorable John Sackett
Chairman
Senate Finance Committee

FROM: Milt Barker MB
Fiscal Analyst
Legislative Finance

DATE: February 1, 1978

SUBJECT: HOMEMAKERS SUPPLEMENTAL - SB 394

As the accompanying table shows, the reason for the homemakers supplemental is an increase in the hours of service provided, as well as an increase in homemaker wages. The 54,924 hours of service provided through November 1977 projected for a full year would be 131,817 hours, an increase of 61% over FY 77, at a cost of roughly \$900,000.

Another factor in the supplemental is the increase in average homemaker wages from \$3.40 to \$6.46 per hour in FY 78. This was done by H & SS when they reduced administrative costs to nil by contracting with Werner's Bookkeeping Service, thus freeing funds that were used to bring homemakers' pay up to the lowest state salary level, Range 5. Homemaker wages had been increased minimally over the prior four years.

H & SS has estimated that this supplemental, SB 394, will fund homemakers through February at the November level of service which reflected elimination of services for some individuals. Reinstating these individuals would require increasing the supplemental from the \$110,000 now requested to \$130,000 to fund the program through February. Funding it through March (which will be necessary unless a second supplemental is to be passed by mid-February) will require a supplemental of \$179,000 or \$218,000, depending on

MEMORANDUM

February 1, 1978

Homemakers Supplemental - SB 394

Page 2

whether restrictions on services are maintained. To fund the program through the end of the fiscal year will require a supplemental of \$385,000 or \$461,000, again depending on restrictions. The FCC initially authorized \$464,800 for the program.

HOMEMAKER SERVICES

FY	Hours of Service	Actual Expenditures	Homemaker Wages & Benefits	Homemaker Hourly Wage & Benefits	<u>Administrative Costs</u>	
					\$	%
74	57,637	259,368	173,489	3.01	85,879	33
75	58,866	362,027	238,997	4.06	123,030	34
76	58,272	370,030	213,861	3.67	156,169	42
77	81,972	560,105	278,864	3.40	285,500	51
78*	54,924	359,620	355,075	6.46	4,545	1

* Through November 30, 1977

January 10, 1978

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill making a supplemental appropriation to the Department of Health and Social Services, in the amount of \$110,000, for FY 78 Homemaker Services, use of which increased drastically during the first four months of FY 78. Measures taken by the commissioner of health and social services resulted in a lower level of use in November 1977, thus enabling the program to run through mid-January.

This appropriation -- necessary in order to avoid a drastic program shutdown -- would allow the program to continue operation at the November 1977 level through the end of March. Funds are needed by mid-January. To give the legislature time to review the entire program, a separate appropriation, to cover the remainder of this fiscal year, is being requested.

Sincerely,

S/ JSH

Jay S. Hammond
Governor

STATE
of ALASKA

MEMORANDUM

RECEIVED

DEC - 6 1977

BUDGET & MANAGEMENT

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

DATE: November 30, 1977

FILE NO:

TELEPHONE NO:

FROM *John J. Granato*
John J. Granato
Director
Division of Social Services

SUBJECT: FY 78 Supplemental Budget Request -
Homemaker Services

A \$274.3 general fund supplemental appropriation in the Program Services BRU, Homemaker Services Component, is requested.

Homemaker Services have been provided and estimated as follows:

	Hours of Svc.	Total Cost	Average Rate an Hr.	Contractor
FY 77 Actual	83,075	\$468,418	5.64 \$6.84	Alaska Homemaker Home Health Aide, Inc.
FY 78 Authorized	66,953	464,800	6.94	To be determined.
FY 78 Contracted Est.	74,569	464,800	6.23	Werners Bookkeeping Service
FY 79 Maintenance	74,569	561,538	7.53	To be determined.
FY 79 Change	24,802	186,760	7.53	To be determined.

The FY 79 rate increase is the result of aligning salaries of homemakers to the State salary schedule, Range 5B.

At the time the FY 78 budget request was prepared, the contractor's monthly billings indicated there would be a significant shortfall in the actual number of hours of services provided, resulting in an underexpenditure. Therefore, the FY 78 budget request was based on early activities in FY 77. However, the low trend did not continue throughout the fiscal year. To the contrary, services increased substantially during the last quarter.

The FY 78 contract was awarded to Werner's Bookkeeping Service. The contractor performs the accounting functions and processes the monthly payrolls to pay the homemakers for services provided. The Division's social service workers evaluate each applicant's needs, establish service plans to best meet those needs and, when homemaker services are a part of the plan, an authorization is completed and arrangements made for the services to be provided.

This method of delivering service has enabled the Division to provide more hours of service at a lower rate per hour. At this lower rate it would be possible to provide a total of 74,569 hours of service during FY 78 (or an average 6,214 hours a month) at an average of \$6.23 an hour.

While services provided during the first four months of FY 78 have resulted in a lower cost per hour, the number of hours of service provided have been higher than the estimated 6,214 a month. The first four months have averaged 11,006 a month. When it was realized the Division would be unable to stay within the FY 78 authorization of \$464,800, the following drastic measures were taken:

1. No new clients will be authorized homemaker services after October 25, 1977; i.e., use of homemaker support as a new resource for clients has been frozen.
2. Each case receiving homemaker services between October 1 and 25 will be reviewed with attention to:
 - a. Closure where any alternative is available or where the use of homemaker service is judged desirable but not necessary for life protection reasons.
 - b. Reduction of the number of units of service authorized in each situation to that number which is considered necessary for life protection reasons.
3. No overtime is to be authorized for a homemaker.
4. As soon as possible, but no later than December 1, 1977:
 - a. No authorizations are permitted for "live-in" situations. No related or unrelated person living in the same household as the client is to be authorized to provide support as a homemaker. Any such current authorizations must be recovered.
 - b. No authorizations are to be given when the homemaker/provider is the mother, father, brother, sister, daughter or son of the client, even if the homemaker does not reside in the same household as the client.

This action was taken to realign the services provided as closely as possible to the 74,569 hours estimated for the total fiscal year and to the authorization.

A 75% reduction of services from the level provided the first four months would be required to stay within the appropriation and provide services through the fiscal year. Realistically however, a 50% reduction would be the highest possible, but not probable, and if a 30% reduction is actually achieved it would be noteworthy. If in November & December a 30% reduction is achieved, funds will be depleted before the end of February:

	<u>Expended</u>	<u>Hours</u>	
Actuals 7/1/77 - 10/31/77	\$280,727	44,414	6.57
Liability Ins. & Workmen's Comp. for FY	28,572	--	
	<u>\$309,119</u>	<u>44,414</u>	= 6.95

30% reduction from 11,006 hours to 7,704 hours a month for period 11/1/77 - 2/28/78: 7,704 hours a month x \$6.25 a hour = \$47,995.92 a month x 4 months	<u>191,984</u>	<u>30,816</u>
Projected 7/1/77 - 2/28/78	501,103	75,230
FY 78 contract estimate	<u>464,800</u>	<u>74,569</u>
Projected deficit 2/28/78 without further reductions.	(36,303)	

An average monthly expenditure of \$47,995.92 equals an average daily expenditure of \$1,577.94. \$36,303 divided by \$1,577.94 represents 23 days in February for which funding will not be available unless it is possible to make further reductions.

This necessary drastic reduction in services for the four month period of November - February may very possibly result in a public outcry, claiming that the same level of service provided last fiscal year and the first four months of this fiscal year is no longer being provided. A complaint has already been filed with the Ombudsman and the Department has been informed that there will be an investigation.

The following alternatives have been considered:

1. Not to request a supplemental appropriation and maintain the drastically reduced level of services until funds are depleted in February. If the public can be made to accept services at this level, and if persons in dire need of services do not unduly suffer because of the restrictions, this may be a possibility.
2. To submit a delete and add supplemental request. This was determined to be impossible, since there are not sufficient funds elsewhere within the Department to cover the additional amount necessary.
3. To request a supplemental appropriation:
 - a. To maintain delivery of an average of 11,006 hours of service a month for the entire fiscal year, thus eliminating the need to impose drastic reductions of service. This would increase the total hours of service to 152,072 at an average rate of \$6.25 an hour requiring a total of \$822,809.

Amount required	822,809
FY 78 authorized	464,800
Supplemental Needs	<u>358,009</u>

This alternative is not possible due to time elements. There would not be sufficient time to request and obtain supplemental funds without first substantially overexpending the current authorization.

- b. If a 30% reduction of services is achieved (and this will not be known until January), in order to maintain the reduced level of service March 1 through June 30, 1978, a general fund supplemental appropriation will be required as follows:

$$7,704 \text{ hours} \times \$6.23 \times 4 \text{ months} = \$191,984 \text{ and } 30,816 \text{ hours}$$

If a supplemental appropriation is not made, those adults for whom services are discontinued would in most instances have to be placed in nursing homes or hospitals, and children in foster homes. Such alternate care would, of course, be more costly to the State.

- c. To meet the demands which will undoubtedly be made by the public and reinstate the level of services during the last several months to the level provided between July and October.

Average hours a month provided between 7/77 & 10/77 11,006

Less average hours available a month:

Requested under Part b above 7,704

Additional hours a month to reinstate level of services provided between 7/77 and 10/77 3,302

Funds necessary to reinstate this higher level of service for the last four months are:

$$3,302 \text{ hours} \times \$6.23 = \$20,571 \times 4 \text{ months} = \$82,286$$

In summary, a supplemental appropriation is being requested as follows:

	<u>Average</u> <u>Hrs. a Mo.</u>	<u>Average</u> <u>Hr. Rate</u>	<u>Amount</u>	<u>Total Hours</u>
Provide reduced level of service	7,704	\$6.23	\$191,984	30,816
Reinstate to level of 1st 4 months	<u>3,302</u>	<u>6.23</u>	<u>82,286</u>	<u>13,208</u>
Total Supplemental Request	11,006	\$6.23	\$274,270	44,024
FY 78 authorized			\$464,800	
FY 78 contracted est.	<u>6,214</u>	<u>\$6.23</u>	<u> </u>	<u>74,569</u>
Revised FY 78 Auth.	non-add	\$6.23	\$759,070	118,593

It is possible that additional funds will be necessary for February, but that cannot be determined until January.

The FY 79 Governor's budget allowed a rate increase to an average \$7.53 an hour, but allowed an increase of only 10,000 hours to a total of 84,569 hours and \$636,800. If a supplemental appropriation is made for FY 78, the Governor's budget must be increased accordingly:

	<u>Amount</u>	<u>Hours</u>
FY 78 authorized @ \$6.23	\$464,800	74,569
FY 78 Supplemental:		
Provide reduced services	191,984	30,816
Reinstate to 1st quarter level	<u>82,286</u>	<u>13,208</u>
FY 78 Revised Authorized	\$739,070	118,593
FY 79 Request @ \$7.53	\$748,300	99,371
FY 79 Governor's Budget	\$636,800	84,569

To provide 118,593 hours of service in FY 79 at an average of \$7.53 an hour, an appropriation of \$893,005 would be required, an increase of 34,024 hours and \$256,205.

SJG:ME:rmc

File

FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 76 ACTUAL	FY 77 FINAL AUTH.	FY 77 ACTUAL	FY 78 GOV. BUDGET	FY 78 INITIAL AUTH.	FY 78 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1 - 10/31	OTHER OBLIGATIONS 7/1 - 10/31	PROJECTED EXPENDITURES + ENCUMBRANCES 11/1 - 6/30	FY 78 (DEFICIT) OR EXCESS	FY REVENUE
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES	388.9	577.5	575.2	464.8	464.8	464.8	450.1		289.0	(274.3)	561.5
COMMODITIES											
EQUIPMENT											
LANDS, BLDGS. ...											
GRANTS, CLAIMS, ...											
MISCELLANEOUS											
TOTAL	388.9	577.5	575.2	464.8	464.8	464.8	450.1		289.0	(274.3)	561.5
FEDERAL RECEIPTS	291.6	433.1	431.4								
REQUIRED OF MATCHING	97.3	144.4	143.8								
OTHER GENERAL FUND				464.8	464.8	464.8	450.1		289.0	(274.3)	561.5
INTER-AGENCY RECEIPTS											

AGENCY Health & Social Services

PRG Program Services

CONTRIBUT HomeMaker Services

REVISED

STATE
of ALASKA

MEMORANDUM

2 pils

394

TO Ron Lind, Director
Division of Budget & Management

DATE December 21, 1977

FILE NO.

TELEPHONE NO.

FROM: *M. Orelove*
Mike Orelove, Budget Analyst
Division of Budget & Management
Office of the GovernorSUBJECT: Supplemental Appropriation
Request - Department of
Health & Social Services

<u>Agency Request</u>	<u>Analyst Recommendation</u>	<u>B & M Recommendation</u>
\$274.3 TOTAL	\$385.0 TOTAL	\$385.0 TOTAL
\$274.3 GF	\$385.0 GF	\$385.0 GF

Appropriation: : Program Services - Homemaker Services

Agency Position: Homemaker utilization has increased during the first 4 months of FY 78 which, if continued, would exhaust the FY 78 appropriation prior to the end of December. The agency has implemented drastic measures to reduce the level of utilization to stretch their current appropriation through February when they will be out of money and hopefully receive this supplemental at that time.

Recap:	Hours	Amount	Admin. Costs	Total
July	6,847	44.6	30.0	
Aug.	10,533	70.0		
Sept.	13,213	74.9		
Oct.	13,432	83.8		
adjustment for O.T. hours	388	3.3		
Nov.	10,006	63.1		
subtotal		339.7	30.0	369.7
Dec. (estimate)	10,000	65.0		
Jan. (estimate)	10,000	65.0		
Feb. (estimate)	10,000	65.0		
subtotal		534.7	30.0	564.7
				less FY 78 authorized 464.8
				shortfall by end of February 99.9
Mar.-June estim.	40,000	260.0		260.0
				Total shortfall 359.9

Basis for Analysts Recommendation:

Analyst recommends a supplemental appropriation in the Homemakers Program in the amount of \$385,000 to maintain the November level of services through the end of FY 78.

To allow the Legislature sufficient time to review the entire Homemakers Program supplemental request and continual services at the current reduced level until the entire supplemental need is appropriated, this request is divided into two parts as follows:

Part 1 \$110,000

This amount will be emergency relief for the department so that a drastic program shutdown will not occur. These funds are required by mid-January and will allow the Homemaker Program to continue operations at the November 1977 level through the end of March.

Part 2 \$275,000

This amount will allow the program to continue operations at the November 1977 level from April through June. This amount is requested with other Social Services Category supplemental requests to allow the Legislature sufficient time to review the entire program need.

Original sponsor: Rules Committee by
request of the Governor

Offered: 2/9/78
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 394

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a supplemental appropriation to the

7

Department of Health and Social Services; 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 \$458,900 is appropriated from the general fund to
11 the Department of Health and Social Services for homemaker services, for the
12 fiscal year ending June 30, 1978.

13

* Sec. 2. The sum of \$2,000 is appropriated from the general fund to the
14 Department of Health and Social Services, Wrangell Social Services Office,
15 for the fiscal year ending June 30, 1978.

16

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

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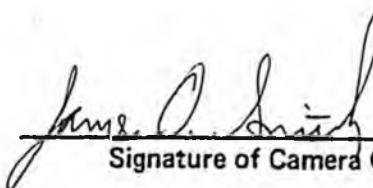
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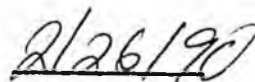
RECORDS CERTIFICATION



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
HOUSE

FURTHER: _____

2/16/78

Date: _____

Mr. Speaker:

The Committee on FINANCE has had CSSB 394
"An Act making a supplemental appropriation to the Department of Health
and Social Services; eff. date."

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

() recommends it do pass () recommends it do not pass

() recommends it do pass with attached amendment(s)

() recommends it be replaced with ^{House} CS for CSSB 394

and _____ () new title () same title

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

() reports it back without recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

[Signature]
Chairman

Original sponsor: Rules Committee by
request of the Governor

IN THE SENATE

BY THE FINANCE COMMITTEE

HOUSE CS FOR CS FOR SENATE BILL NO. 394
IN THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a supplemental appropriation to the
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for an effective date."

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fiscal year ending June 30, 1978.

* Sec. 2. The sum of \$2,000 is appropriated from the general fund to the
Department of Health and Social Services, Wrangell Social Services Office,
for the fiscal year ending June 30, 1978.

* Sec. 3. The sum of \$41,354 is appropriated from the general fund to the
Department of Health and Social Services, division of public assistance, for
the purpose of paying temporary employees for providing additional social
services in Fairbanks and Anchorage.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
070(c).

Original sponsor: Rules Committee by
request of the Governor

Offered: 2/9/78
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 394

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act making a supplemental appropriation to the

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374
January 10, 1978

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

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This appropriation -- necessary in order to avoid a drastic program shutdown -- would allow the program to continue operation at the November 1977 level through the end of March. Funds are needed by mid-January. To give the legislature time to review the entire program, a separate appropriation, to cover the remainder of this fiscal year, is being requested.

Sincerely,

S/ JSH

Jay S. Hammond
Governor

STATE
of ALASKA

MEMORANDUM

RECEIVED
DEC - 6 1977
BUDGET & MANAGEMENT

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

DATE: November 30, 1977

FILE NO:

TELEPHONE NO.

FROM: *[Signature]* J. Granato
Director
Division of Social Services

SUBJECT: FY 78 Supplemental Budget Request -
Homemaker Services

A \$274.3 general fund supplemental appropriation in the Program Services BRJ, Homemaker Services Component, is requested.

Homemaker Services have been provided and estimated as follows:

	<u>Hours of Svc.</u>	<u>Total Cost</u>	<u>Average Rate an Hr.</u>	<u>Contractor</u>
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\$47,995.92 a month x 4 months	<u>191,984</u>	<u>30,816</u>
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1. Not to request a supplemental appropriation and maintain the drastically reduced level of services until funds are depleted in February. If the public can be made to accept services at this level, and if persons in dire need of services do not unduly suffer because of the restrictions, this may be a possibility.
2. To submit a delete and add supplemental request. This was determined to be impossible, since there are not sufficient funds elsewhere within the Department to cover the additional amount necessary.
3. To request a supplemental appropriation:
 - a. To maintain delivery of an average of 11,006 hours of service a month for the entire fiscal year, thus eliminating the need to impose drastic reductions of service. This would increase the total hours of service to 132,072 at an average rate of \$6.25 an hour requiring a total of \$822,809.

Amount required	822,809
FY 78 authorized	<u>464,800</u>
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Requested under Part b above 7,704

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In summary, a supplemental appropriation is being requested as follows:

	<u>Average Hrs. a Mo.</u>	<u>Average Hr. Rate</u>	<u>Amount</u>	<u>Total Hours</u>
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Reinstate to level of 1st 4 months	<u>3,302</u>	<u>6.23</u>	<u>82,286</u>	<u>13,208</u>
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FY 79 Request @ \$7.53	\$748,300	99,371
FY 79 Governor's Budget	\$636,800	84,569

To provide 118,593 hours of service in FY 79 at an average of \$7.53 an hour, an appropriation of \$893,005 would be required, an increase of 34,024 hours and \$256,205.

SJG:ME:rme

11/15

FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 76 ACTUAL	FY 77 FINAL AUTH.	FY 77 ACTUAL	FY 78 GOV. BUDGET	FY 78 INITIAL AUTH.	FY 78 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1 - 10/31	OTHER OBLIGATIONS 7/1 - 10/31	PROJECTED EXPENDITURES + ENCUMBRANCES 11/1 - 6/30	FY 78 (DEFICIT) OR EXCESS	
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES	388.9	577.5	575.2	464.8	464.8	464.8	450.1		289.0	(274.3)	561.5
COMMODITIES											
EQUIPMENT											
LANDS, BLDGS. ...											
GRANTS, CLAIMS. ...											
MISCELLANEOUS											
TOTAL	388.9	577.5	575.2	464.8	464.8	464.8	450.1		289.0	(274.3)	561.5
FEDERAL RECEIPTS	291.6	433.1	431.4								
REQUIRED OF MATCHING	97.3	144.4	143.8								
OTHER GENERAL FUND				464.8	464.8	464.8	450.1		289.0	(274.3)	561.5
INTER-AGENCY RECEIPTS											

STATE
of ALASKA

MEMORANDUM

2 files

394

TO: Ron Lind, Director
Division of Budget & Management

DATE: December 21, 1977

FILE NO.

TELEPHONE NO.

FROM: *Mike Orelove*
Mike Orelove, Budget Analyst
Division of Budget & Management
Office of the GovernorSUBJECT: Supplemental Appropriation
Request - Department of
Health & Social Services

<u>Agency Request</u>	<u>Analyst Recommendation</u>	<u>B & M Recommendation</u>
\$274.3 TOTAL	\$385.0 TOTAL	\$385.0 TOTAL
\$274.3 GF	\$385.0 GF	\$385.0 GF

Appropriation: Program Services - Homemaker Services

Agency Position: Homemaker utilization has increased during the first 4 months of FY 78 which, if continued, would exhaust the FY 78 appropriation prior to the end of December. The agency has implemented drastic measures to reduce the level of utilization to stretch their current appropriation through February when they will be out of money and hopefully receive this supplemental at that time.

Recap:	Hours	Amount	Admin. Costs	Total
July	6,847	44.6	30.0	
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Oct.	13,432	83.8		
adjustment for O.T. hours	388	3.3		
Nov.	10,006	63.1		
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Dec. (estimate)	10,000	65.0		
Jan. (estimate)	10,000	65.0		
Feb. (estimate)	10,000	65.0		
subtotal		534.7	30.0	564.7
				less FY 78 authorized
				464.8
				shortfall by end of February
				99.9
Mar.-June estim.	40,000	260.0		260.0
				Total shortfall
				359.9

Basis for Analysts Recommendation:

Analyst recommends a supplemental appropriation in the Homemakers Program in the amount of \$385,000 to maintain the November level of services through the end of FY 78.

To allow the Legislature sufficient time to review the entire Homemakers Program supplemental request and continual services at the current reduced level until the entire supplemental need is appropriated, this request is divided into two parts as follows:

Part 1 \$110,000

This amount will be emergency relief for the department so that a drastic program shutdown will not occur. These funds are required by mid-January and will allow the Homemaker Program to continue operations at the November 1977 level through the end of March.

Part 2 \$275,000

This amount will allow the program to continue operations at the November 1977 level from April through June. This amount is requested with other Social Services Category supplemental requests to allow the Legislature sufficient time to review the entire program need.

Original sponsor: Rules Committee by
request of the Governor

Offered: 2/9/78
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 394

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Social Services; 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 \$458,900 is appropriated from the general fund to
11 the Department of Health and Social Services for homemaker services, for the
12 fiscal year ending June 30, 1978.

13 * Sec. 2. The sum of \$2,000 is appropriated from the general fund to the
14 Department of Health and Social Services, Wrangell Social Services Office,
15 for the fiscal year ending June 30, 1978.

16 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

18 → Sec. 3. The sum of \$41,354 is appropriated to
19 The Department of Health and Social Services, Division
20 of Public Assistance, to fund ^{temporary employees for} additional social services in
21 Fairbanks and Anchorage.
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 15, 1978

The Honorable Hugh Malone
Speaker of the House of
Representatives
Pouch V
Juneau, Alaska 99811

Dear Speaker Malone:

I wish to advise you that immediate action on SB 394 by the Legislature is necessary to avoid a drastic program shutdown in the Department of Health and Social Services, Homemaker Services Program.

The Homemaker Services Program will be out of money by the end of this week and the Department has been advised not to incur any additional obligations until they receive a supplemental appropriation.

Prior to the introduction of supplemental legislation it became obvious that immediate action would be required to avoid a complete program shutdown if sufficient funds were not made available. In anticipation that the regular legislative review process for supplemental requests would not be timely enough to avoid a program shutdown, the supplemental request was divided into two separate bills. SB 394, in the amount of \$110,000 was identified as emergency relief to allow the program to continue operation through the end of February.

The Governor's transmittal letter on SB 394 indicated that these funds were needed by midJanuary. These funds were not made available by the Legislature by that time which required an emergency loan from the Governor's Contingency Fund of \$30,000 to allow the program to continue operation for a few more weeks and allow the Legislature added time in which to appropriate the additional funds. The funding is still not available. Yesterday SB 394 passed the Senate as a Committee Substitute with notice of Reconsideration and if passed today it will be transmitted to the House. The program, however, is out of money today. An additional emergency loan from the Contingency Fund of \$15,000 is being made today to continue the program through the end of next week. If the supplemental funding is not made available, it will be necessary to shut down the program Saturday, February 25.

The Honorable Hugh Malone
February 15, 1978

Page Two

The total amount of current funding available is identified as follows:

FY 78 Appropriation	\$464,800
Governor's Contingency Fund Loan #1	30,000
Governor's Contingency Fund Loan #2	15,000
Total Available Authorization	<u>\$509,800</u>

The expenditures to date are as follows:

	<u>Hours</u>	<u>Total Expenditure</u>
July	6,848	\$ 46,800
August	10,534	70,700
September	13,214	75,600
Overtime	388	3,300
October	13,432	84,400
November	10,509	67,000
December	7,685	49,700
Liability & Workman's Compensation		<u>28,400</u>
TOTAL Thru 12/31/77		<u>\$425,900</u>
January (estimate)		42,400
TOTAL Thru 1/31/78		<u>\$468,300</u>

RECAP:

Total Available Thru 1/31/78	\$509,800
Total Estimated Expended Thru 1/31/78	468,300
Balance Available for February	<u>\$ 41,500</u>

The contractor's first billing each month has averaged approximately 85% of the total monthly billings. The first billing for January support was \$36,041. Based on the assumption that amount will represent 85% of the month's costs, total costs for January will be \$42,398.

The Honorable Hugh Malone
February 15, 1978

Page Three

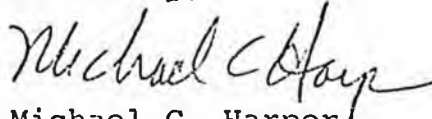
If the February expenditures equals the estimate for January, \$42,400 will be required. This relates to approximately \$1,368 per day. The \$41,500 available will be sufficient to allow the program to continue through February 25. There will remain \$7,300 to cover any additional billings, since the January and February estimates may be low.

If a supplemental appropriation is not made, those adults for whom services are discontinued would, in most instances, have to be placed in nursing homes or hospitals and children in foster homes. Such alternative care would, of course, be more costly to the State.

We anticipate that the Legislature will appropriate additional funding for this program, however, due to the Constitutional prohibition of expending funds without an appropriation it has become necessary to prepare for a program shutdown. The Homemaker Providers and service recipients are being advised of this possibility effective February 25th.

We hope such action will be unnecessary.

Sincerely,



Michael C. Harper
Administrative Assistant
to the Governor

Original sponsor: Rules Committee by
request of the Governor

Offered: 2/9/78
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 394

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act making a supplemental appropriation to the

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16

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-

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070(c).

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MEMORANDUM

TO: Honorable John Sackett
Chairman
Senate Finance Committee

FROM: Milt Barker MB
Fiscal Analyst
Legislative Finance

DATE: February 1, 1978

SUBJECT: HOMEMAKERS SUPPLEMENTAL - SB 394

As the accompanying table shows, the reason for the homemakers supplemental is an increase in the hours of service provided, as well as an increase in homemaker wages. The 54,924 hours of service provided through November 1977 projected for a full year would be 131,817 hours, an increase of 61% over FY 77, at a cost of roughly \$900,000.

Another factor in the supplemental is the increase in average homemaker wages from \$3.40 to \$6.46 per hour in FY 78. This was done by H & SS when they reduced administrative costs to nil by contracting with Werner's Bookkeeping Service, thus freeing funds that were used to bring homemakers' pay up to the lowest state salary level, Range 5. Homemaker wages had been increased minimally over the prior four years.

H & SS has estimated that this supplemental, SB 394, will fund homemakers through February at the November level of service which reflected elimination of services for some individuals. Reinstating these individuals would require increasing the supplemental from the \$110,000 now requested to \$130,000 to fund the program through February. Funding it through March (which will be necessary unless a second supplemental is to be passed by mid-February) will require a supplemental of \$179,000 or \$218,000, depending on

MEMORANDUM

February 1, 1978

Homemakers Supplemental - SB 394

Page 2

whether restrictions on services are maintained. To fund the program through the end of the fiscal year will require a supplemental of \$385,000 or \$461,000, again depending on restrictions. The FCC initially authorized \$464,800 for the program.

HOMEMAKER SERVICES

FY	Hours of Service	Actual Expenditures	Homemaker Wages & Benefits	Homemaker Hourly Wage & Benefits	<u>Administrative Costs</u>	
					\$	%
74	57,637	259,368	173,489	3.01	85,879	33
75	58,866	362,027	238,997	4.06	123,030	34
76	58,272	370,030	213,861	3.67	156,169	42
77	81,972	560,105	278,864	3.40	285,500	51
78*	54,924	359,620	355,075	6.46	4,545	1

* Through November 30, 1977

January 10, 1978

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill making a supplemental appropriation to the Department of Health and Social Services, in the amount of \$110,000, for FY 78 Homemaker Services, use of which increased drastically during the first four months of FY 78. Measures taken by the commissioner of health and social services resulted in a lower level of use in November 1977, thus enabling the program to run through mid-January.

This appropriation -- necessary in order to avoid a drastic program shutdown -- would allow the program to continue operation at the November 1977 level through the end of March. Funds are needed by mid-January. To give the legislature time to review the entire program, a separate appropriation, to cover the remainder of this fiscal year, is being requested.

Sincerely,

✓ / JSH

S. Hammond
Governor

STATE
of ALASKA

MEMORANDUM

RECEIVED

DEC - 5 1977

BUDGET & MANAGEMENT

374

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

DATE: November 30, 1977

FILE NO:

TELEPHONE NO:

FROM: *[Signature]*
S. J. Granato
Director
Division of Social ServicesSUBJECT: FY 78 Supplemental Budget Request -
Homemaker Services

A \$274.3 general fund supplemental appropriation in the Program Services BRU, Homemaker Services Component, is requested.

Homemaker Services have been provided and estimated as follows:

	<u>Hours of Svc.</u>	<u>Total Cost</u>	<u>Average Rate an Hr.</u>	<u>Contractor</u>
FY 77 Actual	83,075	\$468,418	5.6 \$6.84	Alaska Homemaker Home Health Aide, Inc.
FY 78 Authorized	66,953	464,800	6.94	To be determined.
FY 78 Contracted Est.	74,569	464,800	6.23	Werners Bookkeeping Service
FY 79 Maintenance	74,569	561,538	7.53	To be determined.
FY 79 Change	24,802	186,766	7.53	To be determined.

The FY 79 rate increase is the result of aligning salaries of homemakers to the State salary schedule, Range 5B.

At the time the FY 78 budget request was prepared, the contractor's monthly billings indicated there would be a significant shortfall in the actual number of hours of services provided, resulting in an underexpenditure. Therefore, the FY 78 budget request was based on early activities in FY 77. However, the low trend did not continue throughout the fiscal year. To the contrary, services increased substantially during the last quarter.

The FY 78 contract was awarded to Werner's Bookkeeping Service. The contractor performs the accounting functions and processes the monthly payrolls to pay the homemakers for services provided. The Division's social service workers evaluate each applicant's needs, establish service plans to best meet those needs and, when homemaker services are a part of the plan, an authorization is completed and arrangements made for the services to be provided.

This method of delivering service has enabled the Division to provide more hours of service at a lower rate per hour. At this lower rate it would be possible to provide a total of 74,569 hours of service during FY 78 (or an average 6,214 hours a month) at an average of \$6.23 an hour.

While services provided during the first four months of FY 78 have resulted in a lower cost per hour, the number of hours of service provided have been higher than the estimated 6,214 a month. The first four months have averaged 11,006 a month. When it was realized the Division would be unable to stay within the FY 78 authorization of \$464,800, the following drastic measures were taken:

1. No new clients will be authorized homemaker services after October 25, 1977; i.e., use of homemaker support as a new resource for clients has been frozen.
2. Each case receiving homemaker services between October 1 and 25 will be reviewed with attention to:
 - a. Closure where any alternative is available or where the use of homemaker service is judged desirable but not necessary for life protection reasons.
 - b. Reduction of the number of units of service authorized in each situation to that number which is considered necessary for life protection reasons.
3. No overtime is to be authorized for a homemaker.
4. As soon as possible, but no later than December 1, 1977:
 - a. No authorizations are permitted for "live-in" situations. No related or unrelated person living in the same household as the client is to be authorized to provide support as a homemaker. Any such current authorizations must be recovered.
 - b. No authorizations are to be given when the homemaker/provider is the mother, father, brother, sister, daughter or son of the client, even if the homemaker does not reside in the same household as the client.

This action was taken to realign the services provided as closely as possible to the 74,569 hours estimated for the total fiscal year and to the authorization.

A 75% reduction of services from the level provided the first four months would be required to stay within the appropriation and provide services through the fiscal year. Realistically however, a 50% reduction would be the highest possible, but not probable, and if a 30% reduction is actually achieved it would be noteworthy. If in November & December a 30% reduction is achieved, funds will be depleted before the end of February:

	<u>Expended</u>	<u>Hours</u>
Actuals 7/1/77 - 10/31/77	\$280,727	44,414
Liability Ins. & Workmen's Comp. for FY	28,592	--
	<u>\$309,119</u>	<u>44,414</u>

30% reduction from 11,006 hours to 7,704 hours a month for period 11/1/77 - 2/28/78: 7,704 hours a month x \$6.23 a hour = \$47,995.92 a month x 4 months	<u>191,984</u>	<u>30,816</u>
Projected 7/1/77 - 2/28/78	501,103	75,230
FY 78 contract estimate	<u>464,800</u>	<u>74,569</u>
Projected deficit 2/28/78 without further reductions.	(36,303)	

An average monthly expenditure of \$47,995.92 equals an average daily expenditure of \$1,577.94. \$36,303 divided by \$1,577.94 represents 23 days in February for which funding will not be available unless it is possible to make further reductions.

This necessary drastic reduction in services for the four month period of November - February may very possibly result in a public outcry, claiming that the same level of service provided last fiscal year and the first four months of this fiscal year is no longer being provided. A complaint has already been filed with the Ombudsman and the Department has been informed that there will be an investigation.

The following alternatives have been considered:

1. Not to request a supplemental appropriation and maintain the drastically reduced level of services until funds are depleted in February. If the public can be made to accept services at this level, and if persons in dire need of services do not unduly suffer because of the restrictions, this may be a possibility.
2. To submit a delete and add supplemental request. This was determined to be impossible, since there are not sufficient funds elsewhere within the Department to cover the additional amount necessary.
3. To request a supplemental appropriation:
 - a. To maintain delivery of an average of 11,006 hours of service a month for the entire fiscal year, thus eliminating the need to impose drastic reductions of service. This would increase the total hours of service to 132,072 at an average rate of \$6.23 an hour requiring a total of \$822,809.

Amount required	822,809
FY 78 authorized	464,800
Supplemental Needs	<u>358,009</u>

This alternative is not possible due to time elements. There would not be sufficient time to request and obtain supplemental funds without first substantially overexpending the current authorization.

- b. If a 50% reduction of services is achieved (and this will not be known until January), in order to maintain the reduced level of service March 1 through June 30, 1978, a general fund supplemental appropriation will be required as follows:

$$7,704 \text{ hours} \times \$6.23 \times 4 \text{ months} = \$191,984 \text{ and } 30,816 \text{ hours}$$

If a supplemental appropriation is not made, those adults for whom services are discontinued would in most instances have to be placed in nursing homes or hospitals, and children in foster homes. Such alternate care would, of course, be more costly to the State.

- c. To meet the demands which will undoubtedly be made by the public and reinstate the level of services during the last several months to the level provided between July and October.

Average hours a month provided between 7/77 & 10/77 11,006

Less average hours available a month:

Requested under Part b above 7,704

Additional hours a month to reinstate level of services provided between 7/77 and 10/77 3,302

Funds necessary to reinstate this higher level of service for the last four months are:

$$3,302 \text{ hours} \times \$6.23 = \$20,571 \times 4 \text{ months} = \$82,286$$

In summary, a supplemental appropriation is being requested as follows:

	<u>Average</u> <u>Hrs. a Mo.</u>	<u>Average</u> <u>Hr. Rate</u>	<u>Amount</u>	<u>Total Hours</u>
Provide reduced level of service	7,704	\$6.23	\$191,984	30,816
Reinstate to level of 1st 4 months	<u>3,302</u>	<u>6.23</u>	<u>82,286</u>	<u>13,208</u>
Total Supplemental Request	11,006	\$6.23	\$274,270	44,024
FY 78 authorized			\$464,800	
FY 78 contracted est.	<u>6,214</u>	<u>\$6.23</u>	<u> </u>	<u>74,569</u>
Revised FY 78 Auth.	non-add	\$6.23	\$739,070	118,593

It is possible that additional funds will be necessary for February, but that cannot be determined until January.

The FY 79 Governor's budget allowed a rate increase to an average \$7.53 an hour, but allowed an increase of only 10,000 hours to a total of 84,569 hours and \$636,800. If a supplemental appropriation is made for FY 78, the Governor's budget must be increased accordingly:

	<u>Amount</u>	<u>Hours</u>
FY 78 authorized @ \$6.23	\$464,800	74,569
FY 78 Supplemental:		
Provide reduced services	191,984	30,816
Reinstate to 1st quarter level	<u>82,286</u>	<u>13,208</u>
FY 78 Revised Authorized	\$739,070	118,593
FY 79 Request @ \$7.53	\$748,300	99,371
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SJG:ME:rnc

1978

FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 76 ACTUAL	FY 77 FINAL AUTH.	FY 77 ACTUAL	FY 78 Gov. BUDGET	FY 78 INITIAL AUTH.	FY 78 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1 - 10/31	OTHER OBLIGATIONS 7/1 - 10/31	PROJECTED EXPENDITURES + ENCUMBRANCES 11/1 - 6/30	FY 78 (DEFICIT) OR EXCESS	FY 78 FUND BALANCE
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TRAVEL											
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EQUIPMENT											
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OTHER GENERAL FUND				464.8	464.8	464.8	450.1		289.0	(274.3)	561.5
INTER-AGENCY RECEIPTS											

STATE
of ALASKA

MEMORANDUM

2 pils

394

TO: Ron Lind, Director
Division of Budget & Management

DATE December 21, 1977

FILE NO

TELEPHONE NO

FROM: *Mike Orelove*
Mike Orelove, Budget Analyst
Division of Budget & Management
Office of the GovernorSUBJECT: Supplemental Appropriation
Request - Department of
Health & Social Services

<u>Agency Request</u>	<u>Analyst Recommendation</u>	<u>B & M Recommendation</u>
\$274.3 TOTAL	\$385.0 TOTAL	\$385.0 TOTAL
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Appropriation:: Program Services - Homemaker Services

Agency Position: Homemaker utilization has increased during the first 4 months of FY 78 which, if continued, would exhaust the FY 78 appropriation prior to the end of December. The agency has implemented drastic measures to reduce the level of utilization to stretch their current appropriation through February when they will be out of money and hopefully receive this supplemental at that time.

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Feb. (estimate)	10,000	65.0		
subtotal		534.7	30.0	564.7
				less FY 78 authorized
				464.8
				shortfall by end of February
				99.9
Mar.-June estim.	40,000	260.0		260.0
				Total shortfall
				359.9

Basis for Analysts Recommendation:

Analyst recommends a supplemental appropriation in the Homemakers Program in the amount of \$385,000 to maintain the November level of services through the end of FY 78.

To allow the Legislature sufficient time to review the entire Homemakers Program supplemental request and continual services at the current reduced level until the entire supplemental need is appropriated, this request is divided into two parts as follows:

Part 1 \$110,000

This amount will be emergency relief for the department so that a drastic program shutdown will not occur. These funds are required by mid-January and will allow the Homemaker Program to continue operations at the November 1977 level through the end of March.

Part 2 \$275,000

This amount will allow the program to continue operations at the November 1977 level from April through June. This amount is requested with other Social Services Category supplemental requests to allow the Legislature sufficient time to review the entire program need.

Original sponsor: Rules Committee by
request of the Governor

Offered: 2/9/78
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 394

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

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A BILL

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070(c).

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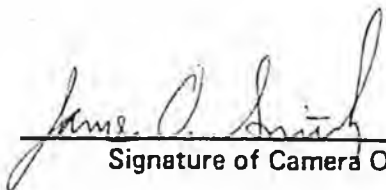
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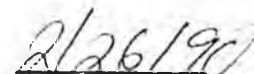
RECORDS CERTIFICATION



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

1/24/78

FURTHER: NONE

Date: February 8, 1978

Mr. President:

The Committee on FINANCE has had SB 394
supplemental appropriation to Dept. of Health & Social Services, homemaker sdevice

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

- recommends it do pass recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for SB 394
- and SB 394 new title same title
- AND attaches a Letter of Intent New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]
Chairman

1-27-78

Granato will provide
more info to fill in on
actual hours - rates - &
geographic break-outs

changes recommended in
1975 audit are being
currently (or very recently)
made.

MEMORANDUM

TO: Honorable John Sackett
Chairman
Senate Finance Committee

FROM: Milt Barker MB
Fiscal Analyst
Legislative Finance

DATE: February 1, 1978

SUBJECT: HOMEMAKERS SUPPLEMENTAL - SB 394

As the accompanying table shows, the reason for the homemakers supplemental is an increase in the hours of service provided, as well as an increase in homemaker wages. The 54,924 hours of service provided through November 1977 projected for a full year would be 131,817 hours, an increase of 61% over FY 77, at a cost of roughly \$900,000.

Another factor in the supplemental is the increase in average homemaker wages from \$3.40 to \$6.46 per hour in FY 78. This was done by H & SS when they reduced administrative costs to nil by contracting with Werner's Bookkeeping Service, thus freeing funds that were used to bring homemakers' pay up to the lowest state salary level, Range 5. Homemaker wages had been increased minimally over the prior four years.

H & SS has estimated that this supplemental, SB 394, will fund homemakers through February at the November level of service which reflected elimination of services for some individuals. Reinstating these individuals would require increasing the supplemental from the \$110,000 now requested to \$130,000 to fund the program through February. Funding it through March (which will be necessary unless a second supplemental is to be passed by mid-February) will require a supplemental of \$179,000 or \$218,000, depending on

MEMORANDUM

February 1, 1978

Homemakers Supplemental - SB 394

Page 2

whether restrictions on services are maintained. To fund the program through the end of the fiscal year will require a supplemental of \$385,000 or \$461,000, again depending on restrictions. The FCC initially authorized \$464,800 for the program.

HOMEMAKER SERVICES

FY	Hours of Service	Actual Expenditures	Homemaker Wages & Benefits	Homemaker Hourly Wage & Benefits	<u>Administrative Costs</u>	
					\$	%
74	57,637	259,368	173,489	3.01	85,879	33
75	58,866	362,027	238,997	4.06	123,030	34
76	58,272	370,030	213,861	3.67	156,169	42
77	81,972	560,105	278,864	3.40	285,500	51
78*	54,924	359,620	355,075	6.46	4,545	1

* Through November 30, 1977

MABEL T. CAVERLY SENIOR CENTER, INC.
1111 East Fifth Avenue
Anchorage, Alaska 99501
(Tel: 274-9361/272-5961)

January 27, 1978

Senator John Sackett, Chairman
Senate Finance Committee
Pouch V
Juneau, AK 99811

RE: Senate Bill 394

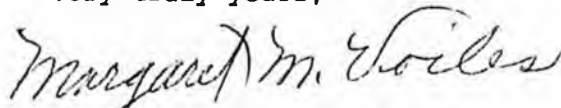
Dear Senator Sackett;

The Mabel T. Caverly Senior Center, Inc. is a private, non-profit corporation which serves senior citizens in Anchorage. We are writing to support the intent of Senate Bill 394; however, we have some reservations about the amount of the appropriation being requested. We are concerned that members of our organization, as well as many other disabled and elderly persons throughout the state, may not be served unless the supplemental appropriation bill restores Homemaker Services to the October, 1977, level.

We would hope that your committee could assure that an adequate level of services would be provided.

Thank you for your attention.

Very truly yours,



Margaret Voiles, President
Board of Directors
Mabel T. Caverly Center, Inc.

Wrangell Inter-Agency Group
Box 1615
Wrangell, Alaska 99929
January 16, 1978

Senator John C. Sackett
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

Enclosed is a copy of a letter to Representative Cowper listing approximate costs for social services office space in Wrangell.

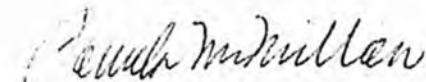
The Division of Social Services has stated that they will not seek funding prior to the fiscal year 1979 budget. This means we would be without space until this fall or early 1979.

Your letter to us of November 30, 1977, indicated that you would try to find a supplemental appropriations bill early in the session in which funding for Wrangell could be included. It seems this course of action is the only alternative at this time.


If you need any further information, please contact Senator Meland, Representative Haugen or any member of the Inter-Agency group. We thank you for your support and efforts on behalf of the community of Wrangell.

Sincerely,

Wrangell Inter-Agency Group



Pam McMillan - Chairman



Linda Hartshorn - Secretary

cc: Senator Meland
Representative Haugen

Wrangell Inter-Agency Group
Box 1615
Wrangell, Alaska 99929
January 13, 1978

Representative Steve Cowper
Pouch V
Juneau, Alaska 99811

Dear Representative Cowper:

In your letter of December 4, 1977, you requested data on the cost of office space in Wrangell commencing Fiscal Year 1979 for the Division of Social Services. There is space currently available in three office buildings. They are as follows:

The Yamasaki Mall - Several second floor offices which would be ready for occupancy within the next month. They contain an average of 576 square feet each and rent at 50 cents per square foot or approximately \$288.00 per month.

The Ballard Building - Three street level offices available renting at 70 cents per square foot. They are 612, 1000+ and 1150+ square feet. The smaller one would be adequate at a rent of approximately \$429.00 per month.

The Kadin Building - One second floor office with 348 square feet renting at 63 cents per square foot or \$220.00 per month.

All space is in the downtown area and would entail some initial minor alterations. The rent figures include heat with, of course, electricity and telephone paid by the tenant.

We still desire that funding for office space be included in a supplemental appropriation during the early part of this legislative session to cover until the new fiscal year. Wrangell's social services worker is still operating from the court jury room which was allowed only as an emergency measure so services could continue. This "borrowed" space will be available for a very limited time and certainly not as long as July.

Anything you can do to assure us of space would be appreciated. If you need more information, please call us at any time.

Sincerely,

Wrangell Inter-Agency Group


Pam McMillan - Chairman


Linda Hartshorn - Secretary

cc: Commissioner Bierne
Sam Granato
Art Holmberg
Legislative Finance Committees

November 30, 1977

Linda Hartshorn, Secretary
Wrangell Inter-Agency Group
Box 1615
Wrangell, AK 99929

Dear Ms. Hartshorn:

Thank you for your letter of October 7th. I am sorry I was not able to respond sooner, but since I do not spend all my time in Juneau during the interim, it takes longer to find out the needed information.

My office has contacted Ms. Lois Jund, Deputy Commissioner of Health and Social Services. She has confirmed that there is a lack of funds in the Southern Region for a Social services officer in Wrangell. Furthermore, because of a suit between the Legislative and Executive branches of the State, they will not request transfer of funds from other regions where money is available. Neither do they intend to request a supplemental appropriation for this item from the Legislature.

Consequently, the only course of action which is available is for the Legislature to take the initiative in passing a supplemental for this office. I will make it a point to try to find a supplemental appropriations bill early in the Session in which I can include the necessary funds for the Wrangell social services office.

Thank you again for writing me about your problem.

Sincerely,


John C. Sackett

cc: Senator Pete Meland

ECS:bf

Original sponsor: Rules Committee by
request of the Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 394

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Social Services; 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 \$110,000 is appropriated from the general fund to
11 the Department of Health and Social Services for homemaker services, for the
12 fiscal year ending June 30, 1978.

13 * Sec. 2. The sum of \$2,900 is appropriated from the general fund to the
14 Department of Health and Social Services, Wrangell Social Services Office,
15 for the fiscal year ending June 30, 1978.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

Wrangell Inter-Agency Group
Box 1615
Wrangell, Alaska 99929
January 16, 1978

Senator John C. Sackett
Pouch V
Juneau, Alaska 99811

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Enclosed is a copy of a letter to Representative Cowper listing approximate costs for social services office space in Wrangell.

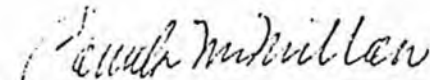
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Sincerely,

Wrangell Inter-Agency Group



Pam McMillan - Chairman



Linda Hartshorn - Secretary

cc: Senator Meland
Representative Haugen

Wrangell Inter-Agency Group
Box 1615
Wrangell, Alaska 99929
January 13, 1978

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Wrangell Inter-Agency Group



Pam McMillan - Chairman



Linda Hartshorn - Secretary

cc: Commissioner Bierne
Sam Granato
Art Holmberg
Legislative Finance Committees

November 30, 1977

Linda Hartshorn, Secretary
Wrangell Inter-Agency Group
Box 1615
Wrangell, AK 99929

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Thank you again for writing me about your problem.

Sincerely,


John C. Sackett

cc: Senator Pete Eiland

ECS:bf

2 Analytic Statement

Program Services are those services which are purchased by the Division from individuals, private agencies and other public agencies in behalf of Division clients. This approach to service delivery to Alaskan citizens is a more cost-effective method which offers greater freedom in matching treatment with needs.

The individual services provided through this approach constitute those which are minimally necessitated to assist clients in achieving or maintaining economic self-support and individual self-sufficiency; for presenting or remedying neglect, abuse or exploitation of children and adults; for providing institutional care and treatment when required and for providing alternatives to institutionalization when a person can continue to function within the community. The alternatives to providing this type of help for Alaskan citizens are humanely intolerable; the alternative to purchase of care - direct delivery by State staff - is financially intolerable.

Without question, Division resources have not kept pace with needs or service demands. Studies regarding the needs of Alaskan children and adults, of the foster care program, and of pipeline impact indicate a growth of problems, which, if left unattended, will have far-reaching implications for the future. Abused children of alcoholic parents; parents who are incapacitated by the economic and social stresses of society; aged Alaskans, seeking peace of mind and spirit; single parents, who wish to work and maintain their family unit; and, unwed parents, and children needing a permanent home, are only a few of those helped through the services made available under this BRU.

Major Budget Assumptions, Rationale for Objectives, and Alternatives:

01 - Homemaker and Homehelper Services

The Homemaker and Homehelper Services budget is designed to meet only minimally required needs and does not provide for full coverage.

The objectives to be achieved during the year are oriented to the use of homemaker and homehelper services as a means for early intervention, thus preventing or reducing the necessity for other forms of intervention, i.e., institutionalization or severance of parents' rights, which are costly in both human and financial terms.

02 - Foster Care

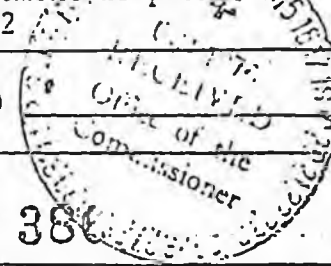
The primary use of foster care is as a resource for meeting the living and "family" needs of children who, for reasons of neglect, abuse, exploitation, or abandonment, cannot remain with their parents or own extended family. For all children in foster care, return to their own family unit is the primary goal. However, when the family cannot be restored as a healthy environment for the child, adoption or some other permanent arrangement is planned.

Continued on Page 2

RII Program Services

BRU CODE 06-21-3-02-00-00

REVISED



STATE OF ALASKA

OFFICE OF THE GOVERNOR

BUDGET & MANAGEMENT



JAY S. HAMMOND, GOVERNOR

POUCH AM — JUNEAU 99811
PHONE 465-2213

January 20, 1978

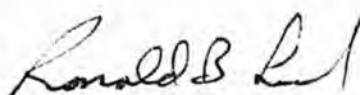
The Honorable John Sackett
Chairman, Senate Finance Committee
Pouch V
Juneau, Alaska 99811

SB 394 Supplemental Appropriation -
Homemaker Services

Dear Senator Sackett:

There was an error in drafting the Governor's transmittal letter accompanying SB 394 which was not corrected prior to submission to the Legislature. The transmittal letter states that the supplemental appropriation requested for the Homemakers Program would allow the program to continue operation through the end of March. This should be corrected to read . . . "through the end of February". The amount contained in the bill is correct as well as the backup recap supplied from Budget and Management staff (attached).

Sincerely,



Ronald B. Lind, Director
Division of Budget and Management

attachment: Homemakers Recap.

Ron Lind, Director
Division of Budget & Management

December 21, 1977

Mike Orelove, Budget Analyst
Division of Budget & Management
Office of the Governor

Supplemental Appropriation
Request - Department of
Health & Social Services

<u>Agency Request</u>	<u>Analyst Recommendation</u>	<u>B & M Recommendation</u>
\$274.3 TOTAL	\$385.0 TOTAL	\$385.0 TOTAL
\$274.3 GF	\$385.0 GF	\$385.0 GF

Appropriation: Program Services - Homemaker Services

Agency Position: Homemaker utilization has increased during the first 4 months of FY 78 which, if continued, would exhaust the FY 78 appropriation prior to the end of December. The agency has implemented drastic measures to reduce the level of utilization to stretch their current appropriation through February when they will be out of money and hopefully receive this supplemental at that time.

Recap:	Hours	Amount	Admin. Costs	Total
July	6,847	44.6	30.0	
Aug.	10,533	70.0		
Sept.	13,213	74.9		
Oct.	13,432	83.8		
adjustment for O.T. hours	388	3.3		
Nov.	10,006	63.1		
subtotal		339.7	30.0	369.7
Dec. (estimate)	10,000	65.0		
Jan. (estimate)	10,000	65.0		
Feb. (estimate)	10,000	65.0		
subtotal		534.7	30.0	564.7
				less FY 78 authorized
				shortfall by end of February
				464.8
				99.9
Mar.-June estim.	40,000	260.0		260.0
				Total shortfall
				359.9

← SB394

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION

524 WEST SIXTH AVENUE, SUITE 204
ANCHORAGE, ALASKA 99501

TELEPHONE 272-9431

January 25, 1978

Senator John C. Sackett
Alaska State Senate
Pouch V
Juneau, Alaska 99811

RE: Senate Bill 394

Dear Senator Sackett:

We represent the Mabel T. Caverly Senior Center and a class of low-income disabled and elderly individuals whose Homemaker Services were reduced or terminated, or who are now unable to apply for these Services.

We hope the Committee examines closely the issue of whether the \$110,000 appropriation in SB 394 will be sufficient to restore the Homemaker Services Program to its normal operating level of October, 1977.

In October, 1977, the program was offering services statewide to all adults over age 18 in need of such services. The number of households who actually utilized the service was not large - approximately 300, according to officials of the Division of Social Services - when compared to the senior citizen population in the state (18,000) and the disabled population (3,068). This suggests that the program, far from being overwhelmed by a demand for services by individuals not truly in need of the services, was only conservatively meeting the needs of the disabled and elderly in the state.

Unfortunately, neither Medicaid nor Medicare presently covers the kind of custodial care provided by the Homemaker, even though such care is often an integral part of an individual's plan for home-based medical treatment. We enclose a Memorandum from the Municipality of Anchorage's Home Health Agency detailing the tragic physical affects the cutback has had.

January 26, 1978

From the viewpoint of saving tax dollars, it makes no sense to underestimate the need for Homemaker Services or to restore the program only partially. Nursing Home costs are astronomical in comparison to home-based care. For example, skilled nursing care in Glenmore Nursing Home costs \$114.00 a day or approximately \$3600.00 per month. Homemaker Services provided at six hours a week costs approximately \$160.00 per month ($\$6.23 \times 6 \text{ hrs.} \times 4.3$). These figures are taken from the case of a totally disabled woman client whose services were reduced from six hours to two hours and who faced placement in a nursing home.

An appropriation adequate to restore services to the October level is also required by the due process clause of the State and Federal constitutions, Title XX of the Social Security Act, and 45 CFR 205.10, under which the Homemaker Services Program operates. The constitutions and the statute require the state to give prior notice and opportunity for hearing before reducing or denying services. We know of no case in which the state provided such notice and hearing. Individuals receiving services in October were therefore illegally cut back and all are entitled to immediate reinstatement.

Our concern with the dollar amount of the appropriation stems from the Budget Analyst's report of December 21, which indicates that the emergency supplemental is meant only to "continue services at the current reduced level until the entire supplemental need is appropriated". The basis for the estimated need is artificially low, for it is based upon hours of service authorized in November, the month the cutback was implemented. In each of the two months preceding November in excess of 3000 more hours of Homemaker Services were used. See page 7, Senate Journal Supplement, January 10, 1978, which would indicate a minimum of \$83,000 a month to restore the program to the October level of service. For two months of operation (February-March), the Division would need \$166,000.

We therefore request that the Committee ask the following questions:

1. Does the Division intend to carry out a restoration of services to the October, 1977 level with the money it seeks?
2. Is the emergency supplemental appropriation sufficient to serve this purpose?