

LEG. FINANCE - BILLS 1979 - 1980 1095

HB 368 cont. thru HB 374 1095

Introduced: 3/9/79  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 368

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the Of-  
7 fice of the Governor for general government, public  
8 safety, and confidential employees' salaries; and  
9 providing for an effective date."

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

11 \* Section 1. The sum of \$6,128,400 is appropriated to the Office of the  
12 Governor for the purpose of paying salary increases for general government  
13 employees, to be funded from the following sources:

14	General Fund	4,912,600
15	Federal Funds	753,800
16	Highway Working Capital Fund	14,700
17	International Airport Revenue Fund	247,000
18	TRS	8,000
19	PERS	9,200
20	Second Injury Fund	6,700
21	Fishermen's Fund	6,700
22	Fish & Game Fund	102,300
23	Agriculture Revenue Fund	11,000
24	Veterans Revenue Fund	31,300
25	FICA Reserve Account	1,200
26	Surplus Property	22,700
27	Donated Commodities	1,200

28 \* Sec. 2. The sum of \$719,800 is appropriated from the general fund to  
29 the Office of the Governor for the purpose of paying salary increases for

1 public safety employees.

2 \* Sec. 3. The sum of \$114,000 is appropriated from the general fund to  
3 the Office of the Governor for the purpose of paying salary increases for  
4 confidential unit employees.

5 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
6 10.070(c).

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YLB 368

March 9, 1979

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making supplemental appropriations to fund salary increases for the general government, public safety, and confidential unit employees.

The General Government unit contract called for a salary increase based on the increase in the Anchorage Consumer Price Index for 1978. This CPI index increased by 10.1% over calendar year 1978. This required a retroactive increase of 5% to July 1, 1978, compounded by an additional 5% increase effective January 1, 1979. The 5% increase effective January 1, 1979 was included in the FY 79 budget, but the effect of compounding was not. The FY 79 supplemental includes the 5% increase effective July 1, 1978, plus the compounding effect of that increase on the 5% increase effective January 1, 1979.

The PSEA contract (very similar to General Government unit) called for a salary increase based on the increase in the Anchorage CPI. This required a retroactive increase of 5% to July 1, 1978, compounded by an additional 5% increase effective January 1, 1979. The 5% increase effective January 1, 1979 was included in the FY 79 budget, but the effect of compounding was not. The FY 79 supplemental includes the 5% increase effective July 1, 1978, plus the compounding effect of that increase on the 5% increase effective January 1, 1979.

The confidential unit contract has been recently amended to require a total appropriation of \$114,000, all general funds. The contract provides a 7% salary increase effective January 1, 1979.

These contracts have been negotiated in good faith, and I urge you to enact this measure promptly.

Sincerely,

S/JSH

Jay S. Hammond  
Governor

GG - FY 79 Supplemental

9,123,296	Monthly payroll base
x .05	COLA retroactive to 7/1/78
<u>456,165</u>	monthly cost of COLA
x 1.23	plus benefits
<u>561,083</u>	monthly cost of COLA plus benefits
x 12	annual cost computed
6,732,996	FY 79 cost of COLA effective 7/1/78
x .112	compute cost of CIP positions at 11.2%
<u>754,096</u>	Cost of CIP positions COLA
5,978,900	Cost of non-CIP positions COLA

9,123,296	monthly payroll base
x .05	COLA effective 7/1/78
<u>456,165</u>	
9,579,461	adjusted monthly base as of 7/1/78
x .05	5% COLA effective 1/1/79
<u>478,973</u>	monthly cost of COLA effective 1/1/79
x 1.23	plus benefits
<u>589,137</u>	monthly cost of COLA plus benefits
x 6	cost for 6 months 1/1/79 - 6/30/79
3,534,822	FY 79 cost of COLA effective 1/1/79
x .112	compute cost of CIP positions at 11.2%
<u>395,900</u>	cost of CIP positions COLA
3,138,922	cost of non-CIP positions COLA

Included in budget

9,123,296	monthly payroll base budgeted
x .05	COLA effective 1/1/79
<u>456,165</u>	monthly cost of COLA
x 1.23	plus benefits
<u>561,083</u>	monthly cost of COLA plus benefits
x 6	cost for 6 months 1/1/79 - 6/30/79
3,366,498	FY 79 cost of COLA effective 1/1/79
x .112	compute cost of CIP positions at 11.2%
<u>377,047</u>	cost of CIP positions COLA
2,989,451	cost of non-CIP positions COLA
3,138,922	FY 79 need for COLA effective 1/1/79
<u>2,989,451</u>	FY 79 budgeted for COLA effective 1/1/79
149,471	net increase due to compounding

5,978,900	cost of retroactive COLA to 7/1/78
149,471	net increase of COLA effective 1/1/79
<u>6,128,371</u>	Total FY 79 supplemental

<u>Funding</u>	<u>Percent</u>	<u>Amount</u>
General Fund	80.16	4,912,600
Federal Funds	12.30	753,800
Highway Working Capital Fund	.24	14,700

International Airport Revenue		
Fund	4.03	247,000
TERS	.13	8,000
PERS	.15	9,200
Second Injury Fund	.11	6,700
Fishermans Fund	.11	6,700
Fish & Game Fund	1.67	102,300
Agriculture Revenue Fund	.18	11,000
Veterans Revenue Fund	.51	31,000
FICA Reserve Account	.02	1,200
Surplus Property	.37	22,700
Donated Commodities	.02	<u>1,200</u>
Total		6,128,400

PSEA - FY 79 Supplemental

951,611  
 x .05  
 47,580  
 x 1.23  
 58,523  
 x 12  
 702,276

Monthly payroll base  
 C.O.L.A. retroactive to July 1, 1978  
 Monthly Cost of C.O.L.A.  
 benefits %  
 Monthly Cost of C.O.L.A. plus benefits  
 to arrive at Annual Costs  
 FY 79 Cost of C.O.L.A. effective 7/1/78

951,611  
 x .05  
 47,580  
 999,191  
 x .05  
 49,959  
 x 1.23  
 61,449  
 x 6  
 368,699

Monthly payroll base  
 C.O.L.A. effective 7/1/78  
 Monthly Cost of C.O.L.A. effective 7/1/78  
 Adjusted Monthly base as of 7/1/78  
 C.O.L.A. effective 1/1/79  
 Monthly cost of C.O.L.A. effective 1/1/79  
 benefits %  
 Monthly cost of C.O.L.A. plus benefits  
 to arrive at 6 month cost  
 FY 79 cost of C.O.L.A. effective 1/1/79

Included in budget

951,611  
 x .05  
 47,580  
 x 1.23  
 58,523  
 x 6  
 351,138

Monthly payroll base budgeted  
 effective 1/1/79  
 Monthly cost of C.O.L.A. effective 1/1/79  
 as budgeted  
 benefits %  
 Monthly cost of C.O.L.A. plus benefits  
 to arrive at 6 month cost  
 included in FY 79 budget for C.O.L.A. 1/1/79

368,699  
 (351,138)  
 17,561

FY 79 need  
 FY 79 budgeted  
 Net increase due to retro C.O.L.A. compounded  
 effect

FY 79 Supplemental

\$702,276  
 17,561  
 719,837

Cost of retro C.O.L.A. 7/1/78  
 Net increase  
 FY 79 Supplemental

All general fund

Confidential - FY 79 Supplemental

220,641  
x .07  

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15,445  
x 1.23  

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18,997  
x 6  

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113,982

Monthly pay base  
Pay increase effective 1/1/79  
Monthly cost of pay increase  
benefits %  
increase plus benefits  
to arrive at 6 month cost  
FY 79 cost of pay increase  
effective 1/1/79

All General Funds



# RECORDS



# CERTIFICATION

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

James O Smith  
Signature of Camera Operator

3/20/90  
Date

SENATE FINANCE COMMITTEE  
BILL CHECKLIST

- 1. Original Bill Document ✓
- 2. History Cover Form ✓
- 3. Printed Copies:
  - Original Bill ✓
  - Committee Substitutes or  
Amendments —
- 4. Committee Report Form ✓
- 5. Fiscal Note:
  - In File *See Gov's letter*
  - Requested            Date
- 6. Backup:
  - Handouts
  - Letter from Governor ✓
  - Letter from Sponsor
  - Other

*Summary of Pay Bills*



Introduced: 3/9/79  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

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April 16, 1979

*Check  
Put in  
master file*

Honorable Senator John Sackett  
Chairman, Senate Finance Committee

Senator Sackett:

I am a state employee in the Department of Transportation and Public Facilities and I am seriously concerned about the Public employees pay bills, HB 368 and HB 93. I am not concerned solely because of my own financial interest in these bills - but I am also concerned for the situation that would develop if they are not passed. Non-passage of these bills would put the credibility of the State in question regarding the negotiation of contracts in good faith and would seriously damage the existing association type of collective bargaining which is just beginning to work smoothly to improve the classification system, stop abusive temporary hiring practices, and make other improvements which are a benefit to both the employer and employee.

If these bills are not passed, I believe the courts would rule that the administration must pay the cost-of-living adjustments from existing administration operating expenses. This would mean a five or six per-cent reduction-in-force in addition to the attrition which most state departments have been experiencing over the last several years, during a time when demands on state services have been growing at an enormous rate. Another alternative would be a cut-back in working hours. Massive lay-offs would cause dozens of grievances and costly arbitrations over seniority issues and would generally destroy an already sagging employee morale. This could only result in lower

efficiency, the cost of which would far exceed the cost of these fairly negotiated cost-of-living adjustments.

Another effect of a cut-back in state employees or working hours would be a further decrease in the delivery of State services. Many of the services provided by state agencies are for projects which directly benefit the rural constituency which you represent. For example, in my department, we handle nearly all Airport Development Aid Projects which improve bush airstrips, and administer many of the Village high-school construction projects. A cut-back in state employees would surely delay progress on many of these projects.

I IMPLORE YOU TO PASS THESE BILLS OUT OF COMMITTEE AND AVOID ALL THESE COMPLICATIONS, IF YOU HAVE OBJECTIONS TO OUR CONTRACT LANGUAGE MAKE THEM CLEAR THROUGH THE ADMINISTRATION AT THE TIME THE NEW CONTRACT IS NEGOTIATED IN THE FALL.

THANK YOU SINCERELY FOR YOUR TIME,



KEN BROWN  
1501 W. 33rd Ave  
Anchorage, Ak, 99503

PAY BILLS - SUPPLEMENTAL APPROPRIATIONS

<u>BILL NO.</u>	<u>BARGAINING UNIT</u>	<u>GENERAL FUND</u>	<u>OTHER FUNDS</u>	<u>TOTAL FUNDS</u>	<u>STATUS</u>	<u>TAY INCREASE</u> <u>BUDGET AMENDMENTS</u>
HB 93	Supervisors	\$ 492,400	\$ 58,400	\$ 550,800	Senate L & M	\$ 2,072,500 (GF \$1,852,800)
HB 367	Labor Trades & Crafts	998,300	389,900	1,388,200	House Rules	1,418,800 (GF 1,020,300)
HB 368	General Government	4,912,600	1,215,800	6,128,400	House Rules	6,277,800 (GF 5,032,300)
	Public Safety Employees	719,800	-0-	719,800	House Rules	737,400 (GF 737,400)
	Confidential Employees	114,000	-0-	114,000	House Rules	228,000 (GF 228,000)
HB 381	Non-covered Employees*	3,183,300	-0-	3,183,300	House Rules	6,391,700 (GF 6,391,700)
	Executive \$ 571,800					
	Court System 340,000					
	Legislature 145,900					
	U of A 2,125,600					
HB 335	Marine Engineers	86,000	-0-	86,000		331,400 (GF 331,400)
	Masters, Mates & Pilots	90,263	-0-	90,263		259,600 (GF 259,600)
		<u>\$10,596,663</u>	<u>\$ 1,664,100</u>	<u>\$12,260,763</u>		<u>\$17,717,200</u> (GF \$15,853,500)

\* Appropriation authorized by  
CSHB 220

Note: FY 80 pay increases not already in  
the Governor's FY 80 budget will be submitted  
in the form of budget amendments (not special  
appropriation bills).

HB 367 Labor Trades & Crafts \$1,388,200

1400 employees

This FY supplemental includes the 4% increase effective July 1, 1979, plus the compounding effect of that increase on the increase effective January 1, 1979. (These salary increases are based on the Anchorage Consumer Price Index, but use a formula different from the one used for the general government unit.) The labor, trades, and crafts contract requires a retroactive increase of 4% to July 1, 1978. This increase is compounded by an additional 4.5% effective January 1, 1979. The 4.5% was included in the FY 79 budget, but the effect of compounding was not. (Contract expires 12/31/79.)

HE 368

Sec. 1 General Government \$6,128,400 4,700 employees

The FY 79 supplemental includes the 5% increase effective July 1, 1978, plus the compounding effect of that increase on the 5% increase effective January 1, 1979. The General Government unit contract called for a salary increase based on the increase in the Anchorage Consumer Price Index for 1978. This CIP index increased by 10.1% over calendar year 1978. This required a retroactive additional 5% increase effective January 1, 1979. The 5% increase effective January 1, 1979 was included in the FY 79 budget, but the effect of compounding was not. (Contract expires 12/31/79.)

Sec. 2 Public Safety Employees \$719,800 360 employees

The FY 79 supplemental includes the 5% increase effective July 1, 1978, plus the compounding effect of that increase on the 5% increase effective January 1, 1979. The PSEA contract called for a salary increase based on the increase in the Anchorage CIP. This required a retroactive increase of 5% to July 1, 1978, compounded by an additional 5% increase effective January 1, 1979. The 5% increase effective January 1, 1979 was included in the FY 79 budget, but the effect of compounding was not. (Contract expires 12/31/79.)

Sec. 3 Confidential Unit Employees \$114,000 140 employees

The contract provides a 7% salary increase effective January 1, 1979. The confidential unit contract has been recently amended to require a total appropriation of \$114,000, all general funds. (Contract expires 12/31/79.)

Introduced: 3/9/79  
Referred: Finance

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YAB 368

March 9, 1979

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Sincerely,

S/JSH

Jay S. Hammond  
Governor

GG - FY 79 Supplemental

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Donated Commodities	.02	
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PSEA - FY 79 Supplemental

$  \begin{array}{r}  951,611 \\  \times .05 \\  \hline  47,580 \\  \times 1.23 \\  \hline  58,523 \\  \times 12 \\  \hline  702,276  \end{array}  $	Monthly payroll base C.O.L.A. retroactive to July 1, 1978 Monthly Cost of C.O.L.A. benefits % Monthly Cost of C.O.L.A. plus benefits to arrive at Annual Costs FY 79 Cost of C.O.L.A. effective 7/1/78
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Included in budget

$  \begin{array}{r}  951,611 \\  \times .05 \\  \hline  47,580 \\  \times 1.23 \\  \hline  58,523 \\  \times 6 \\  \hline  351,138  \end{array}  $	Monthly payroll base budgeted effective 1/1/79 Monthly cost of C.O.L.A. effective 1/1/79 as budgeted benefits % Monthly cost of C.O.L.A. plus benefits to arrive at 6 month cost included in FY 79 budget for C.O.L.A. 1/1/79
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$  \begin{array}{r}  368,699 \\  (351,138) \\  \hline  17,561  \end{array}  $	FY 79 need FY 79 budgeted Net increase due to retro C.O.L.A. compounded effect
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FY 79 Supplemental

$  \begin{array}{r}  \$702,276 \\  17,561 \\  \hline  719,837  \end{array}  $	Cost of retro C.O.L.A. 7/1/78 Net increase FY 79 Supplemental
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All general fund

Confidential - FY 79 Supplemental

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Pay increase effective 1/1/79  
Monthly cost of pay increase  
benefits %  
increase plus benefits  
to arrive at 6 month cost  
FY 79 cost of pay increase  
effective 1/1/79

All General Funds



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James O. Smith  
Signature of Camera Operator

3/20/90  
Date

HB 369

Finance

Referral

waived

Per Edith

3/4/20/79

Original sponsor: Cotten

Offered: 4/19/79  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 369

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to participation in the Public

7

Employees' Retirement System; and providing for an

8

effective date."

9

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

10

\* Section 1. AS 39.35 is amended by adding a new section to read:

11

Sec. 39.35.615. AMENDMENT OF AGREEMENT. (a) If a political sub-

12

division or public organization amends its participation agreement so as

13

to terminate coverage of a department, group, or other classification of

14

employees, each employee whose coverage is so terminated, regardless of

15

his employment status at the date of termination, shall be considered

16

fully vested in his actuarially adjusted accrued retirement benefits as

17

of the date of termination, unless his contributions have been refunded.

18

(b) Each employee whose coverage is terminated must, within 60

19

days after the date of termination, inform the administrator, in

20

writing, whether he wishes to obtain a refund or a vested benefit.

21

(c) Each employee who elects to obtain a refund shall receive a

22

refund of the balance of (1) his employee contribution account and (2)

23

his employee savings account. The vesting in accrued benefits for each

24

employee who elects to obtain a refund is voided upon his receipt of the

25

refund, and the corresponding credited service may not be reinstated

26

under this chapter. A partial refund may not be allowed under this

27

section.

28

(d) For each employee who elects to obtain a vested benefit, the

29

amount actuarially determined as necessary to fully fund the benefits to

1 be received shall be transferred first from the employee contribution  
2 account and, after the employee contribution account has been exhausted,  
3 then from the employer contribution account into the retirement reserve  
4 account.

5 (e) After all of the employees whose coverage is terminated have  
6 either received refunds or have been vested in their accrued benefits,  
7 the remaining funds in the employer contribution account attributable to  
8 those employees shall be refunded to the employer.

9 (f) Termination of coverage of a department, group, or other  
10 classification of employees does not bar future coverage of that depart-  
11 ment, group, or classification. If coverage of a department, group, or  
12 classification is terminated under (a) of this section and the employer  
13 later amends its participation agreement to provide renewed coverage of  
14 that department, group, or classification, an affected employee may be  
15 credited only with future service.

16 \* Sec. 2. AS 39.35.650 is amended to read:

17 Sec. 39.35.650. REFUNDS TO EMPLOYERS. In no event may an employer  
18 receive an amount from the pension fund, except as provided under  
19 AS 39.35.615(e) and 39.35.620(g) [THAT, UPON TERMINATION OF PARTICIPA-  
20 TION, THE EMPLOYER SHALL RECEIVE THE AMOUNT WHICH REMAINS AFTER THE  
21 SATISFACTION OF ALL LIABILITIES OF THE SYSTEM TO THE EMPLOYEES OF THE  
22 EMPLOYER AND ARISING OUT OF VARIATIONS BETWEEN ACTUAL REQUIREMENTS AND  
23 EXPECTED ACTUARIAL REQUIREMENTS].

24 \* Sec. 3. (a) This section applies to a unified municipality which is an  
25 employer under AS 39.35 and which, in reliance on erroneous representations  
26 by a former administrator, provided by ordinance, before the effective date  
27 of this Act, that a particular classification of credited service earned in  
28 the Public Employees' Retirement System of Alaska for service with that  
29 municipality or its predecessors be transferred to a public employees'

1 retirement system operated by the municipality.

2 (b) A unified municipality to which this section applies may provide,  
3 in a resolution adopted under AS 39.35.550, that a department, group, or  
4 other classification of its employees under the Public Employees' Retirement  
5 System of Alaska be transferred to a public employees' retirement system  
6 operated by the municipality and may provide by ordinance that a particular  
7 classification of credited service earned in the Public Employees' Retirement  
8 System of Alaska for service with that municipality or its predecessors also  
9 be transferred to the municipal retirement system, except that credited  
10 service may not be transferred unless the affected employee has consented to  
11 that transfer in writing.

12 (c) Each employee who is transferred to a municipal retirement system  
13 must, before September 1, 1979, inform the administrator in writing whether  
14 he wishes to transfer his credited service as provided in the municipal  
15 ordinance, obtain a refund, or obtain a vested benefit in the Public  
16 Employees' Retirement System of Alaska. The administrator shall transmit to  
17 the municipal retirement system the balance of the employee contribution and  
18 savings accounts associated with the transferred service, determined as of  
19 the date the balance is transmitted, of each employee who elects to transfer  
20 his credited service as provided in the municipal ordinance. Transferred  
21 credited service may not be reinstated under AS 39.35. If an employee elects  
22 to obtain a vested benefit, or if he fails to inform the administrator of his  
23 election, he shall be considered fully vested in his actuarially adjusted  
24 accrued retirement benefits under the Public Employees' Retirement System of  
25 Alaska as of the date of his transfer to the municipal retirement system.

26 (d) Each employee who elects to obtain a refund shall receive a refund  
27 of the balance of his employee contribution and employee savings accounts in  
28 the Public Employees' Retirement System of Alaska. The amount actuarially  
29 determined as necessary to fully fund the benefits to be received should the

1 employee return to the Public Employees' Retirement System of Alaska and  
2 reinstate his credited service shall be retained in the employer contribution  
3 account of the unified municipality. A partial refund may not be allowed  
4 under this section.

5 (e) For each employee who elects to obtain a vested benefit, the amount  
6 actuarially determined as necessary to fully fund the benefits to be received  
7 shall be transferred first from the employee contribution account and, after  
8 the employee contribution account has been exhausted, then from the employer  
9 contribution account into the retirement reserve account.

10 (f) The administrator shall transmit to the municipal retirement system  
11 the balance of the unified municipality's employer contribution account  
12 associated with the transferred service of those employees transferred to the  
13 municipal retirement system, determined as of the date the balance is trans-  
14 mitted, less any amount which has been transferred to the retirement reserve  
15 account under (e) of this section or which has been retained under (d) of  
16 this section.

17 (g) As used in this section,

18 (1) "administrator" means the administrator of the Public  
19 Employees' Retirement System of Alaska;

20 (2) "employee contribution account", "employee savings account",  
21 "employer contribution account", and "retirement reserve account" refer to  
22 accounts within the Public Employees' Retirement System of Alaska;

23 (3) "predecessors" means the political subdivisions which are  
24 dissolved in the formation of a unified municipality.

25 \* Sec. 4. Section 3 of this Act is retroactive to September 15, 1975 and  
26 terminates on December 31, 1979.

27 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
28 070(c).

29

Introduced: 3/9/79  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY COTTEN

2 HOUSE BILL NO. 369

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to participation in the public  
7 employees' retirement system; and providing for an  
8 effective date."

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

10 \* Section 1. AS 39.35 is amended by adding a new section to read:

11 Sec. 39.35.615. AMENDMENT OF AGREEMENT. (a) If a political sub-  
12 division or public organization amends its participation agreement so as  
13 to terminate coverage of a department, group, or other classification of  
14 employees, each employee whose coverage is so terminated, regardless of  
15 his employment status at the date of termination, shall be considered  
16 fully vested in his actuarially adjusted accrued retirement benefits as  
17 of the date of termination, unless his contributions have been refunded.

18 (b) Each employee whose coverage is terminated must, within 60  
19 days after the effective date of this Act or the date of termination, if  
20 later, inform the administrator, in writing, whether he wishes to obtain  
21 a refund or a vested benefit.

22 (c) Each employee who elects to obtain a refund shall receive a  
23 refund of the balance of (1) his employee contribution account and (2)  
24 his employee savings account. The vesting in accrued benefits for each  
25 employee who elects to obtain a refund is voided upon his receipt of the  
26 refund, and the corresponding credited service may not be reinstated  
27 under this chapter. A partial refund may not be allowed under this  
28 section.

29 (d) For each employee who elects to obtain a vested benefit, the

1 amount actuarially determined as necessary to fully fund the benefits to  
2 be received shall be transferred first from the employee contribution  
3 account and, after the employee contribution account has been exhausted,  
4 then from the employer contribution account into the retirement reserve  
5 account.

6 (e) After all of the employees whose coverage is terminated have  
7 either received refunds or have been vested in their accrued benefits,  
8 the remaining funds in the employer contribution account attributable to  
9 those employees shall be refunded to the employer.

10 (f) Termination of coverage of a department, group, or other  
11 classification of employees does not bar future coverage of that depart-  
12 ment, group, or classification. If coverage of a department, group, or  
13 classification is terminated under (a) of this section and the employer  
14 later amends its participation agreement to provide renewed coverage of  
15 that department, group, or classification, an affected employee may be  
16 credited only with future service.

17 \* Sec. 2. AS 39.35.650 is amended to read:

18 Sec. 39.35.650. REFUNDS TO EMPLOYERS. In no event may an employer  
19 receive an amount from the pension fund, except as provided under AS 39.  
20 35.615(e) and 39.35.620(g) [THAT, UPON TERMINATION OF PARTICIPATION, THE  
21 EMPLOYER SHALL RECEIVE THE AMOUNT WHICH REMAINS AFTER THE SATISFACTION  
22 OF ALL LIABILITIES OF THE SYSTEM TO THE EMPLOYEES OF THE EMPLOYER AND  
23 ARISING OUT OF VARIATIONS BETWEEN ACTUAL REQUIREMENTS AND EXPECTED  
24 ACTUARIAL REQUIREMENTS].

25 \* Sec. 3. AS 39.35.615, enacted in sec. 1 of this Act, applies to amended  
26 participation agreements executed after June 30, 1977.

27 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
28 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill 369  
 Title Participation in the Public Employees' Retirement System  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Administration - Division of Retirement and Benefits  
 Program Category Affected Retirement and Benefits (PERS)  
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars) NONE

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS						

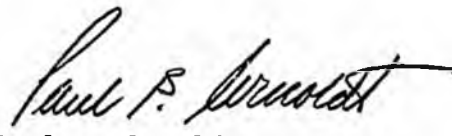
POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 3/19/79 PREPARED BY Paul B. Arnoldt, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 465-4460  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Representative Cotten

HB 369





# RECORDS CERTIFICATION



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

James O. Smith  
Signature of Camera Operator

3/20/90  
Date

# COMMITTEE REPORT

## HOUSE

FURTHER:

March 10, 1979

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HB 371

"An Act making a special appropriation to the Department of Transportation and Public Facilities to construct a road from Goose Bay to Point MacKenzie; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
CHAIRMAN

6631  
Baldwin

memo

Funding Information  
General Fund \$8,270,000  
Other Funds -0-  
\$8,270,000

Introduced: 3/10/79  
Referred: Finance

1 IN THE HOUSE

BY CARNEY

2 HOUSE BILL NO. 371

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Transportation and Public Facilities to con-  
8 struct a road from Goose Bay to Point MacKenzie; and  
9 providing for an effective date."

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

11 \* Section 1. It is the intent of the legislature that the appropriation  
12 made in this Act be used to construct 20.5 miles of gravel road which follows  
13 route D as identified in the "Goose Bay to Point MacKenzie Highway Corridor  
14 Route Reconnaissance" dated 1979 which was prepared for the Matanuska-Susitna  
15 Borough.

16 \* Sec. 2. The sum of \$8,270,000 is appropriated from the general fund to  
17 the Department of Transportation and Public Facilities to construct a road  
18 from Goose Bay to Point MacKenzie.

19 \* Sec. 3. The appropriation made by this Act is for a capital project and  
20 is subject to AS 37.25.020.

21 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).

23  
24  
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29  
COMMITTEE COPY

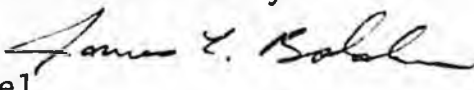
STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 28, 1979

SUBJECT: Point MacKenzie Road (Work Order No. 6631)  
TO: Representative Patrick J. Carney  
FROM: James L. Baldwin   
Legislative Counsel

You have asked whether the Point MacKenzie Road would qualify for federal matching funds. Currently, the state receives federal funds for five types of roads:

- (1) primary roads;
- (2) primary roads extended into urban areas;
- (3) secondary roads;
- (4) secondary roads extended into urban areas; and
- (5) urban roads.

Federal funding is also contingent upon:

- (1) a route designation;
- (2) whether the mileage added by the new road meets or exceeds mileage limitations set by federal law for the federal-aid highway system; and
- (3) whether the state has sufficient manpower, equipment and funds to maintain the new road without impairing its ability to maintain existing federal-aid highways.

Theoretically, the Point MacKenzie Road qualifies as one of the five types of roads eligible for federal matching funds. I am unable to advise you whether the above federal conditions can be complied with since a definitive answer may only come from the Federal Highway Administration.

JLB:jdn

ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST.. Session

HOUSE ... BILL..... NO. ...371..

By CARNEY.....

"An Act making a special appropriation to the Department of Transportation and Public Facilities to construct a road from Goose Bay to Point Mackenzie; and providing for an effective date."

Road from Goose Bay to Point Mackenzie

Introduced in the House ...3-10..., 19..79

HISTORY IN THE HOUSE

19	79	Read first time and referred to Committee on Finance												
Mar.	10	Reported back with recommendation that												
		Read second time and												
		Read third time and												
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date													
Yeas	Yeas													
Nays	Nays													
Absent	Absent													
Excused	Excused													
		<table border="0"> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration														
PASS	Effective Date													
Yeas	Yeas													
Nays	Nays													
Absent	Absent													
Excused	Excused													
		Reported correctly engrossed												
		Signed by Speaker												
		Sent to Senate												
CHIEF CLERK OF THE HOUSE														

HISTORY IN THE SENATE

19		Read first time and referred to Committee on												
		Reported back with recommendation that												
		Read second time and												
		Read third time and												
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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Nays	Nays													
Absent	Absent													
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Reconsideration														
PASS	Effective Date													
Yeas	Yeas													
Nays	Nays													
Absent	Absent													
Excused	Excused													
		Reported correctly engrossed												
		Signed by President												
		Returned to House												
SECRETARY OF THE SENATE														

HISTORY IN THE HOUSE

19		Received from Senate
		Concurred in Senate amendment thus adopting: VOTE
		Failed to concur in Senate amendment; asked Senate to recede VOTE
		Senate receded from amendment VOTE
		Senate failed to recede from amendment VOTE
		CC appointed by House
		CC appointed by Senate
		CC adopted by House VOTE
		CC adopted by Senate VOTE
		To enrolling Reported correctly enrolled Sent to Governor  ..... by Governor
		Filed with Lt. Governor
		Chapter No. ....

Funding Information  
General Fund \$8,270,000  
Other Funds -0-  
\$8,270,000

Introduced: 3/10/79  
Referred: Finance

1 IN THE HOUSE

BY CARNEY

2 HOUSE BILL NO. 371

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Transportation and Public Facilities to con-  
8 struct a road from Goose Bay to Point MacKenzie; and  
9 providing for an effective date."

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

11 \* Section 1. It is the intent of the legislature that the appropriation  
12 made in this Act be used to construct 20.5 miles of gravel road which follows  
13 route D as identified in the "Goose Bay to Point MacKenzie Highway Corridor  
14 Route Reconnaissance" dated 1979 which was prepared for the Matanuska-Susitna  
15 Borough.

16 \* Sec. 2. The sum of \$8,270,000 is appropriated from the general fund to  
17 the Department of Transportation and Public Facilities to construct a road  
18 from Goose Bay to Point MacKenzie.

19 \* Sec. 3. The appropriation made by this Act is for a capital project and  
20 is subject to AS 37.25.020.

21 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).

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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.

James O. Smith  
Signature of Camera Operator

3/20/90  
Date

Introduced: 3/12/79  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY DUNCAN AND MILLER

2 HOUSE BILL NO. 374

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to equalizing the costs of full-time  
7 residential or nursing care."

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

9 \* Section 1. AS 47.25 is amended by adding new sections to read:

10 Sec. 47.25.103. CONTRACTUAL AGREEMENTS. The commissioner of  
11 administration shall enter into contractual agreements with licensed  
12 institutions providing full-time residential or nursing care for the  
13 elderly to provide care to Alaska residents eligible under AS 47.25.108.  
14 A contractual agreement under this section shall provide for payment of  
15 the full daily (or monthly equivalent) charges by the institution for  
16 each eligible patient, less the amount charged under AS 47.25.030 for  
17 the equivalent level of care for a patient at the Alaska Pioneers' Home.

18 Sec. 47.25.108. ELIGIBILITY. A person is eligible to receive  
19 contractual services under AS 47.25.103 if

20 (1) he is eligible for admission into the Alaska Pioneers'  
21 Home under AS 47.25.010 - 47.25.110; and

22 (2) he is not eligible for benefits from any source that  
23 would pay for the cost of full-time residential or nursing care; and

24 (3) he resides more than 50 miles, by highway, from the  
25 Alaska Pioneers' Home, or he cannot be admitted to the Alaska Pioneers'  
26 Home because the home is full to capacity.

27  
28  
29

*Jim*

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill 374 Page 1 of 3  
 Title "An Act providing for full-time residential care for Pioneer Alaskans."  
 Requested by House HESS Committee Date March 27, 1980

II. FISCAL DETAIL  
 Agency Affected Department of Administration  
 Program Category Affected Social Services  
 BRU, Program, or Subprogram(s) Affected Pioneers' Homes  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1,074.3	2,285.4	2,676.0	3,122.6	3,632.3
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		1,074.3	2,285.4	2,676.0	3,122.6	3,632.3

FUNDING (Thousands of Dollars)

GENERAL FUND		1,074.3	2,285.4	2,676.0	3,122.6	3,632.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

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

This fiscal note is based on initiation of a limited statewide project which would provide for residential and nursing care of those who to enter Pioneer's Homes under AS 47.25.010-110, are not eligible for benefits from any source that would pay for the cost at full-time residential and nursing care, who reside more than 50 miles from the Alaska Pioneer's Home, and do not wish to enter the Pioneers' Home.

The number of elderly Alaskans who would benefit from this bill is unknown at the present time. The Department of Health and Social Services has some indication that some need exists, but cannot quantify that need. The funds included in the appropriation do not address full need and the Department would be required to establish criteria to determine who will receive services within the funds available.

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

Requested by: House HESS Committee  
 Prepared by: T. Buchheit Date: March 31, 1980  
 Division/Office: \_\_\_\_\_ PH: \_\_\_\_\_

### Residential Care

This demonstration project would verify the scope of need, and develop residential care capability in the private sector where virtually none now exists in most of Alaska.

This fiscal note is based on the assumption that 29 slots would be developed during FY 81, that twice that number of slots would be available and utilized during FY 82, and that the number of slots would increase by five (5) per year after FY 82.

Rates for residential care average \$1,000 per month per person in FY 80. One thousand dollars, less \$225 per month payable by the recipient under AS 47.25.030 would result in a net cost to the State of \$775 per month per person.

Inflation at the rate of 10% per year is included throughout this fiscal note.

#### Cost of Residential Care

FY 81	29 slots X \$775 X 12 mo. + 10% inflation	= \$ 296,670
FY 82	58 slots X \$853 X 12 mo. + 10% inflation	= 653,057
FY 83	63 slots X \$938 X 12 mo. + 10% inflation	= 780,041
FY 84	68 slots X \$1,032 X 12 mo. + 10% inflation	= 926,323
FY 85	73 slots X \$1,135 X 12 mo. + 10% inflation	= 1,093,686

### Nursing Care

It is estimated that 17 beds would be filled in FY 81 and 34 would be filled in FY 82. There are currently about 250 vacant beds available.

The average cost for nursing care in FY 80 is \$3,422 per month per person. Three thousand four hundred twenty-two dollars, less \$275 per month payable by the recipient under AS 47.25.030 would result in a net cost to the State of \$3,147 per month per person for FY 81. It should be noted that overall cost of care in the Pioneers' Homes is \$2,110 per month per person for FY 81.

#### Cost of Nursing Care

FY 81	17 beds X \$3,147 X 12 + 10% inflation	= \$ 706,187
FY 82	34 beds X \$3,462 X 12 + 10% inflation	= 1,553,746
FY 83	36 beds X \$3,808 X 12 + 10% inflation	= 1,809,562
FY 84	38 beds X \$4,189 X 12 + 10% inflation	= 2,101,202
FY 85	40 beds X \$4,610 X 12 + 10% inflation	= 2,434,080

### Administrative Costs

At the outset, an Associate Coordinator would be required to develop the program, contact prospective providers of residential and nursing care to encourage development of capacity in existing and/or new facilities, and guide those providers by setting standards, providing information relative to licensing, determining standard operating procedures, etc. When the program is up and running, the Associate Coordinator will have the responsibility for successful continuation of the program.

A Clerk Typist is needed for clerical support of the Associate Coordinator.

		<u>FY 81 Cost</u>
Personal Services		\$ 57,926
Salaries - Associate Coordinator (R-18)	\$29,580	
Clerk Typist III (R-8)	<u>15,324</u>	
Subtotal	\$44,904	
Benefits	<u>13,022</u>	
Total Salaries and Benefits	\$57,926	
Travel		7,000
For Associate Coordinator		
Contractual Services		5,000
Office and program operating expenses		
Commodities		1,500
Office supplies for office and field staff		
Total Administrative Cost		<u>\$71,426</u>

If House Bill 374 is approved and the Department of Administration is funded for this project, it is proposed to RSA these funds to the Department of Health and Social Services to operate the program. Ten percent (10%) inflation was used for future years.

ALB 374

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

REVISION

I. REQUEST

Bill/Resolution No. House Bill 374  
 Title "An Act providing for full-time residential care for Pioneer Alaskans."  
 Requested by Representative Jim Duncan Date March 25, 1980

II. FISCAL DETAIL

Agency Affected Administration  
 Program Category Affected Social Services  
 BRU, Program, or Subprogram(s) Affected Pioneers' Homes

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		674.8	1,323.9	1,518.1	1,738.1	1,987.4
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		674.8	1,323.9	1,518.1	1,738.1	1,987.4

FUNDING (Thousands of Dollars)

GENERAL FUND		674.8	1,323.9	1,518.1	1,738.1	1,987.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME		1	1	1	1	1
TEMPORARY						

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

This fiscal note is based on initiation of a demonstration project which would serve Southeastern Alaska only and provide for residential and nursing care of those who are eligible to enter Pioneer's Homes under AS 47.25.010-110, are not eligible for benefits from any source that would pay for the cost at full-time residential and nursing care, who reside more than 50 miles from the Alaska Pioneer's Home, and do not wish to enter the Pioneers' Home.

The number of elderly Alaskans who would benefit from this bill is unknown at the present time. The Department of Health and Social Services has some indication that some need exists, but cannot quantify that need.

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

Prepared by: George Michael Date: March 25, 1980  
 Division/Office: Pioneers' Home PH: 465-4401  
 Department of Administration

OC 3/11

Residential Care

This demonstration project would verify the scope of need, and develop residential care capability in the private sector where virtually none now exists in Southeastern Alaska.

This fiscal note is based on the assumption that only seven (7) slots would be developed during FY 81, that twice that number of slots would be available and utilized during FY 82, and that the number of slots would increase by five (5) per year after FY 82.

Rates for residential care average \$1,000 per month per person in FY 80. One thousand dollars, less \$225 per month payable by the recipient under AS 47.25.030 would result in a net cost to the State of \$775 per month per person.

Inflation at the rate of 10% per year is included throughout this fiscal note.

Cost of Residential Care

FY 81	7 slots X \$775 X 12 mo. + 10% inflation	=	\$ 71,610
FY 82	14 slots X \$853 X 12 mo. + 10% inflation	=	157,634
FY 83	19 slots X \$938 X 12 mo. + 10% inflation	=	235,250
FY 84	24 slots X \$1,032 X 12 mo. + 10% inflation	=	326,938
FY 85	29 slots X \$1,135 X 12 mo. + 10% inflation	=	434,478

Nursing Care

Based on statistics of the Department of Health and Social Services, a total of 23 vacant nursing beds are available in Southeastern Alaska at the present time. It is assumed that one-half of these beds would be filled in FY 81, and all 23 would be filled by FY 82.

The average cost for nursing care in FY 80 is \$3,422 per month per person. Three thousand four hundred twenty-two dollars, less \$275 per month payable by the recipient under AS 47.25.030 would result in a net cost to the State of \$3,147 per month per person for FY 81. It should be noted that overall cost of care in the Pioneers' Homes is \$2,110 per month per person for FY 81.

Cost of Nursing Care

FY 81	12 beds X \$3,147 X 12 + 10% inflation	=	\$ 498,485
FY 82	23 beds X \$3,462 X 12 + 10% inflation	=	1,051,063
FY 83	23 beds X \$3,808 X 12 + 10% inflation	=	1,156,109
FY 84	23 beds X \$4,189 X 12 + 10% inflation	=	1,271,780
FY 85	23 beds X \$4,610 X 12 + 10% inflation	=	1,399,596

Administrative Costs

At the outset, a Program Coordinator would be required to develop the program, contact prospective providers of residential and nursing care to encourage development of capacity in existing and/or new facilities, and guide those providers by setting standards, providing information relative to licensing, determining standard operating procedures, etc. When the program is up and running, the Program Coordinator will have the responsibility for successful continuation of the program.

A Social Worker is needed on a half-time basis to advise and assist the eligible elderly persons in obtaining benefits and with personal problems.

A Clerk Typist is needed for clerical support of the Program Coordinator and Social Worker.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

HB 374

FISCAL NOTE  
REVISION

I. REQUEST  
 Bill/Resolution No. House Bill 374  
 Title "An Act providing for full-time residential care for Pioneer Alaskans."  
 Requested by Representative Jim Duncan Date March 25, 1980

II. FISCAL DETAIL  
 Agency Affected Administration  
 Program Category Affected Social Services  
 BRU, Program, or Subprogram(s) Affected Pioneers' Homes  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		674.8	1,323.9	1,518.1	1,738.1	1,987.4
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		674.8	1,323.9	1,518.1	1,738.1	1,987.4

FUNDING (Thousands of Dollars)

GENERAL FUND		674.8	1,323.9	1,518.1	1,738.1	1,987.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME		1	1	1	1	1
TEMPORARY						

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

This fiscal note is based on initiation of a demonstration project which would serve Southeastern Alaska only and provide for residential and nursing care of those who are eligible to enter Pioneer's Homes under AS 47.25.010-110, are not eligible for benefits from any source that would pay for the cost at full-time residential and nursing care, who reside more than 50 miles from the Alaska Pioneer's Home, and do not wish to enter the Pioneers' Home.

The number of elderly Alaskans who would benefit from this bill is unknown at the present time. The Department of Health and Social Services has some indication that some need exists, but cannot quantify that need.

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

Prepared by: George Michael Date: March 25, 1980  
 Division/Office: Pioneers' Home PH: 465-4401  
 Department of Administration

*GC*

**CATEGORY:** SOCIAL SERVICES

**AGENCY:** DEPARTMENT OF ADMINISTRATION

**PROGRAM:** SOCIAL AND ECONOMIC ASSISTANCE FOR THE AGED

**BRU (s):** PIONEERS' HOMES

The primary goal of the Alaska Pioneers' Homes BRU is to provide facilities and services to accommodate the general comfort of elderly citizens of the State of Alaska in a sheltered living environment. The services provided include physical, mental and social activities appropriate to the maintenance of high quality care at a reasonable cost. These services are available in both residential care and nursing care formats.

The law mandates that any destitute person residing in the State continuously for a minimum of 15 years immediately preceding their application is entitled to admission to a Pioneers' Home at little or no cost under regulations prescribed by the Department of Administration. Admission upon sufficient payment (currently fixed at \$275/mo) for the cost of their care and support is permitted if a person is not considered destitute but meets the 15 year residency requirement. Additionally, persons who have had a total of 30 years or more of Alaskan residency cannot be disqualified for admission due to absences from the State if the Commissioner of Administration determines that the absences were reasonable and the applicants are otherwise qualified.

Pioneers' Homes are currently operated in Sitka, Palmer, Fairbanks, and Anchorage, with a total capacity of 340 persons in residential care and 178 persons in nursing care status. The following table displays the FY 79 occupancy rate for the skilled nursing and ambulatory care facilities available at each of the homes.

**PIONEERS' HOME SYSTEM FY 79 AVERAGE OCCUPANCY RATES**

Home	Skilled Nursing Beds			Residential Care Beds		
	Capacity	Average Occupancy	Average Occupancy%	Capacity	Average Occupancy	Average Occupancy%
Sitka	50	48	96+	100	71	71
Fairbanks	54	50	92	65	55	84
Palmer	54	53	98	42	38	90
Anchorage	20	10(est.)	50(est.)	133	123	92

The Kotzebue Senior Citizens Center is also funded through this Budget Request Unit. The Center is operated for the State by a private corporation and offers Kotzebue area senior citizens social, recreational and nutritional services. The Center includes 16 beds that may be occupied by ambulatory residents. The facility was dedicated November 3, 1978.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
SITKA	2435.0	2465.6	2441.8	2498.3			2675.7
FAIRBANKS	2410.5	2479.7	2458.8	2516.0			2673.8
PALMER	2158.6	2093.3	2058.8	2205.4			2378.1
KOTZEBUE	652.7	652.7	652.3	809.9			869.9
ANCHORAGE	2442.7	2550.1	2514.8	2625.4			2869.0
CENTRAL OFFICE	114.5	103.5	101.0	145.4			253.7
** TOTAL	10214.0	10344.9	10227.5	10800.4			11720.2
** CHANGE VERSUS 80 AUTH							8.5%
<b>OBJECT DESCRIPTION</b>							
PERS. SERV.	6326.0	7077.0	7076.5	7364.4			7852.2
TRAVEL	27.3	27.3	21.5	25.4			30.3
CONTRACTUAL	2333.2	1758.5	1579.8	1956.4			2151.6
COMMODITIES	599.3	580.8	662.7	574.1			769.8
EQUIPMENT	65.0	40.9	41.7	25.0			60.7
LANDS/BLDGS	831.2	828.4	828.4	824.4			822.9
GRANTS, CLNS	32.0	32.0	16.9	30.7			32.7
<b>FUNDING SOURCE</b>							
GENERAL FUND	10214.0	10344.9	10227.5	10800.4			11620.2
PGM RECEIPTS							100.0
** GENERAL FUND CHANGE VS. 80 AUTH							7.5%
<b>POSITIONS</b>							
FULL-TIME	269.0	297.0	297.0	297.0			298.0
PART-TIME	16.0	25.0	25.0	25.0			35.0
TEMPORARY	35.0	35.0	35.0	35.0			22.0

Residential Care

This demonstration project would verify the scope of need, and develop residential care capability in the private sector where virtually none now exists in Southeastern Alaska.

This fiscal note is based on the assumption that only seven (7) slots would be developed during FY 81, that twice that number of slots would be available and utilized during FY 82, and that the number of slots would increase by five (5) per year after FY 82.

Rates for residential care average \$1,000 per month per person in FY 80. One thousand dollars, less \$225 per month payable by the recipient under AS 47.25.030 would result in a net cost to the State of \$775 per month per person.

Inflation at the rate of 10% per year is included throughout this fiscal note.

Cost of Residential Care

FY 81	7 slots X \$775 X 12 mo. + 10% inflation	=	\$ 71,610
FY 82	14 slots X \$853 X 12 mo. + 10% inflation	=	157,634
FY 83	19 slots X \$938 X 12 mo. + 10% inflation	=	235,250
FY 84	24 slots X \$1,032 X 12 mo. + 10% inflation	=	326,938
FY 85	29 slots X \$1,135 X 12 mo. + 10% inflation	=	434,478

Nursing Care

Based on statistics of the Department of Health and Social Services, a total of 23 vacant nursing beds are available in Southeastern Alaska at the present time. It is assumed that one-half of these beds would be filled in FY 81, and all 23 would be filled by FY 82.

The average cost for nursing care in FY 80 is \$3,422 per month per person. Three thousand four hundred twenty-two dollars, less \$275 per month payable by the recipient under AS 47.25.030 would result in a net cost to the State of \$3,147 per month per person for FY 81. It should be noted that overall cost of care in the Pioneers' Homes is \$2,110 per month per person for FY 81.

Cost of Nursing Care

FY 81	12 beds X \$3,147 X 12 + 10% inflation	=	\$ 498,485
FY 82	23 beds X \$3,462 X 12 + 10% inflation	=	1,051,063
FY 83	23 beds X \$3,808 X 12 + 10% inflation	=	1,156,109
FY 84	23 beds X \$4,189 X 12 + 10% inflation	=	1,271,780
FY 85	23 beds X \$4,610 X 12 + 10% inflation	=	1,399,596

Administrative Costs

At the outset, a Program Coordinator would be required to develop the program, contact prospective providers of residential and nursing care to encourage development of capacity in existing and/or new facilities, and guide those providers by setting standards, providing information relative to licensing, determining standard operating procedures, etc. When the program is up and running, the Program Coordinator will have the responsibility for successful continuation of the program.

A Social Worker is needed on a half-time basis to advise and assist the eligible elderly persons in obtaining benefits and with personal problems.

A Clerk Typist is needed for clerical support of the Program Coordinator and Social Worker.

		<u>FY 81 Cost</u>
Personal Services		\$ 74,413
Salaries - Program Coordinator (R-18)	\$29,580	
Social Worker III (R-16) (1/2)	12,792	
Clerk Typist III (R-8)	15,324	
Subtotal	<u>\$57,696</u>	
Benefits	16,717	
Total Salaries and Benefits	<u>\$74,413</u>	
Travel		14,000
For Program Coordinator and Social Worker		
Contractual Services		10,000
Office and program operating expenses		
Commodities		1,500
Office supplies for office and field staff		
Equipment		4,800
Outfitting of new positions with office furnishings and equipment		
Total Administrative Cost		<u>\$104,713</u>

If House Bill 374 is approved and the Department of Administration is funded for this pilot project, it is proposed to RSA these funds to the Department of Health and Social Services to operate the program.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

P 374

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H.B. 374  
 Title An Act relating to providing for full-time residential care for Pioneer Alaskans  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration  
 Program Category Affected Social Services  
 BRU, Program, or Subprogram(s) Affected Pioneers' Homes  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		0	0	0	(costs are assumed to increase at the same rate.)	
200 TRAVEL		6.5	7.2	7.9		
300 CONTRACTUAL		263.1	289.4	318.3		
400 COMMODITIES		3.8	4.1	4.5		
500 EQUIPMENT		7.0	0	0		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		12,640.3	14,599.6	16,862.5		
<b>TOTAL</b>		<b>12,920.7</b>	<b>14,900.3</b>	<b>17,193.2</b>		

FUNDING (Thousands of Dollars)

	FY80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		12,920.7	14,900.3	17,193.2		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		4	4	4		
PART TIME		7	7	7		
TEMPORARY						

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

Administrative costs were determined based on the assumption that the Department of Administration would have an RSA with the Department of Health and Social Services to provide the administrative support (See attachment A).

IV. DATE 3/10/80

PREPARED BY George J. Michael  
 AGENCY Administration  
 PHONE 465-4401

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

**CATEGORY:** SOCIAL SERVICES

**AGENCY:** DEPARTMENT OF ADMINISTRATION

**PROGRAM:** SOCIAL AND ECONOMIC ASSISTANCE FOR THE AGED

**BRU (s):** PIONEERS' HOMES

The primary goal of the Alaska Pioneers' Homes DRU is to provide facilities and services to accommodate the general comfort of elderly citizens of the State of Alaska in a sheltered living environment. The services provided include physical, mental and social activities appropriate to the maintenance of high quality care at a reasonable cost. These services are available in both residential care and nursing care formats.

The law mandates that any destitute person residing in the State continuously for a minimum of 15 years immediately preceding their application is entitled to admission to a Pioneers' Home at little or no cost under regulations prescribed by the Department of Administration. Admission upon sufficient payment (currently fixed at \$275/mo) for the cost of their care and support is permitted if a person is not considered destitute but meets the 15 year residency requirement. Additionally, persons who have had a total of 30 years or more of Alaskan residency cannot be disqualified for admission due to absences from the State if the Commissioner of Administration determines that the absences were reasonable and the applicants are otherwise qualified.

Pioneers' Homes are currently operated in Sitka, Palmer, Fairbanks, and Anchorage, with a total capacity of 340 persons in residential care and 170 persons in nursing care status. The following table displays the FY 79 occupancy rate for the skilled nursing and ambulatory care facilities available at each of the homes.

PIONEERS' HOME SYSTEM FY 79 AVERAGE OCCUPANCY RATES

Home	Skilled Nursing Beds			Residential Care Beds		
	Capacity	Average Occupancy	Average Occupancy%	Capacity	Average Occupancy	Average Occupancy%
Sitka	50	48	96+	100	71	71
Fairbanks	54	50	92	65	55	84
Palmer	54	53	98	42	38	90
Anchorage	20	10(est.)	50(est.)	133	123	92

The Kotzebue Senior Citizens Center is also funded through this Budget Request Unit. The Center is operated for the State by a private corporation and offers Kotzebue area senior citizens social, recreational and nutritional services. The Center includes 16 beds that may be occupied by ambulatory residents. The facility was dedicated November 3, 1978.

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COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
SITKA	2435.0	2465.6	2441.8	2498.3			2675.7
FAIRBANKS	2410.5	2479.7	2458.8	2516.0			2673.8
PALMER	2158.6	2093.3	2058.8	2205.4			2378.1
KOTZEBUE	652.7	652.7	652.3	809.9			869.9
ANCHORAGE	2442.7	2550.1	2514.8	2625.4			2869.0
CENTRAL OFFICE	114.5	103.5	101.0	145.4			253.7
<b>** TOTAL</b>	<b>10214.0</b>	<b>10344.9</b>	<b>10227.5</b>	<b>10800.4</b>			<b>11720.2</b>
<b>** CHANGE VERSUS 80 AUTH</b>							<b>8.5%</b>
<b>OBJECT DESCRIPTION</b>							
PERS. SERV.	6326.0	7077.0	7076.5	7364.4			7852.2
TRAVEL	27.3	27.3	21.5	25.4			30.3
CONTRACTUAL	2333.2	1758.5	1579.8	1956.4			2151.6
COMMODITIES	599.3	530.8	662.7	574.1			769.8
EQUIPMENT	65.0	40.9	41.7	25.0			60.7
LANDS/BLDGS	831.2	828.4	828.4	824.4			822.9
GRANTS, CLMS	32.0	32.0	16.9	30.7			32.7
<b>FUNDING SOURCE</b>							
GENERAL FUND	10214.0	10344.9	10227.5	10800.4			11620.2
PGM RECEIPTS							100.0
<b>** GENERAL FUND CHANGE VS. 80 AUTH</b>							<b>7.5%</b>
<b>POSITIONS</b>							
FULL-TIME	269.0	297.0	297.0	297.0			298.0
PART-TIME	16.0	25.0	25.0	25.0			35.0
TEMPORARY	35.0	35.0	35.0	35.0			22.0
STAFF MONTHS	3605.0	7	6085.7	6085.7			6067.5

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ATTACHMENT A  
H.B. 374  
Personal Services

(1) Assumption: The costs are based upon the Department of Administration having an RSA with the Department of Health and Social Services to provide the administrative support. In order to provide this support it will require the following personnel:

Medical Surveillance Officer	(1/2)	\$ 17,503
Central Office Coordinator	(1)	32,538
Fiscal Compliance Auditor	(1)	32,538
Social Worker	(1/2)	12,210
Social Worker	(1/2)	12,210
Social Worker	(1/2)	12,210
Social Worker	(1/2)	12,210
Social Worker	(1/2)	12,210
Social Worker	(1/2)	12,210
Administrative Assistant II	(1)	24,420
Clerk Typist III	(1)	<u>16,856</u>
Subtotal		\$197,115
Benefits: 21% plus \$127 per month/person		<u>58,158</u>
Total FY 81		\$255,273
Total FY 82		\$280,800
Total FY 83		\$308,880

Inflation of 10% per year is assumed.

ATTACHMENT B  
H.B. 374  
Schedule of Costs for Residential & Nursing Care

The potential population of people in Alaska over 65 years of age is estimated to be approximately 12,000 people. However, not all these people would qualify under the eligibility requirements of H.B. 374, particularly the 15-year residency. The total number of people which would be eligible is approximately 10,000.

National statistics indicate that 5% of this population will need nursing care and 9% will need some sort of alternative care. Alaskan experience is somewhat higher due to inclement weather and the fact that more elderly Alaskans are not able to benefit from having a family nearby. A figure of 8% is more realistic for nursing care and 12% for residential care.

Presently 644 people are receiving nursing care from privately operated or municipal facilities and 154 are in Pioneers' Homes, for a total of 798 people presently receiving nursing care. Two hundred eighty-eight people are currently receiving residential care in Pioneers' Homes.

Eight percent of 10,000 eligible people equals 800 people. Seven hundred ninety-eight people are presently receiving nursing care, which indicates that substantially all people needing nursing care are receiving that care through some means.

Twelve percent of 10,000 people equals 1,200 people. Two hundred eighty-eight people are presently receiving residential care in the Pioneers' Homes. The number of needy persons receiving residential care in private homes is not known, but it is presumed to be negligible. Therefore, it is believed that 912 eligible people could benefit from residential care in Alaska.

The rates for nursing and residential care as provided by the Department of Health and Social Services averaged \$2,670 per month per person for nursing care and \$1,000 per month per person for residential care.

The above figures are based on present experience. It is believed that need will grow at approximately 5% per year due to the following:

1. More elderly people will be retiring in Alaska in the future due to improvements in services and benefits to the elderly.
2. H.B. 374 will make it possible to obtain care which has not been available in the past due to economic hardship.

Therefore, a 5% per year growth rate is projected.

Additional Cost of H.B. 374

Residential Care

FY 81	912 people x 105% x \$1,000 x 12 + 10% inflation = \$12,640,320
FY 82	FY 81 + 5% increased need + 10% inflation = \$14,599,569
Fy 83	FY 82 + 5% increased need + 10% inflation = \$16,862,501

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H.B. 374  
 Title An Act providing for full-time residential care for Pioneer Alaskans  
 Requested by Representative Buchholdt Date 3/18/80

II. FISCAL DETAIL

Agency Affected Administration  
 Program Category Affected Social Services  
 Budget Request Unit(s) Affected Pioneers' Homes

EXPENDITURES (Thousands of Dollars)

	FY80	FY81	FY82	FY 83	FY 84	FY85
100 PERSONAL SERVICES					(costs are assumed to	
200 TRAVEL					increase at the same	
300 CONTRACTUAL		2,983.0	2,857.5	3,285.7	rate)	
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>2,983.0</b>	<b>2,857.5</b>	<b>3,285.7</b>		

FUNDING (Thousands of Dollars)

GENERAL FUND		2,983.0	2,857.5	3,285.7		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		4	4	4		
PART TIME		3	3	3		
TEMPORARY						

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

This fiscal note is based on initiation of a pilot project which would serve Southeastern Alaska only and provide for residential care only. In a recent review of need for skilled nursing care, it became apparent that substantially all of the elderly people in Alaska who need nursing care are receiving that care through some means, although there were a few cases where the person had some sort of difficulty financially in paying for necessary services. These cases generally fell into the category of having too much income to qualify for state or federal assistance, but not enough income to fully cover cost of services where special or intensive care is necessary.

(continued)

IV. DATE 3/17/80 PREPARED BY George I. Michael  
 AGENCY Administration  
 PHONE 465-4401

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Representative Duncan  
 Office of the Governor, Keith Specking

33-001 (Rev. 10/78)

**CATEGORY:** SOCIAL SERVICES

**AGENCY:** DEPARTMENT OF ADMINISTRATION

**PROGRAM:** SOCIAL AND ECONOMIC ASSISTANCE FOR THE AGED

**BRU (S):** PIONEERS' HOMES

The primary goal of the Alaska Pioneers' Homes DRU is to provide facilities and services to accommodate the general comfort of elderly citizens of the State of Alaska in a sheltered living environment. The services provided include physical, mental and social activities appropriate to the maintenance of high quality care at a reasonable cost. These services are available in both residential care and nursing care formats.

The law mandates that any destitute person residing in the State continuously for a minimum of 15 years immediately preceding their application is entitled to admission to a Pioneers' Home at little or no cost under regulations prescribed by the Department of Administration. Admission upon sufficient payment (currently fixed at \$275/mo) for the cost of their care and support is permitted if a person is not considered destitute but meets the 15 year residency requirement. Additionally, persons who have had a total of 30 years or more of Alaskan residency cannot be disqualified for admission due to absences from the State if the Commissioner of Administration determines that the absences were reasonable and the applicants are otherwise qualified.

Pioneers' Homes are currently operated in Sitka, Palmer, Fairbanks, and Anchorage, with a total capacity of 340 persons in residential care and 178 persons in nursing care status. The following table displays the FY 79 occupancy rate for the skilled nursing and ambulatory care facilities available at each of the homes.

PIONEERS' HOME SYSTEM FY 79 AVERAGE OCCUPANCY RATES

Home	Capacity	Skilled Nursing Beds		Capacity	Residential Care Beds	
		Average Occupancy	Average Occupancy%		Average Occupancy	Average Occupancy%
Sitka	50	48	96+	100	71	71
Fairbanks	54	50	92	65	55	84
Palmer	54	53	98	42	38	90
Anchorage	20	10(est.)	50(est.)	133	123	92

The Kotzebue Senior Citizens Center is also funded through this Budget Request Unit. The Center is operated for the State by a private corporation and offers Kotzebue area senior citizens social, recreational and nutritional services. The Center includes 16 beds that may be occupied by ambulatory residents. The facility was dedicated November 3, 1978.

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COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
SITKA	2435.0	2465.6	2441.8	2498.3			2675.7
FAIRBANKS	2410.5	2479.7	2458.8	2516.0			2673.8
PALMER	2158.6	2093.3	2058.8	2205.4			2378.1
KOTZEBUE	652.7	652.7	652.3	809.9			869.9
ANCHORAGE	2442.7	2550.1	2514.8	2625.4			2869.0
CENTRAL OFFICE	114.5	103.5	101.0	145.4			253.7
<b>** TOTAL</b>	<b>10214.0</b>	<b>10344.9</b>	<b>10227.5</b>	<b>10800.4</b>			<b>11720.2</b>
<b>** CHANGE VERSUS 80 AUTH</b>							<b>8.5%</b>

OBJECT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
PERS. SERV.	6326.0	7077.0	7076.5	7364.4			7852.2
TRAVEL	27.3	27.3	21.5	25.4			30.3
CONTRACTUAL	2333.2	1758.5	1579.8	1956.4			2151.6
COMMODITIES	599.3	580.8	662.7	574.1			769.8
EQUIPMENT	65.0	40.9	41.7	25.0			60.7
LANDS/BLDGS	831.2	828.4	828.4	824.4			822.9
GRANTS, CLNS	32.0	32.0	16.9	30.7			32.7

FUNDING SOURCE	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
GENERAL FUND	10214.0	10344.9	10227.5	10800.4			11620.2
PGM RECEIPTS							100.0
<b>** GENERAL FUND CHANGE VS. 80 AUTH</b>							<b>7.5%</b>

POSITIONS	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
FULL-TIME	269.0	297.0	297.0	297.0			298.0
PART-TIME	16.0	25.0	25.0	25.0			35.0
TEMPORARY	35.0	35.0	35.0	35.0			22.0
STAFF MONTHS	3695.8	6085.7	6085.7	6085.7			6085.7

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## Rationale for Determining Costs for Residential Care

The population of people in Southeastern Alaska over 65 years of age is estimated to be approximately 2,207 people. However, not all these people would qualify under the eligibility requirements of H.B. 374, particularly the 15-year residency. The total number of people which would be eligible in Southeastern Alaska is approximately 265.

These figures were arrived at by analyzing the statistics of an existing program for the elderly, the Alaska Longevity Bonus Program. February 1980 recipients of the Longevity Bonus were 2,006 in Southeastern Alaska, and 5,736 for the balance of the state. This gives a baseline of data which indicates that 26% of the state's total population over 65 have resided in Southeastern Alaska continuously for at least 25 years, the minimum for eligibility for the Alaska Longevity Bonus. This is twice the average of the population of all ages, which is 5,400 in Southeastern to 362,000 for all the rest of the state, according to most current statistics of the Department of Labor.

The minimum length of continuous residence in Alaska to be eligible for benefits under H.B. 374 is only 15 years. Therefore, it is assumed that the percentage of eligible population would be approximately 10% higher than the Longevity Bonus statistics, or 36% of the people 65 years of age and older residing in the state because of the lesser residency requirements. This is considered to be a conservative figure, since not all people over 65 and eligible have applied for and receive the Longevity Bonus.

National statistics indicate that 9% of the population 65 and older will need residential or alternative care. Alaskan experience is higher due to more inclement weather and the fact that more elderly Alaskans are not able to benefit from having a family nearby to assist them. A figure of 12% is more realistic.

Ten percent added to 2,006 (Longevity Bonus recipients) equals 2,207 people. Twelve percent of 2,207 elderly people equals 265 people. Sixty-seven residents are presently being cared for in the Sitka Pioneers' Home and a nominal amount in other facilities. Beginning approximately January 1, 1982, fifteen to twenty residents will be cared for at the Ketchikan Pioneers' Home.

Rates for residential care average \$1,000 per month per person, according to the Department of Health and Social Services.

The above figures are based on present experience. It is believed that need will grow at approximately 5% per year due to the following:

1. More elderly people will be retiring in Alaska in the future due to improvements in services and benefits to the elderly.
2. H.B. 374 will make it possible to obtain care which has not been available in the past due to economic hardship.

Therefore, a 5% per year growth rate is projected.

### Cost of Residential Care

FY 81	265 people less 67 people (cared for at Sitka Pioneers' Home) x 105% x \$1,000 x 12 months + 10% inflation = \$2,744,280
FY 82	FY 81 less 10 people (20 people cared for at Ketchikan Pioneers' Home for 6 mo.) + 5% increased need x \$1,000 x 12 mo. + 10% inflation = \$2,605,680
FY 83	FY 82 + 5% increased need + 10% inflation = \$3,009,560

Personal Services Costs

	<u>No. of Positions</u>	
Medical Surveillance Officer (R19)	1/2	\$ 16,467
Program Coordinator (R21)	1	37,890
Fiscal Compliance Auditor (R18)	1/2	15,315
Social Worker (Juneau) (R16)	1	26,538
Social Worker (Ketchikan) (R16)	1/2	13,269
Administrative Assistant II (R14)	1	23,070
Clerk Typist III (R8)	1	<u>16,020</u>
Subtotal Salaries		\$148,569
Benefits: 21% of salaries plus \$127/mo. per person		<u>\$ 39,581</u>
Total FY 81 Salaries & Benefits		\$188,150
Total FY 82 Salaries & Benefits		\$203,876
Total FY 83 Salaries & Benefits		\$223,416

Salaries are computed in accordance with the State's new salary schedules (C.S.S.B. 182) for the period July 1, 1980, through December 31, 1981. Inflation of 10% per year is assumed for salaries after December 31, 1981.

Other Program Costs

FY 81 Costs

Travel:	\$ 29,872
This would fund travel for one full-time social worker in Juneau and one half-time social worker in Ketchikan. These workers would travel to all cities and villages with a population of at least twenty-five persons where assistance is needed in relation to this program. Travel is also needed for the program coordinator. Travel between Juneau and the larger cities would be needed at the outset of the program and thereafter once a year (Yakutat, Sitka, Petersburg, Wrangell, Ketchikan) in monitoring the program.	
Contractual Services:	\$ 11,000
Office and program operating expense, such as telephones, postage, copying, printing, etc., for the staff of two full-time and five part-time personnel. Only a small allowance is included for office space under the assumption that most personnel would be operating in already existing state office space.	
Commodities:	\$ 2,700
Office supplies for office and field staff.	
Equipment:	\$ 7,000
Initial outfitting of new positions with office furnishings and equipment.	

If H.B. 374 is approved and the Department of Administration is funded for this pilot project, it is proposed to RSA these funds to the Department of Health and Social Services, for the staff to be their staff, and for them to operate the program. This program fits precisely into the type of social services programs operated by that department.

Ten percent inflation is included in "other" program costs for years beyond FY 81.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

originals

HB 374

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H.B. 374  
Title An Act relating to providing for full-time residential care for Pioneer Alaskans  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration  
Program Category Affected Social Services  
BRU, Program, or Subprogram(s) Affected Pioneers' Homes  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		0	0	0	(costs are assumed to increase at the same rate.)	
200 TRAVEL		6.5	7.2	7.9		
300 CONTRACTUAL		263.1	289.4	318.3		
400 COMMODITIES		3.8	4.1	4.5		
500 EQUIPMENT		7.0	0	0		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		12,640.3	14,599.6	16,862.5		
<b>TOTAL</b>		<b>12,920.7</b>	<b>14,900.3</b>	<b>17,193.2</b>		

FUNDING (Thousands of Dollars)

	FY80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		12,920.7	14,900.3	17,193.2		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		4	4	4		
PART TIME		7	7	7		
TEMPORARY						

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

Administrative costs were determined based on the assumption that the Department of Administration would have an RSA with the Department of Health and Social Services to provide the administrative support (See attachment A).

IV. DATE 3/10/80

PREPARED BY George J. Michael  
AGENCY Administration  
PHONE 465-4401

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

*Michael*  
*BY*

**CATEGORY:** SOCIAL SERVICES

**AGENCY:** DEPARTMENT OF ADMINISTRATION

**PROGRAM:** SOCIAL AND ECONOMIC ASSISTANCE FOR THE AGED

**BRU (s):** PIONEERS' HOMES

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The law mandates that any destitute person residing in the State continuously for a minimum of 15 years immediately preceding their application is entitled to admission to a Pioneers' Home at little or no cost under regulations prescribed by the Department of Administration. Admission upon sufficient payment (currently fixed at \$275/mo) for the cost of their care and support is permitted if a person is not considered destitute but meets the 15 year residency requirement. Additionally, persons who have had a total of 30 years or more of Alaskan residency cannot be disqualified for admission due to absences from the State if the Commissioner of Administration determines that the absences were reasonable and the applicants are otherwise qualified.

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		Average Occupancy	Average Occupancy%		Average Occupancy	Average Occupancy%
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Fairbanks	54	50	92	65	55	84
Palmer	54	53	98	42	38	90
Anchorage	20	10(est.)	50(est.)	133	123	92

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-99-

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KOTZEBUE	652.7	652.7	652.3	809.9			869.9
ANCHORAGE	2442.7	2550.1	2514.8	2625.4			2869.0
CENTRAL OFFICE	114.5	103.5	101.0	145.4			253.7
<b>** TOTAL</b>	<b>10214.0</b>	<b>10344.9</b>	<b>10227.5</b>	<b>10800.4</b>			<b>11720.2</b>
<b>** CHANGE VERSUS 80 AUTH</b>							<b>8.5%</b>
<b>OBJECT DESCRIPTION</b>							
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EQUIPMENT	65.0	40.9	41.7	25.0			60.7
LANDS/BLDGS	831.2	828.4	828.4	824.4			822.9
GRANTS, CLMS	32.0	32.0	16.9	30.7			32.7
<b>FUNDING SOURCE</b>							
GENERAL FUND	10214.0	10344.9	10227.5	10800.4			11620.2
PGM RECEIPTS							100.0
<b>** GENERAL FUND CHANGE VS. 80 AUTH</b>							<b>7.5%</b>
<b>POSITIONS</b>							
FULL-TIME	269.0	297.0	297.0	297.0			298.0
PART-TIME	16.0	25.0	25.0	25.0			35.0
TEMPORARY	35.0	35.0	35.0	35.0			22.0
STAFF MONTHS	3685.8	4085.7	4085.7	4085.7			4047.5

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ATTACHMENT A  
H.B. 374  
Personal Services

(1) Assumption: The costs are based upon the Department of Administration having an RSA with the Department of Health and Social Services to provide the administrative support. In order to provide this support it will require the following personnel:

Medical Surveillance Officer	(1/2)	\$ 17,503
Central Office Coordinator	(1)	32,538
Fiscal Compliance Auditor	(1)	32,538
Social Worker	(1/2)	12,210
Social Worker	(1/2)	12,210
Social Worker	(1/2)	12,210
Social Worker	(1/2)	12,210
Social Worker	(1/2)	12,210
Social Worker	(1/2)	12,210
Administrative Assistant II	(1)	24,420
Clerk Typist III	(1)	<u>16,856</u>
Subtotal		\$197,115
Benefits: 21% plus \$127 per month/person		<u>58,158</u>
Total FY 81		\$255,273
Total FY 82		\$280,800
Total FY 83		\$308,880

Inflation of 10% per year is assumed.

ATTACHMENT B  
H.B. 374  
Schedule of Costs for Residential & Nursing Care

The potential population of people in Alaska over 65 years of age is estimated to be approximately 12,000 people. However, not all these people would qualify under the eligibility requirements of H.B. 374, particularly the 15-year residency. The total number of people which would be eligible is approximately 10,000.

National statistics indicate that 5% of this population will need nursing care and 9% will need some sort of alternative care. Alaskan experience is somewhat higher due to inclement weather and the fact that more elderly Alaskans are not able to benefit from having a family nearby. A figure of 8% is more realistic for nursing care and 12% for residential care.

Presently 644 people are receiving nursing care from privately operated or municipal facilities and 154 are in Pioneers' Homes, for a total of 798 people presently receiving nursing care. Two hundred eighty-eight people are currently receiving residential care in Pioneers' Homes.

Eight percent of 10,000 eligible people equals 800 people. Seven hundred ninety-eight people are presently receiving nursing care, which indicates that substantially all people needing nursing care are receiving that care through some means.

Twelve percent of 10,000 people equals 1,200 people. Two hundred eighty-eight people are presently receiving residential care in the Pioneers' Homes. The number of needy persons receiving residential care in private homes is not known, but it is presumed to be negligible. Therefore, it is believed that 912 eligible people could benefit from residential care in Alaska.

The rates for nursing and residential care as provided by the Department of Health and Social Services averaged \$2,670 per month per person for nursing care and \$1,000 per month per person for residential care.

The above figures are based on present experience. It is believed that need will grow at approximately 5% per year due to the following:

1. More elderly people will be retiring in Alaska in the future due to improvements in services and benefits to the elderly.
2. H.B. 374 will make it possible to obtain care which has not been available in the past due to economic hardship.

Therefore, a 5% per year growth rate is projected.

Additional Cost of H.B. 374

Residential Care

FY 81	912 people x 105% x \$1,000 x 12 + 10% inflation = \$12,640,320
FY 82	FY 81 + 5% increased need + 10% inflation = \$14,599,569
Fy 83	FY 82 + 5% increased need + 10% inflation = \$16,862,501

FISCAL NOTE

H.B. 374

**I. REQUEST**

Bill/Resolution No. H.B. 374  
 Title An Act providing for full-time residential care for Pioneer Alaskans  
 Requested by Representative Buchholdt Date 3/18/80

**II. FISCAL DETAIL**

Agency Affected Administration  
 Program Category Affected Social Services  
 Budget Request Unit(s) Affected Pioneers' Homes

EXPENDITURES (Thousands of Dollars)

	FY80.	FY81	FY82	FY 83	FY 84	FY85
100 PERSONAL SERVICES						(costs are assumed to
200 TRAVEL						increase at the same
300 CONTRACTUAL		2,983.0	2,857.5	3,285.7		rate)
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>2,983.0</b>	<b>2,857.5</b>	<b>3,285.7</b>		

FUNDING (Thousands of Dollars)

GENERAL FUND		2,983.0	2,857.5	3,285.7		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		4	4	4		
PART TIME		3	3	3		
TEMPORARY						

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

This fiscal note is based on initiation of a pilot project which would serve Southeastern Alaska only and provide for residential care only. In a recent review of need for skilled nursing care, it became apparent that substantially all of the elderly people in Alaska who need nursing care are receiving that care through some means, although there were a few cases where the person had some sort of difficulty financially in paying for necessary services. These cases generally fell into the category of having too much income to qualify for state or federal assistance, but not enough income to fully cover cost of services where special or intensive care is necessary.

(continued)

IV. DATE 3/17/80 PREPARED BY George I. Michael  
 AGENCY Administration  
 PHONE 465-4401

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Representative Duncan  
 Office of the Governor, Keith Specking

33-001 (Rev. 10/78)

## Rationale for Determining Costs for Residential Care

The population of people in Southeastern Alaska over 65 years of age is estimated to be approximately 2,207 people. However, not all these people would qualify under the eligibility requirements of H.B. 374, particularly the 15-year residency. The total number of people which would be eligible in Southeastern Alaska is approximately 265.

These figures were arrived at by analyzing the statistics of an existing program for the elderly, the Alaska Longevity Bonus Program. February 1980 recipients of the Longevity Bonus were 2,006 in Southeastern Alaska, and 5,736 for the balance of the state. This gives a baseline of data which indicates that 26% of the state's total population over 65 have resided in Southeastern Alaska continuously for at least 25 years, the minimum for eligibility for the Alaska Longevity Bonus. This is twice the average of the population of all ages, which is 5,400 in Southeastern to 362,000 for all the rest of the state, according to most current statistics of the Department of Labor.

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Ten percent added to 2,006 (Longevity Bonus recipients) equals 2,207 people. Twelve percent of 2,207 elderly people equals 265 people. Sixty-seven residents are presently being cared for in the Sitka Pioneers' Home and a nominal amount in other facilities. Beginning approximately January 1, 1982, fifteen to twenty residents will be cared for at the Ketchikan Pioneers' Home.

Rates for residential care average \$1,000 per month per person, according to the Department of Health and Social Services.

The above figures are based on present experience. It is believed that need will grow at approximately 5% per year due to the following:

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Therefore, a 5% per year growth rate is projected.

### Cost of Residential Care

FY 81	265 people less 57 people (cared for at Sitka Pioneers' Home) x 105% x \$1,000 x 12 months + 10% inflation = \$2,744,280
FY 82	FY 81 less 10 people (20 people cared for at Ketchikan Pioneers' Home for 6 mo.) + 5% increased need x \$1,000 x 12 mo. + 10% inflation = \$2,605,680
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Personal Services Costs

	<u>No. of Positions</u>	
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Administrative Assistant II (R14)	1	23,070
Clerk Typist III (R8)	1	<u>16,020</u>
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Benefits: 21% of salaries plus \$127/mo. per person		<u>\$ 39,581</u>
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Other Program Costs

FY 81 Costs

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Ten percent inflation is included in "other" program costs for years beyond FY 81.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

HB 374

FISCAL NOTE  
REVISION

I. REQUEST

Bill/Resolution No. House Bill 374  
 Title "An Act providing for full-time residential care for Pioneer Alaskans."  
 Requested by Representative Jim Duncan Date March 25, 1980

II. FISCAL DETAIL

Agency Affected Administration  
 Program Category Affected Social Services  
 BRU, Program, or Subprogram(s) Affected Pioneers' Homes  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		674.8	1,323.9	1,518.1	1,738.1	1,987.4
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		674.8	1,323.9	1,518.1	1,738.1	1,987.4

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		674.8	1,323.9	1,518.1	1,738.1	1,987.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		2	2	2	2	2
PART TIME		1	1	1	1	1
TEMPORARY						

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

This fiscal note is based on initiation of a demonstration project which would serve Southeastern Alaska only and provide for residential and nursing care of those who are eligible to enter Pioneer's Homes under AS 47.25.010-110, are not eligible for benefits from any source that would pay for the cost at full-time residential and nursing care, who reside more than 50 miles from the Alaska Pioneer's Home, and do not wish to enter the Pioneers' Home.

The number of elderly Alaskans who would benefit from this bill is unknown at the present time. The Department of Health and Social Services has some indication that some need exists, but cannot quantify that need.

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

Prepared by: George Michael  
 Division/Office: Pioneers' Home  
 Department of Administration

Date: March 25, 1980  
 PH: 465-4401

*gc*

**CATEGORY:** SOCIAL SERVICES

**AGENCY:** DEPARTMENT OF ADMINISTRATION

**PROGRAM:** SOCIAL AND ECONOMIC ASSISTANCE FOR THE AGED

**BRU (s):** PIONEERS' HOMES

The primary goal of the Alaska Pioneers' Homes BRU is to provide facilities and services to accommodate the general comfort of elderly citizens of the State of Alaska in a sheltered living environment. The services provided include physical, mental and social activities appropriate to the maintenance of high quality care at a reasonable cost. These services are available in both residential care and nursing care formats.

The law mandates that any destitute person residing in the State continuously for a minimum of 15 years immediately preceding their application is entitled to admission to a Pioneers' Home at little or no cost under regulations prescribed by the Department of Administration. Admission upon sufficient payment (currently fixed at \$275/mo) for the cost of their care and support is permitted if a person is not considered destitute but meets the 15 year residency requirement. Additionally, persons who have had a total of 30 years or more of Alaskan residency cannot be disqualified for admission due to absences from the State if the Commissioner of Administration determines that the absences were reasonable and the applicants are otherwise qualified.

Pioneers' Homes are currently operated in Sitka, Palmer, Fairbanks, and Anchorage, with a total capacity of 340 persons in residential care and 178 persons in nursing care status. The following table displays the FY 79 occupancy rate for the skilled nursing and ambulatory care facilities available at each of the homes.

Home	Capacity	Skilled Nursing Beds		Residential Care Beds		
		Average Occupancy	Average Occupancy%	Capacity	Average Occupancy	Average Occupancy%
Sitka	50	48	96+	100	71	71
Fairbanks	54	50	92	65	55	84
Palmer	54	53	98	42	38	90
Anchorage	20	10(est.)	50(est.)	133	123	92

The Kotzebue Senior Citizens Center is also funded through this Budget Request Unit. The Center is operated for the State by a private corporation and offers Kotzebue area senior citizens social, recreational and nutritional services. The Center includes 16 beds that may be occupied by ambulatory residents. The facility was dedicated November 3, 1978.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
SITKA	2435.0	2465.6	2441.8	2498.3			2675.7
FAIRBANKS	2410.5	2479.7	2458.8	2516.0			2673.8
PALMER	2158.6	2093.3	2058.8	2205.4			2378.1
KOTZEBUE	652.7	652.7	652.3	809.9			869.9
ANCHORAGE	442.7	2550.1	2514.8	2625.4			2869.0
CENTRAL OFFICE	114.5	103.5	101.0	145.4			253.7
<b>** TOTAL</b>	<b>10214.0</b>	<b>10344.9</b>	<b>10227.5</b>	<b>10800.4</b>			<b>11720.2</b>
<b>** CHANGE VERSUS 80 AUTH</b>							<b>8.5%</b>
<b>OBJECT DESCRIPTION</b>							
PERS. SERV.	6326.0	7077.0	7076.5	7364.4			7852.2
TRAVEL	27.3	27.3	21.5	25.4			30.3
CONTRACTUAL	2333.2	1758.5	1579.8	1956.4			2151.6
COMMODITIES	599.3	580.8	662.7	574.1			769.8
EQUIPMENT	65.0	40.9	41.7	25.0			60.7
LANDS/BLDG	831.2	828.4	828.4	824.4			822.9
GRANTS, CLMS	32.0	32.0	16.9	30.7			32.7
<b>FUNDING SOURCE</b>							
GENERAL FUND	10214.0	10344.9	10227.5	10800.4			11620.2
PGM RECEIPTS							100.0
<b>** GENERAL FUND CHANGE VS. 80 AUTH</b>							<b>7.5%</b>
<b>POSITIONS</b>							
FULL-TIME	269.0	297.0	297.0	297.0			298.0
PART-TIME	16.0	25.0	25.0	25.0			35.0
TEMPORARY	35.0	35.0	35.0	35.0			22.0
STAFF MONTHS	3685.2	4085.2	4085.2	4085.2			4047.5

Residential Care

This demonstration project would verify the scope of need, and develop residential care capability in the private sector where virtually none now exists in Southeastern Alaska.

This fiscal note is based on the assumption that only seven (7) slots would be developed during FY 81, that twice that number of slots would be available and utilized during FY 82, and that the number of slots would increase by five (5) per year after FY 82.

Rates for residential care average \$1,000 per month per person in FY 80. One thousand dollars, less \$225 per month payable by the recipient under AS 47.25.030 would result in a net cost to the State of \$775 per month per person.

Inflation at the rate of 10% per year is included throughout this fiscal note.

Cost of Residential Care

FY 81	7 slots X \$775 X 12 mo. + 10% inflation	=	\$ 71,610
FY 82	14 slots X \$853 X 12 mo. + 10% inflation	=	157,634
FY 83	19 slots X \$938 X 12 mo. + 10% inflation	=	235,250
FY 84	24 slots X \$1,032 X 12 mo. + 10% inflation	=	326,938
FY 85	29 slots X \$1,135 X 12 mo. + 10% inflation	=	434,478

Nursing Care

Based on statistics of the Department of Health and Social Services, a total of 23 vacant nursing beds are available in Southeastern Alaska at the present time. It is assumed that one-half of these beds would be filled in FY 81, and all 23 would be filled by FY 82.

The average cost for nursing care in FY 80 is \$3,422 per month per person. Three thousand four hundred twenty-two dollars, less \$275 per month payable by the recipient under AS 47.25.030 would result in a net cost to the State of \$3,147 per month per person for FY 81. It should be noted that overall cost of care in the Pioneers' Homes is \$2,110 per month per person for FY 81.

Cost of Nursing Care

FY 81	12 beds X \$3,147 X 12 + 10% inflation	=	\$ 498,485
FY 82	23 beds X \$3,462 X 12 + 10% inflation	=	1,051,063
FY 83	23 beds X \$3,808 X 12 + 10% inflation	=	1,156,109
FY 84	23 beds X \$4,189 X 12 + 10% inflation	=	1,271,780
FY 85	23 beds X \$4,610 X 12 + 10% inflation	=	1,399,596

Administrative Costs

At the outset, a Program Coordinator would be required to develop the program, contact prospective providers of residential and nursing care to encourage development of capacity in existing and/or new facilities, and guide those providers by setting standards, providing information relative to licensing, determining standard operating procedures, etc. When the program is up and running, the Program Coordinator will have the responsibility for successful continuation of the program.

A Social Worker is needed on a half-time basis to advise and assist the eligible elderly persons in obtaining benefits and with personal problems.

A Clerk Typist is needed for clerical support of the Program Coordinator and Social Worker.

		<u>FY 81 Cost</u>
Personal Services		\$ 74,413
Salaries - Program Coordinator (R-18)	\$29,580	
Social Worker III (R-16) (1/2)	12,792	
Clerk Typist III (R-8)	15,324	
Subtotal	<u>\$57,696</u>	
Benefits	16,717	
Total Salaries and Benefits	<u>\$74,413</u>	
Travel		14,000
For Program Coordinator and Social Worker		
Contractual Services		10,000
Office and program operating expenses		
Commodities		1,500
Office supplies for office and field staff		
Equipment		4,800
Outfitting of new positions with office furnishings and equipment		<u>          </u>
Total Administrative Cost		\$104,713

If House Bill 374 is approved and the Department of Administration is funded for this pilot project, it is proposed to RSA these funds to the Department of Health and Social Services to operate the program.

POSITION PAPER  
ON  
HOUSE BILL NO. 374

"An Act relating to equalizing the costs of full time residential or nursing care."

House Bill 374 amends the statutes to allow the Commissioner of Administration to enter into contracts with private residential and nursing care providers to purchase services for certain senior Alaskans who are eligible for Pioneer Home benefits. These eligible persons must meet:

1. All eligibility requirements for admission into the Alaska Pioneer Homes, including being age 65 or over and having at least 15 years of continuous Alaska residency immediately prior to admission;
2. Are not eligible for benefits from any sources (including Medicare, Medicaid or private medical insurance) that would pay for the cost of full-time residential or nursing care; and
3. Do not reside less than 50 highway miles from a Pioneer's Home or the local Pioneer's Home has no bed space available and could not admit the individual.

The Department of Administration would pay for the fees charged by the facility less the monthly contribution of \$225-\$250 that pioneers are required to contribute if they are able to pay towards their cost of care.

#### General Overview

Most social scientists, health professionals, and seniors themselves acknowledge the advantage of keeping older persons in their communities and preferably in their own homes. Remaining in the community, even in cases of where the person is in an institution, enhances the senior's morale and provides security of familiar settings and being close to family and friends. Too often in Alaska seniors are not given the choice of remaining in their home community when they become in need of medical or social support services, because the services they need are often unavailable or unaffordable. House Bill 374 would increase the access to residential and nursing home care for certain pioneer Alaskans who were unable to receive them from the Pioneer's Home Program due to unavailable bed space in a Pioneer's Home facility in their town or a Pioneer's Home does not exist within 50 highway miles from the person's home community.

#### Discussion Items

1. There are many pioneers living in communities outside of the towns where Pioneer's Homes are located. In some cases such as in Juneau and Bethel, there are facilities with available bed capacity which could provide the care that these pioneers need. Presently, the

Pioneer's Home Program is limited to the provision of care only on Pioneer Home facilities and the program is not designed to purchase care from local community resources. Relocation of seniors to a Pioneer's Home in a different community at this time in the older person's life may cause a hardship on the patient, as well as his/her family.

2. There are many pioneers, as well as other seniors, who are financially unable to pay for the purchase of care in a local facility. Costs of residential care can sometimes run from \$800-\$1,200 a month, while nursing home care costs are considerably higher at \$1,500-\$4,000 a month. Senior pensions of over \$625 a month are inadequate to purchase the care, but make the person financially ineligible for coverage by Medicaid or other public assistance programs.
3. Insurance coverage for residential or nursing home coverage is extremely limited. Most policies, if they cover nursing care services, at all limit coverage to 30 days of care. Also, the care generally must be necessary in place of more costly hospital care services. Residential care, since it generally does not include medical services, is not reimbursable by virtually all insurance and assistance programs to our knowledge (including Medicaid and Medicare).
4. The Department of Health and Social Services has experienced a few cases this fiscal year of pioneers who are eligible for Pioneer's Home admission, but are in need for specialized or intensive medical care that is unavailable at the Pioneer's Homes facility. These persons who are determined "too sick" to be appropriately placed in Pioneer's Homes are currently receiving care in private nursing facilities. Often the person's resources are inadequate to cover the nursing home bill, yet they are over income to be eligible for public assistance. The bill would have to be amended to allow coverage of these individuals.
5. House Bill 374 provides for the Department of Administration to base reimbursement rates on the fees charged. Our experience through Medicaid, General Relief-Medical, and Social Services programs has found that providers often charge amounts in excess to their actual allowable costs under the program. Also, allowing fees charged by providers to be reimbursable would provide no incentive for cost containment by the residential and nursing care facilities. We would recommend the Committee consider linking the rates paid under H.B. 374 to the state fees allowed under Medicaid for nursing homes or under the Division of Social Services for residential care.
6. The legislature is currently considering the passage of the Older Alaskan's Commission through H.B. 618 and S.B. 328. This Commission was designed to address these long range aging issues. It may be

appropriate, in light of the significant change of direction of H.B. 374, to reserve judgement until such a issue could be formally addressed by the Commission and/or Governor's Advisory Committee on Aging and Pioneer's Home Board.

- 7. In many areas of Alaska, especially in the remote ones, pioneers may still be required to leave their communities to receive care even if H.B. 374 were passed. Residential care and nursing home services are generally only available in urban areas and rural regional centers. This bill, though, may serve as an important catalyst to encourage private enterprise to develop facilities in those areas in the future by providing an important source of continuing revenue to pay for operating expenses.

Department's Position

The Department of Health and Social Services recognizes the need addressed in House Bill 374 and is supportive of the concept of increasing the availability of services to permit seniors to remain in their local communities.

Approved by:

*Helen D. Beirnc*

Helen D. Beirnc, Commissioner  
Department of Health and Social  
Services

*3/11/80*  
(DATE)

NURSING HOMES

CENSUS: January 1980

	Current Rate		Certified Capacity			Current Occupancy				% Occupancy of Total Beds			
	ICF	SNF	ICF	SNF	Total	Medicaid DPA*		Non-DPA Placements		Current Census	Vacant Beds	Overall	Medicaid
						ICF	SNF	Medicare	Other***				
Creage House (Anchorage)	55.00		101**		101	37	0	0	2	39	62	39%	37%
Creage North (Fairbanks)	84.50	93.00	101		101	52	24	0	2	78	23	77%	75%
Ordova Hospital L.T.C.	<del>135.15</del>		8		8	4	0	0	1	5	3	63%	50%
atchikan Hospital L.T.C.	73.31		48		48	37	0	0	1	38	10	79%	77%
okoyia (Anchorage)	103.00	125.00	116**	100	216	39	99	0	6	144	72	67%	64%
orton Sound Hosp. L.T.C. (Nome)	100.00		6**		6	6	0	0	0	6	0	100%	100%
etersburg Hosp. L.T.C.	51.30	57.00	12		12	7	1	0	2	10	2	83%	67%
Peninsula Hosp. L.T.C. (Homer)	108.00		4		4	3	0	0	0	3	1	75%	75%
. Ann's (Juneau)	<del>126.56</del>		45		45	23	4	1	3	31	14	69%	60%
alley Hospital L.T.C. (Palmer)	104.85		6		6	3	0	0	0	3	3	50%	50%
rangell Hospital L.T.C.	75.00	82.50	14		14	13	0	0	1	14	0	100%	93%
esleyan (Seward)	52.00		64		64	49	0	0	5	54	10	84%	77%
odiak Hospital L.T.C.	100.00		19**		19	8	0	0	0	8	11	58%	58%
<b>TOTAL</b>			<b>544</b>	<b>100</b>	<b>644</b>	<b>281</b>	<b>128</b>	<b>1</b>	<b>23</b>	<b>433</b>	<b>211</b>	<b>67%</b>	<b>64%</b>

ICF Certified Capacity means that all beds are certified for both SNF and ICF unless otherwise noted.

*Rod Betit*  
 Rod Betit, Director  
 Date *2/20/80*  
 Division of Public Assistance

\* includes GR Medical placements  
 \*\* beds are certified for ICF only

Introduced: 3/12/79  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY DUNCAN AND MILLER

2 HOUSE BILL NO. 374

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to equalizing the costs of full-time  
7 residential or nursing care."

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

9 \* Section 1. AS 47.25 is amended by adding new sections to read:

10 Sec. 47.25.103. CONTRACTUAL AGREEMENTS. The commissioner of  
11 administration shall enter into contractual agreements with licensed  
12 institutions providing full-time residential or nursing care for the  
13 elderly to provide care to Alaska residents eligible under AS 47.25.108.  
14 A contractual agreement under this section shall provide for payment of  
15 the full daily (or monthly equivalent) charges by the institution for  
16 each eligible patient, less the amount charged under AS 47.25.030 for  
17 the equivalent level of care for a patient at the Alaska Pioneers' Home.

18 Sec. 47.25.108. ELIGIBILITY. A person is eligible to receive  
19 contractual services under AS 47.25.103 if

20 (1) he is eligible for admission into the Alaska Pioneers'  
21 Home under AS 47.25.010 - 47.25.110; and

22 (2) he is not eligible for benefits from any source that  
23 would pay for the cost of full-time residential or nursing care; and

24 (3) he resides more than 50 miles, by highway, from the  
25 Alaska Pioneers' Home, or he cannot be admitted to the Alaska Pioneers'  
26 Home because the home is full to capacity.

27  
28  
29

(11)

# COMMITTEE REPORT

## HOUSE

3/26/80

FURTHER:

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HB 374

"An Act relating to equalizing the costs of full-time residential or nursing care."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
CHAIRMAN

# COMMITTEE REPORT

## HOUSE

3/26

FURTHER: FINANCE

March 12, 1979

Date: 3/25/80

Mr. Speaker:

The Committee on HESS has had HB 374

"An Act relating to equalizing the costs of full-time residential or nursing care."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_

- AND attaches a "Letter of Intent"  ~~NEW~~ Fiscal Note
- reports it back without <sup>individual</sup> recommendation *coming*
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

*[Signature]*  
*Pat Hafferton*  
*Joyce Johnson*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

*[Signature]*  
*Mike B...*  
do not pass unless all  
is now citizens eligible.  
TBuchholdt - No Rec.  
*[Signature]* No Rec.

*TBuchholdt*  
 CHAIRMAN