

LEG. FINANCE - BILLS 1983 - 1984 2135

SB 510 - CSSB 525

2135

COMMITTEE REPORT
SENATE

FURTHER.

4/18/34

Date 5/30/34

Mr. President

The Committee on FINANCE considered SB 570

provision of chiropractic services under the medical program.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

W.C. [unclear]

[unclear]

[unclear]

[unclear]

[unclear]

[unclear]

[unclear]

Chairman

Chairman recommendation

Introduced: 2/28/84
Referred. Health, Education and
Social Services and
Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

SENATE BILL NO. 510

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to provision of chiropractic services
7 under the medicaid program."

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

9 * Section 1. AS 47.07.030 is amended to read:

10 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical ser-
11 vices to be offered to eligible persons include inpatient hospital,
12 outpatient hospital, rural health clinic, outpatient surgical care
13 centers, laboratory and X-ray, refractions and eye examinations by
14 ophthalmologists or optometrists, eyeglasses prescribed by a physician
15 skilled in diseases of the eye or by an optometrist, inpatient psy-
16 chiatric hospital for persons age 65 or older and persons under age
17 21, skilled and intermediate nursing home physician, nurse midwife,
18 home health care services, early periodic screening diagnosis and
19 treatment of persons under 21 years of age, clinic services, treatment
20 of speech, hearing and language disorders, physical therapy, occupa-
21 tional therapy, chiropractic services, prosthetic devices and medical
22 supplies, long-term care noninstitutional services, and reasonable
23 transportation to and from the point of medical care. No additional
24 services may be provided unless approved by the legislature.

25 * Sec. 2. AS 47.07.035 is amended to read:

26 Sec. 47.07.035. PRIORITY OF SERVICE. If the funding in a
27 fiscal year is inadequate to finance the total medical assistance
28 program under this chapter, the department shall, to the extent that
29 federal law and funding permits, provide medical assistance in the

1 following order:

2 (1) aged, blind, or disabled persons who

3 (A) do not receive supplemental security income under
4 Title XVI of the Social Security Act because they do not meet
5 income and resources requirements; and

6 (B) are eligible to receive an optional state supple-
7 mentary payment;

8 (2) persons in a medical or intermediate care facility

9 (A) whose income while in the facility does not exceed
10 300 percent of the supplemental security income benefit rate
11 under Title XVI of the Social Security Act; and

12 (B) who would not be eligible for an optional state
13 supplementary payment if they left the facility;

14 (3) persons under 21 years of age

15 (A) who are under the supervision of the department;

16 (B) whose maintenance is paid in whole or in part from
17 public funds; and

18 (C) who are in foster homes or private child-care
19 institutions;

20 (4) persons under 21 years of age who

21 (A) receive treatment in a psychiatric hospital; and

22 (B) are financially eligible as determined by the
23 standards of Part A of Title IV of the Social Security Act;

24 (5) persons under 21 years of age who are

25 (A) in an institution designated by the department as
26 an intermediate care facility for the mentally retarded; and

27 (B) financially eligible as determined by the stan-
28 dards of the federal aid to families with dependent children
29 program;

- 1 (6) women who are pregnant;
- 2 (7) persons under 21 years of age who do not qualify for
- 3 benefits under the federal aid to families with dependent children
- 4 program because they are not dependent children;
- 5 (8) intermediate nursing home services;
- 6 (9) eye examinations by an ophthalmologist or optometrist;
- 7 or eyeglasses prescribed by a physician skilled in the diseases of the
- 8 eye or by an optometrist;
- 9 (10) treatment of speech, hearing, or language disorders;
- 10 (11) physical or occupational therapy;
- 11 (12) care at an intermediate care facility for the mentally
- 12 retarded;
- 13 (13) care at an inpatient psychiatric facility;
- 14 (14) community mental health clinic services;
- 15 (15) surgical care center services;
- 16 (16) nurse midwife services;
- 17 (17) medical supplies and equipment;
- 18 (18) long-term care noninstitutional services;
- 19 (19) chiropractic services.

20 * Sec. 3. AS 47.07.900 is amended by adding a new paragraph to read:
21 (7) "chiropractic" has the meaning given in AS 08.20.220.

Offered: 4/15/84
Referred: Finance

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 510 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to provision of services under the
7 medical assistance program."

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

9 * Section 1. AS 47.07.030 is amended to read:

10 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical ser-
11 vices to be offered to eligible persons include inpatient hospital,
12 outpatient hospital, rural health clinic, outpatient surgical care
13 centers, laboratory and X-ray, refractions and eye examinations by
14 ophthalmologists or optometrists, eyeglasses prescribed by a physician
15 skilled in diseases of the eye or by an optometrist, inpatient psy-
16 chiatric hospital for persons age 65 or older and persons under age
17 21, skilled and intermediate nursing home, physician, nurse midwife,
18 home health care services, early periodic screening diagnosis and
19 treatment of persons under 21 years of age, clinic services, treatment
20 of speech, hearing and language disorders, physical therapy, occupa-
21 tional therapy, comprehensive outpatient rehabilitation facility
22 services, chiropractic services, prosthetic devices and medical sup-
23 plies, long-term care noninstitutional services, and reasonable trans-
24 portation to and from the point of medical care. No additional ser-
25 vices may be provided unless approved by the legislature.

26 * Sec. 2. AS 47.07.035 is amended to read:

27 Sec. 47.07.035. PRIORITY OF SERVICES. If the funding in a
28 fiscal year is inadequate to finance the total medical assistance
29 program under this chapter, the department shall, to the extent that

1 federal law and funding permits, provide medical assistance in the
2 following order:

3 (1) aged, blind, or disabled persons who

4 (A) do not receive supplemental security income under
5 Title XVI of the Social Security Act because they do not meet
6 income and resources requirements; and

7 (B) are eligible to receive an optional state supple-
8 mentary payment;

9 (2) persons in a medical or intermediate care facility

10 (A) whose income while in the facility does not exceed
11 300 percent of the supplemental security income benefit rate
12 under Title XVI of the Social Security Act; and

13 (B) who would not be eligible for an optional state
14 supplementary payment if they left the facility;

15 (3) persons under 21 years of age

16 (A) who are under the supervision of the department;

17 (B) whose maintenance is paid in whole or in part from
18 public funds; and

19 (C) who are in foster homes or private child-care
20 institutions;

21 (4) persons under 21 years of age who

22 (A) receive treatment in a psychiatric hospital; and

23 (B) are financially eligible as determined by the
24 standards of Part A of Title IV of the Social Security Act;

25 (5) persons under 21 years of age who are

26 (A) in an institution designated by the department as
27 an intermediate care facility for the mentally retarded; and

28 (B) financially eligible as determined by the stan-
29 dards of the federal aid to families with dependent children

- 1 program;
- 2 (6) women who are pregnant;
- 3 (7) persons under 21 years of age who do not qualify for
4 benefits under the federal aid to families with dependent children
5 program because they are not dependent children;
- 6 (8) intermediate nursing home services;
- 7 (9) eye examinations by an ophthalmologist or optometrist;
8 or eyeglasses prescribed by a physician skilled in the diseases of the
9 eye or by an optometrist;
- 10 (10) treatment of speech, hearing, or language disorders;
- 11 (11) physical or occupational therapy;
- 12 (12) care at an intermediate care facility for the mentally
13 retarded;
- 14 (13) care at an inpatient psychiatric facility;
- 15 (14) community mental health clinic services;
- 16 (15) surgical care center services;
- 17 (16) nurse midwife services;
- 18 (17) medical supplies and equipment;
- 19 (18) long-term care noninstitutional services;
- 20 (19) comprehensive outpatient rehabilitation facility ser-
21 vices;
- 22 (20) chiropractic services.

23 * Sec. 3. AS 47.07.900 is amended by adding new paragraphs to read:

- 24 (7) "chiropractic services" means X-rays and manual manipu-
25 lation of subluxation of the spine;
- 26 (8) "comprehensive outpatient rehabilitation facility
27 services" has the meaning given in 42 U.S.C. 1395x and in federal
28 regulations adopted to implement that section.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

*5/30/84 Correct FD
for original bill.
Budget Manual
M.F.D.
1984's Health
for 1984
Chiropractic Can
Medicare Plan*

Revision Date: _____

REQUEST

Bill/Resolution No.: SB #510
Title: An Act related to provision
of chiropractic services under the
Sponsor: _____
Requestor: Senate HESS Committee
Date of Request: March 2, 1984

FISCAL DETAIL

Agency Affected: DHSS - DPA
Program Category Affected: Medical
Medicaid program. Assistance
BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		20.0				
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		154.0	165.6	178.0	191.4	205.8
800 MISCELLANEOUS						
TOTAL OPERATING		174.0	165.6	178.0	191.4	205.8
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		87.0	82.8	89.0	95.7	102.9
FEDERAL FUNDS		87.0	82.8	89.0	95.7	102.9
OTHER						
TOTAL		174.0	165.6	178.0	191.4	205.8

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Funding for this service is not currently included in the Governor's budget. Therefore, additional funds would have to be appropriated.

ANALYSIS: Attach a separate page for analysis

Prepared By: Kim Busch Phone: 465-3347
Division: Public Assistance Date: 3/9/84

Approved by Commissioner: Robert Gordon Smith, M.D. Date: 3/19/84
Agency: Dept. of Health & Social Services

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Analysis

Contractual

Chiropractors will need to be added to the Alaska Medical Payments System (AMPS). The contractual costs include the following: provider manuals, training, a new claims form, tables included in the system for chiropractic services, computer programming, computer reports, the addition of collocation codes, the provision of notice to providers, provider relations, and a computer system test.

Grants/Claims

These figures were adjusted by an inflation factor of 7.5%. This is the average percent increase experienced during the past two years in chiropractic services. These costs are for only manual manipulation of the spine and the x-rays necessary for diagnosis. Again, these are the only chiropractic services for which federal reimbursement is available. The federal match for Medicaid is 50%.

We did not develop a fiscal note for the full range of chiropractic services included in SB 510 as we did not have sufficient data to accurately determine the cost. This data is not available from other states primarily because the states that cover chiropractic services have limited the coverage to services for which federal reimbursement is available. We used the following formula to develop our cost estimates:

#Recipients X #Services X Cost Per Service + #X-Rays X Cost Per X-Ray X 12 Months
per/month per/month per/month per/month

$$50[(\$30 \times 2) + (\$65.55 \times 3)]12 = \$154.0$$

Assumption #1:

That the ratio of recipients to eligibles is similar to the ratio of recipients to eligibles in Idaho.

Idaho averaged 75 chiropractic recipients and 30,000 eligibles per month. We would average 50 chiropractic recipients out of 20,000 eligibles per month.

Assumption #2:

Services would be limited to 2 visits per month per recipient.

Assumption #3:

X-rays would be limited to three x-rays per month per recipient.

Assumption #4:

Manual manipulation of the spine costs \$30. An x-ray costs \$65.55.

POSITION PAPER
Senate Bill No. 510

"An act related to provision of chiropractic services under the Medicaid program."

I. Background

The Alaska Medicaid program was created by the Legislature in 1972 and sections in the statutes were created to list all categories of service and groups of eligibles. The original legislation created a program providing basic medical coverage for individuals eligible for cash payments under the Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA) programs, individuals in long term care facilities, and children under the supervision of the Department in foster homes and private child-caring facilities.

Since 1972, the Legislature has amended the statutes several times to add new groups of eligibles or categories of service.

The new groups of eligibles added to AS 47.07.020 since 1972 have been institutionalized individuals for whom the State had previously paid all of their cost of care, needy children not in AFDC households, and pregnant women. By adding these groups to the Medicaid program, the State was able to receive federal funds to partially offset state funds.

The new categories of services added to AS 47.07.030 since 1972 have been fairly low cost services when compared to the total Medicaid program. Several of the new categories of service had the effect of permitting the State to receive federal funds to partially offset state funds being used to provide services.

The trend has clearly been toward maximizing federal financial participation in medical assistance.

II. Need for Chiropractic Services:

Currently, 29 states recognize the value of chiropractic services by including them in their Medicaid program. In addition, the major private insurance programs also include chiropractic coverage.

Generally, chiropractors and advocates of their services contend that chiropractic services are an alternative to other, potentially more costly medical treatments.

III. Effect of Senate Bill No. 510:

Section 1 of the bill amends AS 47.07.030 by adding chiropractic services as covered services under Medicaid.

Section 2 of the bill amends AS 47.07.035 by adding chiropractic services as the first services to be eliminated in the event of a funding shortfall in the Medicaid program.

Section 3 of the bill amends AS 47.07.900 by defining chiropractic as it is defined in AS 08.20.220.

AS 08.20.220 defines chiropractic as follows:

"Chiropractic is the science of locating and correcting interference with nerve energy transmission and expression within the human body, and the employment and practice of drugless therapeutics, including physiotherapy, hydrotherapy, mechanotherapy, physiotherapy, electrotherapy, chromotherapy, thermotherapy, thalmotherapy, correcting and orthopedic gymnastics, and dietetics which includes the use of foods and those biochemical tissue building products and cell salts found within the normal human body, without the use of drugs or surgery."

Regardless of what services chiropractors are licensed to perform according to the laws of individual states, the federal government will only provide reimbursement under Medicaid for manual manipulation of subluxation of the spine and x-rays. Therefore, if the State extends coverage to include the other services listed in SB 510, the State must provide 100 percent of the reimbursement for these services. Currently, many of these services such as laboratory tests are already provided under the Medicaid program through medical providers for whose services the state receives federal reimbursement.

Approximately 29 states cover chiropractic services as an option under Medicaid. Almost all of them limit reimbursement to manual manipulation of subluxation of the spine. As a necessary adjunct to this treatment, some states also cover x-rays necessary to identify the need for manual manipulation.

IV. The Department's Position:

The Department of Health and Social Services would support the addition of chiropractic services with a more limited definition than that currently contained in SB 510. Specifically, we would support coverage for manual manipulation of the spine and the x-rays services necessary to identify the need for this treatment. We believe that this would provide needy Alaskans with medical coverage that is comparable to that of their privately insured neighbors while minimizing the expenditure of state funds that are unmatched by federal dollars.

Recommended By: John R. Poy
for Rod Betit, Director
Division of Public Assistance

Date: 3/9/84

Approved By: Robert London Smith
Robert London Smith, Ph.D.
Commissioner
Department of Health & Social Services

Date: 3/19/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB #510
 Title: An Act related to provision of chiropractic services under the
 Sponsor: _____
 Requestor: Senate HESS Committee
 Date of Request: March 2, 1984

FISCAL DETAIL

Agency Affected: DHSS - DPA
 Program Category Affected: Medical
Medicaid program. Assistance
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		20.0				
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 CRANTS, CLAIMS		154.0	165.6	178.0	191.4	205.8
800 MISCELLANEOUS						
TOTAL OPERATING		174.0	165.6	178.0	191.4	205.8
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		87.0	82.8	89.0	95.7	102.9
FEDERAL FUNDS		87.0	82.8	39.0	95.7	102.9
OTHER						
TOTAL		174.0	165.6	178.0	191.4	205.3

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Funding for this service is not currently included in the Governor's budnet. Therefore, additional funds would have to be appropriated.

ANALYSIS: Attach a separate page for analysis

Prepared By: Kim Busch
 Division: Public Assistance

Phone: 465-3347
 Date: 3/9/84

Approved by Commissioner: Robert Gordon Smith, M.D.
 Agency: Dept. of Health & Social Services

Date: 3/19/84

Distribution (by Agency preparing fiscal note):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

12/1/83

Analysis

Contractual

Chiropractors will need to be added to the Alaska Medical Payments System (AMPS). The contractual costs include the following: provider manuals, training, a new claims form, tables included in the system for chiropractic services, computer programming, computer reports, the addition of collocation codes, the provision of notice to providers, provider relations, and a computer system test.

Grants/Claims

These figures were adjusted by an inflation factor of 7.5%. This is the average percent increase experienced during the past two years in chiropractic services. These costs are for only manual manipulation of the spine and the x-rays necessary for diagnosis. Again, these are the only chiropractic services for which federal reimbursement is available. The federal match for Medicaid is 50%.

We did not develop a fiscal note for the full range of chiropractic services included in SB 510 as we did not have sufficient data to accurately determine the cost. This data is not available from other states primarily because the states that cover chiropractic services have limited the coverage to services for which federal reimbursement is available. We used the following formula to develop our cost estimates:

#Recipients X #Services X Cost Per Service + #X-Rays X Cost Per X-Ray X 12 Months
per/month per/month per/month per/month

$$50[(\$30 \times 2) + (\$65.55 \times 3)]12 = \$154.0$$

Assumption #1:

That the ratio of recipients to eligibles is similar to the ratio of recipients to eligibles in Idaho.

Idaho averaged 75 chiropractic recipients and 30,000 eligibles per month. We would average 50 chiropractic recipients out of 20,000 eligibles per month.

Assumption #2:

Services would be limited to 2 visits per month per recipient.

Assumption #3:

X-rays would be limited to three x-rays per month per recipient.

Assumption #4:

Manual manipulation of the spine costs \$30. An x-ray costs \$65.55.

POSITION PAPER
Senate Bill No. 510

"An act related to provision of chiropractic services under the Medicaid program."

I. Background

The Alaska Medicaid program was created by the Legislature in 1972 and sections in the statutes were created to list all categories of service and groups of eligibles. The original legislation created a program providing basic medical coverage for individuals eligible for cash payments under the Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA) programs, individuals in long term care facilities, and children under the supervision of the Department in foster homes and private child-caring facilities.

Since 1972, the Legislature has amended the statutes several times to add new groups of eligibles or categories of service.

The new groups of eligibles added to AS 47.07.020 since 1972 have been institutionalized individuals for whom the State had previously paid all of their cost of care, needy children not in AFDC households, and pregnant women. By adding these groups to the Medicaid program, the State was able to receive federal funds to partially offset state funds.

The new categories of services added to AS 47.07.030 since 1972 have been fairly low cost services when compared to the total Medicaid program. Several of the new categories of service had the effect of permitting the State to receive federal funds to partially offset state funds being used to provide services.

The trend has clearly been toward maximizing federal financial participation in medical assistance.

II. Need for Chiropractic Services:

Currently, 29 states recognize the value of chiropractic services by including them in their Medicaid program. In addition, the major private insurance programs also include chiropractic coverage.

Generally, chiropractors and advocates of their services contend that chiropractic services are an alternative to other, potentially more costly medical treatments.

III. Effect of Senate Bill No. 510:

Section 1 of the bill amends AS 47.07.030 by adding chiropractic services as covered services under Medicaid.

Section 2 of the bill amends AS 47.07.035 by adding chiropractic services as the first services to be eliminated in the event of a funding shortfall in the Medicaid program.

Section 3 of the bill amends AS 47.07.900 by defining chiropractic as it is defined in AS 08.20.220.

AS 08.20.220 defines chiropractic as follows:

"Chiropractic is the science of locating and correcting interference with nerve energy transmission and expression within the human body, and the employment and practice of drugless therapeutics, including physiotherapy, hydrotherapy, mechanotherapy, phytotherapy, electrotherapy, chromotherapy, thermotherapy, thalmotherapy, correcting and orthopedic gymnastics, and dietetics which includes the use of foods and those biochemical tissue building products and cell salts found within the normal human body, without the use of drugs or surgery."

Regardless of what services chiropractors are licensed to perform according to the laws of individual states, the federal government will only provide reimbursement under Medicaid for manual manipulation of subluxation of the spine and x-rays. Therefore, if the State extends coverage to include the other services listed in SB 510, the State must provide 100 percent of the reimbursement for these services. Currently, many of these services such as laboratory tests are already provided under the Medicaid program through medical providers for whose services the state receives federal reimbursement.

Approximately 29 states cover chiropractic services as an option under Medicaid. Almost all of them limit reimbursement to manual manipulation of subluxation of the spine. As a necessary adjunct to this treatment, some states also cover x-rays necessary to identify the need for manual manipulation.

IV. The Department's Position:

The Department of Health and Social Services would support the addition of chiropractic services with a more limited definition than that currently contained in SB 510. Specifically, we would support coverage for manual manipulation of the spine and the x-rays services necessary to identify the need for this treatment. We believe that this would provide needy Alaskans with medical coverage that is comparable to that of their privately injured neighbors while minimizing the expenditure of state funds that are unmatched by federal dollars.

Recommended By: for *John O. Poy*
Rod Betit, Director
Division of Public Assistance

Date: 3/9/84

Approved By: *Robert London Smith*
Robert London Smith, Ph.D.
Commissioner
Department of Health & Social Services

Date: 3/19/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Includes both chiropractic
and COPF services as
proposed in bill.

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSB 510 (HESS)
Title: "An Act relating to the pro-
vision of ~~chiropractic & COPF~~ services under 'Medicaid'"
Sponsor: _____
Requestor: House & Labor & Commerce Committee
Date of Request: 4/10/84

FISCAL DETAIL

Agency Affected: DHSS - DMA
Program Category Affected: Medicaid
BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		44.0	25.9	28.0	30.2	32.6
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		809.3	1117.9	1206.5	1302.2	1405.5
800 MISCELLANEOUS						
TOTAL OPERATING		853.3	1143.8	1234.5	1332.4	1438.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		426.6	571.9	617.2	666.2	719.0
FEDERAL FUNDS		426.7	571.9	617.3	666.2	719.1
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

See Attached

ANALYSIS: Attach a separate page for analysis

Prepared By: Jeffrey Hubbard
Division: Medical Assistance

JCC
Phone: 465-3355
Date: 4/10/84

Approved by Commissioner: Robert Gordon Smith
Agency: Department of Health & Social Services

Date: 4/17/84

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

Cost Analysis
CORF Services

	<u>FY85</u>	<u>FY86</u>
A. # of Total Annual Recipients (FY83)	2058	10,516
B. # of Recipients Needing Rehabilitation	253 Annually	368 Annually
C. Psych Evaluation (\$172 per evaluation C = \$172 (b)) Limit Once Annually	\$43,516	\$63,296
D. Social Work (80% of B for 30 Hours annually at \$72/hour or 2160 per recipient)	\$437,184	\$635,040
E. Psychology Services (50% (b) for 15 hours annually at \$92/hr or \$1,380 per recipient)	<u>\$174,570</u>	<u>\$253,920</u>
Subtotal	\$655,270	\$952,256
F. FY85 our Admin with B recipients at \$2.80 per claim and 5.7 claims/recipient	<u>\$4,037</u>	<u>\$5,873</u>
Yearly Cost	\$659,307	\$958,129
G. Enrollment, AMPS Modification for MARS, SURS and PBA	<u>\$20,000</u>	<u>\$20,000</u>
Total Operating	\$679,307	\$978,129
FY85 General Fund 50%	\$349,304	\$489,064
Federal 50%	\$349,304	\$489,065

The chief impact of this bill would be a) the expansion of providers who can be reimbursed by Medicaid for psychological services; and b) the inclusion of social services as a covered service in an outpatient clinic; and c) the increase in administrative costs for surveillance and utilization review.

FY85 costs were computed by estimating the cost of psychological and social services rendered at Alaska Treatment Center, which is the only certified CORF, for all medicaid recipients treated there (253 recipients). Psychological services consist of a 2 hour evaluation for all recipients followed by an average of 15 hours of therapy for 50% of the recipients. Social services are budgeted for 80% of the recipients for an average of 30 hours per recipient.

While Alaska currently has only one CORF, in FY86 it is expected the number of CORF's will be expanded. Especially given the proposed expansion by Humana and Providence Hospitals of inpatient rehabilitation beds of 15 each. These two facilities handle significant numbers of medicaid patients and referrals from all around the State. It is estimated that 3.5% would make use of the "new" CORF services.

Cost Analysis for Chiropractic Services

Contractual

Chiropractors will need to be added to the Alaska Medical Payments System (AMPS). The contractual costs include the following: provider manuals, training, a new claims form, tables included in the system for chiropractic services, computer programming, computer reports, the addition of collocation codes, the provision of notice to providers, provider relations, and a computer system test.

Grants/Claims

These figures were adjusted by an inflation factor of 7.5%. This is the average percent increase experienced during the past two years in chiropractic services. These costs are for only manual manipulation of the spine and the x-rays necessary for diagnosis. Again, these are the only chiropractic services for which federal reimbursement is available. The federal match for Medicaid is 50%.

We did not develop a fiscal note for the full range of chiropractic services included in SB 510. We used the following formula to develop our cost estimates:

$$\left(\frac{\# \text{Recipients}}{\text{Month}} \times \frac{\# \text{Services}}{\text{Month}} \times \frac{\text{Cost/Service}}{\text{Month}} + \frac{\# \text{Recipients}}{\text{mth}} \times \frac{\# \text{X-Rays}}{\text{Month}} \times \frac{\text{Cost/X-Ray}}{\text{Month}} \right) \times 12 \text{mths}$$

$$[50 \times \$30 \times 2] + (\$65 \times 50 \times 3) \times 12 = \$154.0 + 1 \text{ time Administrative Cost } \$20 = \$174.00$$

Assumption #1:

Alaska's ratio of recipients to eligibles is similar to the ratio of recipients to eligibles in Idaho.

Idaho averaged 75 chiropractic recipients and 30,000 eligibles per month. Therefore we would average 50 chiropractic recipients out of 20,000 eligibles per month.

Assumption #2:

Services would be limited to 2 visits per month per recipient.

Assumption #3:

X-rays would be limited to three x-rays per month per recipient.

Assumption #4:

Manual manipulation of the spine costs \$30. An x-ray costs \$65.55.

Position Paper
CSSB No. 510

"An act relating to provision of services under the Medical Assistance program."

I. Background

This bill would modify the Medicaid program to 1) add chiropractic services and 2) expand reimbursable services offered by a Comprehensive Outpatient Rehabilitative Facility (CORF). (A 1984 Attorney General's opinion stated CORF could participate in Medicaid for those services already added by the Legislature.)

II. Need for Chiropractic Services

Currently, 29 states recognize the value of chiropractic services by including them in their Medicaid program. In addition, the major private insurance programs also include chiropractic coverage. Generally, chiropractors and advocates of their services contend that chiropractic services are an alternative to other, potentially more costly medical treatments.

The chiropractic services should be limited to the two services for which we can claim federal financial participation. Specifically, these are manual manipulation of the spine and the x-rays necessary for this treatment. The Department would support this addition to the Medicaid program with this limited definition. Added FY85 costs is anticipated to be \$174.0 of which \$87.0 is State funds.

III. Need for Comprehensive Outpatient Rehabilitation Facility Services

Alaska's Medicaid program already provides coverage for most of the 13 services that can be provided by a CORF. Services covered include physician services, physical therapy, occupational therapy, prosthetic devices, orthotic devices and nursing care.

The services that are not currently covered but which would be added under this bill are:

1. Social services performed by a social worker with a B.A. who has had one year of experience in a health care setting.
2. Psychological services performed by a psychologist with a master's degree.
3. Drugs and biologicals which are currently reimbursed under the General Relief Medical Assistance Program.
4. Home environment evaluations for the purpose of assessing the potential impact of the home situation on the rehabilitation goals.

POSITION PAPER/Department of Health & Social Services

The Department does not support adding these additional services to Medicaid. Psychological services are already available under Medicaid if provided as inpatient hospital services, through a community mental health clinic, or by a physician. Addition of psychological and social worker services is not recommended as the FY85 added costs are expected to be \$679.3 of which \$339.6 is State funds.

Recommended By:

Rod Betit
Rod Betit, Director
Division of Medical Assistance

Date:

4/12/84

Approved By:

Robert London Smith
Robert London Smith, Ph.D.
Commissioner
Department of Health & Social
Services

Date:

4/17/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Includes both chiropractic
and CORF services as
proposed in bill.

Revision Date: _____

REQUEST

Bill/Resolution No.: CS93 510
Title: "An Act relating to the pro-
vision of chiropractic & CORF services
sponsor: _____
Requestor: House & Labor & Commerce Committee
Date of Request: 4/10/84

FISCAL DETAIL

Agency Affected: DHSS - DMA
Program Category Affected: Medicaid
BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		44.0	25.9	28.0	30.2	32.6
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		809.3	1117.9	1206.5	1302.2	1405.5
800 MISCELLANEOUS						
TOTAL OPERATING		853.3	1143.8	1234.5	1332.4	1438.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		426.6	571.9	617.2	666.2	719.0
FEDERAL FUNDS		426.7	571.9	617.3	666.2	719.1
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

See Attached

ANALYSIS: Attach a separate page for analysis

Prepared By: Jeffrey Hubbard
Division: Medical Assistance

Phone: 465-3355
Date: 4/12/84

Approved by Commissioner: Robert Gordon Smith
Agency: Department of Health & Social Services

Date: 4/17/84

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

Cost Analysis
CORF Services

	<u>FY85</u>	<u>FY86</u>
A. # of Total Annual Recipients (FY83)	2058	10,516
B. # of Recipients Needing Rehabilitation	253 Annually	368 Annually
C. Psych Evaluation (\$172 per evaluation C = \$172 (b)) Limit Once Annually	\$43,516	\$63,296
D. Social Work (80% of B for 30 Hours annually at \$72/hour or 2160 per recipient)	\$437,184	\$635,040
E. Psychology Services (50% (b) for 15 hours annually at \$92/hr or \$1,380 per recipient)	<u>\$174,570</u>	<u>\$253,920</u>
Subtotal	\$655,270	\$952,256
F. FY85 our Admin with B recipients at \$2.80 per claim and 5.7 claims/recipient	<u>\$4,037</u>	<u>\$5,873</u>
Yearly Cost	\$659,307	\$958,129
G. Enrollment, AMPS Modification for MARS, SURS and PBA	<u>\$20,000</u>	<u>\$20,000</u>
Total Operating	\$679,307	\$978,129
FY85 General Fund 50%	\$349,304	\$489,064
Federal 50%	\$349,304	\$489,065

The chief impact of this bill would be a) the expansion of providers who can be reimbursed by Medicaid for psychological services; and b) the inclusion of social services as a covered service in an outpatient clinic; and c) the increase in administrative costs for surveillance and utilization review.

FY85 costs were computed by estimating the cost of psychological and social services rendered at Alaska Treatment Center, which is the only certified CORF, for all medicaid recipients treated there (253 recipients). Psychological services consist of a 2 hour evaluation for all recipients followed by an average of 15 hours of therapy for 50% of the recipients. Social services are budgeted for 80% of the recipients for an average of 30 hours per recipient.

While Alaska currently has only one CORF, in FY86 it is expected the number of CORF's will be expanded. Especially given the proposed expansion by Humana and Providence Hospitals of inpatient rehabilitation beds of 15 each. These two facilities handle significant numbers of medicaid patients and referrals from all around the State. It is estimated that 3.5% would make use of the "new" CORF services.

Cost Analysis for Chiropractic Services

Contractual

Chiropractors will need to be added to the Alaska Medical Payments System (AMPS). The contractual costs include the following: provider manuals, training, a new claims form, tables included in the system for chiropractic services, computer programming, computer reports, the addition of collocation codes, the provision of notice to providers, provider relations, and a computer system test.

Grants/Claims

These figures were adjusted by an inflation factor of 7.5%. This is the average percent increase experienced during the past two years in chiropractic services. These costs are for only manual manipulation of the spine and the x-rays necessary for diagnosis. Again, these are the only chiropractic services for which federal reimbursement is available. The federal match for Medicaid is 50%.

We did not develop a fiscal note for the full range of chiropractic services included in SB 510. We used the following formula to develop our cost estimates:

$$\left(\frac{\# \text{Recipients}}{\text{Month}} \times \frac{\# \text{Services}}{\text{Month}} \times \frac{\text{Cost/Service}}{\text{Month}} + \frac{\# \text{Recipients}}{\text{mth}} \times \frac{\# \text{X-Rays}}{\text{Month}} \times \frac{\text{Cost/X-Ray}}{\text{Month}} \right) \times 12 \text{mths}$$
$$[50 \times \$30 \times 2] + [\$65 \times 50 \times 3] \times 12 = \$154.0 + 1 \text{ time Administrative Cost } \$20 = \$174.00$$

Assumption #1:

Alaska's ratio of recipients to eligibles is similar to the ratio of recipients to eligibles in Idaho.

Idaho averaged 75 chiropractic recipients and 30,000 eligibles per month. Therefore we would average 50 chiropractic recipients out of 20,000 eligibles per month.

Assumption #2:

Services would be limited to 2 visits per month per recipient.

Assumption #3:

X-rays would be limited to three x-rays per month per recipient.

Assumption #4:

Manual manipulation of the spine costs \$30. An x-ray costs \$65.55.

Position Paper
CSSB No. 510

"An act relating to provision of services under the Medical Assistance program."

I. Background

This bill would modify the Medicaid program to 1) add chiropractic services and 2) expand reimbursable services offered by a Comprehensive Outpatient Rehabilitative Facility (CORF). (A 1984 Attorney General's opinion stated CORF could participate in Medicaid for those services already added by the Legislature.)

II. Need for Chiropractic Services

Currently, 29 states recognize the value of chiropractic services by including them in their Medicaid program. In addition, the major private insurance programs also include chiropractic coverage. Generally, chiropractors and advocates of their services contend that chiropractic services are an alternative to other, potentially more costly medical treatments.

The chiropractic services should be limited to the two services for which we can claim federal financial participation. Specifically, these are manual manipulation of the spine and the x-rays necessary for this treatment. The Department would support this addition to the Medicaid program with this limited definition. Added FY85 costs is anticipated to be \$174.0 of which \$87.0 is State funds.

III. Need for Comprehensive Outpatient Rehabilitation Facility Services

Alaska's Medicaid program already provides coverage for most of the 13 services that can be provided by a CORF. Services covered include physician services, physical therapy, occupational therapy, prosthetic devices, orthotic devices and nursing care.

The services that are not currently covered but which would be added under this bill are:

1. Social services performed by a social worker with a B.A. who has had one year of experience in a health care setting.
2. Psychological services performed by a psychologist with a master's degree.
3. Drugs and biologicals which are currently reimbursed under the General Relief Medical Assistance Program.
4. Home environment evaluations for the purpose of assessing the potential impact of the home situation on the rehabilitation goals.

POSITION PAPER/Department of Health & Social Services

The Department does not support adding these additional services to Medicaid. Psychological services are already available under Medicaid if provided as inpatient hospital services, through a community mental health clinic, or by a physician. Addition of psychological and social worker services is not recommended as the FY85 added costs are expected to be \$679.3 of which \$339.6 is State funds.

Recommended By: _____

Rod Betit
Rod Betit, Director
Division of Medical Assistance

Date: _____

4/12/84

Approved By: _____

Robert London Smith
Robert London Smith, Ph.D.
Commissioner
Department of Health & Social
Services

Date: _____

4/17/84

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

2/28/84

Date

April 18
March 21, 1984

Mr. President

The Committee on HESS considered SB 510

provision of chiropractic services under the medicaid program.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 510 HESS
- new title
- same title and recommends do pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Paul Fink
Tommy Wilson
Rick Halford

Joe Gresham
 Chairman
Do Pass
 Chairman recommendation

COMMITTEE REPORT

SENATE

3/12/84

FURTHER:

Date 3/23/84

Mr. President

The Committee on FINANCE considered SB 519

relating to state support for education, et al.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title _____
- same title and recommend _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING

DO PASS

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

MEMBERS HAVING

OTHER RECOMMENDATIONS

[Signature]
Chairman

Chairman recommendation

T.D. Accompanied
12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: March 9, 1984

REQUEST

Bill/Resolution No.: SB 519
 Title: Act relating to State support for education
 Sponsor: Finance
 Requestor: Senate HESS
 Date of Request: 3/9/84

FISCAL DETAIL

Agency Affected: Education
 Program Category Affected: Education
 BRU, Program or Subprogram(s) Affected: K-12 Support

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Failure to amend Chapter 82, SLA 83 could result in an increase necessary to fully fund K-12 Support.

ANALYSIS: Attach a separate page for analysis

Prepared By: Alison M. Elgee *Alison M. Elgee* Phone: 465-2800
 Division: Education Date: 3/9/84
 Approved by Commissioner: Harold Reynolds *Harold Reynolds* Date: 3/9/84
 Agency: Education

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Introduced: 3/5/84
Referred: Health, Education and
Social Services and
Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 519

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to state support for education; and
7 providing for an effective date."

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

9 * Section 1. Section 5, ch. 82, SLA 1983 is amended to read:

10 Sec. 5. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,
11 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056,
12 14.17.-082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of
13 14.17.170 that requires the withholding of one-half of the June pay-
14 ment of state aid pending a final determination of each school dis-
15 trict's state aid is suspended from July 1, 1983, through June 30,
16 1985 [1984]. During the period of suspension, the provisions of
17 AS 14.17.031(d) remain in effect except that the number of students in
18 average daily membership in each school district shall be used instead
19 of instructional units to calculate reductions in state aid. During
20 the period of suspension, funding for the basic state aid and supple-
21 mental equalization aid that otherwise would have been provided under
22 the provisions of AS 14.17.021(a), 14.17.022, and 14.17.023 shall be
23 provided to school districts and for centralized correspondence study
24 in accordance with the provisions of sec. 6 of this Act.

25 * Sec. 2. Section 10, ch. 82, SLA 1983 is amended to read:

26 Sec. 10. The commissioner of education shall recommend to the
27 legislature a method of revising and improving the public school
28 foundation program no later than January 9, 1984. If the commissioner
29 of education has not made recommendations to the legislature by

1 January 9, 1984, [THE PROVISIONS OF AS 14.17 NOTWITHSTANDING,] the
2 amount of [BASIC] state aid to each school district and regional
3 educational attendance area under the public school foundation program
4 [AS CALCULATED BY FISCAL YEAR 1984 REVISED AVERAGE DAILY MEMBERSHIP
5 CALCULATIONS,] beginning in fiscal year 1985, shall be the amount set
6 out in sec. 6 of this Act, multiplied by the average daily membership
7 reported by the district under AS 14.17.170 for fiscal year 1984,
8 adjusted and identified in January 1984 to reflect the changes in the
9 Consumer Price Index for all Urban Consumers for the Anchorage Metro-
10 politan Area compiled by the Bureau of Labor Statistics, United States
11 Department of Labor in January 1984, for the preceding twelve-month
12 period. The state aid for fiscal year 1985 shall also be adjusted to
13 reflect the revised average daily membership reported by the district
14 under AS 14.17.170 for fiscal year 1985. The index for January 1983
15 is the reference base index.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).



Senator Vic Fischer

Alaska State Legislature
1024 W. 6th Avenue, Suite 204C
Anchorage, Alaska 99501 (907) 278-3654
During Session • Pouch V • Juneau, Alaska 99811 (907) 465-4954

3/23/84

MEMORANDUM

TO: Members, Senate Finance Committee
FROM: Sen. Vic Fischer *V.F.*
RE: SB 519 - State support for education

The purpose of this bill, sponsored by the Committee, is to extend the suspension of the school foundation formula for a second year.

The Department of Education is working on a major rewrite of the school foundation formula. Last year the Legislature suspended the old formula and set up an interim support schedule. The interim support schedule was established with an expiration date of June 30, 1985, but the suspension was only effective until June 30, 1984. This housekeeping measure is needed to continue the suspension and avoid exposure to increased costs under the old formula of approximately \$20-25 million.

(Information from: Alison Elgee, Special Assistant to DOE Commissioner)

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

3/5/84

Date March 9, 1984

Mr. President

The Committee on HESS considered SB 519

~~relating to~~ state support for education; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation zero
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

1
Peggy Man

2
Rick Helstad No Rec

1
Jo Joseph
Chairman
Do Pass
Chairman recommendation

CONFERENCE COMMITTEE REPORT

5/28/84

Date

Mr. President:
Mr. Speaker:

The CONFERENCE COMMITTEE with limited powers of Free Conference considered SENATE BILL NO. 519 and HOUSE OF REPRESENTATIVES BILL NO. 519 (Title) (state support for education; and) and recommends that:

CONFERENCE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 519 (An Act relating to state support for education; and providing for an effective date.)

Be adopted.

[Handwritten signature]
Secretary Senate
[Handwritten signature]
Member Vice President

[Handwritten signature]
Secretary House
[Handwritten signature]
Member Vice President

Levy
5/26/84 ✓

Original sponsor: Finance Committee

1 IN THE SENATE

BY THE CONFERENCE COMMITTEE

2 CONFERENCE CS FOR SENATE BILL NO. 519

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state support for education; and
7 providing for an effective date."

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

9 * Section 1. Section 5, ch. 82, SLA 1983 is amended to read:

10 Sec. 5. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,
11 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056,
12 14.17.082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of
13 14.17.170 that requires the withholding of one-half of the June pay-
14 ment of state aid pending a final determination of each school dis-
15 trict's state aid is suspended from July 1, 1983, through June 30,
16 1985 [1984]. During the period of suspension, the provisions of
17 AS 14.17.031(d) remain in effect except that the number of students in
18 average daily membership in each school district shall be used instead
19 of instructional units to calculate reductions in state aid. During
20 the period of suspension, funding for the basic state aid and supple-
21 mental equalization aid that otherwise would have been provided under
22 the provisions of AS 14.17.021(a), 14.17.022, and 14.17.023 shall be
23 provided to school districts and for centralized correspondence study
24 in accordance with the provisions of sec. 6 of this Act.

25 * Sec. 2. Section 10, ch. 82, SLA 1983 is amended to read:

26 Sec. 10. The commissioner of education shall recommend to the
27 legislature a method of revising and improving the public school
28 foundation program no later than January 9, 1984. If the commissioner
29 of education has not made recommendations to the legislature by

1 January 9, 1984, [THE PROVISIONS OF AS 14.17 NOTWITHSTANDING,] the
2 amount of [BASIC] state aid to each school district and regional
3 educational attendance area under the public school foundation program
4 [AS CALCULATED BY FISCAL YEAR 1984 REVISED AVERAGE DAILY MEMBERSHIP
5 CALCULATIONS,] beginning in fiscal year 1985, shall be the amount set
6 out in sec. 6 of this Act, multiplied by the average daily membership
7 reported by the district under AS 14.17.170 for fiscal year 1984, with
8 a cost-of-living adjustment of four percent. The state aid for fiscal
9 year 1985 shall also be adjusted to reflect the revised average daily
10 membership reported by the district under AS 14.17.170 for fiscal year
11 1985 [ADJUSTED AND IDENTIFIED IN JANUARY 1984 TO REFLECT THE CHANGES
12 IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE ANCHORAGE
13 METROPOLITAN AREA COMPILED BY THE BUREAU OF LABOR STATISTICS, UNITED
14 STATES DEPARTMENT OF LABOR IN JANUARY 1984, FOR THE PRECEDING
15 TWELVE-MONTH PERIOD. THE INDEX FOR JANUARY 1983 IS THE REFERENCE BASE
16 INDEX].

17 * Sec. 3. If the appropriations for state aid to school districts are
18 insufficient to meet the allocations authorized under this Act for fiscal
19 year 1985, the available funds shall be distributed on a pro rata basis
20 among school districts.

21 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).
23
24
25
26
27
28
29

May 26, 1984

Honorable Jalmar Kerdtula
President
Alaska State Senate
Juneau, Alaska

Honorable Joe Hayes
Speaker
House of Representatives
Juneau, Alaska

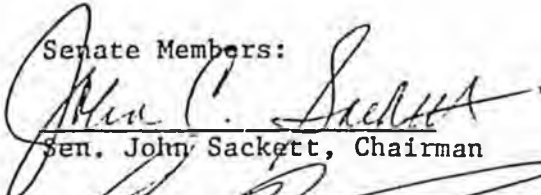
Dear Mr. President and Mr. Speaker:

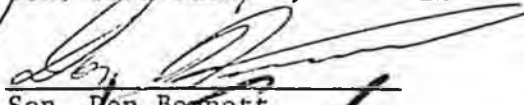
The Conference Committee considering SENATE BILL 519 ("An Act relating to state support for education; and providing for an effective date.") and HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL 519 (FINANCE) ("An Act relating to state support for education; and providing for an effective date."), respectfully requests limited powers of free conference on the following two points.

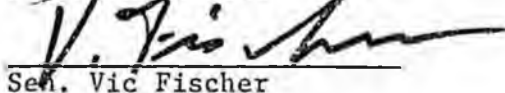
1) To amend Section 2 to provide for a cost-of-living adjustment consistent with funding approved for the education foundation program by the Conference Committee on House Bill 511; and

2) To add a new section which will allow the Department of Education to pro rate payments under the foundation program in the event that funds are insufficient to meet allocations authorized under Senate Bill 519.

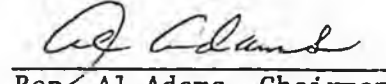
Senate Members:


Sen. John Sackett, Chairman

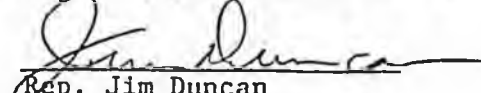

Sen. Don Bennett


Sen. Vic Fischer

House Members:


Rep. Al Adams, Chairman


Rep. Bob Bettisworth


Rep. Jim Duncan

Offered: 4/30/84
Referred: Rules

Original sponsor: Finance Committee

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR SENATE BILL NO. 519 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state support for education; and
7 providing for an effective date."

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

9 * Section 1. Section 5, ch. 82, SLA 1983 is amended to read:

10 Sec. 5. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,
11 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056,
12 14.17.-082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of
13 14.17.170 that requires the withholding of one-half of the June pay-
14 ment of state aid pending a final determination of each school dis-
15 trict's state aid is suspended from July 1, 1983, through June 30,
16 1985 [1984]. During the period of suspension, the provisions of
17 AS 14.17.031(d) remain in effect except that the number of students in
18 average daily membership in each school district shall be used instead
19 of instructional units to calculate reductions in state aid. During
20 the period of suspension, funding for the basic state aid and supple-
21 mental equalization aid that otherwise would have been provided under
22 the provisions of AS 14.17.021(a), 14.17.022, and 14.17.023 shall be
23 provided to school districts and for centralized correspondence study
24 in accordance with the provisions of sec. 6 of this Act.

25 * Sec. 2. Section 10, ch. 82, SLA 1983 is amended to read:

26 Sec. 10. The commissioner of education shall recommend to the
27 legislature a method of revising and improving the public school
28 foundation program no later than January 9, 1984. If the commissioner
29 of education has not made recommendations to the legislature by

1 January 9, 1984, [THE PROVISIONS OF AS 14.17 NOTWITHSTANDING,] the
2 amount of [BASIC] state aid to each school district and regional
3 educational attendance area under the public school foundation program
4 [AS CALCULATED BY FISCAL YEAR 1984 REVISED AVERAGE DAILY MEMBERSHIP
5 CALCULATIONS,] beginning in fiscal year 1985, shall be the amount set
6 out in sec. 6 of this Act, multiplied by the average daily membership
7 reported by the district under AS 14.17.170 for fiscal year 1984, with
8 a cost-of-living adjustment of four percent. The state aid for fiscal
9 year 1985 shall also be adjusted to reflect the revised average daily
10 membership reported by the district under AS 14.17.170 for fiscal year
11 1985 [ADJUSTED AND IDENTIFIED IN JANUARY 1984 TO REFLECT THE CHANGES
12 IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE ANCHORAGE
13 METROPOLITAN AREA COMPILED BY THE BUREAU OF LABOR STATISTICS, UNITED
14 STATES DEPARTMENT OF LABOR IN JANUARY 1984, FOR THE PRECEDING
15 TWELVE-MONTH PERIOD. THE INDEX FOR JANUARY 1983 IS THE REFERENCE BASE
16 INDEX].

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

May 26, 1984

Honorable Jalmar Kerttula
President
Alaska State Senate
Juneau, Alaska

Honorable Joe Hayes
Speaker
House of Representatives
Juneau, Alaska

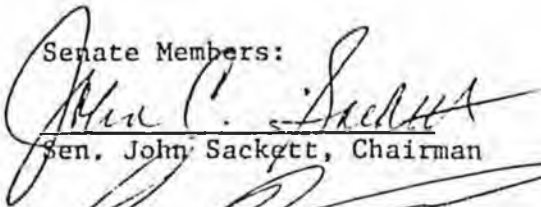
Dear Mr. President and Mr. Speaker:

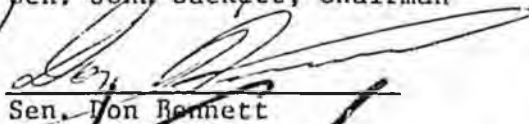
The Conference Committee considering SENATE BILL 519 ("An Act relating to state support for education; and providing for an effective date.") and HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL 519 (FINANCE) ("An Act relating to state support for education; and providing for an effective date."), respectfully requests limited powers of free conference on the following two points.

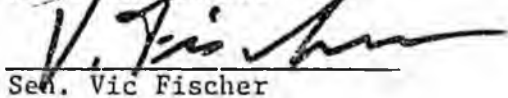
1) To amend Section 2 to provide for a cost-of-living adjustment consistent with funding approved for the education foundation program by the Conference Committee on House Bill 511; and

2) To add a new section which will allow the Department of Education to pro rate payments under the foundation program in the event that funds are insufficient to meet allocations authorized under Senate Bill 519.

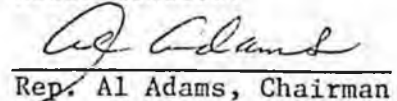
Senate Members:



Sen. John Sackett, Chairman

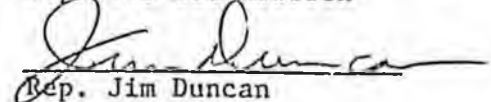

Sen. Don Bennett


Sen. Vic Fischer

House Members:


Rep. Al Adams, Chairman


Rep. Bob Bettisworth


Rep. Jim Duncan

Introduced: 3/5/84
Referred: Health, Education and
Social Services and
Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 519

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to state support for education; and
7 providing for an effective date."

7

8

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

9

* Section 1. Section 5, ch. 82, SLA 1983 is amended to read:

10

Sec. 5. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,

11

14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056,

12

14.17.-082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of

13

14.17.170 that requires the withholding of one-half of the June pay-

14

ment of state aid pending a final determination of each school dis-

15

trict's state aid is suspended from July 1, 1983, through June 30,

16

1985 [1984]. During the period of suspension, the provisions of

17

AS 14.17.031(d) remain in effect except that the number of students in

18

average daily membership in each school district shall be used instead

19

of instructional units to calculate reductions in state aid. During

20

the period of suspension, funding for the basic state aid and supple-

21

mental equalization aid that otherwise would have been provided under

22

the provisions of AS 14.17.021(a), 14.17.022, and 14.17.023 shall be

23

provided to school districts and for centralized correspondence study

24

in accordance with the provisions of sec. 6 of this Act.

25

* Sec. 2. Section 10, ch. 82, SLA 1983 is amended to read:

26

Sec. 10. The commissioner of education shall recommend to the

27

legislature a method of revising and improving the public school

28

foundation program no later than January 9, 1984. If the commissioner

29

of education has not made recommendations to the legislature by

1 January 9, 1984, [THE PROVISIONS OF AS 14.17 NOTWITHSTANDING,] the
2 amount of [BASIC] state aid to each school district and regional
3 educational attendance area under the public school foundation program
4 [AS CALCULATED BY FISCAL YEAR 1984 REVISED AVERAGE DAILY MEMBERSHIP
5 CALCULATIONS,] beginning in fiscal year 1985, shall be the amount set
6 out in sec. 6 of this Act, multiplied by the average daily membership
7 reported by the district under AS 14.17.170 for fiscal year 1984,
8 adjusted and identified in January 1984 to reflect the changes in the
9 Consumer Price Index for all Urban Consumers for the Anchorage Metro-
10 politan Area compiled by the Bureau of Labor Statistics, United States
11 Department of Labor in January 1984, for the preceding twelve-month
12 period. The state aid for fiscal year 1985 shall also be adjusted to
13 reflect the revised average daily membership reported by the district
14 under AS 14.17.170 for fiscal year 1985. The index for January 1983
15 is the reference base index.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

Date: 4-30-84

The Committee on FINANCE has had SB 519

"An Act relating to state support for education; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SB 519 same title
 new title
- and recommends do not pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Albert J. Cohen

John J. ...

...

...

...

...

...

...

...

MEMBERS HAVING
OTHER RECOMMENDATIONS:

...

...

...

...

...

Albert J. Cohen
CHAIRMAN

Original sponsor: Finance Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 519 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state support for education; and
7 providing for an effective date."

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

9 * Section 1. Section 5, ch. 82, SLA 1983 is amended to read:

10 Sec. 5. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,
11 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056,
12 14.17.082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of
13 14.17.170 that requires the withholding of one-half of the June pay-
14 ment of state aid pending a final determination of each school dis-
15 trict's state aid is suspended from July 1, 1983, through June 30,
16 1985 [1984]. During the period of suspension, the provisions of
17 AS 14.17.031(d) remain in effect except that the number of students in
18 average daily membership in each school district shall be used instead
19 of instructional units to calculate reductions in state aid. During
20 the period of suspension, funding for the basic state aid and supple-
21 mental equalization aid that otherwise would have been provided under
22 the provisions of AS 14.17.021(a), 14.17.022, and 14.17.023 shall be
23 provided to school districts and for centralized correspondence study
24 in accordance with the provisions of sec. 6 of this Act.

25 * Sec. 2. Section 10, ch. 82, SLA 1983 is amended to read:

26 Sec. 10. The commissioner of education shall recommend to the
27 legislature a method of revising and improving the public school
28 foundation program no later than January 9, 1984. If the commissioner
29 of education has not made recommendations to the legislature by

1 January 9, 1984, [THE PROVISIONS OF AS 14.17 NOTWITHSTANDING,] the
2 amount of [BASIC] state aid to each school district and regional
3 educational attendance area under the public school foundation program
4 [AS CALCULATED BY FISCAL YEAR 1984 REVISED AVERAGE DAILY MEMBERSHIP
5 CALCULATIONS,] beginning in fiscal year 1985, shall be the amount set
6 out in sec. 6 of this Act, multiplied by the average daily membership
7 reported by the district under AS 14.17.170 for fiscal year 1984, with
8 a cost-of-living adjustment of four percent. The state aid for fiscal
9 year 1985 shall also be adjusted to reflect the revised average daily
10 membership reported by the district under AS 14.17.170 for fiscal year
11 1985 [ADJUSTED AND IDENTIFIED IN JANUARY 1984 TO REFLECT THE CHANGES
12 IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE ANCHORAGE
13 METROPOLITAN AREA COMPILED BY THE BUREAU OF LABOR STATISTICS, UNITED
14 STATES DEPARTMENT OF LABOR IN JANUARY 1984, FOR THE PRECEDING
15 TWELVE-MONTH PERIOD. THE INDEX FOR JANUARY 1983 IS THE REFERENCE BASE
16 INDEX].

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).
19
20
21
22
23
24
25
26
27
28
29

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST

Bill/Resolution No. HB SB 519 (FIN)
 Title: Act relating to State support for education
 Sponsor: Finance
 Requestor: Senate HESS
 Date of Request: 3/9/84

FISCAL DETAIL

Agency Affected: Education
 Program Category Affected: Education
 BRU, Program or Subprogram(s) Affected: K-12 Support

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Failure to amend Chapter 82, SLA 83 could result in an increase necessary to fully fund K-12 Support.

ANALYSIS: Attach a separate page for analysis

Prepared By: Alison M. Elgee *Alison M. Elgee* Phone: 465-2800
 Division: Education Date: 3/9/84

Approved by Commissioner: Harold Reynolds *Harold Reynolds* Date: 3/9/84
 Agency: Education

Distribution (by Agency preparing fiscal note):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

12/1/83

Levy
4/27/84 ✓

Original sponsor: Finance Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 519 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state support for education; and
7 providing for an effective date."

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

9 * Section 1. Section 5, ch. 82, SLA 1983 is amended to read:

10 Sec. 5. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,
11 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056,
12 14.17.082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of
13 14.17.170 that requires the withholding of one-half of the June pay-
14 ment of state aid pending a final determination of each school dis-
15 trict's state aid is suspended from July 1, 1983, through June 30,
16 1985 [1984]. During the period of suspension, the provisions of
17 AS 14.17.031(d) remain in effect except that the number of students in
18 average daily membership in each school district shall be used instea
19 of instructional units to calculate reductions in state aid. During
20 the period of suspension, funding for the basic state aid and supple-
21 mental equalization aid that otherwise would have been provided under
22 the provisions of AS 14.17.021(a), 14.17.022, and 14.17.023 shall be
23 provided to school districts and for centralized correspondence study
24 in accordance with the provisions of sec. 6 of this Act.

25 * Sec. 2. Section 10, ch. 82, SLA 1983 is amended to read:

26 Sec. 10. The commissioner of education shall recommend to the
27 legislature a method of revising and improving the public school
28 foundation program no later than January 9, 1984. If the commissioner
29 of education has not made recommendations to the legislature by

1 January 9, 1984, [THE PROVISIONS OF AS 14.17 NOTWITHSTANDING,] the
2 amount of [BASIC] state aid to each school district and regional
3 educational attendance area under the public school foundation program
4 [AS CALCULATED BY FISCAL YEAR 1984 REVISED AVERAGE DAILY MEMBERSHIP
5 CALCULATIONS,] beginning in fiscal year 1985, shall be the amount set
6 out in sec. 6 of this Act, multiplied by the average daily membership
7 reported by the district under AS 14.17.170 for fiscal year 1984, with
8 a cost-of-living adjustment of four percent. The state aid for fiscal
9 year 1985 shall also be adjusted to reflect the revised average daily
10 membership reported by the district under AS 14.17.170 for fiscal year
11 1985 [ADJUSTED AND IDENTIFIED IN JANUARY 1984 TO REFLECT THE CHANGES
12 IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE ANCHORAGE
13 METROPOLITAN AREA COMPILED BY THE BUREAU OF LABOR STATISTICS, UNITED
14 STATES DEPARTMENT OF LABOR IN JANUARY 1984, FOR THE PRECEDING
15 TWELVE-MONTH PERIOD. THE INDEX FOR JANUARY 1983 IS THE REFERENCE BASE
16 INDEX].

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).
19
20
21
22
23
24
25
26
27
28
29

Introduced: 3/5/84
Referred: Health, Education and
Social Services and
Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 519

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to state support for education; and
7 providing for an effective date."

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

9 * Section 1. Section 5, ch. 82, SLA 1983 is amended to read:

10 Sec. 5. The operation of AS 14.17.021(a), 14.17.022, 14.17.023,
11 14.17.031(a), (b), (c), and (e), 14.17.041, 14.17.051, 14.17.056,
12 14.17.-082, 14.17.160, 14.17.180, 14.17.225(b), and the provision of
13 14.17.170 that requires the withholding of one-half of the June pay-
14 ment of state aid pending a final determination of each school dis-
15 trict's state aid is suspended from July 1, 1983, through June 30,
16 1985 [1984]. During the period of suspension, the provisions of
17 AS 14.17.031(d) remain in effect except that the number of students in
18 average daily membership in each school district shall be used instead
19 of instructional units to calculate reductions in state aid. During
20 the period of suspension, funding for the basic state aid and supple-
21 mental equalization aid that otherwise would have been provided under
22 the provisions of AS 14.17.021(a), 14.17.022, and 14.17.023 shall be
23 provided to school districts and for centralized correspondence study
24 in accordance with the provisions of sec. 6 of this Act.

25 * Sec. 2. Section 10, ch. 82, SLA 1983 is amended to read:

26 Sec. 10. The commissioner of education shall recommend to the
27 legislature a method of revising and improving the public school
28 foundation program no later than January 9, 1984. If the commissioner
29 of education has not made recommendations to the legislature by

1 January 9, 1984, [THE PROVISIONS OF AS 14.17 NOTWITHSTANDING,] the
2 amount of [BASIC] state aid to each school district and regional
3 educational attendance area under the public school foundation program
4 [AS CALCULATED BY FISCAL YEAR 1984 REVISED AVERAGE DAILY MEMBERSHIP
5 CALCULATIONS,] beginning in fiscal year 1985, shall be the amount set
6 out in sec. 6 of this Act, multiplied by the average daily membership
7 reported by the district under AS 14.17.170 for fiscal year 1984,
8 adjusted and identified in January 1984 to reflect the changes in the
9 Consumer Price Index for all Urban Consumers for the Anchorage Metro-
10 politan Area compiled by the Bureau of Labor Statistics, United States
11 Department of Labor in January 1984, for the preceding twelve-month
12 period. The state aid for fiscal year 1985 shall also be adjusted to
13 reflect the revised average daily membership reported by the district
14 under AS 14.17.170 for fiscal year 1985. The index for January 1983
15 is the reference base index.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

COMMITTEE REPORT

SENATE

FURTHER FINANCE

3/5/84

Date May 7, 1984

Mr. President

The Committee on HESS considered SB 520

relating to the establishment of a statewide mental health rehabilitation center; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 520 (HESS)
- new title
- same title and recommends do pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Rich. Helms

V. J. ...

Jimmy ...

Paul ...

MEMBERS HAVING
OTHER RECOMMENDATIONS

Joe Josephson
Chairman

do Pass
Chairman recommendation

Offered: 5/10/84
Referred: Finance

Original sponsor: Resources Committee

1 IN THE SENATE
2
3 CS FOR SENATE BILL NO. 520 (HESS)
4 IN THE LEGISLATURE OF THE STATE OF ALASKA
5 THIRTEENTH LEGISLATURE - SECOND SESSION
6 A BILL
7 For an Act entitled: "An Act relating to the establishment of a state
8 mental health rehabilitation center; and providing
9 for an effective date."
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
11 * Section 1. FINDINGS. The legislature finds that children and adults
12 who suffer from chronic and debilitating psychiatric illness are among the
13 most underserved of all of the state's citizens. These persons are unable
14 to provide for their daily needs and require assistance to maintain them-
15 selves as functioning members of their communities. For some, acute and
16 crisis intervention services are needed. For others, long-term maintenance
17 care is required with on-going residential supervision and assistance,
18 including vocational rehabilitation, continuing education, special educa-
19 tion, psychotherapy, and opportunities for sheltered employment, in order
20 to participate as functioning members of society. The legislature further
21 finds that there is a need for an additional residential care facility to
22 serve the northern region of the state, community support system facilities
23 to provide comprehensive services to adolescents; and a long-term inpatient
24 facility designed specifically to meet the medical and educational needs of
25 young Alaskans. Therefore, the legislature finds that there is a need for
26 a comprehensive mental health rehabilitation center or a mix of facilities
27 to meet these needs. The facility or facilities shall be located in
28 Fairbanks.
29 * Sec. 2. POWERS AND DUTIES OF THE DEPARTMENT. (a) The Department of
Health and Social Services shall, in consultation with local mental health

1 providers, local hospitals, private citizen groups involved with mental
2 health and the Department of Education, develop a plan to design and
3 construct a facility or facilities to meet the mental health needs of state
4 residents.

5 (b) The Department of Health and Social Services shall consider in
6 its plan

7 (1) the provision of residential care and community-based
8 support programs for the chronically mentally ill adult population;

9 (2) the provision of residential care and community-based
10 comprehensive support programs to deal with adolescents who neither fit
11 into an inpatient psychiatric facility nor can be placed into a normal
12 educational facility; and

13 (3) the provision of acute and long-term inpatient psychiatric
14 care to address the state's lack of facilities for adolescents whose needs
15 cannot be met by private in-state institutions or by residential care
16 facilities and who are currently being sent outside of the state to receive
17 medical and educational attention.

18 (c) The Department of Health and Social Services shall investigate
19 the feasibility of privately-operated facilities and state-operated facili-
20 ties.

21 * Sec. 3. PURPOSE OF CENTER. The purpose of the mental health reha-
22 bilitation center is to provide residential, inpatient and outpatient,
23 psychotherapy, vocational rehabilitation, life skills training, and educa-
24 tional services to emotionally disabled persons in the state based upon
25 referrals from state and private referral agencies and school districts
26 throughout the state.

27 * Sec. 4. REPORT. The department shall submit a report to the legisla-
28 ture by the 10th day of the First Regular Session of the Fourteenth Alaska
29 State Legislature. The report shall include specific budget

1 recommendations to implement the plan developed under sec. 2 of this Act,
2 including capital and operational requirements.

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

Introduced: 3/5/84
Referred: Health, Education and
Social Services and
Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

SENATE BILL NO. 520

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the establishment of a statewide
7 mental health rehabilitation center; and providing
8 for an effective date."

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

10 * Section 1. FINDINGS. The Alaska State Legislature finds that both
11 children and adults who suffer from chronic and debilitating psychiatric
12 illness are among the most underserved of all of Alaska's citizens. Such
13 persons are unable to provide for their daily needs, and require assistance
14 to maintain themselves as functioning members of our communities. For
15 some, long-term maintenance care is required, with on-going residential
16 supervision and assistance including vocational rehabilitation, continuing
17 education, special education, psychotherapy, and opportunities for shel-
18 tered employment, in order to participate minimally as functioning members
19 of society. Therefore, the Alaska State Legislature finds that there is a
20 need for a statewide mental health rehabilitation center in Alaska.

21 * Sec. 2. AS 47 is amended by adding new sections to read:

22 ARTICLE 1. MENTAL HEALTH REHABILITATION CENTER.

23 47.30.010. POWERS AND DUTIES OF THE DEPARTMENT. The
24 department shall operate a statewide mental health rehabilitation
25 center and adopt regulations under the Administrative Procedure Act
26 (AS 44.62) necessary to carry out the purposes of this chapter.

27 47.30.020. STATEWIDE MENTAL HEALTH REHABILITATION CENTER.

28 There is created a statewide mental health rehabilitation center for
29 the emotionally disabled which shall operate as a state facility. The

1 mental health rehabilitation center shall be under the jurisdiction of
2 the commissioner of the department of health and social services, who
3 shall consult with the commissioner of the department of education
4 regarding the mental health rehabilitation center's educational
5 program.

6 47.30.025. PURPOSE. The purpose of the mental health
7 rehabilitation center is to provide residential psychotherapy, voca-
8 tional rehabilitation and educational services to emotionally disabled
9 children and adults from urban and rural areas of the state based upon
10 referrals from school districts and other referral agencies throughout
11 the state.

12 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
13 10.070(c).

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

MEMORANDUM

DATE: February 5, 1985

TO: Senator Jan Faiks, Co-Chairman
Senate Finance Committee

FROM: Liz Blecker, ^{SD}Fiscal Analyst
Legislative Finance Division

SUBJECT: Training and Building Fund Lapse Date

The Training and Building (T & B) Fund is governed by AS23.20.130. Revenue for the T & B Fund is from interest and penalties assessed against employers for unemployment insurance infractions. The legislature can make appropriations from the T & B Fund for administration of the unemployment insurance program, manpower training and job service related capital projects. By statute, at the end of the fiscal year, any balance remaining in the T & B Fund over \$100,000 is transferred to the Unemployment Insurance (UI) Trust Fund. The UI Trust Fund is the source of revenue for unemployment insurance payments and is not reflected in the State budget.

Last year in SB525, the lapse date on the T & B Fund was changed from the last day of the fiscal year to the 30th day following the last day of the fiscal year. The change made revenues from the previous fiscal year available for current fiscal year expenditures.

Example T & B Fund

Beginning FY84 Balance	\$ 100,000
FY84 Revenues	1,140,405
FY84 Appropriations/Expenditures	(517,700)
Ending FY84 Balance	<u>722,705</u>

Before the law change, \$622,705 (\$722,705-\$100,000) would have been transferred to the UI Trust Fund and the beginning balance in the T & B Fund would have been \$100,000.

With the change in lapse date, the beginning FY85 balance for the T & B Fund was \$722,705. The legislature appropriated \$1,050,800 from the T & B Fund for FY85. On the 30th day following the end of the fiscal year, the fund balance was approximately \$722,705, but the FY85 appropriation was shown as an obligation against the T & B Fund. Therefore the T & B Fund did not have a positive balance and no money was transferred to the UI Trust Fund.

(Training and Building Fund Lapse Date cont)

Impact

The change in lapse date increased the amount of revenue available for appropriation from T & B Fund. Before the change, only \$100,000 plus any revenue received in FY85 would have been in the T & B Fund. After the change, the T & B Fund had the prior year balance plus any revenue received in FY85.

The change in lapse date had a negative impact on the UI Trust Fund, because the balance from the T & B Fund did not lapse into the fund. Although the loss of \$622,705 would be negligible on the overall operation of the UI Trust Fund, the funds would have provided interest income to the fund and possibly lower employer UI taxes in the event that the UI Trust Fund balance slipped below a certain point.

Attached is the page from the sectional analysis provided by the Department of Labor explaining the impact of SB525. The Department labeled the lapse date change as a "housekeeping" amendment to solve an "accounting" problem. The Department did not provide a fiscal note showing the impact on the T & B Fund, because technically, the change did not affect how revenues were generated to the T & B Fund. However without the lapse date change, the FY85 revenues for the T & B Fund would not have been sufficient to cover the FY85 appropriations.

cc Labor Subcommittee Members

Section 1. This is a "housekeeping" amendment which would make a technical change to the training and building fund provision so that unobligated money in the training and building fund could be held an additional 30 days past the end of the fiscal year. The law currently requires that any unobligated money over \$100,000 in the training and building fund must lapse to the unemployment trust fund on the last day of the fiscal year. This money is obligated in appropriations bills prior to the end of the fiscal year, but the bills are often not signed until after the end of the fiscal year. The money is therefore not technically obligated until after the money has already lapsed back to the unemployment trust fund. The proposed amendment solves this "accounting" problem by holding the money in the training and building fund until the appropriation is signed. *

Sections 2 and 3. The Tax Equity and Fiscal Responsibility Act of 1982 (Public Law 97-248) amended the Federal Unemployment Tax Act (FUTA) to increase the gross FUTA tax on employers from 3.5 percent to 6.2 percent. It also increased the additional credit against the FUTA tax for contributions to a state unemployment fund from 2.7 percent to 5.4 percent. These amendments are effective January 1, 1985. Because of the language of the FUTA, all employers in the state cannot be guaranteed the full FUTA credit of 5.4 percent unless the state law includes a maximum (standard) state tax rate of at least 5.4 percent.

Section 2 of the bill amends AS 23.20.170 to enact a standard rate of 5.4 percent. Rates below 5.4 percent would continue to be granted under AS 23.20.290.

Section 3 of the bill amends AS 23.20.290 by adding a 21st rate class comprised of employers with the highest quarterly decline quotients whose cumulative pay roll is .01 percent of the total payroll in the state. This small minority of employers would receive a rate not less than 5.4 percent. The FUTA requires that the 5.4 percent rate be actually assessed at least one employer in the state, in order for all employers in the state to be guaranteed the maximum additional FUTA credit of 5.4 percent. This amendment meets the requirements of the FUTA with the least distortion to the present rate structure.

Section 4. This section amends the benefit schedule in AS 23.20.350(d) to provide a maximum UI weekly benefit amount of \$198, not counting dependents allowance. This increase will provide approximately two-thirds of claimants with replacement of 50 percent of their average weekly wages. Federal benefit adequacy guidelines suggest that a state's benefit schedule should provide 50 percent wage replacement for at least 80 percent of claimants. However, Alaska's liberal eligibility provisions make application of the federal guidelines too costly. The benefit schedule was amended in 1980 to provide a maximum weekly benefit of \$150. This schedule did replace 50 percent of wages for approximately two-thirds of claimants, but wage inflation since 1980 has steadily eroded this level of wage replacement. Although a small increase of \$6 was approved in 1982, only about 56 percent of claimants receive 50 percent wage replacement under the current schedule. The proposed schedule would increase costs to the trust fund by about 14 percent.

Sections 5 and 6. These two sections would change the requirements for the receipt of dependents allowance. The amendments do not change the amount of the allowance.

Original sponsor: Labor and Commerce
Committee

4/27 VERSION

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 525 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to unemployment insurance; and
7 providing for an effective date."

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

9 * Section 1. AS 23.20.130(d) is amended to read:

10 (d) The training and building fund consists of all interest and
11 penalties collected under AS 23.20.185, 23.20.190, and 23.20.195 and
12 all sums recovered on official bond for losses sustained by the fund.
13 Training and building fund money shall be deposited in the clearing
14 account of the unemployment compensation fund for clearance only, and
15 does not become a part of the fund. The unobligated amount in the
16 training and building fund in excess of \$100,000 on the close of
17 business of the 30th day following the last day of each fiscal year
18 shall be transferred within 20 days to this state's account in the
19 unemployment trust fund. The fund shall be included in the budget
20 submitted to the legislature under the Executive Budget Act (AS 37.-
21 07). Funds available in the training and building fund shall be
22 expended upon the direction of the department, with the approval of
23 the governor, when it appears to the governor [HIM] that the expendi-
24 ture is necessary for but not limited to

25 (1) the proper administration of this chapter if no federal
26 funds are available for the specific purpose for which the expenditure
27 is to be made, and if the funds are not substituted for appropriations

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

5/16/84

Date: 5-25-84

The Committee on FINANCE has had CSHB 325 (16)

"An Act relating to unemployment insurance; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^HCS for CSHB 325 (16) same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]
CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

11-25-84

Revisor: Date: _____

No. 1

REQUEST HCS (CFIN) FISCAL DETAIL
 Bill/Resolution No.: CSSB 525 (L25) Agency Affected: Labor
 Title: "An Act relating to Unemployment Insurance" Program Category Affected: Social Services
 Sponsor: Senate Labor/Commerce BRU, Program or Subprogram(s) Affected:
 Requestor: House Labor & Commerce Employment Security, Unemployment
 Date of Request: May 14, 1984 Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		5.0				
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	5.0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
GENERAL FUND						
FEDERAL FUNDS		5.0				
OTHER						
TOTAL	0	5.0	0	0	0	0

POSITIONS:

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Federal funds will be requested to fund reprogramming of automated programs.
 [125 hours x \$40 per hour.]

ANALYSIS: Attach a separate page for analysis

Prepared By: John W. Shay, Jr. Phone: 455-2712
 Division: Employment Security Division Date: 5/14/84
 Approved by Commissioner: Robert W. Jordan
Jim Robison Date: 5/14/84
 Agency: Labor

LEG:A:5
 Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

No. 2, Page 1 of 2 Revision Date: _____

REQUEST HCS for (FIP) FISCAL DETAIL
 Bill/Resolution No.: CSSB 525 (135) Agency Affected: All
 Title: "An Act relating to Unemployment Insurance" Program Category Affected: All
 Sponsor: Senate Labor/Commerce BRU, Program or Subprogram(s) Affected:
 Requestor: House Labor & Commerce All
 Date of Request: May 14, 1984

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		169.1	463.3	518.6	522.4	526.6
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		169.1	463.3	518.6	522.4	526.6
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		126.8	347.5	389.0	391.8	395.0
FEDERAL FUNDS		11.8	32.4	36.3	36.6	36.9
OTHER		30.5	83.4	93.3	94.0	94.7
TOTAL		169.1	463.3	518.6	522.4	526.6

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Personal Service benefits would increase for all agencies based on the projected increase in unemployment insurance paid to ex-state employees and seasonal employees.

ANALYSIS: Attach a separate page for analysis

Prepared By: John W. Shay, Jr. Phone: 465-2712
 Division: Employment Security Division Date: 5/11/84
 Approved by Commissioner: Robert W. Jordan Date: 5/11/84
 Agency: Labor Jim Robison

LEG:A:4
 Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

12/1/83

FISCAL NOTE

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

BILL/RESOLUTION NO: HCS CSSB 525 (L&C) No. 2, Page 2 of 2

TITLE: "An Act relating to Unemployment Insurance."

AGENCY AFFECTED: Department of Labor
Page 2

The following assumptions were made in preparing the forecasted costs:

1. State employment will continue to increase through FY 1986. Thereafter, state employment will level off with consolidation of administrative jobs and belt tightening being offset by jobs based on increased population.
2. There is no wage increase for calendar year 1984. The wages through FY 1986 reflect the recent agreement with APEA. A 5 percent yearly increase continues throughout the remainder of the forecast period.
3. As provided in this bill, the maximum weekly benefit amount paid for unemployment insurance claims will increase from \$156 to \$188, effective October 1, 1984.

As a result, the State of Alaska would be required to pay more in its personal service benefit costs for unemployment insurance. The total amount of the increased costs (which would affect all Departments in the State) is projected from past experience and a computerized modeling technique. The estimated increase in the average payment using this method is 12.7%. This increase would not occur immediately in FY '85, because claimants are paid for an entire year at the rates in effect when they first claim benefits. The total effect of the increase would not be felt until FY '87.

LEG:A:4

No. 3

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST HCS FISCAL DETAIL
 Bill/Resolution No.: CSSB 525 (FIN) Agency Affected: Labor
 Title: "An Act relating to Unemployment Program Category Affected: Social Services
 ment Insurance. . ."
 Sponsor: Sen. Labor & Commerce BRU, Program or Subprogram(s) Affected:
 Requestor: House Finance Employment Security, Unemployment
 Date of Request: 5/22/84 Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 PERSONAL SERVICES		112.2	117.4	121.5	128.2	135.5
200 TRAVEL		0	0	0	0	0
300 CONTRACTUAL		66.9	60.3	63.9	67.8	71.8
400 SUPPLIES		3.4	3.6	3.9	4.1	4.4
500 EQUIPMENT		5.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		2,428.6	2,550.0	2,550.0	2,550.0	2,550.0
800 MISCELLANEOUS						
TOTAL OPERATING		2,616.1	2,731.3	2,739.3	2,750.1	2,761.7
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		2,616.1	2,731.3	2,739.3	2,750.1	2,761.7
FEDERAL FUNDS		0	0	0	0	0
OTHER		0	0	0	0	0
TOTAL		2,616.1	2,731.3	2,739.3	2,750.1	2,761.7

POSITIONS:

FULL-TIME		0	0	0	0	0
PART-TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: John W. Shay, Jr. Phone: 465-2712
 Division: Employment Security Division Date: 5/23/84
 Approved by Commissioner: Robert W. Jansen Date: 5/23/84
 Agency: Labor Requestor: Jim Robison

LEG:B:14
 Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

12/1/83

FISCAL NOTE

THE LEGISLATURE OF THE STATE OF ALASKA
 THIRTEENTH LEGISLATURE
 BILL/RESOLUTION NO: HCS CSSB 525 (FIN)
 TITLE: "An Act relating to Unemployment Insurance."
 AGENCY AFFECTED: Department of Labor
 Page 2

This bill would require the Department of Labor to pay unemployment insurance benefits to qualifying persons between school terms. Two costs would be associated with this bill, the actual costs of the benefits paid and the administrative costs to run the program.

The estimated benefits to be paid in Fiscal Year 1985 are calculated as follows:

Number of Eligible Claimants	1,700
Average Weekly Benefit Amount	x \$135
	<u>\$ 229,500</u>
Average Length of Claim	x 10 wks
	<u>\$2,295,000</u>
Adjustment for Increase in Average Weekly Benefit Amount from \$135 to \$150	+ 133,600
	<u> </u>
Total Benefits Fiscal Year 1985	\$2,428,600

The estimated benefits to be paid in fiscal years 1986 - 1989 are as follows:

Number of Eligible Claimants	1,700
Average Weekly Benefit Amount	x \$150
	<u>\$ 255,000</u>
Average Length of Claim	x 10 wks
	<u> </u>
Total	\$2,550,000

Administration costs to run this program would include the salaries of ten seasonal Unemployment Insurance Specialist I's for four months each. Contractual and Supply costs associated with these positions would include postage and forms, as well as normal expenses. One-time expenses would include \$10,000 in Contractual in Fiscal Year 1985 to complete automation of the claims processing function, and \$5,000 in Fiscal Year 1985 to purchase equipment for this function.

In preparing the cost estimate for benefits to be paid the following assumptions were made:

1. An effective date of May 22, 1984.
2. The average weekly benefit amount would increase from \$135 to \$150 on October 1, 1984.
3. No increase in claims would be seen from Fiscal Year 1985 - 1989.
4. There would be no further increase in benefit amount from Fiscal Year 1985 - 1989.

FISCAL NOTE

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE
BILL/RESOLUTION NO: HCS CSSB 525 (FIN)
TITLE: "An Act relating to Unemployment Insurance."
AGENCY AFFECTED: Department of Labor
Page 3

In preparing the cost estimates for administrative costs the following assumptions were made:

1. An effective date of May 22, 1984.
2. An annual inflation rate of six percent.

LEG:B:14

Original sponsor: Labor and Commerce
Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 525 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to unemployment insurance; and
7 providing for an effective date."

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

9 * Section 1. AS 23.20.130(d) is amended to read:

10 (d) The training and building fund consists of all interest and
11 penalties collected under AS 23.20.135, 23.20.190, and 23.20.195 and
12 all sums recovered on official bond for losses sustained by the fund.
13 Training and building fund money shall be deposited in the clearing
14 account of the unemployment compensation fund for clearance only, and
15 does not become a part of the fund. The unobligated amount in the
16 training and building fund in excess of \$100,000 on the close of
17 business of the 30th day following the last day of each fiscal year
18 shall be transferred within 20 days to this state's account in the
19 unemployment trust fund. The fund shall be included in the budget
20 submitted to the legislature under the Executive Budget Act (AS 37.-
21 07). Funds available in the training and building fund shall be
22 expended upon the direction of the department, with the approval of
23 the governor, when it appears to the governor [HMH] that the expendi-
24 ture is necessary for but not limited to

25 (1) the proper administration of this chapter if no federal
26 funds are available for the specific purpose for which the expenditure
27 is to be made, and if the funds are not substituted for appropriations
28 from federal funds that [WHICH] would be made available in the absence
29 of those funds;

1 (2) the proper administration of this chapter, if [FOR
2 WHICH PURPOSE] appropriations from federal funds have been requested
3 but not yet received, and [IF] the training and building fund will be
4 reimbursed upon receipt of the requested federal appropriation;

5 (3) the purposes specified in AS 23.15.611;

6 (4) the purposes specified in AS 23.20.075.

7 * Sec. 2. AS 23.20.170 is amended by adding a new subsection to read:

8 (c) The standard rate of contributions with respect to employ-
9 ment is 5.4 percent of wages paid. Reductions from the standard rate
10 may only be made under this section and AS 23.20.280 - 23 20.310.

11 * Sec. 3. AS 23.20.290(c) is amended to read:

12 (c) Beginning January 1, 1981, the rate of contributions for
13 each employer is 82 percent of the average benefit cost rate multi-
14 plied by the employer's experience factor set out in column C of the
15 table in this subsection opposite the employer's [HIS] applicable rate
16 class set out in column A plus the fund solvency adjustment [CONTRI-
17 BUTION] required under (f) of this section. However, the rate of
18 contributions for an employer may not be less than one percent or more
19 than six and one-half percent. The rate of contributions for an
20 employer in rate class 21 may not be less than 5.4 percent. The rate
21 of contributions for an employer must be rounded to the nearest one-
22 hundredth of one percent.

23	COLUMN A	COLUMN B	COLUMN C
24	Rate Class	Cumulative	Experience
25		Rateable Payroll	Factor
26		at least	but less than
27		(percent)	(percent)
28	1	5	.40
29	2	10	.45

1	3	10	15	.50
2	4	15	20	.55
3	5	20	25	.60
4	6	25	30	.65
5	7	30	35	.70
6	8	35	40	.80
7	9	40	45	.90
8	10	45	50	1.00
9	11	50	55	1.00
10	12	55	60	1.10
11	13	60	65	1.20
12	14	65	70	1.30
13	15	70	75	1.35
14	16	75	80	1.40
15	17	80	85	1.45
16	18	85	90	1.50
17	19	90	95	1.55
18	20	95	<u>99.99</u>	1.60
19	<u>21</u>	<u>99.99</u>		<u>1.65</u>

* Sec. 4. AS 23.20.290(e) is amended to read:

(e) The department shall determine the average benefit cost rate as follows:

(1) the department shall determine the amount of benefits paid to insured workers during the last three computation years;

(2) the department shall subtract from the amount determined in (1) of this subsection the amount of any benefits reimbursed to the fund and the amount of interest earned on the trust fund balance during those computation years;

(3) the department shall divide the amount determined in

1 (2) of this subsection by the total wages paid by all employers re-
2 quired to pay contributions under this chapter during the first three
3 of the last four computation years;

4 (4) the department shall determine the amount of total
5 wages subject to contributions under this chapter paid during the
6 preceding computation years;

7 (5) the department shall determine the amount of all wages
8 paid to insured workers during the preceding computation year;

9 (6) the department shall subtract from the amount deter-
10 mined in (5) of this subsection the amount of wages paid during the
11 preceding computation year by employers who elect to reimburse the
12 department under AS 23.20.276 and 23.20.277;

13 (7) the department shall divide the amount determined in
14 (4) of this subsection by the amount determined in (6) of this sub-
15 section; and

16 (3) the department shall divide the amount determined in
17 (3) of this subsection by the amount determined in (7) of this sub-
18 section.

19 * Sec. 5. AS 23.20.290(f) is repealed and reenacted to read:

20 (f) An employer shall pay a fund solvency adjustment equal to
21 the contribution rate set out in column B of the table in this sub-
22 section opposite the reserve rate of the fund set out in column A.
23 However, the fund solvency adjustment rate of an employer may not
24 increase or decrease more than three-tenths of one percent from one
25 year to the next.

COLUMN A		COLUMN B
Reserve Rate		Fund Solvency Adjustment
at least	but less than	(percent)
(percent)	(percent)	

1	3.6		-0.4
2	3.5	3.6	-0.3
3	3.4	3.5	-0.2
4	3.3	3.4	-0.1
5	3.0	3.3	0.0
6	2.9	3.0	0.1
7	2.8	2.9	0.2
8	2.7	2.8	0.3
9	2.6	2.7	0.4
10	2.5	2.6	0.5
11	2.4	2.5	0.6
12	2.3	2.4	0.7
13	2.2	2.3	0.8
14	2.1	2.2	0.9
15	2.0	2.1	1.0
16		2.0	1.1

* Sec. 6. AS 23.20.350(d) is repealed and reenacted to read:

(d) An individual who is eligible under (a) of this section is entitled to receive the weekly benefit amount set out in column (B) of the table in this subsection that is opposite the amount set out in column (A) of the individual's base period wages determined under (c) of this section:

(A)		(B)
Base Period Wages		Weekly Benefit Amount
At Least	But less than	
0	1,000	\$ 0
1,000	1,250	33
1,250	1,500	40
1,500	1,750	42

1	1,750	2,000	44
2	2,000	2,250	46
3	2,250	2,500	48
4	2,500	2,750	50
5	2,750	3,000	52
6	3,000	3,250	54
7	3,250	3,500	56
8	3,500	3,750	58
9	3,750	4,000	60
10	4,000	4,250	62
11	4,250	4,500	64
12	4,500	4,750	66
13	4,750	5,000	68
14	5,000	5,250	70
15	5,250	5,500	72
16	5,500	5,750	74
17	5,750	6,000	76
18	6,000	6,250	78
19	6,250	6,500	80
20	6,500	6,750	82
21	6,750	7,000	84
22	7,000	7,250	86
23	7,250	7,500	88
24	7,500	7,750	90
25	7,750	8,000	92
26	8,000	8,250	94
27	8,250	8,500	96
28	8,500	8,750	98
29	8,750	9,000	100

1	9,000	9,250	102
2	9,250	9,500	104
3	9,500	9,750	106
4	9,750	10,000	108
5	10,000	10,250	110
6	10,250	10,500	112
7	10,500	10,750	114
8	10,750	11,000	116
9	11,000	11,250	118
10	11,250	11,500	120
11	11,500	11,750	122
12	11,750	12,000	124
13	12,000	12,250	126
14	12,250	12,500	128
15	12,500	12,750	130
16	12,750	13,000	132
17	13,000	13,250	134
18	13,250	13,500	136
19	13,500	13,750	138
20	13,750	14,000	140
21	14,000	14,250	142
22	14,250	14,500	144
23	14,500	14,750	146
24	14,750	15,000	148
25	15,000	15,250	150
26	15,250	15,500	152
27	15,500	15,750	154
28	15,750	16,000	156
29	16,000	16,250	158

1	15,250	16,500	160
2	16,500	16,750	162
3	16,750	17,000	164
4	17,000	17,250	166
5	17,250	17,500	168
6	17,500	17,750	170
7	17,750	18,000	172
8	18,000	18,250	174
9	18,250	18,500	176
10	18,500	18,750	178
11	18,750	19,000	180
12	19,000	19,250	182
13	19,250	19,500	184
14	19,500	19,750	186
15	19,750		188

* Sec 7. AS 23.20.350(f) is repealed and reenacted to read:

(f) An individual who establishes a benefit year is eligible for an allowance for dependents in addition to the individual's weekly benefit amount. The department may require an individual claiming or receiving an allowance for dependents to produce income tax returns, birth certificates, notices of adoption or custody, social security account number of spouse, verification of support documents, or other information necessary to verify that the allowance is payable to the individual. The allowance for dependents

(1) is \$24 per week for each dependent, except that the total allowance for dependents paid to an individual may not exceed \$72 for each week of unemployment;

(2) is payable beginning with the week during the benefit year in which the individual claims an allowance for the dependent and

1 is payable for the remainder of the individual's eligibility for
2 regular, extended, or supplemental payments during the benefit year;

3 (3) may not be claimed for a new dependent after the end of
4 the benefit year or after the exhaustion of regular benefits in the
5 benefit year;

6 (4) may not be paid to an individual if

7 (A) that dependent has been claimed by another indi-
8 vidual;

9 (B) the other individual has been found eligible to
10 receive the allowance for the dependent; and

11 (C) the benefit year of the other individual has not
12 expired; and

13 (5) may be paid only if the department determines that no
14 other individual having an unexpired benefit year has been found
15 eligible for an allowance for the same dependent.

16 * Sec. 8. AS 23.20.350(g)(1) is amended to read:

17 (1) "dependent" means an individual's

18 (A) unmarried child, stepchild, legally adopted child,
19 or legal ward under 18 years of age who is

20 (i) lawfully in the individual's physical custody
21 at the time the individual claims the allowance for depen-
22 dents; or

23 (ii) dependent on the individual for more than 50
24 percent of support;

25 (B) unmarried child, stepchild, legally adopted child,
26 or legal ward of any age who is dependent on the individual for
27 more than 50 percent of support and who is prevented by infirmity
28 from engaging in a gainful occupation;

29 * Sec. 9. AS 23.20 is amended by adding a new section to read:

1 Sec. 23.20.354. STATE INTERIM BENEFITS. (a) There is estab-
2 lished a state interim benefits program. State interim benefits are
3 payable only to the extent that money is appropriated from the general
4 fund for that purpose.

5 (b) An individual who has otherwise satisfied the requirements
6 of this chapter for the receipt of regular benefits is eligible for
7 state interim benefits if

8 (1) the individual's weekly benefit amount payable under
9 this chapter is reduced or denied under AS 23.20.381(h); or

10 (2) the individual is a noncertificated individual who
11 provides compensated service to a school district for teaching in-
12 digenous languages and the individual's weekly benefit amount payable
13 under this chapter is reduced or denied under AS 23.20.381(c).

14 (c) The amount of state interim benefits payable to an individ-
15 ual for a week is equal to the difference between the individual's
16 weekly benefit amount, including the dependents allowance, established
17 under AS 23.20.250 and the individual's weekly benefit amount, includ-
18 ing the dependents allowance, payable for that week under AS 23.20.-
19 381(e) or 23.20.381(h). The total amount of state interim benefits
20 paid may not exceed the total amount of regular benefits denied solely
21 under AS 23.20.381(e) or 23.20.381(h).

22 (d) State interim benefits are subject to reduction, disquali-
23 fication, recoupment, and offset in the same manner as regular bene-
24 fits under this chapter.

25 (e) Extended, additional, or supplemental benefits of any kind
26 are not payable on the basis of a claim for, or the payment of, state
27 interim benefits. State interim benefits may not be used to supple-
28 ment a reduction or denial of extended, additional, or supplemental
29 benefits.