

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 830

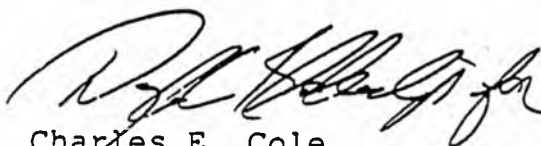
Hon. Walter L. Hickel, Governor  
Cur file: 883-91-0002

April 1, 1991  
Page 3

revisor of statutes has the power under AS 01.05.031(b)(7) to correct such an error prior to printing the Acts of the legislature in permanent form.

There are no other legal issues raised by this bill that warrant your consideration prior to taking action.

Sincerely yours,



Charles E. Cole  
Attorney General

CEC:JLB:jr

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

March 21, 1991

Honorable Ronald L. Larson  
Alaska State Representative  
P.O. Box V  
Juneau, AK 99811

Re: Use of HB 470 Fund to pay for  
State's legal defense costs  
Our file: 661-91-0448

Dear Representative Larson:

You have asked whether the "Oil and Hazardous Substance Response Fund" ("470 Fund") can be used to pay for the State's litigation efforts against parties who may sue the State as a result of the Exxon Valdez oil spill (the "oil spill"). The 470 Fund cannot be used to defend against such suits.

The permissive uses of the 470 Fund are set forth in AS 46.08.040. That statute reads in relevant part:

- (a) The commissioner may use money from the fund to
- (1) investigate and evaluate the release or threatened release of oil or a hazardous substance, and contain, clean up, and take other necessary action, such as monitoring and assessing, to address a release or threatened release of oil or a hazardous substance that poses an imminent and substantial threat to the public health or welfare, or to the environment;
  - ...
  - (3) pay the expenses incurred by the Alaska division of emergency services for the oil and hazardous substance response corps and the oil and hazardous substance response depots when presented with appropriate documentation by the division;
  - (4) provide matching funds for participation in federal oil discharge cleanup activities and under 42 U.S.C. 9601 - 9657 (Comprehensive Environmental Response, Compensation, and Liability Act of 1980);

WALTER J. HICKEL, GOVERNOR

REPLY TO:

1031 W 4th AVENUE SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907) 278-3550  
FAX: (907) 278-3687

KEY BANK BUILDING  
100 CUSHMAN ST. SUITE 400  
FAIRBANKS, ALASKA 99701-4679  
PHONE: (907) 452-1588  
FAX: (907) 458-1317

P.O. BOX K - STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 485-3800  
FAX: (907) 483-6296

(5) recover the cost to the state or to a municipality of a containment and cleanup resulting from the release of the threatened release of oil or a hazardous substance;

. . . .  
(7) restore the environment by addressing the effects of an oil or hazardous substance release.

AS 46.08.040(a). Thus, the Fund is designed to finance response and related environmental protection efforts. There is no provision in AS 46.08 that would permit use of the Fund to pay for the State's legal defense to lawsuits brought by plaintiffs alleging injuries caused by the oil spill.

The above only answers the specific question you have asked the Department of Law - whether the 470 Fund can be used to defend against suits that may be filed against the State by parties claiming injuries as a result of the oil spill. It does not address whether or not Fund money may be used to finance litigation efforts by the State to recover cleanup and restoration costs from responsible parties. The Fund may in fact be used for this latter purpose. Thus, DEC could use Fund money to finance State litigation to recover past and future cleanup costs from Alyeska.

This latter conclusion is based on a plain reading of AS 46.08.040, which provides that DEC "may use money from the Fund to . . . recover the cost to the state . . . of a containment or cleanup resulting from the release . . . of oil." AS 46.08.040 (a)(5) (emphasis added). DEC may therefore receive a legislative appropriation from the Fund to finance cost-recovery efforts against Alyeska by the Department of Law.

We would be happy to address any further questions you might have.

Sincerely,

CHARLES E. COLE  
ATTORNEY GENERAL

By:

  
Les Gara  
Assistant Attorney General

LSG:md

cc: Charles Cole  
Doug Blankenship  
Mike Navarre  
Jalmar Kerttula

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPT. OF HEALTH AND SOCIAL SERVICES

### DIVISION OF MENTAL HEALTH & DEVELOPMENTAL DISABILITIES

3801 C STREET, SUITE 520  
P.O. BOX 240249  
ANCHORAGE, ALASKA 99524-0249

June 22, 1990

Mr. James N. Forsberg  
Coordinator of Special Needs Assistance Project  
Office of Community Planning and Development  
Special Needs Assistance Programs, Room 7252  
451 7th Street, S.W.  
Washington D.C. 20410

Dear Mr. Forsberg:

Enclosed please find an original and one copy of the State of Alaska, Department of Health and Social Services' application for a Permanent Housing for the Handicapped Homeless Program. The project sponsor is the Mat-Su Community Counseling Center serving the Matanuska-Susitna Valley north of Anchorage, and will serve primarily adults who are homeless or "at risk" of being homeless with severe mental illness and those with dual diagnosis. We are requesting \$127,926 for this project.

This project is highly prioritized both on a statewide and local level. State funds have been appropriated for use as a match for both capital and operating funds due to the lack of services in this area. We estimate available services as slightly over 21% of the previously assessed need for permanent housing for the handicapped homeless. This is a conservative estimate, as a recent comprehensive study of the homeless has not been conducted. We are targeting persons with severe mental illness, developmentally disabled persons and those with dual diagnosis as the most critically in need of services.

The Alaska Housing Finance Corporation (AHFC) has collaborated with this department in order to secure cost-effective non-pool units which are previously foreclosed properties. These properties are in excellent condition, and are located in close proximity to community services and recreation areas. This opportunity to capitalize on the recessed housing market is highly unique, with exceptionally low housing purchase prices being offered for the project.

Mr. James N. Forsberg  
Page 2  
June 22, 1990

In conclusion, the need far outweighs the available services. The State of Alaska, Department of Health and Social Services is committed to implementing a project which provides housing opportunities with exemplary supportive services to promote permanent housing to the homeless with handicaps. We would appreciate your favorable review. If you have any questions or concerns, please feel free to contact me or Dr. Todd Risley, the Project Director at (907) 465-3370. Thank you for your consideration of this proposal.

Sincerely,

*Jay Jones for*

Myra M. Munson, J.A., M.S.W.  
Commissioner  
Department of Health & Social Services

MAT-SU COMMUNITY  
COUNSELING  
CENTER

230 E. PAULSON, SUITE 68  
WASILLA, ALASKA 99687  
907-376-2411

June 8, 1990

Todd Risley, Ph.D.  
P.O. Box H-04  
330 Main Street  
Juneau, Alaska 99811-6620

Dear Dr. Risley:

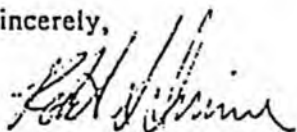
The Mat-Su Community Counseling Center is pleased to participate in the permanent housing project under the Supportive Housing Demonstration Program funded by the U.S. Department of Housing and Urban Development.

The agency agrees to the following provisions:

1. To operate the project in accordance with permanent housing regulations;
2. To provide housing that is in compliance with all state and local housing codes, licensing requirements and any other requirements in the jurisdiction in which the housing is located regarding the condition of the structure and the operation of the housing;
3. To conduct an ongoing assessment of the supportive services required by the residents of the project and make adjustments as appropriate;
4. To provide any residential supervision determined by HUD as necessary to facilitate the adequate provision of supportive services to permanent housing residents;
5. To keep any records and make any reports that HUD may require.

The proposed project will be very beneficial to the clients of our area. If you have any further requests in order to complete the application, please feel free to contact us for further assistance.

Sincerely,



Robert S. Irvine, M.S.W., A.C.S.W.  
Executive Directors

RSI:db

RECEIVED  
JUN 13 1990

DIV. OF MENTAL HEALTH  
ANCHORAGE

# **CORRECTION**

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

# MAT-SU COMMUNITY COUNSELING CENTER

230 E. PAULSON, SUITE 68  
WASILLA, ALASKA 99687  
907-376-2411

June 8, 1990

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P.O. Box H-04  
330 Main Street  
Juneau, Alaska 99811-6620

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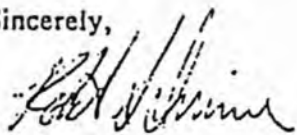
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Sincerely,



Robert S. Irvine, M.S.W., A.C.S.W.  
Executive Directors

RSI:db

RECEIVED

JUN 18 1990

DIV. OF MENTAL HEALTH  
ANCHORAGE

MATANUSKA-SUSITNA BOROUGH  
RESOLUTION SERIAL NO. 90-158AM

A RESOLUTION OF THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH REQUESTING THE STATE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES TO CONTINUE FUNDING AND MAINTENANCE OF STATE CATEGORY III ROADS.

WHEREAS, the State of Alaska Department of Transportation has proposed eliminating the funding for maintenance and capital improvements for Category III state roads; and

WHEREAS, good roads are one of the highest priorities of the Borough; and

WHEREAS, these roads serve all residents of Alaska and the State of Alaska has always maintained and improved these roads; and

WHEREAS, the safety of the driving public will be greatly reduced if the Department of Transportation and Public Facilities eliminates the maintenance and improvements of Category III roads; and

WHEREAS, State revenues are adequate to maintain and improve state roads; and

WHEREAS, the Matanuska-Susitna Borough lacks the administrative capacity, equipment, manpower and monetary resources to upgrade, construct and maintain Category III state roads; and

WHEREAS, it is the responsibility of the State of Alaska to provide basic services for public safety; and

WHEREAS, the Local Road Service Area Advisory Board passed and approved Resolution Serial No. 90-011 recommending the Borough Assembly request the Commissioner of the Department of Transportation and Public Facilities, the Governor and the Legislature to continue funding maintenance and capital improvements of Category III state roads and recommending the Borough Assembly not take any responsibility for Category III state roads.

NOW THEREFORE, BE IT RESOLVED by the Assembly of the Matanuska-Susitna Borough that the Commissioner of the Department of Transportation and Public Facilities, the Governor and the Legislature continue the funding for the maintenance and capital improvements of Category III state roads.

Adopted by the Assembly of the Matanuska-Susitna Borough this 18<sup>th</sup> day of December, 1990.

Dorothy A. Jones  
Dorothy A. Jones, Borough Mayor

ATTEST:

Linda A. Dahl  
Linda A. Dahl, Borough Clerk

(SEAL)

FAIRBANKS HEALTH AND SOCIAL SERVICES COMMISSION

To: MARK BOYER  
PO Box V  
Juneau 99811

**The Health and Social Service Block Grants must be reinstated.**

Every human services agency in Fairbanks has a wait list and is struggling under financial constraints to serve its existing clients. Agency personnel are acutely aware of the need to contain program costs, reduce administration overhead, and pursue alternative funding resources while simultaneously delivering services to an increasing number of needy local residents.

The Health and Social Services Block Grant is used as last resort funding for the highest priority health and social services needs, as defined by the 1988 update to the Fairbanks Needs Assessment Study. For FY 91, grants were awarded to agencies to provide food, shelter, physical care, protection, vocational training and rehabilitation for victims of child sexual abuse, domestic violence, alcohol and/or drug.

For the past four years, an average of 25 agencies in Fairbanks have requested funding. The number of fundable agencies (based on scoring) has always been \$200,000 to \$300,000 more than the funds available. This has discouraged agencies with creative programs from applying, and has denied funding for many meritorious requests.

In FY 91, a total of 24 agencies applied for last resort program funding. The Commission was only able to fund 15-1/2, all with scores exceeding 83%; another four agencies, representing \$142,000, scored above 75% but were denied funding due to lack of Block Grant monies.

**The Block Grants meet the most basic and highly demonstrative health and social services needs of the Fairbanks community.**

1. The Block Grant process is a model for the most efficient use of state monies possible. Operating as a part of the governor's budget, the monies passed directly from the Department of Health and Social Services to the communities they serve. An all volunteer commission evaluates and makes recommendations for allocation of funds.

The City of Fairbanks has continued to reduce its administrative fees; from 10% to 5% and now to 1% in FY 91. Each agency that applies for funding under the Block Grant must document substantial in-kind services and materials.

**On an average, last year's successful applicants documented three dollars of service for every state dollar funded.**

2. The Block Grant process does not add to the state's cost of operation. IN FACT, IT REDUCES STATE OPERATING COSTS. Grant monies are used to encourage existing agencies to develop creative programs that meet specific human needs, thus reducing potential costs of state civil/criminal proceedings or further overburdening existing state funded health and social services.
3. Governor Hickel has listed his four highest priorities as:

Reducing the administrative costs of government and investing in capital projects.  
Investing in people.  
Developing employment opportunities.  
Creating healthy families.

**Agencies requesting Block Grant monies respond in all four areas.**

Programs are designed to meet basic human needs and to rehabilitate the mental well-being of individuals and families. Many agencies selected for funding provide specific counseling and training to enhance employability. With one exception, all agencies selected are wellness oriented. The long-range goal is to restore individuals and families to a healthy and productive state of living where the agency's services are no longer needed. **There is no greater investment in our people.**

4. Fairbanks is a catchment area. The Fairbanks Block Grant services the entire Interior, plus many residents of northern rural Alaska.

We are requesting full restoration of The Block Grant monies as a separate line item in the governor's budget for the Department of Health and Social Services. This Commission intends to satisfy the governor's request for a reduction in administrative costs and increased financial commitment from the municipality. We will work to:

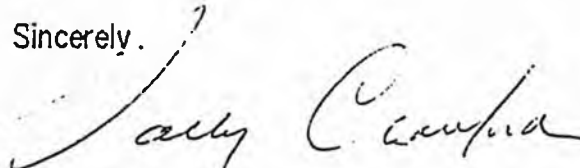
1. Eliminate the remaining city 1% administrative fee to put 100% of the Block Grant monies into direct service.
2. Obtain Borough Assembly support for an ordinance assuming health and social service powers to be put before Fairbanks voters in October, 1991.

3. Support and increase use of the Borough Economic Development Center to provide grant sourcing and aid in grant writing for all local health and social service non-profit organizations.
4. Create and fund an Advocacy Office, through only private and/or local public monies, to help local agencies become more self-supporting.
5. Volunteer our time and expertise to the United Way's 1991 Needs Assessment Study which is being funded 100% from locally generated revenue.
6. Work with both the city and the borough to increase their support for human services. Again, with overburdened state agencies and wait-lists at most private local agencies, the documentable basic needs are still growing faster than the services to treat them.

Under separate cover, we are sending you an update of the FY 91 recipients, the current status of their finances, case load and projected impact on the Interior if these services are eliminated.

Thank you for all the time and effort you are investing in this critical need for our community.

Sincerely,

A handwritten signature in cursive script that reads "Sally Crawford". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Sally Crawford  
Chairperson

# STATE OF ALASKA

## THE LEGISLATURE

### BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION  
P.O. BOX WF  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3795

*Anna + Carol  
Jay hasn't seen  
this*

Date: February 25, 1991

FEB 26 1991

To: Senator Jay Kerttula, Chair  
Senate Finance Subcommittee  
Department of Transportation & Public Facilities

Representative Mike Navarre, Chair  
House Finance Subcommittee  
Department of Transportation & Public Facilities

From: Roger LaVine, Fiscal Analyst *RL 2/25/91*

Subject: FY91 Supplementals-DOT/PF

Below is an analysis of the FY91 supplemental requests included in the two bills recently introduced by the Governor. HB 148 is intended to be a "fast track" bill for those items that require funding as soon as possible, and HB 147 is for other supplemental requests.

#### HB 148

Sec. 23      DOT/PF      \$2,617.3

The Governor has request \$2,617.3. This amount represents 90% of the amount vetoed by Governor Cowper. As you know, the LB&A Committee informed the department that they would support a supplemental and ask the department to continue maintenance of Class 3 Roads. The department will have to substantially curtail maintenance of all categories of roads in late March or early April, unless the department is assured that funding will be available. The Governor has requested only \$563.0 for Class 3 Roads in FY 92. This amount is less than 1/5 the amount vetoed by Governor Cowper. Clearly, the amount is not adequate to maintain Class 3 Roads in FY92.

Sec. 24 DOT/PF

\$1,980.0

The Governor's FY91 supplemental funds Rural Airports at 90% of Governor Cowper's vetoed amount of \$2,200.0. As you know, the LB&A Committee informed the department that they would support a supplemental request and ask the department to continue maintenance of Rural Airports. The department will have to substantially cut back on maintenance of Rural Airports in March or early April, unless additional funding is made available. The Governor's FY92 budget cut an additional \$1,800.0 from Rural Airports. The affect of the FY91 veto and the FY92 proposed cut will substantially reduce service at Rural Airports, especially at jet airports.

Sec.25 DOT/PF

\$2,520.0

The Governor's supplemental request for Marine Highway-Vessel Operations restores \$2,520.0 of Governor's Cowper's veto of \$2,800.0. The Governor's FY92 budget restores the full amount of the FY91 veto. The LB&A committee informed the department that they would support a supplemental request and ask the department to continue planned service levels for FY91. Not funding this request would result in not bringing the M/V Columbia on until early July, instead of the first of May as planned. Additional reductions will have to be made to mainline and feeder vessels.

Sec. 26 DOT/PF

\$1,479.5

The Governor is requesting a supplemental in the amount of \$1,497.5 for increased cost of Marine Vessel fuel. This amount represents 80% of the department's request. The amount requested is incorrect and should be \$1,534.6 which is the amount requested in Sec. 27. OMB will submit a technical amendment. Not funding this request will result in a service reduction, probably the M/V Columbia will not be brought back on line until mid to late June, instead of the first of May as planned. The administration expects fuel cost to return to a more normal level and has requested no increase for fuel costs in FY92.

Sec.27 DOT/PF

\$1,534.6

The Governor has requested a supplemental in the amount of \$1,534.6 or 80% of the department's request for increased cost of fuel for maintenance and operations. The amount requested is incorrect and should be \$1,497.5 which is the amount requested in Sec. 26. OMB will submit a technical amendment. Not funding this request will result in less spring maintenance. The Governor has not requested additional funds for increased fuel cost in his FY92, because the administration anticipates that fuel costs will return to a more normal level in FY92.

Sec.28

The fuel increase supplemental for International Airports is not immediately needed. The budget for International Airports is large enough to absorb this increase.

**HB 147**

Sec.20 DOT/PF

\$1,705.5

The Governor is requesting a supplemental for above average snow/ice removal in several areas of the state. There is no immediate need for the supplemental, however, not funding the request would reduce substantially normal May and June maintenance.

Sec.21 DOT/PF

\$200.0

The Governor has request a supplemental for increased airport security at state maintained airports, because of additional security imposed by the federal government due to the Gulf War. The department had recommended 658.0 for the increased cost. There appears to be some confusion about the amount needed, because the federal government may grant a wavier to Alaska for some of its airports.



# STATE OF ALASKA

## THE LEGISLATURE

### BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION  
P.O. BOX WF  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3795

Date: February 1, 1991

To: Senator Jay Kerttula, Co-Chairman  
Senate Finance Committee

From: Roger LaVine, Fiscal Analyst *RL 2/1/91*  
Legislative Finance

Subject: DOT/PF Supplemental for Class 3 Roads, Rural Airports &  
Marine Transportation.

You ask us to comment on the need for a early supplemental for DOT/PF due to Governor's FY91 vetoes of funds for Class 3 Roads, Rural Airports, and Marine Transportation.

#### Class 3 Roads

The Governor vetoed \$2,908,100 appropriated to maintain Class 3 Roads. The department FY91 budget allocated \$8.5 million for the maintenance of Class 3 Roads. The result of this veto is to reduce funding for Class 3 Roads by over 1/3. Given this reduction, the department will run out of funding to maintain Class 3 Roads by early March, if not sooner. The department also will need an additional supplemental for maintenance of all roads, because of increased fuel cost and above normal snowfall in some regions of the state. The department is in the process of determining the amount needed for the additional supplemental. The numbers should be available in the next few days. The department has indicated that the amount needed probably will be between \$10 and \$15 million.

### Rural Airports

The Governor vetoed \$2.2 million out of about \$16 million allocated to maintain rural airports in FY9. This resulted in a 15% cut to rural airport maintenance. Given this reduction, the department will be forced to curtail service at rural airports sometime in the spring. The FAA has increased security requirements at certificated airports due to the Gulf War. The cost of this additional security will require a supplemental at a later date in an amount yet to be determined.

### Marine Transportation

The governor vetoed \$2.8 million out of the Marine Transportation appropriation. Unless this funding is restored, plus an additional supplemental for increased fuel cost and unfunded PERS in the amount of \$3.1 million, the department will have to curtail service in the spring. For example, the MV Columbia would not resume service until July 1, 1991 a lose of 8 weeks of service. Also, other vessels would have to be tied up or not resume planned service until a later date.

I will continue to monitor DOT supplemental requests and keep you informed.

**Revised FY91 Requirements**

The revised FY91 requirements as of February 20, 1991 are:

Requirements:

Actual FY91 Disbursements Through 1/31/91	\$ 9,023,892
Projected Requirements to 6/30/91	12,011,372
FY91 Payables	26,380
New Participating Utilities	48,760
Grant Requirements	<u>\$21,110,404</u>
FY91 New Efficiency Savings (Annual Proration)	<u>(99,918)</u>
Estimated FY91 Grant Requirements based on Fuel Prices as of Nov/Dec 90	\$21,010,486

Contingency for Increased Price of Fuel for the Period January - June 1991	<u>224,949</u>
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TOTAL ESTIMATED FY91 REQUIREMENTS \$21,235,435

Funding:

Projected Carryover from FY90	\$ 3,828,500
FY91 PCE Grants Appropriation	14,932,500
Governor's Proposed Supplemental	1,979,600
TOTAL FY91 FUNDING	<u>\$20,740,600</u>

1979600  
494835  

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2474435

*Sec 37*

ESTIMATED FY91 SHORTFALL \$ 494,835

Impact of Not Fully Funding Program

If the Governor's supplemental appropriation request is not funded, the electricity costs of rural Alaska households will increase up to \$191 during the remainder FY91, with the average increase being about \$81. If the Governor's supplemental appropriation request is funded, the costs will increase up to \$39 during the remainder of FY91, with the average being about \$17. This increase in rural Alaskan residents' electricity costs could have a corresponding decrease on disposable income levels in rural Alaskan households, thus requiring increased levels and costs of other State and federal public assistance programs. The costs of electricity for commercial customers and community facilities will also increase, with possible adverse economic consequences for local economic enterprises (e.g. fish processors) and increased local government costs for operating community facilities.

Date By Which Supplemental Must Be Passed

It is very important to the users of this program that the FY91 appropriation level be known not later than March 31, 1991. The

SB

444

**I USE COMMITTEE REPORT**

(11)

Date Referred: May 17, 1991

FURTHER REFERRALS:

Date of Committee Action: 5/11/92

The FINANCE Committee considered:

CSSB 44(FIN)

CS FOR SENATE BILL NO. 44 (FINANCE)

CONSTRUCTION & OPERATION OF VETS' HOME

"An Act relating to the establishment and operation of state veterans' home facilities; and providing for an effective date."

**RECOMMENDATIONS:**

be replaced with HCS CS SB 44 (FIN)  the same title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact Admin

fiscal note(s) \_\_\_\_\_

zero fiscal note \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>Mike Swane</u> NAUAYRE	<input checked="" type="checkbox"/>				
<u>Mark Bahr</u> Bahr	<input checked="" type="checkbox"/>				
<u>Kay Brown</u> BROWN	<input checked="" type="checkbox"/>				
<u>Madona</u> KOPONEN	<input checked="" type="checkbox"/>				
<u>Robert Jacko</u> JACKO	<input checked="" type="checkbox"/>				
<u>Robert Phillips</u> Phillips	<input checked="" type="checkbox"/>				
<u>Ronald Larson</u> LARSON	<input checked="" type="checkbox"/>				
<u>Fi Ulmer</u> Ulmer	<input checked="" type="checkbox"/>				

Mike Swane NAUAYRE  
CHAIRMAN'S SIGNATURE

FISCAL NOTE

BILL NO. HCSCSSB 44

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: May 8, 1992  
Title: State Veterans Home  
Sponsor: Senator Kerttula  
Requestor: Finance Committee

Department Affected: Administration  
BRU: Pioneers' Benefits  
Component: Pioneers' Homes

COMPONENT

0	0	:	3	4
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	45.0	545.5	1,828.5	1,828.5	1,828.5
TRAVEL	5.0	3.0	5.0	15.0	3.0	3.0
CONTRACTUAL	80.0	0	245.0	857.0	857.0	857.0
SUPPLIES	0	0	25.0	129.0	129.0	129.0
EQUIPMENT	0	0	0	0	10.0	10.0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	2.0	10.0	10.0	10.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	85.0	48.0	822.0	2,839.5	2,837.5	2,837.5

CAPITAL	0	10,720.0	50.0	0	0	0
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REVENUE FUND SOURCE:	85.0	6,968.0	50.0	690.3	690.3	690.3
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FUNDING: (Thousands of Dollars)

GENERAL FUND	85.0	3,800.0	822.0	2,149.2	2,147.2	2,147.2
FEDERAL FUNDS	0	6,968.0	45.0	322.7	322.7	322.7
OTHER FUND SOURCE	0	0	55.0	367.7	367.7	367.7
TOTAL	85.0	10,768.0	922.0	2,839.6	2,837.6	2,837.5

POSITIONS:

FULL-TIME	0	1	1	32	32	32
PART-TIME	0	0	25	9	9	9
TEMPORARY	0	0	0	5	5	5

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Dennis L. DeWitt, Director  
Division: Pioneers' Benefits

Phone: 465-4400  
Date: May 8, 1992

Approved by Commissioner: Nancy Bear Usera  
Agency: Administration

Date: 5/8/92

Distribution (by preparer): Legislative Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

FISCAL NOTE

No. 3

Bill Version: HCS CSSB 44 (MLV)

(H) Publish Date: 5/15/91

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Revision Date: May 14, 1991

Department Affected: Military and Veterans Affairs

Title: Establishment and operation of

BRU: Veterans Affairs

State Veterans home

Component: Veterans Home

Sponsor: Sen. Kertulla

Requestor: House DMVA Committee

COMPONENT SERIAL NO.

N	E	W	
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES			170.5	170.5	170.5	170.5
TRAVEL			3.0	3.0	3.0	3.0
CONTRACTUAL			2577.5	2577.5	2577.5	2577.5
SUPPLIES						
EQUIPMENT				10.0	10.0	10.0
LAND & STRUCTURES						
GRANTS, CLAIMS			6.0	6.0	6.0	6.0
MISCELLANEOUS						
TOTAL OPERATING			2757.0	2767.0	2767.0	2767.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE			669.3	669.3	669.3	669.3
---------	--	--	-------	-------	-------	-------

FUNDING: (Thousands of Dollars)

GENERAL FUND			2087.7	2097.7	2097.7	2097.7
FEDERAL FUNDS			322.7	322.7	322.7	322.7
OTHER			346.6	346.6	346.6	346.6
TOTAL						

POSITIONS:

FULL-TIME			3	3	3	3
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

See Attached

Prepared By: Jeff Morrison, Director

Phone: 465-4600

Division: Administrative Support and Services

Date: 14 May 91

Approved by Commissioner: \_\_\_\_\_

*Morrison for*

Hugh I. Cox III

Agency: Military and Veterans Affairs

Date: 14 May 91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE TO CSSB 44 (FIN)  
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS  
May 14, 1991

This fiscal note was prepared relying on information provided by the Division of Pioneer Benefits. There has not been sufficient time to perform an independent and thorough analysis of the impact of this bill on DMVA, and further in depth study may require adjustments to the projected operating costs of a state veterans home.

This fiscal note is based on the following assumptions:

1. Any funding to construct a state veterans home would be the subject of a separate appropriation bill or an appropriation in a capital budget bill. Capital costs are not shown in this fiscal note because the bill is authorizing legislation only.
2. Testimony to date for this bill has assumed a state veterans home the approximate size of the Juneau Pioneers Home, with 32 nursing beds and 20 residential beds. Construction costs for such a home would be approximately \$3,000,000 state funds and \$5,570,000 federal funds.
3. For ease of understanding this fiscal note, the assumed start-up operating date of a state veterans home is July 1, 1993 (i.e., FY94). If capital funds were appropriated in the 1991 legislative session, the actual start-up date could be as soon as April 1, 1993.
4. In the event that capital funds are appropriated in the 1991 legislative session for construction of a state veterans home, DMVA would request that some of those capital funds be used to fund the administrative costs of overseeing the design of the home, and to prepare the requests for proposals to operate the home under contract. These expenses would be from the capital budget appropriation, if there is one, and are not shown on this fiscal note.

The attached letter from Barbara Bathony, the Director of the Division of Pioneer Benefits, provides an estimate of the normal annual operating costs of the state veterans home being proposed, if the operation of the home were contracted out to the maximum extent possible. This letter is used as the basis of the DMVA fiscal note, with the following exceptions for the reasons noted:

1. Because of the lack of a health care infrastructure of professionals in DMVA, we will need the administrative person charged with monitoring the contract with the health care organization running the veterans home to be at least an Admin Officer, with an increase in cost of \$15,000 per year.
2. We foresee a need to draw on the expertise in the Division of Pioneer Benefits a great deal in the establishment, start-up, and continued operation of the veterans home. This will require a reimbursable services agreement, at a rough estimated cost of \$20,000 per year. The RSA for this purpose would be charged to the capital budget for the first two years, until the veterans home was operational.
3. Travel costs are expected to be higher than indicated in Ms. Bathony's letter because of the need for the Veterans Affairs director and Administrative Officer to visit Juneau a few times each year to consult with the Division of Pioneer Benefits on operation of the veterans home.

4. Federal operating revenue projections are based on per diem paid by Department of Veterans Affairs (32 nursing residents @ \$22/day; 20 domiciliary residents @ \$9/day)

5. State operating revenue projections are based on collecting room rent from residents based on charges of \$800/month for nursing beds, and \$525/month for residential beds. Based on experience of Pioneers Homes, it is assumed that approximately 80% of the possible revenue can be collected due to vacancies and inability to pay.

Fiscal Note, CSSH 44 (FIN), page 3 of 6

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# STATE OF ALASKA

- WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF ADMINISTRATION

### DIVISION OF PIONEERS' BENEFITS

P.O. BOX CL  
JUNEAU, ALASKA 99811-0211  
PHONE: (907) 465-4400

March 13, 1991

The Honorable Jay Kerttula  
Alaska State Senator  
P.O. Box V  
Juneau, AK 99811

Dear Senator Kerttula:

This letter is in response to your request to calculate the cost projections for the operation of the Veterans Home in Palmer under full management contract. This would include the labor, all professional and other subcontracts, all supplies, except building maintenance and capital expenditures.

The cost reductions are based on the savings of about 19% in the food service/laundry/housekeeping section, a savings of about 10% in the cost of nurses aides and office personnel, an increase of 15% for the Administrator, and an increase in the cost of licensed nursing personnel. All costs are based on FY 1992.

#### Personnel costs:

1 Maintenance Mechanic	\$59,000
1 Maintenance Worker	\$51,500
1 Admin. Assist. in Central Office Anch.	\$45,000

Travel to inspect home, site visits to Palmer	\$1,000
--	---------

#### Contractual:

Food Service/Housekeeping/Laundry includes supplies for these areas	\$630,325
Professional contracts, utilities, etc.	\$227,075
Office, nursing labor	\$1,515,130
Administration, management fee	\$185,000

Grants to destitute residents	\$6,000
-------------------------------	---------

Total cost of operation under  
management contract

\$2,685,030

2,720,030 *jm*

The above figure are a rough estimate. By the year 1994 the first full operation of the facility the cost may increase. The above

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FN, CSSB 44, p. 416

March 13, 1991

estimate also stipulates that medical supply costs will not increase drastically, and that medications will be paid for by the Veterans Administration. The cost of medication per residents in the Pioneers' Home in 1990 was from \$130-200 average.

Sincerely,

*Barbara Bathony*

Barbara Bathony, Director  
Division of Pioneers' Benefits

bb1/0313-c  
Enclosure

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FN, CSSB 44, p. 5/6

Juneau Pioneers' Home  
 State-Operated v. Contracting  
 Food Service, Housekeeping, Laundry  
 March 12, 1991

State Staffing	#	Time Status	Per Employee	Total
Food Service Contract				\$129,300
Food Service Wkr. WG60	3	FT	\$41,000	\$123,000
Food Service Wkr. WG60	3	PT	\$29,600	\$88,800
Food Service Wkr. WG60	1	NP	\$2,500	\$2,500
Cook II WG57	2	FT	\$47,500	\$95,000
Cook II WG57	2	PT	\$36,180	\$72,360
Housekeeping/Laundry				
Custodian I WG60	3	FT	\$39,900	\$119,700
Custodian I WG60	1	PT	\$17,263	\$17,263
Custodian I WG60	1	NP	\$2,500	\$2,500
Custodian II WG59	1	FT	\$45,185	\$45,185
Custodian II WG 59	1	PT	\$31,900	\$31,900
Laundry Worker WG60	2	FT	\$40,000	\$80,000
Cust. Svcs. Foreman WG54	1	FT	\$56,000	\$56,000
Misc. Household Supplies				\$45,000
<b>Total</b>	<b>21</b>			<b>\$779,208</b>

Contracting	Total	Total Savings	Total Percentage
Food Service/Housekeeping/Laundry	\$630,325	\$148,883	19.11%

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FN, CSSB 44, p.6/6

HOUSE CS FOR CS FOR SENATE BILL NO. 44 (FINANCE)  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATORS KERTTULA, Pourchot, Duncan

REPRESENTATIVE Ivan

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the establishment and operation of state veterans' home facilities; and  
 2 providing for an effective date."

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

4 \* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

5 (1) under the Veterans Health Services and Research Administration State Home Program  
 6 in the United States Department of Veterans Affairs, funds are available to help states establish state  
 7 veterans' homes;

8 (2) priority under the federal program is granted to states that have not previously  
 9 received a veterans' home grant and have high unmet needs for care of veterans;

10 (3) a large number of veterans reside in Alaska; and

11 (4) there is no state veterans' home to meet the needs of these veterans.

12 (b) The purpose of this Act is to direct the Department of Administration to establish and operate  
 13 state veterans' homes in such a manner as to be eligible for the maximum amount of federal funds for  
 14 the homes.

1 \* Sec. 2. AS 44.21.020 is amended to read:

2 Sec. 44.21.020. DUTIES OF DEPARTMENT. The Department of Administration shall

3 (1) [REPEALED

4 (2)] make surveys and studies to improve administrative procedures, methods, and  
5 organization;

6 (2) [(3)] keep general accounts;

7 (3) [(4)] approve vouchers and disburse funds for all purposes;

8 (4) [(5)] operate centralized purchasing and supply services, and necessary  
9 storerooms and warehouses;

10 (5) [(6)] allot space in state buildings to the various departments according to  
11 need and available space;

12 (6) [(7)] supervise telephone, mailing, messenger, duplicating, and similar services  
13 adaptable to centralized management;

14 (7) [(8)] administer the public employees' retirement system and teachers'  
15 retirement system;

16 (8) [(9)] administer a statewide personnel program, including central personnel  
17 services such as recruitment, examination, position classification, and pay administration;

18 (9) [(10)] administer the Alaska Pioneers' Homes;

19 (10) [(11)] administer and supervise a statewide automatic data processing  
20 program;

21 (11) [(12)] REPEALED

22 (13)] study, design, implement, and manage the telecommunications systems and  
23 services of the state under AS 44.21.305 - 44.21.330;

24 (12) [(14)] administer the office of equal employment opportunity;

25 (13) administer state veterans' home facilities; in carrying out its duties under  
26 this paragraph, the department shall consult with the Department of Military and Veterans'  
27 Affairs.

28 \* Sec. 3. AS 44.21 is amended by adding a new section to read:

29 Sec. 44.21.035. STATE VETERANS' HOME FACILITIES. (a) The Department of  
30 Administration shall apply for federal assistance to establish and operate state veterans' home  
31 facilities that provide domiciliary care. The department, within available funds, shall establish

1 and operate veterans' homes at sites selected by the commissioner of administration after  
2 consultation with the adjutant general and veterans' organizations.

3 (b) A person who resides in a veterans' domiciliary home operated under this section  
4 shall pay the Department of Administration a monthly charge established by the department by  
5 regulation in payment of the cost of the care. The charges shall be designed so that, when  
6 combined with federal or other nonstate assistance that may be received on behalf of the  
7 residents, all costs of care are paid by residents. The regulations may provide for exemptions  
8 or reductions based upon hardship.

9 (c) In this section, "domiciliary care" means care given in a state home for veterans, as  
10 that term is defined in 38 U.S.C. 101(19), that does not provide nursing home care or related  
11 medical services and that meets the standards required under 38 U.S.C. 5034.

12 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

HOUSE CS FOR CS FOR SENATE BILL NO. 44 ( )  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
 Referred:

Sponsor(s): SENATORS KERTTULA, Pourchot, Duncan  
 REPRESENTATIVE Ivan

A BILL

FOR AN ACT ENTITLED

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11 (4) [(5)] operate centralized purchasing and supply services, and necessary  
 12 storerooms and warehouses;

13 (5) [(6)] allot space in state buildings to the various departments according to  
 14 need and available space;

1                    (6) [(7)] supervise telephone, mailing, messenger, duplicating, and similar services  
2 adaptable to centralized management;

3                    (7) [(8)] administer the public employees' retirement system and teachers'  
4 retirement system;

5                    (8) [(9)] administer a statewide personnel program, including central personnel  
6 services such as recruitment, examination, position classification, and pay administration;

7                    (9) [(10)] administer the Alaska Pioneers' Homes;

8                    (10) [(11)] administer and supervise a statewide automatic data processing  
9 program;

10                   (11) [(12) REPEALED

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12 services of the state under AS 44.21.305 - 44.21.330;

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20 facilities that provide domiciliary care. The department, within available funds, shall establish  
21 and operate veterans' homes at sites selected by the commissioner of administration after  
22 consultation with the adjutant general and veterans' organizations.

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24 the Department of Administration a monthly charge established by the department by regulation  
25 in part payment of the cost of the person's care. The charges shall be designed so that, when  
26 combined with federal assistance that may be received on behalf of the residents, substantially  
27 all costs of care are paid by residents. The regulations may provide for exemptions or reductions  
28 based upon hardship.

29                   (c) In this section, "domiciliary care" means care given in a state home for veterans, as  
30 that term is defined in 38 U.S.C. 101(19), that does not provide nursing home care and that meets  
31 the standards required under 38 U.S.C. 5034.

1 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

BY SEN. ZHAROFF

LETTER OF INTENT FOR  
CS SB 44 (FIN)

It is the intent of the legislature that passage of SB 44, "An Act relating to the establishment and operation of state veterans' home facilities; and providing for an effective date." should not preclude communities other than those in the Matanuska-Susitna Valley area from being considered as the site of the first state veterans' home in Alaska.

Senate adopted 5/10/91

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNO

## DEPARTMENT OF ADMINISTRATION

### DIVISION OF PIONEERS' BENEFITS

P.O. BOX CL  
JUNEAU, ALASKA 99911 0211  
PHONE: (907) 465-4400

March 13, 1991

The Honorable Jay Kerttula  
Alaska State Senator  
P.O. Box V  
Juneau, AK 99811

Dear Senator Kerttula:

This letter is in response to your request to calculate the cost projections for the operation of the Veterans Home in Palmer under full management contract. This would include the labor, all professional and other subcontracts, all supplies, except building maintenance and capital expenditures.

The cost reductions are based on the savings of about 19% in the food service/laundry/housekeeping section, a savings of about 10% in the cost of nurses aides and office personnel, an increase of 15% for the Administrator, and an increase in the cost of licensed nursing personnel. All costs are based on FY 1992.

**Personnel costs:**

1 Maintenance Mechanic	\$59,000
1 Maintenance Worker	\$51,500
1 Admin. Assist. in Central Office Anch.	\$45,000

Travel to inspect home, site visits to Palmer	\$1,000
--	---------

**Contractual:**

Food Service/Housekeeping/Laundry includes supplies for these areas	\$630,325
Professional contracts, utilities, etc.	\$227,075
Office, nursing labor	\$1,515,130
Administration, management fee	\$185,000

Grants to destitute residents	\$6,000
-------------------------------	---------

Total cost of operation under  
management contract

~~\$2,685,030~~

2,720,030 jm

The above figure are a rough estimate. By the year 1994 the first full operation of the facility the cost may increase. The above

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FN, CSSB 44, p. 416

March 13, 1991

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Sincerely,

*Barbara Bathony*

Barbara Bathony, Director  
Division of Pioneers' Benefits

bb1/0313-c  
Enclosure

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FN, CSSB 44, p.5/6

Juneau Pioneers' Home  
 State-Operated v. Contracting  
 Food Service, Housekeeping, Laundry  
 March 12, 1991

State Staffing	#	Time Status	Per Employee	Total
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<b>Total</b>	<b>21</b>			<b>\$779,208</b>

Contracting	Total	Total Savings	Total Percentage
Food Service/Housekeeping/Laundry	\$630,325	\$148,883	19.11%

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FN, CSSB 44, p.6/6

**COMMITTEE COPY**



# Alaska State Legislature

SENATE

Official Business

## MEMORANDUM

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

*mike*  
**TO:** Representative Mike Navarre  
Co-Chair, House Finance Committee

**FROM:** Senator Jay Kerttula *Jay*

**SUBJECT:** Senate Bill 44 and SJR 9 - Veterans' Homes

**DATE:** January 14, 1992

I would appreciate it if you would calendar House CS for CS for Senate Bill 44(State Affairs), authorizing the Department of Military and Veterans' Affairs to construct and operate veterans' homes in the Matanuska-Susitna Valley and at other sites within the state. As you may be aware, this bill has strong support from groups representing more than 65,000 Alaskan veterans.

SJR 9 is companion legislation to SB 44 which urges the federal government to approve the state's application for funds to establish and maintain a state veterans home.

As authorized by Title 38 United States Code 5031-5037, the federal government assists states in constructing, acquiring, expanding, remodeling or altering buildings for furnishing domiciliary or nursing home care to veterans in state homes. The federal government pays up to 65% of the construction or alteration costs of the building or buildings. They also assist with operational costs by paying a per diem rate which varies according to the type of care provided.

State veterans' homes are medium to large facilities which have domiciliary, infirmary, and nursing care beds. Currently, there are 63 homes in 38 states, with two more homes under construction. Admission requirements vary from from state to state, with up to 25 percent of the occupants allowed to be nonveterans.

I would appreciate your favorable consideration of this request.

# Alaska State Legislature



Sen. Jay Kerttula, Co-Chairman  
Sen. Pat Pouchot, Co-Chairman

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling

## Senate Finance Committee

State Capitol  
Juneau, AK 99801-1182  
(907) 465-1200  
(907) 463-3066 Fax

Box 1009  
Palmer, AK 99645  
(907) 376-2675  
(907) 376-0315 Fax

### SPONSOR STATEMENT Veterans' Legislation by Senator Jay Kerttula

There are over 70,000 veterans residing in Alaska. Presently, there is no veterans' home in Alaska. The federal government will provide funding for 90 days of nursing home care for veterans in Alaska but after this, veterans who are not medicaid eligible must travel outside of Alaska for care. This results in veterans being separated from home and family; in some cases, veterans are homeless and "on the street" in Alaskan communities.

Alaska's veterans' organizations contacted Senator Kerttula to ask for his assistance in establishing a veterans' home in Alaska to alleviate the present situation.

As a result, Senator Kerttula has submitted two bills to the legislature relating to veterans' homes.

Senate Bill 44 is enabling legislation which allows the Department of Administration to establish veterans' homes in the Matanuska-Susitna Valley and other locations. This is patterned on the Department of Administration's authority to administer pioneers' homes in Alaska.

The Matanuska-Susitna Valley offers a location where there is a large amount of available land, a readily available work force, a large number of resident veterans, close proximity to an urban area and close proximity to a pioneers' home.

The Veterans Administration administers a grant program for the construction of veterans homes known as Grants to States for Construction or Acquisition of State Home Facilities.

Providing the state meets certain requirements, the Veterans Administration contributes 65 percent of the construction costs. The Veterans Administration also provides a per diem to the state for veterans in domiciliary or nursing home beds.

There is a total estimated construction cost of approximately \$8.57 million. The land and utilities hook-up will be provided by the City of Wasilla or the City of Palmer.

Senate Joint Resolution 9 urges the federal government to approve the state's application for funds to establish and maintain a state veterans' home.

information on state veterans' homes provided by Senator Kerttula:

**A state veterans' home is different from a veterans' hospital:**

A state veterans' home is established by a state for veterans disabled by age, disease, or otherwise who is incapable of earning a living. A state home does not provide hospital care.

**How are construction grants awarded?**

First priority is accorded to applications for which a state has appropriated at least 35 percent of its share. Alaska would be at the top of this priority list since we do not have a veterans home. (Several states have more than one home.)

**A state veterans' would not compete with private nursing homes:**

There are over 63,000 veterans in Alaska. The VA will only reimburse in-state private nursing home care for Alaskan veterans for approximately 90 days. Currently, the VA sends approximately 12 Alaskans a year to nursing beds in state veterans' homes and federal VA hospitals outside the state. These 12 Alaskans have used up the 90 days for which the VA will reimburse in-state nursing homes. These 12 veterans are not medicaid-eligible, otherwise medicaid would pay the cost of their nursing care in Alaska.

**Many veterans are ineligible for medicaid, so a private nursing home is not an option.**

Private nursing homes charge more than \$200 a day. Medicaid pays the total charges for 70 percent of private nursing home patients. Many patients need to completely deplete their personal resources before they are medicaid-eligible. This is not an option for most veterans. Anyone who receives more than \$1,221 a month is ineligible for medicaid. Disabled veterans receive between \$76 and \$1,600 per month in disability payments, alone. Together with social security and pension plans, disability payments put many veterans over the medicaid limit.

**There is a shortage of long-term nursing care beds in the Anchorage/Mat Su Area.**

As of January 31, 1991, there were only 9 vacant beds in the Anchorage/Mat Su Area.

11 2

**PROPOSAL BY SENATOR KERTTULA  
FOR AN ALASKA STATE VETERANS' HOME  
IN THE MATANUSKA-SUSITNA VALLEY**

	<b>STATE COST</b>	
<b>Land Acquisition:</b>	<b>-0-</b>	In-kind donation from the Matanuska-Susitna Borough or existing state land. Value of \$1.5 million, no state appropriation required.
<b>Construction Costs:</b>	<b>\$3,000.0</b>	Total estimated construction cost of \$8,570.0, based on the construction cost of the Juneau Pioneers' Home. Federal share of \$5,570.0 As with the pioneers' homes, no certificate of need process anticipated, therefore no need for a study.
<b>Annual Operating Costs</b>	<b>\$1,709.6</b>	Total annual operating cost of \$2,400.0 in FY 90 dollars, identical to the Juneau Pioneers Home, with 20 residential beds and 32 nursing beds. \$322.7 in revenue from the Veterans Administration, based on \$9 per day for residential beds and \$22 per day for nursing beds. \$367.7 annual revenue in rent from the residents, based on a rental charge of \$640 per month for nursing beds and \$508 per month for residential beds. Veterans on disability receive between \$76 and \$1,500 per month. Veterans who reside in state homes receive no reduction in veterans benefits, so these funds would be available for rent.
<b>Services Provided:</b>		Anticipated to be identical to the Juneau Pioneers' Home: physical therapist on staff, occupational therapist on contract, speech therapist on

contract, pharmacist on contract, dentist on contract, and medical doctor on contract. A dietician would be included as a part of the food services contract, not only to design the meal plan but also to work with residents to determine their dietary needs.

**Demand/Need**

It is estimated that there are between 63,000 and 73,000 veterans in Alaska. Currently the VA sends 12 Alaskans a year outside the state to nursing home placement, as the VA will only reimburse private nursing home care in Alaska for approximately 90 days. The VA does not know how many Alaskans leave the state every year to go to domiciliary beds in outside homes -- these veterans leave the state on their own to establish residency in whichever state they are entering. The St. Francis Homeless Shelter in Anchorage currently houses between 280 and 300 people every night, out of which 50 are veterans. The San Francisco Shelter in Anchorage is specifically geared towards the elderly homeless, and has 11 beds. The San Francisco Shelter houses between 6 - 7 veterans every night. In the St. Francis Shelter, 5/6 of the nightly residents are men, and 45 % of the Native men are veterans and 60 % of the Caucasian men are veterans.

**Proposed  
Eligibility Requirements:**

A veteran with an Honorable or General Discharge, or spouse or widow of the same. One or more days active duty in a war period or, if peacetime, is over 65. If under 65, must have a service-connected disability. Must be a resident of Alaska for one year prior to application, and be unable to be gainfully employed. (Based on West Virginia criteria). Veterans have first priority, veterans' spouses or widows have second priority. (Wyoming criteria).

# STATE OF ALASKA

## DEPARTMENT OF ADMINISTRATION

### DIVISION OF PIONEERS' BENEFITS

STEVE COWPER, GOVERNOR

P.O. BOX CL  
JUNEAU, ALASKA 99811-0211  
PHONE: (907) 465-4400

August 6, 1990

The Honorable Steve Frank  
Alaska State Senator  
119 N. Cushman, Room 213  
Fairbanks, Alaska 99701

Dear Senator Frank:

This letter is in response to your inquiry dated July 25, 1990 on the number of veterans living in the Pioneers' Homes.

The table below has the number of veterans tabulated by Home and by residential, assisted living and skilled nursing care.

	<u>Residential</u>		<u>Assisted Living</u>		<u>Nursing</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Sitka	0	0	3	0	2	0
Fairbanks	6	1	0	0	6	0
Palmer	4	0	0	0	5	0
Anchorage	10	1	3	1	6	0
Ketchikan	2	0	0	0	1	0
Juneau	5	0	0	0	1	0

The number of veterans in the homes has increased dramatically over the last few years and the subject of building a veterans home has been discussed frequently. The latest discussion was with Secretary Edward Derwinski from Washington, DC while on his recent trip to Alaska. I approached him on designating one wing of the homes to veterans. His reply was that veterans do not want to be together with any other facility and the Veterans Administration would therefore only pay for free standing veterans homes.

The cost of care is more difficult to provide. The homes provide very flexible care, since we do not fall mandatorily under specific licensing guidelines, i.e., for Medicaid reimbursement. Our care given in assisted living is therefore much closer to the intermediate nursing care of the private sector. The estimated cost of care per month as of June 1990 for residential is \$1,925.14 of which the resident pays 27%, assisted living \$2,010.07 of which the resident pays 31%, and skilled nursing care cost is \$5,352.48 of which the resident pays 15%. The charges do not include medications. Medications are an additional charge to the residents and amount to an average of \$120 a month. Medicaid rates include

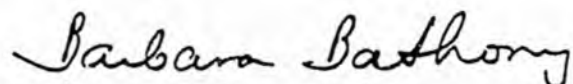
medications. The above calculations do not include the Sitka home. The Sitka home has many vacancies and we are in the process of reducing the staff and converting beds to be more economical.

I hope this will assist you in your research on a veterans home.

Very fortunately I was able to be present during the recent town meetings on the closure of Denali Center. Enclosed is my personal view on what the community needs and would most benefit from for the long term future of this great city.

Please feel free to contact me for further research on the subject of integrated care for the elderly.

Sincerely,



Barbara Bathony, Director  
Division of Pioneers' Benefits

Enclosure

WP1/ltr/0803



Heritage Place

232 Rockwell Avenue  
Soldotna, Alaska 99669  
907-262-2545

May 16, 1991  
Rep. Gene Kubina, Chair  
House State Affairs Committee  
P.O. Box V, MS 3100  
Juneau, Ak. 99811

Re: Consideration of SB 44, "Veteran's Home"

Dear Rep. Kubina:

It is my understanding that your committee will be taking up consideration of SB 44 this afternoon at 4:00pm. I would like to suggest that the committee hold a teleconference on this bill to give communities across the state further opportunities to testify as to the both the advantages and disadvantages of the legislation. At this time I would wish to ask the following questions concerning the establishment of a Veteran's Home.

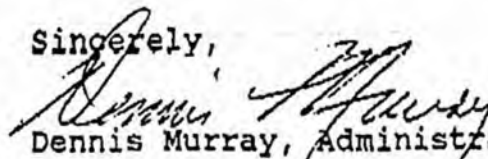
- a) How will this legislation provide greater access for Veterans to health care in their local communities?
- b) Does the legislation contemplate a facility which provides skilled nursing care, or will the facility focus on residential services, i.e., domiciliary care?
- c) As the state is already struggling with "What to Do" with the facilities and staffing at Harborview Developmental Center, wouldn't it be appropriate to include this question with the study which is to be completed in the interim, i.e., are more facilities needed at this time?
- d) Since the state desires to help Veterans with nursing care as contemplated in this legislation, why not simply appropriate the necessary funding for the utilization of existing community nursing care facilities in the communities where the veterans reside with their families and friends. Would that not be both cost-effective and provide the greatest access at the local level?
- e) Since the legislature has focused a great deal of time and energy on health care cost containment, has there been an analysis of the impact such a new facility would have on both the cost and access to care in communities across the state, and most particularly the small rural combined hospitals/nursing homes in Cordova, Kodiak, Homer, Wrangell, Petersburg, Ketchikan and Nome?

Page 2  
Letter to Gene Kubina

There is certainly a need to address the problems for Veterans obtaining access to long term care services. In part, the Veterans are part of a larger question of financing for institutional services. Nationally, there are presently only two major mechanisms. They are the Medicaid System and Individual Self-Pay. In Alaska there is a dilemma of coverage for those persons who because of income do not qualify for medicaid protection. That dilemma was addressed in the early 1980's through the medicaid state exception program. Unfortunately, the administration and legislature have been unable to fund that program since 1985.

Thank you for the opportunity to have input. I do hope that this legislation can be held over for the second session. During the interim this question should be part of all discussions with respect to the state's role and commitment to fund health care for the Veteran and for other Alaskans.

Sincerely,

  
Dennis Murray, Administrator

cc. Rep. Mike Navarre  
Rep. Gail Phillips

## ALASKA NURSING HOMES CENSUS

FACILITY	MEDICAID PER DIEM RATE	CERTIFIED CAPACITY		MEDICAID/GRM PLACEMENTS		NON-DMA PLACEMENTS		TOTAL CENSUS	VACANT BEDS	% OCCUPANCY OF TOTAL BEDS	
		SNF/ ICF	SWING BEDS	ICF	SNF	MEDI- CARE	** OTHER			OVERALL	MEDICAID
CORDOVA HOSPITAL LTC	\$282.90	10	4	9	2	n/a	0	11	3	79%	79%
DENALI CENTER (Fairbanks)	199.79	101	0	35	13	5	8	61	40	60%	48%
HERITAGE PLACE (Soldotna)	220.51	45	0	23	1	4	6	34	11	76%	53%
ISLAND VIEW MANOR (Ketchikan)	237.70	46	0	17	1	5	3	28	18	61%	39%
KOTZEBUE SENIOR CITIZEN CARE CTR.	205.87	9	0	6	3	0	0	9	0	100%	100%
KODIAK ISLAND HOSPITAL LTC	234.13	19*	4	17	n/a	0	3	20	3	87%	74%
MARY CONRAD CENTER (Anchorage)	220.08	73*	0	72	n/a	n/a	1	73	0	100%	99%
OUR LADY OF COMPASSION (Anchorage)	184.69	224	0	138	55	4	20	217	7	97%	86%
PETERSBURG HOSPITAL LTC	256.27	14	4	10	0	0	1	11	7	61%	56%
QUIYAANA CARE CENTER (Nome)	292.48	15*	0	14	n/a	n/a	0	14	1	93%	93%
SOURDOUGH PLACE (Valdez)	212.18	16*	0	10	n/a	n/a	4	14	2	88%	63%
SOUTH PENINSULA HOSP. LTC (Homer)	265.21	18	4	15	0	n/a	1	16	6	68%	73%
ST. ANN'S NURSING HOME (Juneau)	209.64	45	0	30	6	0	3	39	6	87%	80%
VESLEY REHAB. CARE CENTER (Seward)	165.42	66	0	41	0	n/a	4	45	21	68%	62%
WRANGELL GENERAL HOSPITAL LTC	290.09	14	4	8	2	0	2	12	6	67%	56%
<b>SWING BEDS (Acute to LTC):</b>											
CENTRAL PEN. HOSPITAL (Soldotna)	181.75	0	4	0	0	0	0	0	4	0%	0%
SEWARD GENERAL HOSPITAL	177.51	0	2	0	0	1	0	1	1	50%	0%
SITKA COMMUNITY HOSPITAL	181.75	0	2	0	0	1	0	1	1	50%	0%
VALDEZ COMMUNITY HOSPITAL	181.75	0	4	2	0	0	0	2	2	50%	50%
VALLEY HOSPITAL (Palmer)	181.75	0	4	0	0	3	0	3	1	75%	0%
<b>TOTAL:</b>			751	447	83	23	56	611	140	79%	71%

\* - beds certified ICF only.  
 \*\* - includes VA, private pay,  
 insurance, and other.

KAREN MARTZ  
 DIVISION OF MEDICAL ASSISTANCE (907) 461-2171

DATE

*Karen Mertz* 3/27/91

RECEIVED MAY

# Alaska Pioneers' Home System

Occupancy Report  
for the period  
beginning 03/27/91  
through 04/26/91

*Barbara Bathony*  
Barbara Bathony, Director  
Division of Pioneers' Benefits  
Department of Administration

Residential Beds	Sitka	Fairbanks	Palmer	Anchorage	Ketchikan	Juneau	Total
Available	66	52	22	109	19	20	288
Unavailable	0	0	0	0	0	0	0
Occupied	36	42	19	97	18	19	231
Occupied (%)	54.5	80.8	86.4	89.0	94.7	95.0	80.2
Vacant	30	10	3	12	1	1	57
Waiting	3	1	0	0	10	4	18
Surplus (Deficit)	27	9	3	12	(9)	(3)	39
Surplus/Deficit (%)	40.9	17.3	13.6	11.0	(47.4)	(15.0)	13.5
Destitute	4	0	0	1	1	0	6

Assisted Living Beds	Sitka	Fairbanks	Palmer	Anchorage	Ketchikan	Juneau	Total
Available	20	4	17	25	0	0	66
Unavailable	0	0	0	0	0	0	0
Occupied	19	4	13	25	0	0	61
Occupied (%)	95.0	100.0	76.5	100.0	0.0	0.0	92.4
Vacant	1	0	4	0	0	0	5
Waiting	5	5	4	12	0	0	26
Surplus (Deficit)	(4)	(5)	0	(12)	0	0	(21)
Surplus/Deficit (%)	(20.0)	(125.0)	0.0	(48.0)	0.0	0.0	(31.8)
Destitute	5	1	1	2	0	0	9

Nursing Beds	Sitka	Fairbanks	Palmer	Anchorage	Ketchikan	Juneau	Total
Available	26	45	46	82	28	32	259
Unavailable	0	0	0	0	0	0	0
Occupied	26	44	41	82	28	31	250
Occupied (%)	100.0	97.8	89.1	100.0	92.9	96.9	96.5
Vacant	0	1	5	0	2	1	9
Waiting	28	34	0	46	20	38	164
Surplus (Deficit)	(26)	(33)	5	(46)	(18)	(37)	(155)
Surplus/Deficit (%)	(100.0)	(73.3)	10.9	(56.1)	(64.3)	(115.6)	(59.8)
Destitute	7	17	17	28	10	10	89

Infirmiry Beds	Sitka	Fairbanks	Palmer	Anchorage	Ketchikan	Juneau	Total
Available	3	3	2	4	2	2	16
Days Available	93	93	62	124	62	62	496
Days Occupied	72	18	0	60	44	0	194
Days Occupied (%)	77.4	19.4	0.0	48.4	71.0	0.0	39.1
Residents	5	2	0	9	2	0	18
Residents (%)	13.9	4.8	0.0	9.3	11.1	0.0	7.8

Total beds	Sitka	Fairbanks	Palmer	Anchorage	Ketchikan	Juneau	Total
Available	115	104	87	220	49	54	629
Unavailable	0	0	0	0	0	0	0
Occupied	81	90	73	204	44	50	542
Occupied (%)	70.4	86.5	83.9	92.7	89.8	92.6	86.2
Vacant	34	14	14	16	5	4	87
Waiting	34	40	4	58	30	42	208
Surplus (Deficit)	0	(26)	10	(42)	(25)	(38)	(225)
Surplus/Deficit (%)	0.0	(25.0)	11.5	(19.1)	(51.0)	(70.4)	(35.8)
Destitute	16	18	18	31	11	10	104

Status Changes	Sitka	Fairbanks	Palmer	Anchorage	Ketchikan	Juneau	Total
<b>Admissions</b>							
Residential	3	2	1	3	0	0	9
Assisted Living	0	0	0	0	0	0	0
Nursing	0	0	0	0	2	0	2
Total	3	2	1	3	2	0	11
<b>Discharges</b>							
Residential	0	0	0	0	0	0	0
Assisted Living	0	0	0	0	0	0	0
Nursing	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0
<b>Deaths</b>							
Residential	0	0	2	1	0	0	3
Assisted Living	0	0	0	1	0	0	1
Nursing	1	3	2	2	1	0	9
Total	1	3	4	4	1	0	13
<b>Transfers</b>							
Residential							
to Assisted Living	0	0	0	0	0	0	0
to Nursing	1	2	0	0	0	0	3
wait Assisted Living	0	15	0	2	0	0	17
wait Nursing	0	0	0	0	0	0	0
Assisted Living							
to Residential	0	0	0	0	0	0	0
to Nursing	0	0	0	0	0	0	0
wait Residential	0	0	0	0	0	0	0
wait Nursing	0	0	0	4	0	0	4
Nursing							
to Residential	0	0	0	0	0	0	0
to Assisted Living	0	0	0	0	0	0	0
wait Residential	0	0	0	0	0	0	0
wait Assisted Living	0	1	0	0	0	0	1

DOCUMENTS WHICH HAVE NOT BEEN  
FILMED BUT ARE AVAILABLE IN THE  
ORIGINAL FILE INCLUDE:

*Memo from Legis. Research Agency  
4/16/90 Request No. 91.045*

*Re: Cost of Applying for a State  
Veterans Home in Alaska*

**SB**

**444**

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/22/91

FURTHER:

DATE TURNED INTO OFFICE: 3/27/91

The Finance Committee considered SENATE BILL NO. 44

"An Act relating to the establishment and operation of state veterans' home facilities; and providing for an effective date."

and recommended:

replace with \_\_\_\_\_ CS SB 44 (FIN)  same title  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title  
 attached amendment(s)  technical  
 \_\_\_\_\_ letter of intent adopted  title change  
(HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) DMUA 03/27/91

zero fiscal note(s) \_\_\_\_\_

appropriation-no fiscal note

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS:

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

1. [Signature]

Co-Chairs: Signatures and

OTHER RECOMMENDATIONS:

[Signature] [Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. [Signature] do pass

Recommendations

FISCAL NOTE

R/O 3/27/91

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSB 44 (FIN)

Revision Date: \_\_\_\_\_ Department Affected: Military & Veterans Affairs  
 Title: Establishment of state veterans home BRU: Veterans Affairs  
 Component: State Veterans Home  
 Sponsor: Sen. Kertulla  
 Requestor: Sen Finance COMPONENT SERIAL NO. 

N	E	W	
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

This is an authorization bill only. The fiscal impact of implementing the construction and operation of a state veterans home will be shown in a separate appropriation bill with a fiscal note (SB 45).

Prepared By: Jeff Morrison, Director Phone: 465-4600  
 Division: Administrative Support & Services Date: 27 March 91  
 Approved by Commissioner: *J Morrison for* MG Hugh L Cox III  
 Agency: Military & Veterans Affairs Date: 27 March 91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

**CS FOR SENATE BILL NO. 44 (FINANCE)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**SEVENTEENTH LEGISLATURE - FIRST SESSION**

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATORS KERTTULA, Pourchot, Duncan

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the establishment and operation of state veterans' home facilities; and  
 2 providing for an effective date."

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

4 \* Section 1. PURPOSE. The purpose of this Act is to direct the Department of Military and  
 5 Veterans' Affairs to establish and operate state veterans' homes in a manner that would make them  
 6 eligible for the maximum amount of federal funds.

7 \* Sec. 2. AS 18.07.111(9) is amended to read:

8 (9) "health care facility" means a private, municipal, state, or federal hospital,  
 9 psychiatric hospital, tuberculosis hospital, skilled nursing facility, kidney disease treatment center  
 10 (including freestanding hemodialysis units), intermediate care facility, and ambulatory surgical  
 11 facility; the term excludes

12 (A) an Alaska Pioneers' Home administered by the Department of  
 13 Administration under AS 44.21.020(10) and AS 47.55; [AND]

14 (B) the offices of private physicians or dentists whether in individual or

1  
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group practice; and

(C) a state veterans' home administered by the Department of  
Military and Veterans' Affairs;

\* Sec. 3. AS 44.35.020 is amended by adding a new subsection to read:

(c) The Department of Military and Veterans' Affairs shall apply for federal assistance to establish and operate state veterans' home facilities. The department, within available funds, shall establish and operate veterans' homes in the Matanuska-Susitna Valley area and at other sites designated by the adjutant general.

\* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

SB44



Official Business

# Alaska State Legislature

## Senate

### Committee on Finance

Pouch V  
State Capitol  
Juneau, Alaska 99811

#### MEMORANDUM

**TO:** Senator Pat Pourchot, Co-Chairman  
Senate Finance Committee

**FROM:** Senator Jay Kerttula

**SUBJ:** Senate Bill 44, Senate Bill 45  
Veterans Homes

**DATE:** March 4, 1991

I appreciate your consideration of Senate Bill 44 and Senate Bill 45 -- relating to state veterans homes.

Senate Bill 44 is an enabling bill which allows the Department of Administration to administer veterans' homes facilities in the Matanuska-Susitna Valley and other sites. This is patterned on the Department of Administration's authority to administer pioneers' homes in Sitka and other sites. The Matanuska-Susitna Valley offers a location where there is a large amount of available land, a readily available work force, a large number of resident veterans, close proximity to an urban area and close proximity to a pioneers home.

Senate Bill 45 would appropriate \$ 3 million to construct a veterans' home. The VA administers a grant program for the construction of veterans homes known as Grants to States for Construction or Acquisition of State Home Facilities (38 CFR Part 17). Providing the state meets certain requirements, the VA contributes 65 percent of the construction costs. The VA also provides a per diem to the state for veterans in domiciliary or nursing home beds. Senate Bill 45 is based on a total estimated construction cost of approximately \$ 8.57 million. The Juneau Pioneers' Home was constructed at a cost of \$10 million, of which

\$1 million was in land acquisition costs.

Background Information:

After the Civil War, the federal government opened national veterans homes because of the large number of indigent and disabled veterans. Because the national homes were unable to meet the demand and because confederate soldiers were not eligible for admittance, state veterans homes were instituted to replace them. In 1888, in order to reduce the general fund burden on states, a federal enactment provided for the payment of \$100 per year to each state home for each veteran housed.

Now authorized by Title 38 United States Code 5031-5037, the objective is to assist states in constructing, acquiring, expanding, remodeling or altering buildings for furnishing domiciliary or nursing home care to veterans in state homes. The federal government pays up to 65 percent of the construction, expansion, remodeling or alteration costs of the building or buildings. They also assist with operational costs by paying a per diem rate which varies according to the type of care provided. The current per diem rate is \$21.83 per veteran per day for nursing care; however, this rate was due to rise 2.8 percent on October 1, 1990.

State veterans' homes are medium to large facilities which have domiciliary, infirmary, and nursing care beds. Currently, there are 63 homes in 38 states, with two more homes under construction. Admission requirements vary from state to state, with up to 25 percent of the occupants allowed to be nonveterans. Residency requirements also vary from state to state.

Attached is the latest version of the National Association of State Veterans' Homes which lists -- by home-- staff positions, operating budget, bed capacity, and services provided.

JK:kh

Information on state veterans' homes provided by Senator Kerttula:

**A state veterans' home is different from a veterans' hospital:**

A state veterans' home is established by a state for veterans disabled by age, disease, or otherwise who is incapable of earning a living. A state home does not provide hospital care.

**How are construction grants awarded?**

First priority is accorded to applications for which a state has appropriated at least 35 percent of its share. Alaska would be at the top of this priority list since we do not have a veterans home. (Several states have more than one home.)

**A state veterans' would not compete with private nursing homes:**

There are over 63,000 veterans in Alaska. The VA will only reimburse in-state private nursing home care for Alaskan veterans for approximately 90 days. Currently, the VA sends approximately 12 Alaskans a year to nursing beds in state veterans' homes and federal VA hospitals outside the state. These 12 Alaskans have used up the 90 days for which the VA will reimburse in-state nursing homes. These 12 veterans are not medicaid-eligible, otherwise medicaid would pay the cost of their nursing care in Alaska.

**Many veterans are ineligible for medicaid, so a private nursing home is not an option.**

Private nursing homes charge more than \$200 a day. Medicaid pays the total charges for 70 percent of private nursing home patients. Many patients need to completely deplete their personal resources before they are medicaid-eligible. This is not an option for most veterans. Anyone who receives more than \$1,221 a month is ineligible for medicaid. Disabled veterans receive between \$76 and \$1,600 per month in disability payments, alone. Together with social security and pension plans, disability payments put many veterans over the medicaid limit.

**There is a shortage of long-term nursing care beds in the Anchorage/Mat Su Area.**

As of January 31, 1991, there were only 9 vacant beds in the Anchorage/Mat Su Area.

TC 2-2

**PROPOSAL BY SENATOR KERTTULA  
FOR AN ALASKA STATE VETERANS' HOME  
IN THE MATANUSKA-SUSITNA VALLEY**

	<b>STATE COST</b>	
<b>Land Acquisition:</b>	<b>-0-</b>	<b>In-kind donation from the Matanuska-Susitna Borough or existing state land. Value of \$1.5 million, no state appropriation required.</b>
<b>Construction Costs:</b>	<b>\$3,000.0</b>	<b>Total estimated construction cost of \$8,570.0, based on the construction cost of the Juneau Pioneers' Home. Federal share of \$5,570.0 As with the pioneers' homes, no certificate of need process anticipated, therefore no need for a study.</b>
<b>Annual Operating Costs</b>	<b>\$1,709.6</b>	<b>Total annual operating cost of \$2,400.0 in FY 90 dollars, identical to the Juneau Pioneers Home, with 20 residential beds and 32 nursing beds. \$322.7 in revenue from the Veterans Administration, based on \$9 per day for residential beds and \$22 per day for nursing beds. \$367.7 annual revenue in rent from the residents, based on a rental charge of \$640 per month for nursing beds and \$508 per month for residential beds. Veterans on disability receive between \$76 and \$1,500 per month. Veterans who reside in state homes receive no reduction in veterans benefits, so these funds would be available for rent.</b>
<b>Services Provided:</b>		<b>Anticipated to be identical to the Juneau Pioneers' Home: physical therapist on staff, occupational therapist on contract, speech therapist on</b>

contract, pharmacist on contract, dentist on contract, and medical doctor on contract. A dietician would be included as a part of the food services oncontract, not only to design the meal plan but also to work with residents to determine their dietary needs.

**Demand/Need**

It is estimated that there are between 63,000 and 73,000 veterans in Alaska. Currently the VA sends 12 Alaskans a year outside the state to nursing home placement, as the VA will only reimburse private nursing home care in Alaska for approximately 90 days. The VA does not know how many Alaskans leave the state every year to go to domiciliary beds in outside homes -- these veterans leave the state on their own to establish residency in whichever state they are entering. The St. Francis Homeless Shelter in Anchorage currently houses between 280 and 300 people every night, out of which 50 are veterans. The San Francisco Shelter in Anchorage is specifically geared towards the elderly homeless, and has 11 beds. The San Francisco Shelter houses between 6 - 7 veterans every night. In the St. Francis Shelter, 5/6 of the nightly residents are men, and 45 % of the Native men are veterans and 60 % of the Caucasian men are veterans.

**Proposed  
Eligibility Requirements:**

A veteran with an Honorable or General Discharge, or spouse or widow of the same. One or more days active duty in a war period or, if peacetime, is over 65. If under 65, must have a service-connected disability. Must be a resident of Alaska for one year prior to application, and be unable to be gainfully employed. (Based on West Virginia criteria). Veterans have first priority, veterans' spouses or widows have second priority. (Wyoming criteria).

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPT. OF HEALTH AND SOCIAL SERVICES

P.O. BOX H-07  
JUNEAU, ALASKA 99811-0660  
PHONE: (907) 465-3355

### DIVISION OF MEDICAL ASSISTANCE

March 22, 1991

The Honorable Pat Pourchot  
Alaska State Legislature  
Capitol Building, Room 516  
Post Office Box V, M/S 3100  
Juneau, Alaska 99811

Dear Senator Pourchot:

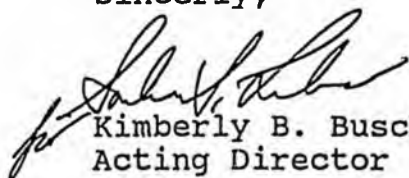
You asked for our assessment of current nursing home bed availability. I have attached a copy of our monthly report for December 31, 1990; it shows 133 beds vacant, with an occupancy rate of 82%. This statewide occupancy rate is fairly typical, and is very close to the national occupancy rate. (We have copies of this report back to 1977, if you would like to see them.)

I'm also enclosing a copy of a graph that will give you a picture of this situation since FY82. A simple projection from this historical data would show the likelihood that the trend will continue upward, absent some significant change in state policy or a change in the current rapid growth in Alaska's elderly population. (Please note that the attachments do not include Pioneers' Homes.)

We have made no long-term study of future needs, since our certificate of need and certification programs are inherently site-and-time specific, but key staff in this department have often expressed the need they feel to conduct such a study and to use it to develop an integrated statewide long-term policy and plan for nursing home care.

We would be happy to discuss this issue further, with you or your staff, at your convenience.

Sincerely,



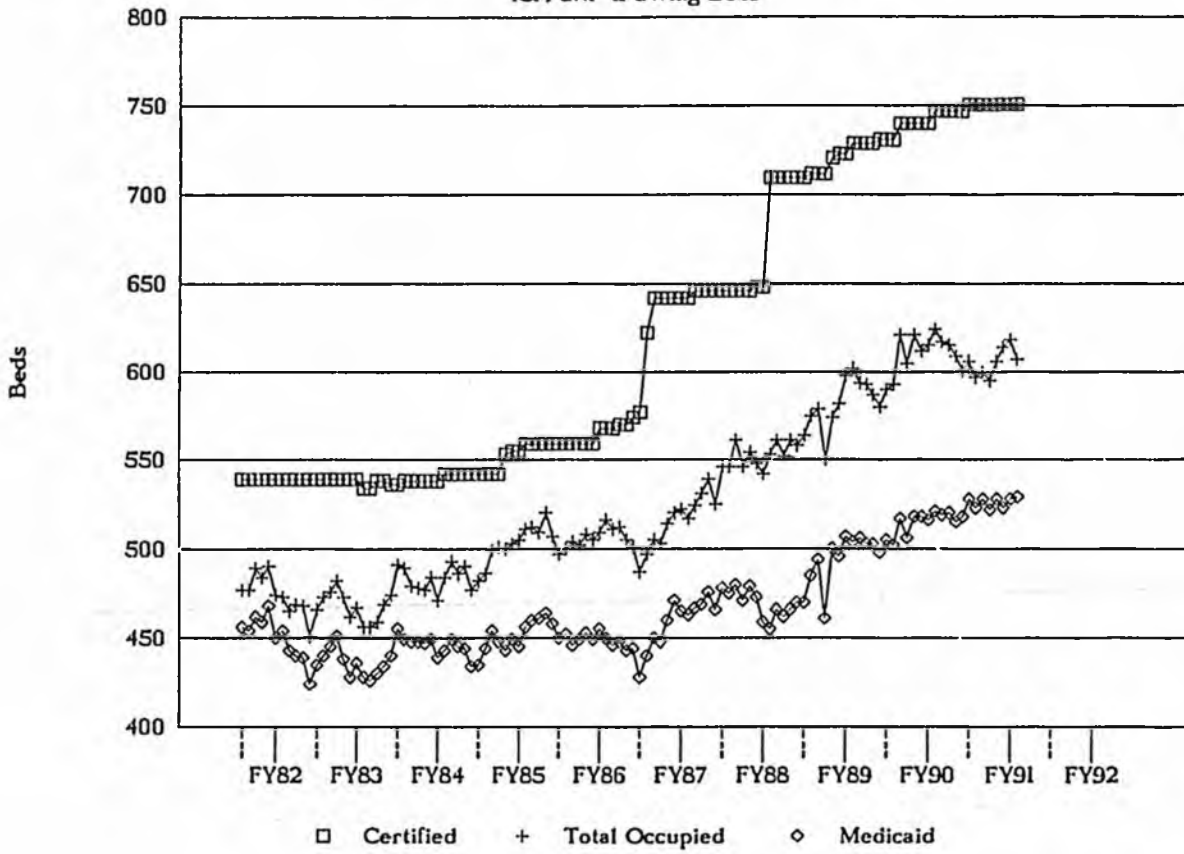
Kimberly B. Busch  
Acting Director

KBB/GGL/jg

enclosures (2)

# Nursing Home Census

ICF, SNF & Swing Beds



ALASKA NURSING HOMES CENSUS

AS OF : December 31, 1990

PAGE 1 OF 2

FACILITY	MEDICAID PER DIEM RATE	CERTIFIED CAPACITY		MEDICAID/GRM PLACEMENTS		NON-DMA PLACEMENTS **		TOTAL CENSUS	VACANT BEDS	% OCCUPANCY OF TOTAL BEDS	
		SNF/ ICF	SWING BEDS	ICF	SNF	MEDI- CARE	OTHER			OVERALL	MEDICAID
CORDOVA HOSPITAL LTC	\$282.90	10	4	10	3	n/a	0	13	1	93%	93%
DEHALI CENTER (Fairbanks)	199.79	101	0	35	10	8	10	63	38	62%	45%
HERITAGE PLACE (Soldotna)	208.38	45	0	21	2	1	8	32	13	71%	53%
ISLAND VIEW MANOR (Ketchikan)	237.70	46	0	19	2	3	5	29	17	63%	46%
KOTZEBUE SENIOR CITIZEN CARE CTR.	189.27	9	0	4	5	0	0	9	0	100%	100%
KODIAK ISLAND HOSPITAL LTC	216.52	19*	4	12	n/a	0	3	15	8	65%	52%
MARY CONRAD CENTER (Anchorage)	289.31	73*	0	70	n/a	n/a	2	72	1	99%	96%
OUR LADY OF COMPASSION (Anchorage)	179.08	224	0	140	49	5	26	220	4	98%	84%
PETERSBURG HOSPITAL LTC	253.04	14	4	11	0	1	0	12	6	67%	61%
QUYAANA CARE CENTER (Nome)	284.31	15*	0	15	n/a	n/a	0	15	0	100%	100%
SOURDOUGH PLACE (Valdez)	176.27	16*	0	11	n/a	n/a	3	14	2	80%	69%
SOUTH PENINSULA HOSP. LTC (Homer)	256.94	18	4	14	0	n/a	2	16	6	73%	64%
ST. ANN'S NURSING HOME (Juneau)	209.64	45	0	34	7	0	2	43	2	96%	91%
WESLEYAN NURSING HOME (Seward)	164.52	66	0	40	0	n/a	6	46	20	70%	61%
WRANGELL GENERAL HOSPITAL LTC	262.43	14	4	9	2	0	1	12	6	67%	61%
<u>SWING BEDS (Acute to LTC):</u>											
CENTRAL PEN. HOSPITAL (Soldotna)	181.75	0	4	0	1	0	1	2	2	50%	25%
SEWARD GENERAL HOSPITAL	177.51	0	2	0	0	0	0	0	2	0%	0%
SITKA COMMUNITY HOSPITAL	181.75	0	2	0	0	0	0	0	2	0%	0%
VALDEZ COMMUNITY HOSPITAL	181.75	0	4	2	0	0	0	2	2	50%	50%
VALLEY HOSPITAL (Palmer)	181.75	0	4	0	0	3	0	3	1	75%	0%
<b>TOTAL:</b>			<b>751</b>	<b>447</b>	<b>81</b>	<b>21</b>	<b>69</b>	<b>618</b>	<b>133</b>	<b>82%</b>	<b>70%</b>

\* - beds certified ICF only.

\*\* - includes VA, private pay, insurance, and other.

NOTE: Heritage Place, Our Lady of Compassion, Quyaana Care Center, Petersburg, South Peninsula new rates all effective retro to 10/1/90.

*Karen M. Hartz* 1/29/91  
 KAREN HARTZ DATE  
 DIVISION OF MEDICAL ASSISTANCE (907) 561-2171

FISCAL NOTE

No. 1

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Bill Version: 5844

(S) Publish Date: 2/22/91

Revision Date: 2-14-91

Title: State Veterans Home

Department Affected: Administration

BRU: Division of Pioneers' Benefits

Component: Pioneers' Homes

Sponsor: Senator Kerttula

Requestor: Senator Rodey

COMPONENT SERIAL NO. 

4	5		
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	45,000	545,000	1,828,500	1,828,500	1,828,500	1,828,500
TRAVEL	3,000	5,000	15,000	3,000	3,000	3,000
CONTRACTUAL	0	245,000	857,000	857,000	857,000	900,000
SUPPLIES	0	25,000	129,000	129,000	129,000	140,000
EQUIPMENT	0	0	0	10,000	10,000	15,000
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	2,000	10,000	10,000	10,000	10,000
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	48,000	822,000	2,839,500	2,837,500	2,837,500	2,896,500

CAPITAL	10,720,000	100,000	0	0	0	0
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REVENUE from Feds and Vets	6,968,000	100,000	690,340	690,340	690,340	690,340
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FUNDING: (Thousands of Dollars)

GENERAL FUND	3,800,000	822,000	2,149,160	2,147,160	2,147,160	2,206,160
FEDERAL FUNDS	6,968,000	45,000	322,660	322,660	322,660	322,660
OTHER per diem from Vets	0	55,000	367,680	367,680	367,680	367,680
TOTAL	10,768,000	1,022,000	2,839,500	2,837,500	2,837,500	2,896,500

POSITIONS:

FULL-TIME	1	1	32	32	32	32
PART-TIME	0	25	9	9	9	9
TEMPORARY	0	0	5	5	5	5

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared by: Barbara Bathony *Barbara Bathony*  
Division: Pioneers' Benefits

Phone: 465-4400

Date: 2/14/91

Approved by Commissioner: Millett Keller *Millett Keller*  
Agency: Administration

Date: 2/20/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



## FY93

### OPERATING

Cost estimates are based on preparation of home for occupancy on April 1, 1993. Personal services costs are based on staggered hiring from January 1, 1993 and staggered admissions as of April 1, 1993.

Personal Services	\$ 45,000	Administrative Assistant I located in Central Office
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Start up costs for opening date of Vet Home between April 1 and July 1, 1993.

Personal Services	\$500,000	25 ppt from 3-6 months, staggered.
Travel	5,000	
Contractual	245,000	
Supplies	25,000	
Grants	<u>2,000</u>	

Total State Operating	\$822,000	
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REVENUES	100,000	Based on staggered admission during a three month period
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CAPITAL	100,000	Covers specialized orthopedic, handicapped mobility, medical equipment, specialized beds etc, which are dependent upon the Physical and medical needs of the residents. Includes set up of preventive maintenance program for medical and other equipment. Includes computerized medical records system, not included in the Juneau PH costs.
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Total Net State Funding	\$822,000	
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# FY94

## OPERATING

Personal Services	\$ 48,500	Located in Central Office
Personal Services	1,780,000	State Vet Home based on Juneau Pioneers; Home FY 92 budget, a copy of the staffing is attached: 31 FT, 9 PT, 5 non-perm/temporary.
Travel	15,000	Includes travel by CO staff to the Vet Home and staff moving costs
Contractual	857,000	Includes management and labor of food service under contract, not as State labor as in Palmer Pioneers' Home
Supplies	129,000	
Equipment	0	
Land and Structure	0	
Grants, Claims	<u>10,000</u>	
Total State Operating	\$2,839,500	
Total Net State Operating	\$2,149,160	

### For Comparison -

Juneau Pioneers' Home:	<u>FY 90</u> <u>Authorized</u>	<u>FY 92</u> <u>Proposed</u>
Personal Services	\$1,534,810	\$1,779,900
Travel	4,000	1,800
Contractual	815,800	857,400
Supplies	129,900	102,100
Equipment	12,000	0
Land & Structure	0	0
Grants, Claims	6,000	6,000
Miscellaneous	<u>0</u>	<u>0</u>
Total	\$2,502,510	\$2,747,200

The above is based on the authorized budget from 1990 and proposed budget for 1992, for the Juneau Pioneers' Home.

## REVENUES

Federal Revenue	\$256,960	32 nursing residents at \$22/day
	65,700	20 domiciliary residents at \$9/day
Total Federal Revenue	\$322,660	Based on 52 beds occupied by veterans qualified for federal reimbursement
State Revenue	\$245,760	32 nursing beds at \$640 month
	121,920	20 domiciliary beds at \$508/month
Total State Revenue	\$367,680	
Total Revenue	\$690,340	Based on the assumption that approximately 80% of the possible revenue can be collected from the veterans due to inability to pay and for room vacancies due to discharges.

CAPITAL 0

Positions from FY94 to FY97 32 FT, 9 PT, 5 non perms (temp)

d\wp\misc\sb44rev

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSB 43 (FIN)

Revision Date: March 13, 1991 Department Affected: Military & Veterans Affairs  
 Title: Establishment & Operation of State Veterans Home BRU: Veterans Affairs  
 Sponsor: Sen. Kerttula Component: Veterans Home  
 Requestor: Sen. Kerttula COMPONENT SERIAL NO. 

N	E	W	
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	60.0	102.4	170.5	170.5	170.5	170.5
TRAVEL	3.0	3.0	3.0	3.0	3.0	3.0
CONTRACTUAL	40.0	684.4	2577.5	2577.7	2577.5	2577.5
SUPPLIES						
EQUIPMENT				10.0	10.0	10.0
LAND & STRUCTURES						
GRANTS, CLAIMS		1.5	6.0	6.0	6.0	6.0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>103.0</b>	<b>791.3</b>	<b>2757.0</b>	<b>2767.0</b>	<b>2767.0</b>	<b>2767.0</b>

CAPITAL	10,720.0	100.0				
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REVENUE	6,968.0	100.0	690.4	690.4	690.4	690.4
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FUNDING: (Thousands of Dollars)

GENERAL FUND	3,885.0	691.3	2066.6	2076.6	2076.6	2076.6
FEDERAL FUNDS	6,968.0	45.0	322.7	322.7	322.7	322.7
OTHER		55.0	367.7	367.7	367.7	367.7
<b>TOTAL</b>						

POSITIONS:

FULL-TIME	1	3	3	3	3	3
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared By: Jeff Morrison Phone: 465-4600  
 Division: Administrative Support & Services Date: 13 March 91  
 Approved by Commissioner: *J Morrison* for MG Hugh L. Cox III  
 Agency: Military & Veterans Affairs Date: 13 March 91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE TO SB 45  
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

This fiscal note was prepared relying on information provided by the Division of Pioneer Benefits. There was not sufficient time to perform an independent and thorough analysis of the impact of this bill on DMVA, and further in depth study may require the amendment or revision of this fiscal note.

The attached letter from Barbara Bathony, the Director of the Division of Pioneer Benefits, provides an estimate of the normal annual costs of the state veterans home being proposed, if the operation of the home were contracted out to the maximum extent possible. This letter is used as the basis of the DMVA fiscal note, with the following exceptions for the reasons noted:

1. Because of the lack of a health care infrastructure of professionals in DMVA, we will need the administrative person charged with monitoring the contract with the health care organization running the veterans home to be at least an Admin Officer, with an increase in cost of \$15,000 per year.
2. We foresee a need to draw on the expertise in the Division of Pioneer Benefits a great deal in the establishment, start-up, and continued operation of the veterans home. This will require a reimbursable services agreement, at a rough estimated cost of \$20,000 per year
3. Travel costs are expected to be higher than indicated in Ms. Bathony's letter because of the need for the Veterans Affairs director and Administrative Officer to visit Juneau a few times each year to consult with the Division of Pioneer Benefits on operation of the veterans home.

The first full year of operation will be FY94, assuming a start up date of April 1, 1993. For FY92 and FY93, the following assumptions are made.

FY92: The Administrative Officer will be needed all year to assist in planning the construction of the veterans home and to work with a consultant on preparing the request for proposals for operating the home. RSA money will be needed for assistance from the Division of Pioneer Benefits. Contractual money will be needed for the preparation by a consultant of an RFP for operating the home, and for office expenses of the admin officer.

FY93: The expenses of FY92 will be continued, plus one-fourth of the costs in contracts and grants detailed in Ms. Bathony's letter. The maintenance mechanic will be brought on in January to allow a complete familiarization with the facility during the final construction phases.

The capital costs and revenue projections are based on the information in the SB44 fiscal note prepared by Barbara Bathony dated 2/14/91.

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF ADMINISTRATION

P.O. BOX CL  
JUNEAU, ALASKA 99811-0211  
PHONE: (907) 465-4400

### DIVISION OF PIONEERS' BENEFITS

March 13, 1991

The Honorable Jay Kerttula  
Alaska State Senator  
P.O. Box V  
Juneau, AK 99811

Dear Senator Kerttula:

This letter is in response to your request to calculate the cost projections for the operation of the Veterans Home in Palmer under full management contract. This would include the labor, all professional and other subcontracts, all supplies, except building maintenance and capital expenditures.

The cost reductions are based on the savings of about 19% in the food service/laundry/housekeeping section, a savings of about 10% in the cost of nurses aides and office personnel, an increase of 15% for the Administrator, and an increase in the cost of licensed nursing personnel. All costs are based on FY 1992.

**Personnel costs:**

1 Maintenance Mechanic	\$59,000
1 Maintenance Worker	\$51,500
1 Admin. Assist. in Central Office Anch.	\$45,000

Travel to inspect home, site visits to Palmer	\$1,000
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**Contractual:**

Food Service/Housekeeping/Laundry includes supplies for these areas	\$630,325
Professional contracts, utilities, etc.	\$227,075
Office, nursing labor	\$1,515,130
Administration, management fee	\$185,000

Grants to destitute residents	\$6,000
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Total cost of operation under management contract	<u>\$2,685,030</u>
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2,720,030 *jm*

The above figure are a rough estimate. By the year 1994 the first full operation of the facility the cost may increase. The above

Senator Jay Kerttula

Page 2

March 13, 1991

estimate also stipulates that medical supply costs will not increase drastically, and that medications will be paid for by the Veterans Administration. The cost of medication per residents in the Pioneers' Home in 1990 was from \$130-200 average.

Sincerely,

*Barbara Bathony*

Barbara Bathony, Director  
Division of Pioneers' Benefits

bb1/0313-c  
Enclosure

FN, CSSB 45, p.4/5

Juneau Pioneers' Home  
 State-Operated v. Contracting  
 Food Service, Housekeeping, Laundry  
 March 12, 1991

State Staffing	#	Time Status	Per Employee	Total
Food Service Contract				\$129,300
Food Service Wkr. WG60	3	FT	\$41,000	\$123,000
Food Service Wkr. WG60	3	PT	\$29,600	\$88,800
Food Service Wkr. WG60	1	NP	\$2,500	\$2,500
Cook II WG57	2	FT	\$47,500	\$95,000
Cook II WG57	2	PT	\$36,180	\$72,360
Housekeeping/Laundry				
Custodian I WG60	3	FT	\$39,900	\$119,700
Custodian I WG60	1	PT	\$17,263	\$17,263
Custodian I WG60	1	NP	\$2,500	\$2,500
Custodian II WG59	1	FT	\$45,185	\$45,185
Custodian II WG 59	1	PT	\$31,900	\$31,900
Laundry Worker WG60	2	FT	\$40,000	\$80,000
Cust. Svcs. Foreman WG54	1	FT	\$56,000	\$56,000
Misc. Household Supplies				\$45,000
<b>Total</b>	<b>21</b>			<b>\$779,208</b>

Contracting	Total	Total Savings	Total Percentage
Food Service/Housekeeping/Laundry	\$630,325	\$148,883	19.11%

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FN, CSSB 45, p.5/5

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSB 44 (FIN)

Revision Date: March 13, 1991 Department Affected: Military & Veterans Affairs  
 Title: Establishment & Operation of State Veterans Home BRU: Veterans Affairs  
 Component: Veterans Home  
 Sponsor: Sen. Kerttula  
 Requestor: Sen. Kerttula COMPONENT SERIAL NO. 

N	E	W	
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	60.0	102.4	170.5	170.5	170.5	170.5
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CONTRACTUAL	40.0	684.4	2577.5	2577.7	2577.5	2577.5
SUPPLIES						
EQUIPMENT				10.0	10.0	10.0
LAND & STRUCTURES						
GRANTS, CLAIMS		1.5	6.0	6.0	6.0	6.0
MISCELLANEOUS						
TOTAL OPERATING	103.0	791.3	2757.0	2767.0	2767.0	2767.0

CAPITAL	10,720.0	100.0				
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REVENUE	6,968.0	100.0	690.4	690.4	690.4	690.4
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FUNDING: (Thousands of Dollars)

GENERAL FUND	3,885.0	691.3	2066.6	2076.6	2076.6	2076.6
FEDERAL FUNDS	6,968.0	45.0	322.7	322.7	322.7	322.7
OTHER		55.0	367.7	367.7	367.7	367.7
TOTAL						

POSITIONS:

FULL-TIME	1	3	3	3	3	3
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

See attached

*3/26/91 Kathy Hathaway advises that this note applies to CSSB 45 (FIN) rather than CSSB 44 (FIN).*

Prepared By: Jeff Morrison Phone: 465-4600  
 Division: Administrative Support & Services Date: 13 March 91  
 Approved by Commissioner: J. Morrison for MG Hugh L. Cox III  
 Agency: Military & Veterans Affairs Date: 13 March 91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

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DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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