

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 831

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

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>
2,720,030 gm

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

FN, CSSB 44, p. 3/5

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 44, 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
Total	21			\$779,208

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

d:\notus\statc\jph.wk1

FN, CSSB 44, p.5/5

SB44

Resolution No. 91-04

Support of SJR9, SB44 and 45 which would establish a State Veterans Home.

WHEREAS, the above mentioned bills outline the critical need in Alaska for a State Veteran's Home; and,

WHEREAS, there are an increasing number of veterans in the State and the numbers now include 73-75 thousand veterans; and,

WHEREAS, such a facility would greatly benefit all Alaskan veterans; and,

NOW THEREFORE, BE IT RESOLVED, by the American Legion, Southeast District meeting in convention on February 8th - 10th, 1991, in Sitka, Alaska, go on record as strongly supportive of SJR9, SB44 and 45, which would establish a State Veteran's Home; and,

BE IT FURTHER RESOLVED, that we strongly urge the Legislature to adopt these bills and that the Governor sign the adopted legislation.

PLEASE MICROFILM TOP PAGE ONLY

THE FOLLOWING DOCUMENT HAS NOT
BEEN FILMED BUT IS AVAILABLE IN THE
ORIGINAL FILE.

SB

445

SENATE FINANCE COMMITTEE REPORT

DATE: 2/22/91

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered SENATE BILL NO. 45

"An Act making an appropriation to the Department of Administration for establishment of a state veterans' home; and providing for an effective date."

Died in SFC.

and recommended:

- replace with _____ CS _____ 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) _____

zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

OTHER RECOMMENDATIONS:

1. _____

2. _____

Co-Chairs: Signatures and Recommendations

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 1/21/91

FURTHER: Finance

Date of 5-Day Notice: 1-31-91
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2-22-91

State Affairs Committee considered SENATE BILL NO. 45

"An Act making an appropriation to the Department of Administration for establishment of a state veterans' home; and providing for an effective date."

and recommended:

and report if
rank as follows

- replace with _____ CS _____ same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

2. ... more
Duncan
file copy (NO REC)

Not today do pass
Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSB 45 (FIN)

Revision Date: March 13, 1991 Department Affected: Military & Veterans Affairs
 Title: Establishment & Operation of State Veterans Affairs BRU: Veterans Affairs
 Veterans Home 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
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						
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

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

DIVISION OF PIONEERS' BENEFITS

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

March 13, 1991

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

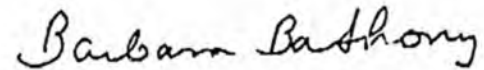
Senator Jay Kerttula

Page 2

March 13, 1991

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Sincerely,



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
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Contracting	Total	Total Savings	Total Percentage
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SENATE BILL NO. 45

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR KERTTULA

Introduced: 1/21/91

Referred: State Affairs and Finance

Funding Information:	General Fund	\$3,000,000
	Other Funds	<u>-0-</u>
		\$3,000,000

A BILL

FOR AN ACT ENTITLED

1 "An Act making an appropriation to the Department of Administration for establishment
2 of a state veterans' home; and providing for an effective date."

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

4 * Section 1. The sum of \$3,000,000 is appropriated from the general fund to the Department of
5 Administration for the state share of the cost of applying for federal funds, conducting a feasibility study
6 for a state veterans' home, acquiring land for a state veterans' home, and planning, designing, and
7 constructing or otherwise acquiring a state veterans' home.

8 * Sec. 2. The appropriation made by this Act is for a capital project and is subject to lapse under
9 AS 37.25.020.

10 * Sec. 3. This Act takes effect on the effective date of an Act enacted by the Seventeenth Alaska
11 State Legislature directing the Department of Administration to establish and operate a state veterans'
12 home.

ALASKA STATE LEGISLATURE
SENATE BILL NO. 45

HISTORY IN THE SENATE

1991
1/24

Read first time and referred to:
State Affairs
Finance

2/22 STA RPT() CS / DP 3 NR ___ DNP ___ AM
New Title ___ Same Title ___ Previous FN ___
FN ___ OFN ___ To Finance

___ RPT() CS ___ DP ___ NR ___ DNP ___ AM
New Title ___ Same Title ___ Previous FN ___
FN ___ OFN ___ To ___

___ RPT() CS ___ DP ___ NR ___ DNP ___ AM
New Title ___ Same Title ___ Previous FN ___
FN ___ OFN ___ To ___

___ Rules Calendar() CS ___ AM ___ Other ___
New Title ___ Same Title ___ Previous FN ___
FN ___ OFN ___

Read second time

___ CS Adopted () ___ New Title ___
___ Amended ___ Advanced ___

Read third time

___ Letter of Intent adopted
___ Return to second for specific amendment

PASSED EFD Same ___ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reconsideration
Reconsideration not taken up

PASSED EFD Same ___ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reported correctly engrossed
Signed by President, to House

Secretary of the Senate

HISTORY IN THE HOUSE

19

Read first time and referred to:

___ RPT CS() ___ New Title ___
___ DP ___ DNP ___ NR ___ AM ___
___ FN ___ OFN ___ Previous FN ___

___ RPT CS() ___ New Title ___
___ DP ___ DNP ___ NR ___ AM ___
___ FN ___ OFN ___ Previous FN ___

___ RPT CS() ___ New Title ___
___ DP ___ DNP ___ NR ___ AM ___
___ FN ___ OFN ___ Previous FN ___

Read second time
CS() Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED EFD Same ___ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

___ Intent adopted

Reconsideration
Reconsideration not taken up

PASSED ON RECON. EFD Same ___ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

___ Intent adopted

Reported correctly engrossed, signed by the Speaker
and returned to the Senate

Chief Clerk of the House

SENATE-HOUSE HISTORY Continued

19	<p>Received from the House Version: _____</p> <p>Concur in House amendment Y___N___E___A___ ____Efd same or Y___N___E___A___</p> <p>Failed to concur in House amendment, ask House recede Y___N___E___A___</p> <p>House failed to / receded from amendment Y___N___E___A___</p> <p>CC appointed by Senate _____ Chair _____</p> <p>CC appointed by House _____ Chair _____</p> <p>(S) Granted Limited Powers of Free Conference</p> <p>(H) Granted Limited Powers of Free Conference</p>
----	--

19	<p>(S) Adopted CC Rpt _____ Y___N___E___A___ ____Efd same or Y___N___E___A___</p> <p>(H) Adopted CC Rpt _____ Y___N___E___A___ ____Efd same or Y___N___E___A___</p> <p>To enrolling Received from enrolling Sent to Governor</p> <p>_____ By Governor</p> <p>Chapter Number _____</p> <p>Filed with Lieutenant Governor</p>
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3/14/91

7-LS0315D
Lauterbach
3/12/91

↓
Kathy 518

CS FOR SENATE BILL NO. 45 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$3,000,000
	Other Funds	-0-
		<u>\$3,000,000</u>

Sponsor(s): SENATOR KERTTULA

A BILL

FOR AN ACT ENTITLED

- 1 "An Act making an appropriation to the Department of Military and Veterans' Affairs
- 2 for establishment of a state veterans' home; and providing for an effective date."
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
- 4 * Section 1. The sum of \$3,000,000 is appropriated from the general fund to the Department of
- 5 Military and Veterans' Affairs for the state's share of the cost of applying for federal funds and
- 6 conducting a feasibility study for a state veterans' home, acquiring land for a state veterans' home, and
- 7 planning, designing, and constructing or otherwise acquiring a state veterans' home.
- 8 * Sec. 2. The appropriation made by this Act is for a capital project and is subject to lapse under
- 9 AS 37.25.020.
- 10 * Sec. 3. This Act takes effect on the effective date of an Act enacted by the Seventeenth Alaska
- 11 State Legislature directing the Department of Military and Veterans' Affairs to establish and operate a
- 12 state veterans' home.

SB 448

SENATE FINANCE COMMITTEE REPORT

DATE: 1/21/91

FURTHER: _____

DATE TURNED INTO OFFICE: _____

The Finance Committee considered SENATE BILL NO. 48

"An Act relating to calendaring appropriation bills for consideration by a house of the legislature."

Died in SFC

and recommended:

- replace with _____ CS _____ same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):
Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation no fiscal note

SIGNING DO PASS:

APPROVES PREVIOUS:
Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

OTHER RECOMMENDATIONS:

1. _____ 2. _____
Co-Chairs: Signatures and Recommendations

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 48

Revision Date: _____ Department Affected: Legislative Affairs Agency

Title: "An Act relating to calendaring
approp. bills for consideration... BRU: Legislative Council

Component: Session Expenses

Sponsor: Senator Dick Shultz

Requestor: Senate Finance

COMPONENT SERIAL NO.		7	8	2
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Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Zero fiscal impact.

Prepared By: Pamela A. Stoops, Director *Pamela A. Stoops* Phone: 465-3800

Division: Administrative Services Date: January 24, 1991

Approved by Commissioner: Warren W. Endicott, Executive Director *Warren W. Endicott*

Agency: Legislative Affairs Agency Date: January 24, 1991

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

SENATE BILL NO. 48

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATORS SHULTZ, Frank, Collins

Introduced: 1/21/91

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to calendaring appropriation bills for consideration by a house of the
2 legislature."

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) it has been the practice of the legislature to consider and vote on budget bills as soon
6 as those bills are reported from the Finance Committees;

7 (2) this practice does not afford to individual legislators the time needed to thoroughly
8 review each bill; and

9 (3) it is in the best interests of the state to assure that every legislator has time to review
10 each appropriation before the house votes on the matter.

11 (b) It is the purpose of this Act to prevent a house of the legislature from holding a vote on an
12 appropriation bill sooner than 10 days after the bill is reported from the last committee of referral.

13 * Sec. 2. AS 24.08.030 is amended by adding a new subsection to read:

14 (b) An appropriation bill may not be read for the second time by a house of the

1 legislature sooner than 10 days after it is received by the Rules Committee of that house for
2 calendaring.

HISTORY IN THE SENATE

1991
1/21

Read first time and referred to:

Finance

____ RPT(____) CS ____ DP ____ NR ____ DNP ____ AM
____ New Title ____ Same Title ____ Previous FN
____ FN ____ OFN To _____

____ RPT(____) CS ____ DP ____ NR ____ DNP ____ AM
____ New Title ____ Same Title ____ Previous FN
____ FN ____ OFN To _____

____ RPT(____) CS ____ DP ____ NR ____ DNP ____ AM
____ New Title ____ Same Title ____ Previous FN
____ FN ____ OFN To _____

____ Rules Calendar(____) CS ____ AM ____ Other
____ New Title ____ Same Title ____ Previous FN
____ FN ____ OFN

Read second time

____ CS Adopted (____) ____ New Title
____ Amended ____ Advanced

Read third time

____ Letter of Intent adopted
____ Return to second for specific amendment

PASSED	EFD Same ____ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration

Reconsideration not taken up

PASSED	EFD Same ____ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed
Signed by President, to House

Secretary of the Senate

HISTORY IN THE HOUSE

19

Read first time and referred to:

____ RPT CS(____) ____ New Title
____ DP ____ DNP ____ NR ____ AM
____ FN ____ OFN ____ Previous FN

____ RPT CS(____) ____ New Title
____ DP ____ DNP ____ NR ____ AM
____ FN ____ OFN ____ Previous FN

____ RPT CS(____) ____ New Title
____ DP ____ DNP ____ NR ____ AM
____ FN ____ OFN ____ Previous FN

Read second time
CS(____) Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED	EFD Same ____ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

____ Intent adopted

Reconsideration

Reconsideration not taken up

PASSED ON RECON.	EFD Same ____ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

____ Intent adopted

Reported correctly engrossed, signed by the Speaker
and returned to the Senate

Chief Clerk of the House

SENATE-HOUSE HISTORY Continued

19	<p>Received from the House Version: _____</p> <p>Concur in House amendment Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>Failed to concur in House amendment, ask House recede Y ___ N ___ E ___ A ___</p> <p>House failed to / receded from amendment Y ___ N ___ E ___ A ___</p> <p>CC appointed by Senate _____ Chair _____</p> <p>CC appointed by House _____ Chair _____</p> <p>(S) Granted Limited Powers of Free Conference</p> <p>(H) Granted Limited Powers of Free Conference</p>
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19	<p>(S) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>(H) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>To enrolling Received from enrolling Sent to Governor</p> <p>_____ By Governor</p> <p>Chapter Number _____</p> <p>Filed with Lieutenant Governor</p>
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SB51

SENATE FINANCE COMMITTEE REPORT

DATE: 3/26/91

FURTHER:

DATE TURNED INTO OFFICE: 4-5-91

The Finance Committee considered SENATE BILL NO. 51

"An Act relating to transfer of service credit by active and inactive members and former members of the teachers' retirement system and the public employees' retirement system."

and recommended:

- replace with _____ CS
 - or adopt _____ CS SB 51(SA)
 - attached amendment(s)
 - _____ letter of intent adopted
- same title
 new title
 technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____
DOA 4-4-90
University 4-4-91

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

SIGNING DO PASS:

[Signature]

Carl Adams

[Signature]

[Signature]

OTHER RECOMMENDATIONS:

[Signature] (W. Lee)

[Signature] (W. Lee)

1. [Signature] do pass 2. [Signature] do pass

Co-Chairs: Signatures and Recommendations

FISCAL NOTE

BILL NO. CSSB 51

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____
Title: "An act creating a public service benefit in the public employees retirement system"
Sponsor: Duncan
Requestor: _____

Department Affected: Administration
BRU: Retirement and Benefits
Component: Retirement and Benefits
COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of dollars)

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

POSITIONS

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

Estimate of current year impact: zero

ANALYSIS: (attach a separate page if necessary.)

The cost of the benefits provided under the public service benefit will be paid entirely by employee contributions.

Prepared By: Gary Bader
Division: Retirement and Benefits

Phone: 465-4460
Date: 3/26/91

Approved by Commissioner: Millett Keller
Agency: Department of Administration

Date: 4/4/91

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

FISCAL NOTE

**STATE OF ALASKA
1991 LEGISLATIVE SESSION**

BILL NO. CSSB 51

Revision Date: 4/4/91 Department Affected: University of Alaska
 Title: TRS/PERS Transfer of Service Credit BRU: Statewide Program and Services
 Component:

Sponsor: Duncan
 Requestor: Component Serial No. All

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUNDING: (Thousands of Dollars)	FY92	FY93	FY94	FY95	FY96	FY97
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:	FY92	FY93	FY94	FY95	FY96	FY97
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.) CSSB 51 allows transfer of credited service between the PERS and TRS at the time of retirement. The University feels that at this time, these changes do not result in significant cost increases to its retirement programs.

Prepared by: Marsha Hubbard, Director
 Division: Statewide Budget Office

Phone: 474-7593
 Date: 3-11-91

Approved by: Brian Rogers, Vice President for Finance
 Agency: University of Alaska

Date: 4/4/91

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

CS FOR SENATE BILL NO. 51 (STATE AFFAIRS)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 3/26/91
Referred: Finance

Sponsor(s): SENATOR DUNCAN

A BILL

FOR AN ACT ENTITLED

1 "An Act creating a public service benefit in the public employees' retirement system."

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

3 * Section 1. AS 14.25.200(a) is amended to read:

4 (a) Member contributions and other amounts held in the system on behalf of a member
5 or other person who is or may become eligible for benefits under the system are exempt from
6 Alaska state and municipal taxes and are not subject to anticipation, alienation, sale, transfer,
7 assignment, pledge, encumbrance, or charge of any kind, either voluntary or involuntary, before
8 they are received by the person entitled to the amount under the terms of the system, and any
9 attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise
10 dispose of any right to amounts accrued in the system is void. However, a member's right to
11 receive benefits may be assigned under a qualified domestic relations order and may be claimed
12 under AS 39.35.355.

13 * Sec. 2. AS 39.35 is amended by adding a new section to read:

14 Sec. 39.35.355. PUBLIC SERVICE BENEFIT. (a) An active or inactive member who

1 has never been vested in this system or in the teachers' retirement system under AS 14.25, who
2 has at least two years of credited service in this system, and who has membership service in the
3 teachers' retirement system may claim credited service in this system in an amount equal to the
4 membership service the member has in the teachers' retirement system. The claimed credited
5 service may be added to service earned under this chapter to enable the member to qualify for
6 a public service benefit under this section. The member may not claim credited service for
7 membership service for which the member has received a refund under AS 14.25.150 unless the
8 member fully pays the indebtedness as established under AS 14.25.063. The member may not
9 claim credited service in this system based on unused sick leave under AS 14.25.115.

10 (b) To claim credited service under this section, the member shall file a written request
11 with the administrator when the member applies to retire. The administrator shall determine the
12 full actuarial cost of benefits based on the member's total credited service and shall transfer from
13 the teachers' retirement system to this system an amount equal to the member contribution
14 account in the teachers' retirement system. If the amount to be transferred, when combined with
15 the amount in the employee contribution account in this system, is less than the full actuarial cost
16 computed under this subsection, an indebtedness to the system equal to the amount of the
17 difference is established. Interest as prescribed by regulation accrues on the indebtedness. Any
18 outstanding indebtedness existing at the time the member applies for retirement must be paid in
19 full before the member is appointed to retirement under this section.

20 (c) A member is entitled to receive a public service benefit under this section if the
21 member has at least a total of five years credited service under this chapter and credited service
22 from the teachers' retirement system claimed under this section. A public service benefit shall
23 be calculated using the higher of the average monthly compensation for service in this system
24 or the average base salary for service in the teachers' retirement system. If the member has more
25 than 10 years of total credited service, benefits for the part of the credited service over 10 years
26 earned on and after the effective date of this Act shall be calculated under AS 39.35.370(c) using
27 a multiplier of two and one-quarter percent.

28 (d) Credited service earned under either this system or the teachers' retirement system
29 that has been claimed for a public service benefit under this section may not be used for any
30 other purpose. A member who claims credited service under this section loses all rights to
31 benefits under AS 14.25 based on the claimed credited service. A member may not claim

1 credited service under this section unless the member claims all of the membership service the
2 member has in the teachers' retirement system. A public service benefit does not constitute a
3 normal or early retirement benefit for purposes of qualifying for a conditional service retirement
4 benefit under AS 14.25.125 or AS 39.35.385.

5 (e) A member whose rights to benefits under AS 14.25 are subject to a qualified
6 domestic relations order may claim credited service under this section. However, the credited
7 service claimed remains subject to the terms of the order.

8 (f) Notwithstanding AS 14.25.063 and AS 39.35.350, a former member of the teachers'
9 retirement system who is an active member or inactive member of this system may reinstate,
10 under this section, membership service earned under AS 14.25 for which the member received
11 a refund of contributions.

12 (g) If a member retires under this section and subsequently returns to work for an
13 employer under this system or the teachers' retirement system, benefits under this section shall
14 cease during the period of reemployment and shall recommence when the reemployment is ended.
15 The credited service earned during the period of reemployment may not be added to the credited
16 service claimed for a public service benefit under this section. If a member vests and meets the
17 other eligibility requirements under this system or the teachers' retirement system during the
18 reemployment, the member is entitled to a benefit under AS 14.25 or AS 39.35, as appropriate.

Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100

(907) 465-4766

MEMORANDUM

COMMITTEES:
FINANCE
VICE CHAIR —
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

DATE: April 1, 1991

TO: Senator Pat Pourchot, Chair
Senate Finance Committee

FROM: Senator Jim Duncan

SUBJECT: CS SB 51(STA), creating a public service benefit in the public employees' retirement system.

Thank you for scheduling a hearing for SB 51, creating a public service benefit in the public employees retirement system.

SB 51 was substantially revised in the Senate State Affairs Committee in response to recommendations from the Division of Retirement and Benefits.

Section 1. Allows members of TRS to claim their TRS service in PERS under certain conditions.

Section 2. Creates a Public Service Benefit in PERS. An individual with service in TRS who has never vested in either system would be allowed to claim their TRS credited service in PERS. Such an individual would be required to have at least two years credited service in PERS.

Upon retirement, the member would file a written request for a Public Service Benefit and the Division would determine the full actuarial cost of benefits and transfer both the employees' and employers' contribution from the TRS system to the PERS system. If the full actuarial cost of the benefit amounts to more than the transferred in and consolidated employer and employee contributions, the member would be required to pay the difference prior to retiring with a Public Service Benefit.

Section 2 (d) limits the retirees ability to use the service consolidated into a Public Service Benefit for any other purpose. In other words, if an individual retired with a Public Service Benefit they couldn't go back to work in TRS and use the transferred service to vest in TRS.

I urge your support for this legislation.

Attachments

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

MEMORANDUM

March 29, 1991

SUBJECT: Sectional summary of CSSB 51 (STA) (Creating a PERS public service benefit)

TO: Senator Jim Duncan

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional analysis of the above described bill. As a preliminary matter, note that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1 permits members of the Teachers' Retirement System (TRS) to claim their TRS service under the new section created in the Public Employees' Retirement System (PERS) by sec. 2 of the bill.

Sec. 2 creates a public service benefit in PERS. Under subsection (a), an active member (currently employed in PERS) or inactive member of PERS who has never vested in either PERS or TRS may claim credited service in an amount equal to the time the member has previously worked in a position covered by TRS. To be eligible to claim the TRS service, the member must have at least two years of PERS service. If the member received a refund of retirement contributions when leaving the TRS position, the indebtedness must be fully repaid before the credited service may be claimed in PERS.

Subsection (b) sets out how to claim the TRS credited service for the public service benefit and directs the administrator of PERS to transfer an amount equal to the member contribution account from the TRS system to the PERS system. The member is responsible for paying any balance after the TRS and PERS contribution accounts are deducted from the full actuarial costs of benefits.

Subsection (c) sets out when members of PERS are eligible to receive a public service benefit. The member must have a total of five years of service when the

Senator Jim Duncan
March 29, 1991
Page 2

PERS employment and TRS employment are added together. This is consistent with the general PERS vesting requirement.

Subsection (d) provides that once TRS or PERS credited service is claimed for a public service benefit, the member loses all rights in either system based on that credited service other than the right to the public service benefit.

Subsection (e) retains, despite the transfer of rights from TRS to PERS, the rights of third parties that were set out in a qualified domestic relations order (for example, a decree of divorce or dissolution filed with the TRS administrator) but permits the TRS credited service to be transferred.

Subsection (f) permits a member of PERS, whether or not currently employed in PERS, to buy back TRS service for which the member has received a refund of contributions in order to qualify for the public service benefit.

Subsection (g) sets out how to treat the credited service earned by a member who retires with a public service benefit and then returns to work under either PERS or TRS. The additional credited service may not be added to the public service benefit. However, if the member vests in either PERS or TRS as a result of the new employment, the member is entitled to a regular PERS or TRS benefit based on that additional credited service.

If I may be of further assistance, please advise.

TC:pl
91-223.plm

FISCAL NOTE

No. 2

Bill Version: CSSA 51 (STA)

(S) Publish Date: 3/26/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Dept. of Administration
 Title: Creating a public service BRU: Retirement & Benefits
benefit in PERS Component: _____
 Sponsor: Duncan
 Requestor: State Affairs (Sen.) COMPONENT SERIAL NO.

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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					

CAPITAL	0					
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REVENUE	0					
---------	---	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS						
OTHER						
TOTAL	0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: none

ANALYSIS: (Attach a separate page if necessary.)
 Legislation is revenue neutral. Any indebtedness to PERS under this bill must be met by the retiring member before appointment to retirement.

Prepared By: Senate State Affairs Phone: x4522
 Division: Alaska State Legislature Date: 3/25/91
 Approved by Chairman, Senator *Pat Vooley*
 Agency: State Senate Date: 3/25/91

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

FISCAL NOTE

No. 1

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Bill Version: SB 51

(S) Publish Date: 3/26/91

Revision Date: _____ Department Affected: Administration
 Title: Transfer of credited service between TRS and PERS BRU: Retirement and Benefits
 Component: _____
 Sponsor: Duncan
 Requestor: Senate State Affairs COMPONENT SERIAL NO.

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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	?					

CAPITAL						
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REVENUE	?					
---------	---	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	?					
FEDERAL FUNDS						
OTHER	?					
TOTAL	?					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: ?

ANALYSIS: (Attach a separate page if necessary.) The bill as introduced made computing a fiscal note nearly impossible. The State Affairs committee moved a CS which resulted in a zero fiscal note, transferring any financial responsibility to the retiring member seeking the benefit granted in CSSB-51.

Prepared By: Senate State Affairs Phone: x4522
 Division: Alaska Legislature Date: 3/25/91

Approved by Chairman, Senator [Signature]
 Agency: Legislature / Senate Date: 3/25/91

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

FISCAL NOTE

**STATE OF ALASKA
1991 LEGISLATIVE SESSION**

BILL NO. SB 51

Revision Date: _____ Department Affected: University of Alaska
 Title: TRS/PERS Transfer of Service Credit BRU: Statewide Program and Services
 Component: _____
 Sponsor: Duncan
 Requestor: _____ Component Serial No. All

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)	FY92	FY93	FY94	FY95	FY96	FY97
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:	FY92	FY93	FY94	FY95	FY96	FY97
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.) SB 51 allows transfer of credited service between the PERS and TRS at the time of retirement. The University feels that at this time, these changes do not result in significant cost increases to its retirement programs.

Prepared by: Marsha Hubbard, Director
 Division: Statewide Budget Office

Phone: 474-7593
 Date: 3-11-91

Approved by: Brian Rogers, Vice President for Finance
 Agency: University of Alaska

Date: _____

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

5651

SB52

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 11, 1991

FURTHER REFERRALS:

Date of Committee Action: 4-24-91

The FINANCE Committee considered:

SB 52

SENATE BILL NO. 52

COUNCIL ON HANDICAPPED & GIFTED

"An Act relating to the Governor's Council for the Handicapped and Gifted and the definition of 'developmentally disabled'."

RECOMMENDATIONS: the same title
 be replaced with _____ a new 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 _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) HHS, EDUCATION

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Eileen P. Maclean	✓	<i>[Signature]</i>		✓	
Mike Savane	✓	<i>[Signature]</i>		✓	
Carla...	✓	<i>[Signature]</i>		X	
Thomas...	✓				
H. Wimer	✓				
MARK BOWEN	X				
<i>[Signature]</i>	✓				

Mike Savane Eileen P. Maclean
 CHAIRMAN'S SIGNATURE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Health & Social Services

Title: Relating to Governor's Council for the CRU: Community Developmental Disabilities Grants

Handicapped & Gifted & definition of _____ Component: None
Developmentally Disabled _____
Sponsor: Duncan

Requestor: Health Education & Social Services COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Identified individuals would be added to the Developmental Disabilities Wait List. Provision for services would be contingent upon funding request by the Mental Health Board and the Governor.

Prepared By: Mike Renfro *Mike Renfro* Phone: 465-3370
Division: Mental Health & Developmental Disabilities Date: 2/22/91

Approved by Commissioner: *Theodore A. Mala* Commissioner: Theodore A. Mala, MD, M
Agency: Department of Health and Social Services Date: 2/25/91

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

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 2

Bill Version: SB52

(S) Publish Date: 3/20/91

Revision Date: _____ Department Affair
Title: Governor's Council for the BRU: Executive Admin
Handicapped and Gifted, and the definition of Component: Executive Admin

Sponsor: Duncan
Requestor: Senate HESS COMPONENT SERIAL NO.

--	--	--	--

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.)

Prepared By: Mary Hakala Phone: 465-2800
Division: Commissioner's Office Date: 2/21/91
Approved by Commissioner: Steve Hole, Acting Commissioner
Agency: Education Date: 2/21/91

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

SENATE BILL NO. 52

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATORS DUNCAN, Sturgulewski

Introduced: 1/21/91

Referred: HESS and Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Governor's Council for the Handicapped and Gifted and the
2 definition of 'developmentally disabled'."

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

4 * Section 1. AS 47.80.040(a) is amended to read:

5 (a) The council consists of no fewer than 18 nor more than 26 [23] members appointed
6 by the governor in accordance with P.L. 91-517, P.L. 94-103, P.L. 94-142, P.L. 99-457, as
7 amended, and AS 14.30.231.

8 * Sec. 2. AS 47.80.070(b) is amended to read:

9 (b) The department shall provide for the assignment of personnel to the council to ensure
10 that the council has the capacity to fulfill its responsibilities. The personnel must include an
11 executive director who shall be selected by the council. The executive director and other
12 personnel assigned to the council shall be directly responsible to the council for performance
13 of their duties.

14 * Sec. 3. AS 47.80.900(7) is repealed and reenacted to read:

1 (7) "person with a developmental disability" means a person who has a severe.
2 chronic disability that

3 (A) is attributable to a mental or physical impairment or combination of
4 mental and physical impairments;

5 (B) is manifested before the person attains age 22;

6 (C) is likely to continue indefinitely;

7 (D) results in substantial functional limitations in three or more of the
8 following areas of major life activity: self-care, receptive and expressive language,
9 learning, mobility, self-direction, capacity for independent living, and economic self-
10 sufficiency; and

11 (E) reflects the person's need for a combination and sequence of special,
12 interdisciplinary, or generic care, treatment, or other services that are of lifelong or
13 extended duration and are individually planned and coordinated;

SB52

SENATE FINANCE COMMITTEE REPORT

DATE: 2/27/91

FURTHER:

DATE TURNED INTO OFFICE: 3-20-91

The Finance Committee considered SENATE BILL NO. 52

"An Act relating to the Governor's Council for the Handicapped and Gifted and the definition of 'developmentally disabled'."

and recommended:

- replace with _____ CS _____ same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):
Dept/Date:

fiscal note(s) _____

zero fiscal note(s) DOE 2/21/91

APPROVES PREVIOUS:

Dept/Date:
 fiscal note(s) _____

zero fiscal note(s) DNASS 2/25/91

appropriation-no fiscal note

SIGNING DO PASS:

Jim Dunca
Joe Adams
Tom Hoff
Bill [unclear]

OTHER RECOMMENDATIONS:

DO PASS

1. [Signature] 2. [Signature]
 Co-Chairs: Signatures and Recommendations

FISCAL NOTE

No. 1

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Bill Version: SB 52
(3) Publish Date: 2/27/91

Revision Date: _____ Department Affected: Health & Social Services
 Title: Relating to Governor's Council for the BRU: Community Developmental Disabilities Grants
Handicapped & Gifted & definition of Component: None
Developmentally Disabled Sponsor: Duncan

Requestor: Health Education & Social Services COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)
 Identified individuals would be added to the Developmental Disabilities Wait List. Provision for services would be contingent upon funding request by the Mental Health Board and the Governor.

Prepared By: ^{B1} Mike Renfro *Mike Renfro* Phone: 465-3370
 Division: Mental Health & Developmental Disabilities Date: 2/22/91

Approved by Commissioner: *Theodore A. Mala* Commissioner: Theodore A. Mala, MD, M
 Agency: Department of Health and Social Services Date: 2/25/91

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

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SR52

Revision Date: _____ Department Affected: Education
 Title: Governor's Council for the BRU: Executive Admin
Handicapped and Gifted, and the definition Component: Executive Admin
 Sponsor: Duncan
 Requestor: Senate HESS COMPONENT SERIAL NO.

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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.)

Prepared By: Mary Hakala Phone: 465-2800
 Division: Commissioner's Office Date: 2/21/91
 Approved by Commissioner: Steve Hole, Acting Commissioner
 Agency: Education Date: 2/21/91

SENATE BILL NO. 52

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR DUNCAN

Introduced: 1/21/91

Referred: HESS and Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Governor's Council for the Handicapped and Gifted and the
2 definition of 'developmentally disabled'."

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

4 * Section 1. AS 47.80.040(a) is amended to read:

5 (a) The council consists of no fewer than 18 nor more than 26 [23] members appointed
6 by the governor in accordance with P.L. 91-517, P.L. 94-103, P.L. 94-142, P.L. 99-457, as
7 amended, and AS 14.30.231.

8 * Sec. 2. AS 47.80.070(b) is amended to read:

9 (b) The department shall provide for the assignment of personnel to the council to ensure
10 that the council has the capacity to fulfill its responsibilities. The personnel must include an
11 executive director who shall be selected by the council. The executive director and other
12 personnel assigned to the council shall be directly responsible to the council for performance
13 of their duties.

14 * Sec. 3. AS 47.80.900(7) is repealed and reenacted to read:

1 (7) "person with a developmental disability" means a person who has a severe,
2 chronic disability that

3 (A) is attributable to a mental or physical impairment or combination of
4 mental and physical impairments;

5 (B) is manifested before the person attains age 22;

6 (C) is likely to continue indefinitely;

7 (D) results in substantial functional limitations in three or more of the
8 following areas of major life activity: self-care, receptive and expressive language,
9 learning, mobility, self-direction, capacity for independent living, and economic self-
10 sufficiency; and

11 (E) reflects the person's need for a combination and sequence of special,
12 interdisciplinary, or generic care, treatment, or other services that are of lifelong or
13 extended duration and are individually planned and coordinated;

Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100

(907) 465-4766

COMMITTEES:
FINANCE
VICE CHAIR —
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

MAR 11 1991

MEMORANDUM

DATE: March 11, 1991

TO: Senator Pat Pourchot, Co-Chair
Senate Finance Committee

FROM: Senator Jim Duncan

RE: SB 52, relating to the Governor's Council for the Handicapped and Gifted and the definition of 'developmentally disabled'.

I request that you schedule SB 52, relating to the Governor's Council for the Handicapped and Gifted and the definition of 'developmentally disabled' for a hearing as soon as possible.

Section 1. Increases the number of members of the Governor's Council on the Handicapped and Gifted from 23 to 26. This change was necessitated because the Governor's Council was also designated to serve as the Interagency Coordinating Committee (I.C.C.) for P.L. 99-457, the 1986 Education and Handicapped Act Amendments affecting children from birth to 3 years of age. In other states, the Interagency Coordinating Committee has been established as a separate 15 member board charged with planning services for handicapped children between birth and 3 years. In order to blend the Council and the I.C.C. into one body, a 26 member body is necessary with the following composition:

5 Representatives of Specific Agencies or Consumer Groups

Special Education Director
Special Education Teacher
Gifted/Talented Representative
Protection and Advocacy Agency Representative
Higher Education Representative

8 State Agency Representatives, including those administering federal funds provided through the:

Rehabilitation Act of 1973 (DVR)
Education of the Handicapped Act (DOE)
Older Americans Act of 1965 (Older Alaskans Commission)
Title XIX Social Security Act (DHSS/DMA)
4 representatives of departments providing services to people with disabilities including the Division of Mental Health and Developmental Disabilities, Deputy Commissioners of DOE and DHSS who represent more than one division or program, or the Department of Community and Regional Affairs

13 Primary and Secondary Consumers representing different age groups, types of disabilities, and geographic distribution.

Thus, by increasing the membership of the Governor's Council on the Handicapped and Gifted by only 3, we can accomplish the additional planning required by the federal legislation without adding an entirely new board.

Section 2. Provides for selection of the Executive Director of the Council by the Council pursuant to new federal requirements. P.L. 101-496 states that "Each State Planning Council shall, consistent with State law, hire a Director of the State Planning Council who shall be supervised and evaluated by the State Planning Council and who shall hire and supervise the staff of the State Planning Council."

Section 3. Amends the state definition of developmental disability to comply with the federal definition. This amendment will allow severely physically handicapped individuals to receive services such as respite care, day care, homemaker and community living services. Current state law provides for such services only for mentally handicapped individuals.

I urge your support for these amendments to 47.80, Persons with Handicaps.

Attachments

Position Paper

SB 52

For an Act entitled: "An Act relating to the Governor's Council for the Handicapped and Gifted and the definition of 'developmentally disabled';"

Section One of this Act changes the membership of the Governor's Council for the Handicapped and Gifted from 23 to 26.

Section Two enables the Governor's Council for the Handicapped and Gifted to hire the Council's Executive Director.

Section Three of this Act repeals AS 47.80.900 (7). In so doing, the state definition of developmental disabilities is changed to the current federal definition.

The Department of Health and Social Services supports the passage of this bill.

Background

Public Law 99-457 requires that a council be formed to help plan for children (who suffer developmental delays) age 0 through 2. The law also spells out specific membership requirements. By adding three members to the Governor's Council for the Handicapped and Gifted they can assume this role and save the expense of forming an entirely new council. There would be zero cost for this action.

-- Section Two coincides with federal law and would allow the Council to hire its own Executive Director.

At the time of passage, AS 47.80.900 (7) coincided with the federal definition. Subsequent to its passage, the federal definition changed. Adoption of the federal definition would allow individuals in need of service who currently fall through the service delivery system cracks, to receive the help they need.

Statistically, it would appear that the individuals' requesting services would be increased by about 700 (see Attachment #1). However, current research shows that states which have adopted the federal definition have not experienced the increase in applications for service that would be expected statistically (see Attachment #2). They have, however, experienced requests for services which differ from services they have traditionally offered; for example, providing programs designed specifically for persons with physical disabilities as opposed to mental disabilities.

Position Paper, SB 52, page 2

Persons made eligible by this bill would be added to the 400 person waiting list which currently exist for developmentally disabled individuals requesting services.

Position

The Department of Health and Social Services supports passage of this bill.

Recommended by: Mike Renfro
Mike Renfro
Program Administrator
Developmental Disabilities

Date: 4/24/91

Approved by: Theodore A. Mala for
Theodore A. Mala, MD, MPH
Commissioner
Department of Health and
Social Services

Date: 4/24/91

Attachment I

The following incidence statistics were provided by the Governor's Council for the Handicapped and Gifted and were derived by use of a complex formula.

The statistical incidence of individuals experiencing a developmental disability under the state definition is 7,067. The known population seeking or receiving services at this time is 2,110. This equals 29.8% of the population.

Statistically the federal definition would increase the overall population to 9,427. Using the same 29.8% request for services rate, this would mean 2,809 persons would need services. This is an increase of 699 individuals. However, recent studies show that states adopting the federal definition do not experience as high a rate as would be predicted statistically (see attachment #2).

ATTACHMENT II

17

service in each categorical disability. However, the majority of persons would remain eligible.

Lubin, R., J.W. Jacobson, M. Kjelv. (1982). Projected impact of the functional definition of developmental disabilities: The categorically disabled population and service eligibility. *American Journal of Mental Deficiency*, 87,(1), 1982, 73-79.

- o *Studies in Maryland* concluded that substantial numbers of persons receiving services in the community, or on waiting lists, would become ineligible for service depending on the strictness of the interpretation of functional limitations.

Morrison, L.H., Snull, M. & Sachs, M. (1984). Adopting the federal definition of developmental disability: A preliminary analysis of potential effects on eligibility. Baltimore, MD: University of Maryland. School of Medicine.

- o *Studies in Ohio* indicated that, using a federal definition, the majority of persons with developmental disabilities other than mental retardation are already eligible for services using the current categorical definition. That is to say, that the group of persons defined as having a developmental disability under the federal definition are comprised of persons with mental retardation, cerebral palsy, epilepsy, autism, and other neurological conditions. Ohio concluded that the overall numbers of people to be served or planned for would remain relatively stable but that the nature of the population and the constellation of needs they represent will change as other groups with low-incidence disabilities are included.

Ohio Developmental Disabilities Planning Council. (December 1986). *Fiscal implications of adapting the definition of developmental disability as proposed by the Ohio Developmental Disabilities Planning Council.* Columbus, OH: Author.

A detailed review of these studies leads to the following conclusions.

- 1) In general, all studies indicate that the majority of persons presently receiving and eligible for services, would remain eligible for services. There is variance in the percentage of persons presently receiving services who would be excluded from service given a functional definition.
- 2) Of those persons who would become eligible for services, several states indicated that the majority of those persons are already being served in one or more state agencies. This raises the difficult policy question of whether services for such persons

should be transferred to a developmental disability agency.

- 3) Except in Maryland, researchers have been limited in their ability to predict how many persons made eligible for services who are not presently receiving services, would come forward for services. Given the reported reluctance of persons with physical disabilities to seek services from an agency providing services designed for persons with mental retardation, it may be assumed that demand for services among persons presently outside of the service system will not be substantially increased. This assumption is fortified by the knowledge that the overall numbers of persons in the low incidence disability groups who have substantial functional limitations is very small in relation to the numbers of persons who would remain eligible for developmental disability services.
- 4) Maryland data indicate that there are people, presently unserved, but who are identified as needing services, who would become ineligible for services under a functional definition. Therefore, adopting the federal definition requires an assessment of service priorities. Without careful consideration, state planners may end up excluding numerous persons, who while not presenting severe handicaps, do present significant needs for service. An example can be drawn from persons with epilepsy, who may not have severe functional limitations, but who can benefit from counseling and other minimal level interventions.
- 5) Several of the studies emphasize that while a change in the total numbers of persons served is not anticipated, planners can anticipate a change in the types of disabilities of the persons served. A developmental disability agency may or may not have the expertise, funding options, or service arrays to enhance the well-being of groups of persons with very disparate needs.
- 6) Unpublished data from Maryland indicate that the total numbers of persons eligible for services can fluctuate widely according to how strictly one interprets the federal definition. All studies used the definition as operationalized by Elinor Gollay. Still, any number of other interpretations can be made. Any given state would have to develop its own operational criteria and instrument to assess developmental disabilities. This can be a costly and time consuming operation.
- 7) Whether a state adopts an age of onset criteria at age 21 or later can have a substantial impact on the total numbers of persons who are eligible for services.
- 8) Finally, it must be remembered that the federal definition is

proposed as a planning tool to help direct funding and research activities to persons with more severe impairments. Operationalizing the definition into eligibility criteria may be inappropriate.

Numerous researchers and state planners have attempted to understand how the federal definition of developmental disabilities applies to actual state service delivery contexts. Most of the studies project an increase in potentially eligible clients; one study projects a decrease. None focus on the extent to which those persons who are unserved would demand different services other than those provided by the "DD agency" under an expanded definition, and how many of those currently outside the system would come forward.

Given the indeterminate character of potential demand for new or expanded services, other factors have to be taken into account when developing impact estimates. These factors include the proposed range of services to be provided, the quality of services, the extent of outreach and publicity associated with service offerings, and the ways in which the definition is operationalized.

What also emerges from this overview is that the federal definition was never intended to govern service eligibility at the delivery level. It was intended to focus planning and funding activities on individuals most in need and to facilitate further coordination between agencies in the development of comprehensive services. Without specific indicators and instruments to accompany the outlines of the definition, its application is ambiguous and somewhat unreliable.

The review of research also raises the question of the potential exclusion of individuals currently receiving services. Without any modifications, the federal definition does eliminate persons with less severe disabilities who may in fact require services in order to maximize functioning and well-being.

Finally, the studies underscore how the federal definition encompasses disparate disabilities, resulting in a wide range of service needs. Persons with physical disabilities, persons with brain injury, persons with severe learning disabilities, people with terminal and debilitating conditions -- all require services which do not fall neatly to one agency to provide.

2. State experiences in using a functional definition of developmental disabilities

This section reviews how other states have grappled with the adoption of a functional definition for eligibility determination.

During the course of this project, key staff were interviewed and documents were reviewed in a number of states. Four states were selected that had the most experience and that also represented a range of policy options and outcomes. Efforts in New Jersey, Maryland, Ohio, and Connecticut are reviewed below. This is followed by a brief outline of lessons learned.

New Jersey. In April, 1985, New Jersey changed its Division of Mental Retardation to the Division of Developmental Disabilities and expanded the Division's mandate to include persons with a wide range of developmental disabilities. Underlying this organizational change was a change from a categorical to a functional definition for service eligibility. For New Jersey, this was a particularly profound change since the Division of Mental Retardation had not, at that point, even expanded its service mandate to include cerebral palsy, epilepsy, and autism -- a change that had occurred in many other states. The transition to a Division of Developmental Disabilities is part of a three year planning project.

The definition that has been adopted by New Jersey is similar to the federal definition and reads as follows:

"Developmental disability" means a severe, chronic disability of a person which: (1) is attributable to a mental or physical impairment or a combination of mental or physical impairments; (2) is manifest before age 22; (3) is likely to continue indefinitely; (4) results in substantial functional limitations in three or more of the following areas of major life activity, that is, self-care, receptive and expressive language, learning, mobility, self-direction and capacity for independent living or economic self-sufficiency; and (5) reflects the need for a combination and sequence of special interdisciplinary or generic care, treatment or other services which are of life-long or extended duration and are individually planned and coordinated. Developmental disability includes but is not limited to severe disabilities attributable to mental retardation, autism, cerebral palsy, epilepsy, spina bifida and other neurological impairments where the above criteria are met (Bill S-1826).

This legislation specifies that, in general, the individual's disability must be manifest before the age of 22. However, a later clause gives the director of the Division discretion in expanding eligibility to any individual under the age of 55 who meets the other criteria if funds allow. Further, a caveat was added so that persons presently being served in the system would be "grandfathered" in without undergoing reassessment according to the new eligibility criteria.

To operationalize the definition into eligibility criteria, New Jersey developed a new screening instrument, the Critical Adaptive

Behaviors Inventory (CABI). CABI assesses the presence or absence of critical skills in each of the six life activity domains specified in the legislation.

To assist in planning and to monitor the transition to a Division of Developmental Disabilities, the Developmental Disabilities Council awarded a grant to the University Affiliated Facility at the University of Medicine and Dentistry of New Jersey - Robert Wood Johnson Medical School. This project is organized around nine task forces focusing on these areas: intake and eligibility; training; related services; employment; guardianship, advocacy, and self direction; housing; transportation; recodification; and mental health and developmental disabilities. The Year I report from this effort is available. The second year report is due in the winter of 1988. Volume II of the report will focus on task force papers such as: interagency agreements and decisions on staff retraining and reallocation.

Individuals interviewed in the state were reluctant to draw conclusions about the relative success of the transition since the process is still underway. They are anticipating an increased caseload of approximately 460 persons per year with an overall total of 1500 to 2000 at the end of five years. It is expected that this increased demand will flatten out after some of the pent up demand is accommodated. These are ball park figures based on the total prevalence of persons with disabilities drawn from census and reduced by 50%, a liberal estimate of how many of these persons are likely to come forward for services, according to the state administrators.

At present, there has not been a dramatic increase in demand for services. A registry has been created which presently lists several hundred names of new consumers requesting services. The list is expected to grow once the Division is fully operational. A survey of 30 persons on the registry indicates that housing is the service most needed. Housing in this case does not refer to typical group homes, rather it is housing adaptations or alternate living situations that promote independence and have full accessibility. State informants anticipate that the largest consumer group to come forward for service will be persons with physical handicaps who were under-served in New Jersey previously. The second highest service need identified in the survey was vocational rehabilitation and the third was for transportation.

The anticipated expansion in the numbers of persons served in New Jersey is based on the expectation that there will be an earnest undertaking to "redirect" service delivery so that persons with all developmental disabilities are indeed served. The redirection of department efforts has been well advertised and many different advocacy groups have been involved. Consonant with the change in service eligibility, New Jersey is substantially revising intake forms and service assessments and is expanding and improving their case management

system so that case workers have a greater understanding of the diverse needs of consumers. Along with a change in numbers of persons served, administrators expect that the service mix will change (e.g., more emphasis on attendant services, etc.).

The opportunity to include a diverse number of disability types into the service system has encouraged New Jersey administrators to rethink how they currently provide services to persons having mental retardation. Rather than adopt a "comb to comb" approach to the new disability consumers, case workers are being trained to adapt to a truly "client driven system" with an emphasis on least restrictive environments, very individualized treatment planning, and provision of the minimum level of service intervention. Service providers are discovering that small adjustments such as an adaptive device can ameliorate urgent needs. In like fashion, creative solutions to traditional mental retardation service needs are being sought. Although there has reportedly been some resistance by non mentally retarded disability groups to come to the Division for services, the modest increase in legislative funding allocated and the efforts of the department described above have helped to allayiate the associated stigma.

With respect to the elimination of individuals currently eligible for services, persons in New Jersey have several observations. First, the new definition will not be used to reassess those currently receiving services. Second, the instrument that has been developed should not screen out anyone in need of services. However, in order to ensure that no one is adversely or unjustly affected by the new definition, the state intends to conduct an evaluation at the end of a year.

Ohio. Ohio's Department of Mental Retardation and Developmental Disabilities had been using a categorical definition for service eligibility that included mental retardation, cerebral palsy, epilepsy, and autism. The current definition, while still limited to these four categories of disabilities, requires that the disability be manifest prior to age 18, and requires a substantial handicap. A substantial handicap is defined as equivalent to the abilities of persons with moderate, severe, or profound retardation.

Because of concerns that many individuals with developmental disabilities, other than the four categories specified in the definition, were being unfairly excluded from services, a new definition has been proposed and is currently before the legislature. This definition is similar to the federal definition with the following exceptions: it excludes individuals with a sole diagnosis of mental illness, it includes individuals whose disability is likely to result in substantial functional limitations without some intervention (not just those who already have substantial functional limitations), it includes all children under the age of three who have only one developmental

delay, it includes children between the ages of three and six who have two developmental delays, and it gives the director of the Office of Mental Retardation and Developmental Disabilities discretion in accepting additional persons for service. Individuals interviewed in Ohio are hopeful that this legislation will pass. They do not expect a dramatic increase in demand for services as a result of the definitional change. In the first place, the legislation does not operationalize eligibility criteria. The Office of Mental Retardation and Developmental Disabilities will define these criteria at a later date and it is unlikely that they will set the criteria so that they will admit persons for whom they have no resources. Second, current Ohio law authorizes service delivery to certain categories of persons with disabilities. It does not mandate that all eligible persons be served. As a result, OMR/DD has the ability to control the amount of service provided.

Maryland. In considering strategies for expanding service delivery for persons with disabilities in Maryland, the federal definition of developmental disabilities (PL 98-527) was the first to be evaluated. The full federal definition was not adopted. The major reservation was that the definition did little to operationalize eligibility criteria and left too much ambiguity in the concept of substantial functional impairment. A study conducted by Michael Scull suggested how much variability could be expected given different ways of defining "substantial impairment." Scull and his colleagues conducted a study of 1,602 fifteen-year-olds who were in special education. They found that different definitions of functional limitation yielded eligibility rates ranging from .57% to 2.05% of the general population.

In July, 1986 the Maryland legislature passed a bill authorizing the Mental Retardation and Developmental Disabilities Administration to adopt a "modified" developmental disabilities definition. This act moved the state from a categorical definition that included mental retardation, cerebral palsy, autism, and epilepsy, to a more functional definition.

Maryland's definition differs from the federal definition in some interesting ways. In the first place, the definition clearly excludes those individuals whose disability results solely from mental illness. These persons will continue to receive services through the state's Mental Hygiene Administration. Secondly, where the federal definition specifies that an individual must be substantially functionally limited in at least three of seven major life activity areas, Maryland's modified definition focuses only on the individual's ability to live independently. This variable is measured in terms of personal and household management and use of community resources. The third, and perhaps most interesting departure from the federal definition involves the establishment of a two-tiered eligibility screen. As noted in the earlier discussion, individuals who meet all criteria specified in the definition (i.e. a diagnosis other than mental illness alone, age of onset before 22, and substantial functional limitation in the ability to

live independently) are eligible for the full range of services offered by the state agency.

Those individuals who fail to meet all of the criteria for developmental disabilities may still be eligible for individual support services. To be eligible for the upper tier of services two conditions of disability must still be met. The individual support services for persons with milder limitations do not include full day services and residential services, but include support services focusing on prevention, and enhancing the individual's ability to live independently in the community, which may include limited day services and residential supervision.

It is anticipated that this modified definition will, in fact, reduce the number of persons eligible (though not necessarily the actual numbers of persons served) for the full range of services in Maryland. Under the categorical definition, slightly more than 3% of the population were eligible for the full range of services. Under the new modified definition, only 1.7% are expected to qualify for the full range of services. Individuals who would have qualified under the old definition will remain eligible for individual support services, but will not be eligible for full day and residential services. A grandfather clause in the legislation protects the eligibility status of people already in the service system.

Despite an overall reduction in the number of persons eligible for service, the adoption of the functional definition opened the service doors to a broader spectrum of disability groups, and consequently a waiting list of 2,000 persons with disabilities other than mental retardation has formed in Maryland. Needs assessments have been conducted by Morrison, Sachs & Smull (1986) on the persons on the waiting list. The waiting list represents the best information known in any of the states that have changed definitions to project the numbers of persons with disabilities other than mental retardation that will actually come forward for service, given changed service eligibility, and what their service needs are. However, Maryland researchers view this data as an underestimate of the total numbers of persons with disabilities other than mental retardation that may come forward for service. They explain that limited funds and a limited service array discourage many potential consumers from identifying themselves for service.

Hawaii. In 1983, Hawaii changed from a categorical definition of disabilities that included mental retardation, epilepsy, autism and cerebral palsy to the federal definition of developmental disabilities. Persons eligible for services under the old categorical definition were automatically eligible for services under the new definition. However, it is anticipated that persons with mild impairments will be screened out in future years.

Persons in Hawaii note that they had anticipated an increase in demand for services as a result of this change. However, to date, there has not been an increase in the amount of service provided. Two reasons are cited to explain this. In the first place, the change in eligibility was not advertised widely. Second, the Hawaii statute does not mandate that all service applicants be served. The department operates within a budget and provides services only within its means. New resources were not allocated, and thus new services were not developed.

The most noticeable change has occurred in the area of case management. Since the state agency is now dealing with more individuals having more complex physical disabilities, case managers have had to adapt their strategies and reach out to different types of service providers.

Currently, the state is attempting to operationalize the eligibility criteria and to develop an instrument for assessing substantial impairment in three of the seven major life activities specified in the federal definition. They are also working on due process and grievance procedures for persons who are determined to be ineligible for services under the federal definition.

California. California considered adopting a functional definition for developmental disabilities in the early 1980's. The Health and Welfare Agency contracted with Berkeley Planning Associates (BPA) to explore the implications of making this change. As noted above, the BPA study described alternative organizational arrangements that were possible for the state to consider and summarized data on prevalence rates for various disabilities using both the federal definition of developmental disabilities and the categorical definition employed in California. On the basis of data from the 1976 Survey of Income and Education, BPA concluded that the transition to the federal definition might mean that four times as many individuals as are currently eligible for the services of the D. D. Division would become eligible. On the basis of these projections and their assessment of the current service delivery system in the state, California officials decided against the federal definition and kept the categorical definition that included mental retardation, cerebral palsy, epilepsy and autism.

Persons in the state do not feel that there are substantial numbers of individuals who are unserved. They believe that those persons who do not meet the eligibility criteria of their categorical definition are receiving services through other state agencies.

Summary of Lessons from Other States. The review of experiences in other states with changing definitions of developmental disabilities includes some considerations of import to Arkansas, including the following:

1. As found in the Hawaii experience, changes in agency mandates tend to have an immediate impact on case managers who must reach out to different groups and learn different service systems and providers.
2. The Ohio experience illustrates a way to focus attention on persons with severe disabilities while also recognizing the support needs of persons with more moderate disabilities. By including a section in the definition that allows eligibility for persons who would develop severe limitations in the absence of intervention, Maryland's "two tier" approach is also a response to assuring persons with less severe disabilities receive needed support.
3. The New Jersey approach recognizes the importance of an evaluation in order to ensure that the application of a new definition does not unduly penalize any particular disability group. New Jersey's three year phase-in is also a useful way of ensuring orderly implementation.
4. The review of changes in Hawaii's system reinforces the importance of developing a grievance mechanism to ensure the any definitional changes do not result in unjust service exclusion.
5. The New Jersey and Maryland reviews draw attention to the necessity to develop instruments that are capable of discriminating among those who are eligible and those who are not eligible for services.

Senator Jim Duncan
Alaska State Senate
Room 119, Capitol Building
Juneau, AK 99811

Dear Senator Duncan:

Even though the session is almost over, I am compelled to write to you to present this issue to you.

I am a widow with two young sons and one daughter, age 13. My daughter, Leslie, is severely physically handicapped--the nature of her problem is "Arthrogryposis multiplex congenital." Leslie is unable to take care of her daily needs such as bathing, dressing, putting on her leg braces, walking without the aid of a wheelchair or walker . . . the list goes on and on. Yet, we are blessed in that Leslie is fully articulate and a bright, young lady. At least I thought we were lucky. I have gone to several sources attempting to gain help in caring for Leslie. I have contacted the Department of Health and Social Services, Division of Mental Health and Developmental Disabilities and was denied aid because Leslie was not "mentally deficient." With this denial, Leslie was deemed ineligible for REACH services, respite, health care people to come ease the strain of Leslie's daily care and basically any services we could so gratefully accept if available.

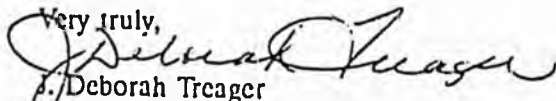
H&SS representative Alison Seymour stated to me that the Federal definition of "developmentally disabled" included those individuals termed "physically handicapped," yet the State at some point deleted that term and in effect cut off any severely handicapped individuals from State assistance to help them and their families in their struggle to live a normal life. I believe I remember when that deletion occurred, because Leslie had been enrolled in St. Jude's Center from age 2 until 5. She had been covered under their respite program until around age 4 and I remember the Director coming to me and telling me Leslie was no longer eligible for respite care. Certainly I needed the time off but sadly enough the State had decided only mentally deficient people should be assisted.

I realize this letter is lengthy, but I have tried for so long to find help to make life easier for my daughter and my family that I really know no way to shorten my plea. I have heard of those with cerebral palsy, Down's Syndrome, or even those with low I.Q.'s receiving phenomenal benefits--even up to one pastor's daughter's family given a van for her daughter. I have been worrying about how to carry Leslie in her electric wheelchair after her operations in late July, because I cannot afford a van. Because of that, Leslie is almost always homebound and cannot go many places and her quality of life is so restricted.

I deeply believe the State could help citizens like my daughter, who only by virtue of not having mental deficiencies has been cut off from care so grievously needed. Perhaps I seem over dramatic, but in my position and seeming trapped from ever providing for her as she needs, becoming drained in the strain of daily living, it feels of paramount importance.

Perhaps a bill could be introduced to make it possible for severely handicapped individuals to have the means of a better way of life? Or are there hidden sources H&SS couldn't locate? Even Alison Seymour was at a loss to offer suggestions. I am writing you and Representative Ulmer to let you know of this problem in Alaska--or is it only a fact of life in Juneau, of which I have a resident since July 1978?

Very truly,



Deborah Treager
3201 Nowell Avenue
Juneau, Alaska 99801

Employee: Department of Corrections
Southeast Region/Telephone: 465-3376

Senator Jim Duncan
State Capitol Building
Juneau, AK 99811

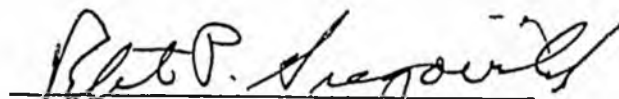
Feb 15, 1991

Dear Senator Duncan,

I support Senate Bill 52, a Bill to change the definition of Developmental Disabilities to conform with the Federal Definition. We have been too long in changing the definition to be more reasonable and fair for all children and families who experience a developmental disability.

Therefore, your Bill is welcomed. As a former Director of the State's Developmental Disabilities Program in The Department of Health and Social Services, I wish to tell you that my job would have been made more efficient had we had a more appropriate definition to work with such as you are proposing. If I can be of help in your efforts, please contact me at 586-2243 or 586-1627.

Sincerely,



Robert P. Gregovich Ph.D.
202 Troy Ave
Juneau, Alaska 99801

FEDERAL DEFINITION:

- "The term 'developmental disability' means a severe, chronic disability of a person which—
- (A) is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - (B) is manifested before the person attains age twenty-two;
 - (C) is likely to continue indefinitely;
 - (D) results in substantial functional limitations in three or more of the following areas of major life activity:
 - (i) self-care,
 - (ii) receptive and expressive language,
 - (iii) learning,
 - (iv) mobility,
 - (v) self-direction,
 - (vi) capacity for independent living, and
 - (vii) economic self-sufficiency; and
 - (E) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated."

PL 95-602, Section 102(7)

STATE DEFINITION:

A Developmental Disability is a Disability which:

- (A) is attributable to:
 - (i) mental retardation, cerebral palsy, epilepsy, or autism;
 - (ii) any other condition found to be closely related to mental retardation because the condition results in impairment of general intellectual functioning or adaptive behavior similar to impairment resulting from mental retardation; or
 - (iii) dyslexia resulting from a disability described in (i) or (ii) of this subparagraph, and
- (B) constitutes a substantial handicap to the person's ability to function normally in society.

SB53

SENATE FINANCE COMMITTEE REPORT

2/15/91

DATE TURNED INTO OFFICE 4/9/91

The Finance Committee considered

SB 53

retirement credit in the public employees' retirement system for employees of the former Alaska State Development Corporation

and recommended:

- replace with _____ CS _____
 - or adopt _____ CS _____
 - attached amendment(s)
 - _____ letter of intent adopted
- same title
 - new title
 - technical 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) _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:
Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____
DOA 2/18/91 A

SIGNING DO PASS:

Al Adams
James Hoff
Rick Kelly
James O'Connell
Pat Vannoy
Dick Stuter

OTHER RECOMMENDATIONS:

Pat Vannoy *Do pass*

Co-Chairs: Signatures and Recommendations

FISCAL NOTE

No. 1

Bill Version: SR 53

(S) Publish Date: 2/19/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____
Title: An act granting PERS credit for service with the former Alaska State Development Corporation.

Department Affected: Administration
BRU: Retirement and Benefits

Sponsor: Durcan
Requestor: _____

Component: Retirement and Benefits

COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of dollars)

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

POSITIONS

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

Estimate of current year impact: Zero

ANALYSIS: (attach a separate page if necessary.)

There is no measurable financial impact to the Public Employees Retirement System with passage of this bill.

Prepared By: Gary Bacier *Gary M. Bacier*
Division: Retirement and Benefits

Phone: 465-4460
Date: _____

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

Date: 2/8/91

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

SENATE BILL NO. 53

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR DUNCAN

Introduced: 1/21/91

Referred: State Affairs and Finance

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to retirement credit in the public employees' retirement system for
2 employees of the former Alaska State Development Corporation."

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

4 * Section 1. AS 39.35.360 is amended by adding a new subsection to read:

5 (l) A vested member is eligible to receive credited service for employment with the
6 former Alaska State Development Corporation, established under former AS 44.59. To receive
7 retroactive credited service, the member must claim the service. When the member claims
8 retroactive credited service under this subsection, an indebtedness of the member to the system
9 shall be established. The amount of this indebtedness is equal to the contributions the member
10 would have made if the member had been eligible for membership in the system during the
11 employment. Interest as established by regulation accrues on the indebtedness beginning
12 January 1, 1992. Any outstanding indebtedness that exists at the time of retirement will require
13 an actuarial adjustment to the benefits that are based on the retroactive credited service.



Alaska State Legislature

SENATE

Official Business

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

Memorandum

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

FROM: Senator Sam Cotten *SC*

DATE: April 9, 1991

RE: Amendment to Senate Bill 53

The Alaska State Housing Authority and the Division of Retirement and Benefits have not been able to provide me with precise information as to the fiscal impact of my proposed amendment to Senate Bill 53 -- other than to say that there is some fiscal impact. An estimated 400 people would be eligible with an average length of service of between two to three years. The Division advises that anything over 60 people would have a fiscal impact.

It is my understanding that the committee desires to move this bill during its meeting today and I would, therefore, request that my proposed amendment be withdrawn from consideration. The committee's assistance and time in discussing my amendments are appreciated.

4-5-91

7-LS0304A.1
Cramer
04/05/91

AMENDMENT

OFFERED IN THE SENATE
TO: SB 53

BY SENATOR COTTEN

Page 1, line 2, after "Corporation":
Insert "and of the Alaska State Housing Corporation"

Page 1, line 6, after "AS 44.59":
Insert "or with the Alaska State Housing Corporation before August 1, 1982"



*Withdrawn 4-9-92
See sponsor's memo.*

Alaska