ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 8672

2371 SHESS SB 482 - SB 484 2371

Alaska State Legislature
Senate
Committee on
Health, Education & Social Services

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Jalmar Kerttula
FROM: Senator Joe Josephson
DATE: April 4, 1984
RE: Travel to Anchorage on April 12, 1984

I would like to request travel approval for Nancy Dietrick and Renee Chatman of my staff, for a Senate HESS meeting to be held in Anchorage on April 13, 1984, regarding SB 482, relating to the regulation of marital and family therapy.

SECTIONAL ANALYSIS OF SB 482 - AN ACT RELATING TO THE REGULATION OF THE PRACTICE OF MARITAL AND FAMILY THERAPY: EFD.

SECTION 1	FINDINGS AND PURPOSE
SECTION 2	ADDS MARITAL AND FAMILY THERAPY TO TITLE 8
SECTION 3	ADDS MARITAL AND FAMILY THERPIST BOARD TO THE DUTIES OF THE DEPARTMENT FOR INVESTIGATIVE SERVICES.
SECTION 4	PROVIDES SUNSET PROVISION FOR THE BOARD.
SECTION 5	CREATES A SEVEN MEMBER BOARD, FIVE PROFESSIONALS AND TWO PUBLIC MEMBERS. PROVIDES THAT THE BOARD SHALL ADOPT ETHICAL STANDARDS AND MAY SUSPEND OR REVOKE LICENSES AND ADOPT REGULATIONS. THE ADMINISTRATIVE PROCEDURES ACT APPLIES TO THE BOARD.
SECTION 6	PROVIDES FOR LICENSURE PRIOR TO JULY 1, 1985 (THE DIFFERENCE FROM SECTION 7 QUALIFICATIONS IS THE ELIMINATION OF THE ONE YEAR SUPERVISED PRACTICE WITH 500 HOURS OF CLINICAL CONTACT IN THE COURSE OF STUDY).
SECTION 7	PROVIDES FOR QUALIFICATIONS FOR LICENSURE INCLUDING APPLICATION, PAYMENT OF FEES AND ETHICAL BEHAVIOR. A MASTER'S, DOCTORATE OR EQUIVALENT FROM AN ACCREDITED EDUCATIONAL INSTITUTION IS REQUIRED. COURSES ARE ALSO SPECIFIED IN THE BILL. TWO YEARS OF PRACTICE, PASSING THE EXAMINATION ARE ALSO REQUIRED BUT SUBSECTION (b) PROVIDESTHAT THE BOARD SHALL LIBERALLY CONSTRUE SECTION (a) AND MAY WAIVE OTHER REQUIREMENTS FOR EDUCATION, PRACTICE AND THE EXAMINATION.
SECTION 8	PROVIDES THE REQUIREMENTS FOR PRACTICE UNDER SUPERVISION. THE PERSON IS INTENDED TO BE AN INTERN, AND THE LICENSE IS FOR A FOUR YEAR PERIOD AND MAY NOT BE RENEWED. A SUPERVISOR MUST HAVE PRACTICED FOR FIVE YEARS AND MEET SUPERVISORY REQUIREMENTS OF THEIR NATIONAL ASSOCIATION. THE BOARD MAY LICENSE BY CREDENTIALS A PERSON LICENSED IN ANOTHER STATE WITH SIMILAR REQUIREMENTS. A LICENSE IS GOOD FOR TWO YEARS AND MAY BE RENEWED. PROVIDES A FEE SCHEDULE. THE BOARD MAY REQUIRE MALPRACTICE INSURANCE FOR LICENSEES. GROUNDS FOR DISCIPLINARY SANCTIONS ARE: *use of deceit or fraud in obtaining a license or in practice and false or misleading advertising. *conviction of a felony or other crime affecting competent practice. *failure to comply with law or regulations. *practice after becoming unfit. *engaging in lewd and immoral conduct.

DISCIPLINARY SANCTIONS INCLUDE PERMANENT REVOCATION, SUSPENSION, CENSURE, REPRIMAND AND PROBATIONARY STATUS. CONDITIONS ARE ALSO STATED FOR SUSPENSION OF LICENSE DURING APPEALS PROCESS AND THE REINSTATEMENT OF A LICENSE.

THE BILL PROHIBITS THE ADVERTISEMENT, USE OF TITLE AND PRACTICE OF MARITAL AND FAMILY THERAPY BY THOSE NOT LICENSED UNDER THIS CHAPTER EXCEPT FOR:
*a judge or attorney
*a physician or psychiatrist.
*a psychologist or psychological associate.
*a clergyman
*a governmental or educational employee approved by the board.

DEFINITIONS.

SECTION 9	ADDS THE BOARD TO TITLE 8 ADMINISTRATIVE ADJUDICATION.
SECTION 10	PROVIDES FOR THE INITIAL APPOINTMENT OF BOARD MEMBERS
SECTION 11	REPEALS SECTION 6 ON JULY 1, 1985.
SECTION 12	EFFECTIVE DATE FOR SECTIONS 1-6 AND 8-10.
SECTION 13	EEFECTIVE DATE OF SECTION 7.

SB 502 April 13

files.

Joe, Paul, Pappy.

SB 482 - marital and family therapy.

Joe - intro on bill.

R Gary Lichtenstein - NASW

Concern - exclusions pg 10, line 16 does not include social workers.

N.J. has licensing for marital/fam counseling. S.W. listed himself in phone book - 6 yr battle to Supreme Ct. w/ overturned the Occupational Licensing statute.

Joe - what about combining boards?

Psych Nurse, Psych, Psychiatrist and S.W. looked at all M.H. professionals. Don't know about other professions.

Joe - Calif. has a board of behavioral science examiners. Covers - anthro psych

Admin. against creating new boards and commissions

②

Gary - would like to create a "super board" for counseling professions

Pappy - training of clergymen?

Gary - people can set themselves out as what they're not - actually cause harm to people.
Sanction given by State to M.H. professionals in commitment law and S.W. not licensed

Karen Janicek - M/F therapist (10 yrs. in Ak)

legis. must be modified to be fair. Is very restrictive, which keeps people out. Scarcity is rule in Ak.
* distinguishes between therapists and counselors.
* in rural areas, there are people who are good but can't meet qualifications
* Can U of A graduates w/ Masters in counseling? Only 4 are offered at UAA
* grandfather clause - Board can waive many requirements.
* Insurance (3rd party) pay narrowly

for MH practitioners

grandfathering, rural needs and U of A system considered in re-writing the bill.

Tippy - diff. between therapy & counseling

There have been attempts to distinguish. Personally finds them not meaningful.

training pre-dates degree programs in M/F therapy.

Leon Webber
support.

member of Nat'l M/F Ther. Assoc. in private practice; supervises U of A students. Does Community Ed; Chair of judges conf.

* need to identify the profession as separate from psychologists / S.W. etc
* aware of Commin. - looking at Behavioral Science board.

* Also validating professions by licensing and thus invalidates other professions.
* consumer protection - protect public from misrepresentation. Institutes for training since 60's. 35 Master programs/12 Doctors.
* #1 M.H. problem in this state is families. 1977 Hal Lester, A.P.U. - polled 3,000 health care professionals. 'Shortage' of professionals in State → no need for them to move here → no motivation to upgrade skills.

S.W. exclusion - majority not clinical. Few clinical S.W. trained in M/F therapy.

U of A Masters Program withdrew M/F therapy course requirement.

Center for Family Studies was to help professionals upgrade skills.

Even w/ licensing, Insurance coverage does not cover MF services.

Pappy - we do have MH problems - more than other States?

Don't know comparative analysis. Believed it may be because people are isolated from families.

therapy - observable professional practice; accountability specific skills.
counseling a softer word.

Bill drafted from model legislation used in other States.

Vic - how many in Ak

fewer than 25 in first year.
40-50 people would be short of supervision.

Vic - page 5 - Bd. may waive all requirements except bad conduct! No that standard!

Yes, is grandfather clause.

Vic - Same requirements in Sec. 7 - would still have authority to waive everything.

Would be a distinguished practitioner clause.

Vic - Michigan report. Counselor/therapist used interchangeably. (included in definition)

Public may not be able to distinguish

the hrs.

Joe - catch 22 on 1,000 hrs. of clinical contact.
covered by Section 8.

no problem including SW if their board will
monitor the practice of M/F therapy

POSITION PAPER

SENATE BILL NO. 483

"An Act relating to premarital blood tests; and providing for an effective date."

This Bill amends AS 25.05.101 by adding a new subsection stating that a blood test for syphilis is not required for the issuance of a premarital certificate.

In calendar year 1983, a total of 51 cases of syphilis in all stages was reported. Of these 32 were in the infectious stage. The rate for all cases of syphilis for 1982 was about 12.2 and 10.4 for 1983. Since 1973, Alaska's syphilis rate has been consistently lower than the rate for the U.S. as a whole. The 1980 U.S. rate was 30.38.

Premarital testing is no longer an effective case finding tool. Between 1975 and 1980, a total of about 60,000 premarital specimens were tested with a yield of only two cases of previously unknown infectious syphilis. In 1982, one case was found in a total of about 12,000 premarital tests. In recent years, about 65% of new cases of syphilis in Alaska have occurred in the homosexual population, a group not ordinarily reached through a premarital testing program. Most cases are detected through self-referral of symptomatic persons or through epidemiologic investigation of sexual contacts of detected cases.

Historically, the major puprose of premarital testing was the prevention of congenital syphilis. The existing Alaska statute became effective in 1949 when syphilis was much more common with over 100 cases per year.

Passage of this Bill would have no effect on VD control efforts in the State. Prenatal testing will continue as a preventive measure for congenital syphilis. Syphilis testing will still be available to private health care providers and to the sexually transmitted disease clinics. Efforts will continue to be directed at high risk groups and known associates and contacts of person with the disease in an infectious stage.

Passage of the repeal of the requirement for premarital blood testing is supported by the Alaska Public Health Association, the Alaska State Medical Association, the Alaska State Hospital Association and the Alaska Native Board of Health. Opposition has been voiced by the Faith Hospital in Glenallen.

The intent of this Bill is similar to that of SB 343. The Department of Health and Social Services prefers SB 343 because it deletes all references to the need for premarital health certificates as a condition for the issuance

POSITION PAPER/Department of Health & Social Services

of a marriage license while SB 483 leaves intact such references in AS 25.05.091, AS 25.05.101, AS 25.05.105, AS 25.05.131, AS 25.05.141, AS 25.05.151, AS 25.05.181, AS 25.05.201, AS 25.05.221 and AS 25.05.341.

Recommended by: E. S. Rabeau, M.D.
E.S. Rabeau, M.D. Director
Division of Public Health

Date: 2-17-84

Approved by: Robert London Smith
Robert London Smith, Ph.D.
Commissioner
Department of Health and Social Services

Date: 2/22/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date , 1984

REQUEST
Bill/Resolution No.: SB 483
Title: Premarital Blood Tests

Sponsor: Senator Josephson
Requestor: Senate HESS
Date of Request: 2/15/84

II. FISCAL DETAIL
Agency Affected: Health & Social Servs.
Program Category Affected: Public Health

BRU, Program of Subprogram(s) Affected:
State Health Services, Laboratory Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
FULL-TIME						
PART-TIME						
TEMPORARY	0	0	0	0	0	0

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for Analysis

Prepared By: Dean Mirador Phone: 465-3090
Division Public Health Date: 2/15/84

Approved by Commissioner: Robert Smith, M.D. Date: 2/22/84
Agency: Dept. of Health & Social Services

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

12/1/83

SB

484

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

Social Services Fund

SB 484

April 6, 1982

MEMORANDUM

TO: Representative Bob Bettisworth
Attention: Margaret King

FROM: Christine Johnson CJ and Jonathan Sherwood JMS
Research Staff

RE: Cost of Delivering Social Services
Research Request No. 82-94

Margaret King of your staff has asked this agency to provide the following information regarding the State's social service programs:

(1) an estimate of the overall cost of delivering social services; we were asked to separate the costs of the actual services provided from the cost required to deliver that service to eligible individuals;

(2) a detailed breakdown of administrative costs and direct benefits for the State's day care programs and the Longevity Bonus Program;

(3) an estimate of the cost of providing public assistance to one individual.

Our findings are briefly summarized below:

- The Governor initially requested a total of $229,875,500 for social service programs during FY 83. This includes $1,813,000 to cover debt service for the Pioneer Homes and senior citizen housing projects. Approximately $40,933,600 or 17% of the total FY 83 request would be used to pay costs of delivering social service benefits through programs operated by the State.

- Benefits paid under the Unemployment Insurance program are paid through an Unemployment Insurance trust fund and do not appear in the Governor's budget request. In FY 83, the State will distribute an estimated $100,000,000 in unemployment benefits. The cost of delivering social service benefits through programs operated by the State accounts for 12% of both the total FY 83 request and Unemployment Insurance payments.

- Slightly over 13% of the Child Assistance BRU is used to offset the cost of delivery for the day care and Head Start programs. Delivery costs account for about 1% of the Longevity Bonus program. Although we did not attempt to identify the portion of the Grants/Claims category used for program administration in our estimate of delivery costs for all social programs, this portion has been separated in our more detailed breakdown of the Child Assistance and Longevity Bonus BRUs. The Grants/Claims component of the Child Assistance BRU includes approximately $1 million to offset administrative costs.

- According to initial FY 83 projections, it will cost the State and the federal government approximately $4,520,200, or $376,700 per month, to administer the Aid to Families with Dependent Children program (AFDC), the State's largest cash assistance program. This results in an average monthly administrative expenditure of $46 per recipient family, or $18 per individual, assuming 2.54 persons per houshold.

ALLOCATION OF SOCIAL SERVICE PROGRAM COSTS

In separating the costs associated with delivery of social services, we have used the original FY 83 Governor's Budget. We are aware that the legislature may make substantial changes in this budget. However, some programs in the FY 82 budget have been discontinued, and many of BRU's in the FY 82 budget have been consolidated into new BRU's in the FY 83 budget. Therefore, to provide information in a form comparable to the current budget format, we chose to work with the FY 83 budget.

Furthermore, we have made no effort to distinguish between federal and State funds budgeted for social service programs. Many social programs receive all or part of their funding from the federal government, some of which may be dependent on matching state funds. In addition, some programs may also receive federal funds not included in the Executive Budget; we have not included these funds in our estimates.

Given the many different types of social services provided in Alaska, it is difficult to develop a clear definition of what constitutes the cost of a benefit provided and what constitutes a cost of delivering that benefit. Many of the activities and expenses associated with the delivery of a social service are absolutely essential to the provision of that service. Delivery costs include such items as the postage required to mail out assistance payments, the workers who determine whether applicants are eligible for a program, and the workers who issue assistance payments or grant monies. In our conversations with representatives of the different departments involved in the delivery of social services, we were not always able to reach a consensus as to where service ends and administration begins. For instance, Jo Anne Clark, with the Department of Health and Social Services, stated that the Department was reluctant to distinguish between direct services and delivery costs in a way that separates the cost of direct services from the costs of activities which were absolutely necessary to distribute those services. Accordingly, her own estimation of delivery costs was somewhat less than ours.

We have tried to be consistent in our classification of expenditures. In our estimates of delivery costs, we included expenditures for functions which involved receiving and processing applications and claims, distribution and accounting of assistance payments and other funds, and administrative support activities. In all departments, we treated expenditures in the Grants/Claims category as direct benefit expenditures. Counselling activities are also classified as direct benefits.

Frequently, we were unable to determine the proportion of time that direct benefit providers devoted to administrative activities. Only the Department of Labor maintains time logs which provide the percentage of time employees spend providing direct services. In cases where we were not able to determine the extent to which counselling office employees performed administrative duties, we assumed that 100% of their time was spent providing direct benefits. In addition, for the purpose of our overall estimate of delivery costs, we have not attempted to distinguish that portion of grants expenditures which was used for administration of programs operated by agencies other than the State. Therefore, our estimates of overall delivery costs probably underestimate the actual figure; however, our detailed breakdown of day care program expenditures offers an example of how these grant monies are actually spent.

It should be noted that in one instance, delivery costs incurred by an agency outside of State government are included. The State of Alaska contracts with the Mauneluk Association, a nonprofit Native corporation, to provide comprehensive social services in northwest Alaska. All of the money budgeted for Mauneluk is in the contractual service component. Most of the cost of this contract is money paid out by Mauneluk to individuals eligible for one or more of the programs administered by Mauneluk. We have classified that portion of contractual services described as administration and staff development as a delivery cost and the remainder of the contractual services as a direct cost, although this may include some additional administrative costs.

For our purposes, we consider the Pioneer Homes to be a direct benefit. For this reason, the costs of operating a Pioneer Home is included in the cost of direct benefits. However, we have included the expenditures for the central office in delivery costs.

The Employment Security BRU includes the Unemployment Insurance program. By law, unemployment benefits must be paid out of a trust fund and not out of general revenues; therefore, the benefits paid out under this program are not included in the Governor's budget request. According to Alfrieda Mullin, with the Department of Labor Research and Analysis Section, the State will distribute approximately $100,000,000 under this program in FY 83.

Another expenditure not included in the Social Service budget is the debt service on bonds issued for the Pioneer Homes and for the Senior Citizens Housing Fund. These payments, which are costs associated with direct benefits, amount to $1,813,000 for FY 83.

Table I shows the breakdown of FY 83 budget request expenditures for Social Services by BRU. Debt Service and Unemployment Insurance benefits, which are not included in the Social Service category, are shown separately. The percentage of each program request to be spent on direct benefits and delivery costs is shown in parentheses.

Table II provides a breakdown of delivery costs for each BRU by budget component. Table III provides the same breakdown for direct benefits. For most BRUs, direct benefit costs are contained in the Grants/Claims component of the budget request; however, for programs which offer counselling or some other form of human service, direct benefit costs include the full range of budget components. For three BRUs, WIN, Adult Services, and CETA, the breakdown of component costs for direct benefits and delivery costs was not available; however, we have provided estimates of the total direct benefit costs and delivery costs in these instances.

DAY CARE AND LONGEVITY BONUS PROGRAMS

We were also asked to provide a more detailed breakdown of administrative costs and direct benefits for two social service programs, the day care programs and the Longevity Bonus Program. We have included a breakdown for the State's Head Start grant program as well, as this program and the day care programs are administered by the same entity and it would be difficult to accurately allocate the administrative expenses.

Day Care and Head Start

The day care and Head Start programs are funded through the Child Assistance BRU. For FY 83, the Governor has requested a total appropriation of $10,197,800 for this BRU, $7,581,800 for the Child Care component, which includes the day care grant programs, and $2,616,000 for Head Start Grants. State administrative costs for all the grant programs are included in the Child Care component. The governor has requested $259,200 for administration in FY 83. This covers four full-time positions in the Department of Community and Regional Affairs.

Child Care Component. Two day care grant programs are funded through the grants and claims portion of the Child Care component. The largest of these is the Day Care Assistance Grant Program which provides child care subsidies to low and moderate income families. Grant money from this program is allocated to local governments for disbursement to eligible households. Until FY 82, most administrative costs were assumed by the local governments. However, under legislation passed last session, local governments may receive the equivalent of 10% of their grant entitlement or $1,000, whichever is greater, from the State to offset administrative expenditures. According to Ms. Lare, the Director of the Day Care Assistance Program for the Department of Community and Regional Affairs, this money is intended to represent 50% of local administrative costs although it is not provided on a match basis.

The Governor has requested a total appropriation of $5,751,100 for the Day Care Assistance Program for FY 83. This includes $5,228,300 for grants to eligible families and $522,800 for the State's share of local administrative costs. (Owing to some confusion when the budget for this program was prepared, the appropriation for local administrative costs appears under the Child Care Grant Program.) Assuming that municipalities will contribute an additional $522,800 for administration, total administrative costs for this program will equal $1,045,600.

The other grant program within the Child Care component is the Child Care Grant Program, which was established during the 1981 legislative session. Under this program, day care facilities may receive a State subsidy of up to $50 per month per average daily full-time equivalent child enrolled at the facility. (Funding for this program for FY 82 was set at a level which permitted grants of $25 per month per child.) Day care facilities may also receive education and training grants under the Child Care Grant Program. Both these grants and the child care grants were disbursed directly by the Department of Community and Regional Affairs during FY 82. There has been some discussion of transferring administrative responsibility to local governments. However, according to Ms. Lare, municipalities have expressed some reluctance toward this proposal, and the issue is not yet settled.

The Governor has requested a total of $1,571,500 for the Child Care Grant Program for FY 83. This includes $1,390,900 in child care grants, $130,600 for local administration of the Child Care Grant program, and $50,000 in grants for education and training. Because the education and training grants are used to improve the care which children receive in day care facilities, we have counted them as direct benefits rather as administrative costs.

Head Start Grants. The State currently contributes roughly 22% of the cost of operating Head Start programs throughout the state. This money is disbursed as grants to various non-profit associations which provide the programs. Ms. Lare of the Department of Community and Regional Affairs estimates that 15% of the total State appropriation is spent for program administration. The Governor has requested a total of $2,616,000 for Head Start for FY 83; approximately $392,400 of this amount would be used for administration and $2,223,600 to provide direct services. Federal Head Start funds are not distributed through the State and are not included in this breakdown.

Summary. The FY 83 requests for the day care programs and Head Start are summarized below. As this indicates, administration of these programs would account for approximately $1.3 million in FY 83 or 13% of the total State expenditure.

CHILD CARE COMPONENT

I. Day Care Assistance Program		
Grants	$ 5,228.3	
Local Administration	522.8	
Total	$ 5,751.1	
II. Child Care Grant Program		
Child Care Grants	$ 1,390.9	
Education & Training Grants	50.0	
Local Administration	130.6	
Total	$ 1,571.5	
III. Central Administration	$ 259.2	
TOTAL	7,581.8	
HEAD START GRANTS		
Grants	$ 2,223.6	
Administration	392.4	
TOTAL	$ 2,616.0	
TOTAL BRU		
Grants	$ 8,892.8	(87%)
Administration	1,305.0	(13%)
TOTAL	$10,197.8	(100%)

Longevity Bonus Program

The Governor has requested an FY 83 appropriation of $29,214,500 for the Longevity Bonus Program. This includes $270,500 for administration of the program and $28,944,000 in grants and claims. The grants and claims appropriation will provide monthly longevity bonuses of $250 to 9,648 individuals over age 65. Administrative costs represent less than 1 percent (.9%) of the total appropriation which the Governor has proposed for this program for FY 83.

COST OF PROVIDING PUBLIC ASSISTANCE

We were also requested to estimate the cost of providing public assistance to one individual. Aid to Families with Dependent Children (AFDC) is the State's largest cash assistance program. Initial projections for FY 83 show this program disbursing approximately $53.1 million in benefits. Costs of the AFDC program are shared equally by the State and the federal government. The State Department of Health and Social Services (DH&SS) reports that with total benefits of $53,120,400, the federal government and the State will each contribute $2,260,100 towards program administration. This results in a total expenditure for administration of $4,520,200 for the fiscal year, or $376,700 per month.

DH&SS projects that an average of 7,818 Alaskan households will receive AFDC benefits each month during FY 83. An additional 450 families will apply for benefits each month but be denied, resulting in a total monthly AFDC caseload of 8,268 households. Dividing this number by the monthly cost of administering the program results in an average monthly administrative expenditure of $46 per family, or $18 per individual, assuming 2.54 persons per household. Administrative costs for a household which remains on AFDC throughout the year will total $547, or $215 per person. Given an average monthly AFDC payment of $566.22 per family, administrative costs equal approximately 8% of monthly benefits. Stated another way, it currently costs the State and the federal government approximately 8¢ to provide each dollar of AFDC benefits.

*　　　*　　　*

If you have any questions, or if we can be of further assistance, please do not hesitate to contact us.

CJ&JS/bf

Table I
TOTAL SOCIAL SERVICE EXPENDITURES FOR FY 83
(thousands of dollars)

Budget Request Unit	Delivery Costs	Direct services	Total
Longevity Bonus	$ 270.5 (1%)	$28,944.0 (99%)	$29,214.5
Pioneer Homes	337.6 (2%)	19,048.3 (98%)	19,385.9
Older Alaskans Commission	382.8 (100%)	-	382.8
Aging Grants	1,023.2 (12%)	7,344.0 (88%)	8,367.2
Assistance Payments	-	61,318.7 (100%)	61,318.7
Energy Assistance	489.6 (7%)	6,257.9 (93%)	6,747.5
Public Assistance Administration	10,978.8 (100%)	-	10,978.8
Program Services	44.0 (2%)	2,017.9 (98%)	2,061.9
Juvenile Custody	-	16.526.2 (100%)	16,526.2
Family Services Adiministration	1,503.3 (18%)	7,074.1 (82%)	8,577.4
Mauneluk	179.3 (15%)	1,048.2 (85%)	1,227.5
WIN	88.6 (11%)	750.0 (89%)	838.6
Adult Services	155.7 (4%)	4,295.4 (96%)	4,451.1
Old Age Assistance Payments	-	5,789.1 (100%)	5,789.1
Employment Security	18,307.8 (70%)	8,019.4 (30%)	26,327.2
Office of the Commissioner (DOL)	643.5 (100%)	-	643.5
Administrative Services (DOL)	4,461.8 (100%)	-	4,461.8
Senior Citizens Tax Relief	-	2,722.1 (100%)	2,722.1
Child Assistance	259.2 (3%)	9,938.6 (97%)	10,197.8
CETA	1714.1 (22%)	5,997.0 (78%)	7,711.1
Senior Citizen Housing Devl.	93.8 (100%)	-	93.8
TOTAL SOCIAL SERVICE REQUEST	40,933.6 (17%)	187,090.9 (83%)	228,024.5
Debt Service	-	1,813.0 (100%)	1,813.0
Unemployment Insurance Payments	-	100,000.0 (100%)	100,000.0
TOTAL COSTS FOR SOCIAL PROGRAMS (Including expenditures not in the Social Service request.)	$40,933.6 (12%)	$288,903.9 (88%)	$329, 837.5

- = No expenditures in this category.

Source: FY 83 Executive Budget; House Research Agency.

Table II

COSTS OF PROVIDING SOCIAL SERVICES FOR FY 83
(thousands of dollars)

Budget Request Unit	Pers. Serv.	Travel	Cont.	Comm.	Equip.	Total
Longevity Bonus	156.5	4.4	106.0	3.5	-	270.5
Pioneer Homes	136.6	20.0	5.3	117.4	58.3	337.6
Older Alaskans Commission	136.8	49.9	193.1	3.0	-	382.8
Aging Grants	737.9	136.0	138.2	8.6	2.5	1,023.2
Assistance Payments	-	-	-	-	-	-
Energy Assistance	327.3	24.6	133.7	4.0	-	489.6
Public Assistance Administration	8,243.1	339.6	2,303.2	86.5	6.4	10,978.8
Program Services	26.4	10.9	6.3	.4	-	44.0
Juvenile Custody	-	-	-	-	-	-
Family Services Administration	970.2	278.0	238.8	15.2	1.1	1,503.3
Mauneluk	-	-	179.3	-	-	179.3
WIN	*	*	*	*	*	88.6
Adult Services	*	*	*	*	*	155.7
Old Age Assistance Payments	-	-	-	-	-	-
Employment Security	12,787.2	364.9	4,659.7	406.3	89.7	18,307.8
Office of the Commissioner	418.0	38.6	175.1	11.1	.7	643.5
Admin. Services	3,047.8	68.7	1,178.0	43.9	123.4	4,461.8
Senior Citizens Tax Relief	-	-	-	-	-	-
Child Assistance	152.9	32.8	71.0	2.5	-	259.2
CETA	*	*	*	*	*	1714.1
Senior Citizen Housing Development	76.7	13.8	3.3	-	-	93.8
TOTAL**	27,217.5	1,382.2	9,391.0	693.4	282.1	40,933.6

* Data is not available for separate budget components. An estimate of total delivery costs is provided for this BRU.

** The column totals for the separate budget components exclude the expenditures for WIN, Adult Services, and CETA, for which only a total delivery expenditure is provided. Therefore, the sum of the column totals do not equal the row total provided.

Source: FY 83 Executive Budget; House Research Agency; Dept. of Administration; Dept. of Community and Regional Affairs, Dept. of Health and Social Services; Dep. of Labor.

COST OF DIRECT SOCIAL SERVICES INCLUDING GRANTS AND CLAIMS FOR FY 83
(thousands of dollars)

Budget Request Unit	Pers. Serv.	Travel	Cont.	Comm.	Equip.	Grants/Claims	Total
Longevity Bonus	-	-	-	-	-	28,944.0	28,944.0
Pioneer Homes	14,147.1	23.0	4,004.2	791.9	41.0	41.1	19,048.3
Older Alaskans Commission	-	-	-	-	-	-	-
Aging Grants	49.4	-	-	-	-	7,294.6	7,344.0
Assistance Payments	-	-	-	-	-	61,318.7	61,318.7
Energy Assistance	-	-	-	-	-	6,257.9	6,257.9
Public Service Administration	-	-	-	-	-	-	-
Program Services	-	-	-	-	-	2,017.9	2,017.9
Juvenile Custody	-	-	-	-	-	16,526.2	16,526.2
Family Services Administration	6,122.4	189.5	673.4	77.9	10.9	-	7,074.1
Mauneluk	-	-	1,048.2	-	-	-	1,048.2
Win	*	*	*	*	*	283.6	750.0
Adult Services	*	*	*	*	*	3,644.3	4,295.4
Old Age Assistance Payments	-	-	-	-	-	5,789.1	5,789.1
Employment Security	5,590.6	178.0	1,710.2	55.9	40.5	[100]444.2†	8,019.4
Office of the Commissioner (DOL)	-	-	-	-	-	-	-
Administrative Services (DOL)	-	-	-	-	-	-	-
Senior Citizens Tax Relief	-	-	-	-	-	2,722.1	2,722.1
Child Assistance	-	-	-	-	-	9,938.6	9,938.6
CETA	*	*	*	*	*	5,997.0	5,997.0
Senior Citizen Housing Development	-	-	-	-	-	-	-
TOTAL**	25,909.4	390.5	7,436.0	925.7	92.4	149,743.6	187,090.9

- = No delivery cost in this component

The footnotes for Table III are on the following page.

Source: FY 83 Executive Budget; House Research Agency; Dept. of Administration; Dept. of Community and Regional Affairs, Dept. of Health and Social Services, Dept. of Labor.

FOOTNOTES FOR TABLE III

* Estimates of direct service costs and delivery costs were provided as proportion of total expenditures excluding grants/claims. Only grants/claims and total expenditures are shown for these budget request units.

** Column totals for separate budget components do not include data for WIN, Adult Services, and CETA. Therefore, the sum of the column totals for the budget components does not equal the row total shown.

† Approximately $100,000,000 in unemployment benefits will be distributed in FY 83; however, because these funds are drawn from the Unemployment Trust Fund, they are not included in the Social Service Budget.

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

SB 484

Social Services Fund SB 484

April 12, 1982

MEMORANDUM

TO: Representative Bob Bettisworth
Attention: Margaret King

FROM: Christine Johnson, Research Staff CJ

RE: Updated Estimate of the Cost of Delivering State Social Services
Research Request No. 82-110

You have asked that we revise our estimate of the cost of delivering social services based on the amended Governor's budget for FY 83. In responding to your request, we have used a version of the amended budget released on Monday, April 5; this was the most current version of the budget available at the time we were beginning work. As you know, the Governor has made some additional budget changes during the last week. Consequently, the figures we are using here may already be slightly out of date.

As of April 5th, the Governor was proposing a total social services budget of \$289.7 million. This includes \$1.8 million for debt service on the Pioneer Homes and senior citizen housing projects. It also includes \$75.6 million for five programs which were included in other budget categories in the original FY 83 Executive budget. Approximately \$44.3 million, or 15% of the new social services budget, will be spent in the delivery of various services, while \$245.4 or 85% of the total will be expended for direct client services and benefits. Table I (attached) provides a breakdown of administrative costs and direct benefits by program.

Table II offers a similar breakdown, but excludes the five social service programs which were added to the amended FY 83 budget. According to this data, the Governor has proposed a reduction of \$15.6 million in the spending originally approved for social services during FY 83. This includes a \$1.4 million or 4% <u>increase</u> in funds for program administration and a \$17.0 million or 9% <u>reduction</u> in funds for direct benefits and services.

We have calculated delivery costs and direct benefits and services in the same manner that they were calculated in our earlier work for you. In estimating delivery costs, we included expenditures for functions which involve receiving and processing applications and claims, distribution and accounting of assistance payments and other funds, and administrative support. In all instances, we treated appropriations in the Grants/Claims category as direct benefits. However, as our breakdown of the Grants/Claims expenditures for the Child Assistance BRU illustrates, this category may include funding for the administrative costs of grant recipients.

Day Care and Longevity Bonus Programs

Day Care. The Governor has proposed a $250,000 reduction in funding for the Child Care component of the Child Assistance BRU. (As we noted in our earlier memo to you, both the State's day care programs and Head Start programs are funded through this BRU.) According to Ms. Lare of the Department of Community and Regional Affairs, the proposed reduction would eliminate $130,600 in funding for local administration of the Child Care Grant program, and $119,400 in Child Care grants.

Given the proposed funding change, administrative costs for the day care and Head Start programs would represent approximately $1.2 million in FY 83 or 12% of the total State expenditure. This compares to $1.3 million or 13% of the total expenditure under the Governor's original FY 83 budget. A breakdown of the appropriations in the Child Assistance BRU for both the original and amended budgets is provided in the table on the following page.

Longevity Bonus Program. The amended Governor's budget for FY 83 would reduce funding for the Longevity Bonus Program by $1 million from the amount originally proposed. Under this reduction, funds for administration of the program would remain at the same level, while the appropriation for longevity bonuses would be decreased from $28,944,000 to $27,944,000. Even with the reduction, administrative costs would represent less than 1% of total program costs.

Representative Bettisworth
April 12, 1982
Page No. 3

TABLE III
Breakdown of Expenditures Under the Child Assistance BRU
(thousands of dollars)

	GOVERNOR	AMENDED GOVERNOR	
CHILD CARE COMPONENT			
I. Day Care Assistance Program			
Grants	$ 5,228.3	$ 5,228.3	
Local Administration	522.8	522.8	10%
Total	$ 5,751.1	$ 5,751.1	
II. Child Care Grant Program			
Child Care Grants	$ 1,390.9	$ 1,271.5	
Education & Training Grants	50.0	50.0	
Local Administration	130.6	0.0	
Total	$ 1,571.5	1,321.5	-250.
III. Central Administration	$ 259.2	$ 259.2	
TOTAL	7,581.8	$ 7,331.8	-250.
HEAD START GRANTS			
Grants	$ 2,223.6	$ 2,223.6	
Administration	392.4	392.4	
TOTAL	$ 2,616.0	$ 2,616.0	
TOTAL BRU			
Grants	$ 8,892.8	$ 8,773.4	
Administration	1,305.0	1,174.4	
TOTAL	$10,197.8	$ 9,947.8	

Cost of Providing Public Assistance

The Governor's amended budget for FY 83 includes a total appropriation of $41,690,400 for benefits under the Aid to Families with Dependent Children (AFDC) program; the original FY 83 budget contained an appropriation of $53,120,400 for the year. The reduction is largely the result of changes made to the program by the federal government late last fall. These changes generally stiffened eligibility criteria, reducing the number of households which could qualify for benefits.

According to the Department of Health and Social Services, administrative costs for the AFDC program will remain at approximately the same level originally projected for FY 83, despite the decrease in the number of AFDC recipients anticipated over the year. This is explained by two factors. First, although fewer people now qualify for AFDC benefits, the number of people applying for assistance has not declined. Consequently, the number of cases requiring administrative action by the Department has not altered. Second, under the new federal changes, AFDC recipients must report their income each month rather than when their financial circumstances change. Although this may reduce program abuses, it has increased the administrative work needed on each case.

DH&SS currently projects that an average of 6,543 households will receive AFDC benefits, and 450 families will apply for benefits each month during FY 83. This results in a total average monthly AFDC caseload of 6,993. Given projected administrative costs of $4,520,200 for the fiscal year, or $376,700 per month, it will cost an average of $54 per household per month, or $21 per individual per month to deliver AFDC benefits. Administrative costs will equal approximately 10% of the average monthly benefit for an AFDC household ($530.97).

If you have any questions about this information, or if we can provide any further assistance, please don't hesitate to contact us.

CJ

TABLE I
Social Service Expenditures Under the Governor's Amended Budget for FY 83
(thousands of dollars)

Budget Request Unit	Governor's Original	Governor's Amended: Delivery Costs	Direct Benefits	Total
Longevity Bonus	$29,214.5	$ 270.5 (1%)	$27,944.0 (99%)	$28,214.5
Pioneer Homes	19,385.9	337.6 (2%)	18,375.3 (98%)	18,712.9
Older Alaskans Commission	382.8	363.8 (100%)	-	363.8
Aging Grants	8,367.2	1,023.2 (14%)	6,344.0 (86%)	7,367.2
Assistance Payments[a]	67,107.8	-	55,677.8 (100%)	55,677.8
Energy Assistance	6,747.5	489.6 (7%)	6,257.9 (93%)	6,747.5
Eligibility System[b]	1,892.6	1,892.6 (100%)	-	1,892.6
Medicaid[b]	50,559.4	-	50,559.4 (100%)	50,559.4
General Relief Medical[b]	11,603.0	-	10,920.5 (100%)	10,920.5
Public Assistance Admin.	10,978.8	11,971.7 (100%)	-	11,971.7
WIN	838.6	88.6 (17%)	420.9 (83%)	509.5
Program Services	2,061.9	44.0 (2%)	1,957.0 (98%)	2,001.0
Juvenile Custody	16,526.2	-	15,526.2 (100%)	15,526.2
Adult Services	4,451.1	155.7 (4%)	3,820.1 (96%)	3,975.8
Youth Correctional Services[b]	11,481.4	178.5 (2%)	11,064.9 (98%)	11,243.4
Family Services Admin.	8,577.4	1,500.5 (17%)	7,374.1 (83%)	8,874.6
Human Services - Maunelu[b]	2,310.0	179.3 (8%)	2,006.7 (92%)	2,186.0
Employment Security	26,327.2	18,807.4 (73%)	7,114.8 (27%)	25,922.2
Off. of the Commissioner (DOL)	643.5	643.5 (100%)	-	643.5
Administrative Services (DOL)	4,461.8	4,421.8 (100%)	-	4,421.8
Senior Citizens Tax Relief	2,722.1	-	2,522.1 (100%)	2,522.1
Child Assistance	10,197.8	259.2 (3%)	9,688.6 (97%)	9,947.8
CETA	7,711.1	1,714.1 (22%)	5,997.0 (78%)	7,711.1
TOTAL SOCIAL SERVICE REQUEST	$304,549.6	$44,341.6 (15%)	243,571.3 (85%)	287,912.9
Debt Service	1,813.0	-	1,813.0 (100%)	1,813.0
Unemployment Insurance Payts	100,000.0	-	100,000.0 (100%)	100,000.0
TOTAL COST FOR SOCIAL PROGRAMS Including expenditures not requested under Social Services	$406,362.6	$44,341.6 (11%)	345,384.3 (89%)	389,725.9

[a] The Assistance Payments BRU and the Old Age Assistance BRU were combined in the amended budget.

[b] These programs were included in other budget categories in the original FY 83 Executive Budget. The Human Services - Mauneluk BRU was included in Social Services in the original budget; however, it contains an additional category of grants for health care in the amended budget.

TABLE II
Appropriations Under the Governor's Amended FY 83 Budget
for Programs Included in the Social Services Budget Category
in the Original FY 83 Executive Budget
(thousands of dollars)

Budget Request Unit	Governor's Original	Governor's Amended: Delivery Costs	Governor's Amended: Direct Benefits	Governor's Amended: Total
Longevity Bonus	$29,214.5	270.5 (1%)	27,944.0 (99%)	$28,214.5
Pioneer Homes	19,385.9	337.6 (2%)	18,375.3 (98%)	18,712.9
Older Alaskans Commission	382.8	363.8 (100%)	-	363.8
Aging Grants	8,367.2	1,023.2 (14%)	6,344.0 (86%)	7,367.2
Assistance Payments	61,318.7	-	49,888.7 (100%)	49,888.7
Energy Assistance	6,747.5	489.6 (7%)	6,257.9 (93%)	6,747.5
Public Assistance Admin.	10,978.8	11,971.7 (100%)	-	11,971.7
Program Services	2,061.9	44.0 (2%)	1,957.0 (98%)	2,001.0
Juvenile Custody	16,526.2	-	15,526.2 (100%)	15,526.2
Family Services Admin.	8,577.4	1,500.5 (17%)	7,374.1 (83%)	8,874.6
Human Services - Mauneluk	1,227.5	179.3 (15%)	1,048.2 (85%)	1,227.5
WIN	838.6	88.6 (17%)	420.9 (83%)	509.5
Adult Services	4,451.1	155.7 (4%)	3,820.1 (96%)	3,975.8
Old Age Assistance Payments	5,789.1	-	5,789.1 (100%)	5,789.1
Employment Security	26,327.2	18,807.4 (73%)	7,114.8 (27%)	25,922.2
Off. of the Commissioner (DOL)	643.5	643.5 (100%)	-	643.5
Administrative Services (DOL)	4,461.8	4,421.8 (100%)	-	4,421.8
Senior Citizens Tax Relief	2,722.1	-	2,522.1 (100%)	2,522.1
Child Assistance	10,197.8	259.2 (3%)	9,688.6 (97%)	9,947.8
CETA	7,711.1	1,714.1 (22%)	5,997.0 (78%)	7,711.1
Senior Citizen Housing Devel.[a]	93.8	93.8 (100%)	-	93.8
TOTAL SOCIAL SERVICE REQUEST	$228,024.5	$42,364.3 (20%)	170,068.0 (80%)	212,432.3
Debt Service	1,813.0	-	1,813.0 (100%)	1,813.0
Unemployment Insurance Payts	100,000.0	-	100,000.0 (100%)	100,000.0
TOTAL COST FOR SOCIAL PROGRAMS (Including expenditures not requested under Social Services	$329,337.5	$42,364.3 (13%)	271,881.0 (87%)	314,245.3

[a]This BRU was included in the Development budget category in the amended Governor's budget.

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

D R A F T

MEMORANDUM January 4, 1980

TO: The Honorable Bill Parker
The Honorable Arliss Sturgulewski

FROM: Jack Kreinheder JK
Issues Analyst

SUBJ: Foundation Approach for the Delivery of Basic Services (Work Order No. 8)

You have asked that we explore alternative methods and formulas for the distribution of State revenue sharing funds, including the use of a School Foundation-like approach. This memorandum is intended to provide you with an outline of our suggested research approach to this issue, and to give you an idea of the time necessary to complete the research.

I will be the primary researcher on this work order, but I plan to make use of other House Research staff members and Legal Services staff (particularly Jack Chenowith), as well. As presently envisioned, this project will have three steps or phases. The first step will center on the development of detailed criteria suitable for evaluating alternative methods and formulas for revenue redistribution. We will also attempt to identify reliable indicators of factors (such as local need or wealth) which might be employed in allocating funds in a redistribution system. This first phase should be completed by January 14, with a memo suggesting possible criteria and allocation factors to be provided for your consideration and response.

The second step will involve the exploration of the Foundation approach to revenue sharing and other methods of redistribution which might meet the criteria developed in Phase I, but we first need a clearer definition of basic service levels. This is a subjective question, and we would appreciate hearing your views on the matter. Rather than conducting an analysis of the fiscal impacts of each of the redistribution options, we would prefer

Henry —
See paperclipped section
BJ

to send you a memo outlining the alternatives, and then proceed with a fiscal analysis for the alternative(s) which you find worthy of further research.

The third and final phase will consist of the fiscal analysis of the preferred alternatives and an assessment of any difficulties which could be encountered in implementing such a proposal. The time necessary to complete this research cannot be readily determined in advance, and will depend to a large extent on the number and complexity of the revenue redistribution options which you would like to pursue.

Please contact us if you have any questions, comments or suggestions regarding your request or the proposed research design. A research project of this nature requires that we be kept informed of your preferences and objectives, and we look forward to working with you and your staff members on this issue.

JK/bf

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

January 14, 1980

MEMORANDUM

TO: Representative Bill Parker
Senator Arliss Sturgulewski

FROM: Jack Kreinheder JK
Issues Analyst

SUBJECT: A Foundation Approach to the Revenue Sharing Program (Work Order No. 8)

INTRODUCTION

In this memorandum, I would like to present the following information:

1. Proposed criteria for use in formulating and evaluating alternative methods of revenue sharing

2. A summary of our initial findings regarding the application of a foundation approach to revenue sharing

3. A revised research design for the project

I had indicated in my draft research design of January 4 that I would attempt in this memorandum to identify or develop measurable indicators of factors, such as local need, which could be used in allocating funds for various programs. However, it now appears that the development of such indicators will be one of the major tasks involved in the project and must be deferred to the next phase of my research.

CRITERIA

I have compiled a list of nine proposed criteria for the evaluation of any existing or suggested program of revenue sharing. The criteria were derived from your original research request, through discussion with you and your staffs, and from the conclusions reached at the Local Government Symposium. Please contact me if you have any suggestions or comments concerning these criteria. It is important that I be aware of your priorities in the development of alternative programs, so that the end product will reflect your goals for the revenue sharing system. My interpretation of your preferences is that an alternative revenue sharing program should:

1. provide for equitable allocation of financial resources

2. assure a minimum level of basic services to residents of organized municipalities. These basic services are: public safety (including police, fire, justice, and search and rescue), public assistance and health and sanitation.

3. reflect local population, wealth and need

4. create incentives for transfer of service delivery responsibility from the State to municipalities

5. create incentives for local government formation in the unorganized borough

6. encourage local effort in funding basic services

7. consider tax equalization--taxpayers statewide should pay roughly the same percentage of the cost of providing a minimum level of the identified basic services

8. consolidate funding into a minimum number of channels (similar to the School Foundation Program)

9. allow for differences in delivery systems to meet local needs.

These criteria are intended to guide the development of an alternative revenue sharing system and to provide a basis for evaluating the current system, HB 192, and any alternative(s) which may be formulated. It is clear, though, that the criteria are subject to interpretation and may conflict in some cases with each other. For example, the first criterion emphasizes the equitable allocation of financial resources. Few would argue with this goal, but the definitions of "equitable" are many. The third criterion states that funding for services should depend on local population, wealth and need; while the second provides for a minimum level of services, presumably without regard to these factors.

Nevertheless, these criteria do provide a sense of direction for the project. It is difficult to refine the criteria or render an exact definition outside of a specific context, and the inconsistencies and conflicts can, to some extent, be resolved only in each specific case as the research proceeds.

SCHOOL FOUNDATION

Although there has been a considerable amount of discussion by various groups on the use of a foundation approach to revenue sharing, I have read nothing which explains which characteristics of this approach are most desirable. I have therefore done a brief analysis of the School Foundation Program in order to determine which features are most applicable to the use of a similar approach in revenue sharing. Conversations with your staff have indicated that the primary value of the School Foundation Program for my purpose is as a conceptual model, rather than a system in which each detail is to be adapted to a revenue sharing function. However, an assessment of its basic provisions is a necessary and useful step in my research.

We have identified four major provisions or methods of funding in the School Foundation Program which could be applied to a new revenue sharing system:

1. the Average Daily Membership factor. A similar volume or workload concept could be used in computing revenue sharing entitlements for various services.

2. special allocations for particular educational programs. Such allocations could be applied to specific services within service categories, for example, giving funding for crime prevention programs in addition to general police protection entitlements.

3. a sliding scale for determining allocations. Under this provision, more funding is granted per student in smaller schools and districts. This approach could be used for revenue sharing entitlements to account for the higher cost per unit of providing services on a small scale.

4. the equalization provision, in which the property tax base per student is considered in allocation of funds. A similar system, expanded to include all services of locally-generated revenue, has been developed for HB 192.

Average Daily Membership (ADM), or number of students, is the primary determinant of funding levels under the School Foundation Programs. An equivalent workload factor could be employed as a funding criterion for a number of services. For instance, part of the entitlement for fire or search ad rescue services could be linked to the number of calls answered or searches conducted. Health entitlements could be partially based on the number of patients served. The major flaw in this approach is that it encourages expanded use of services which are funded in this manner. Some services should be preventive rather than use oriented. Police and fire protection, for example, should ideally prevent crimes and fires from occurring in the first place, so that a low level of use could mean that an active and effective level of service was being provided. Still, the idea does show some promise, particularly for public assistance and health programs, and will be given additonal thought.

Special allocations are used in the School Foundation Program to fund vocational, special, and bilingual education programs. Schools can receive funds only for existing programs and entitlements are based on the ADM of each specific program.

Special allocations for specific local services are already used in the current revenue sharing program to a limited extent. For instance, a municipality may receive a per capita grant for general fire protection, and an additional grant if a volunteer fire department is maintained. This concept could be expanded to apply to other specific services.

The use of a sliding scale could be a significant addition to an alternative revenue sharing approach and would be one method of providing for a minimum level of service (similar to Jack Chenoweth's draft proposal for police protection). Further research is necessary to determine the trends in cost levels per capita in communities of various sizes to determine the proper weighting of the funding scales for different services. For example, the relative cost of providing health care in a smaller community may be much higher than that of police protection.

The School Foundation Program contains an equalization provision in which the tax base per ADM of each district relative to the state average is taken into consideration in allocating funds, but this provision applies to only three percent of the basic funding. Thus, a district receives 97 percent of its entitlement regardless of taxable wealth, and receives more or less of the remaining 3 percent depending on its relative tax base. Although the concept is sound, the equalization formula [illegible] in HB 192 appears to be a more comprehensive and effective approach to the equalization question.

RESEARCH DESIGN

Because of the complexity and scope of this issue, I have decided, subject to your approval, to direct my efforts in the next phase of research toward the development of a foundation approach for the provision of public safety services. Public safety is the most clearly defined of the three service categories under consideration, and I feel that the problems inherent in a foundation approach to revenue sharing can be best addressed in this context. Many local governments consider public safety a priority issue and substantial research has already been done in this area. The Criminal Justice Center of the University of Alaska has been working on the idea of a foundation approach to public safety and should be of valuable assistance to us. After exploring the foundation concept in relation to public safety, we should have a sound base from which to analyze the more difficult problems associated with the provision of public assistance and health and sanitation services.

My specific approach to the public safety question will depend somewhat on the results of my contacts with the Criminal Justice Center, Commissioner Nix, and other sources, but I have identified several questions for consideration:

1. What are the current levels of public safety services throughout the state?

2. What systems of service delivery are presently used?

3. What is the consensus, if any, on public safety needs, and what are the available means of assessing need?

4. How should minimum levels of public safety services be defined?

After these questions have been investigated, I will provide you with a memo summarizing my progress and presenting alternatives for your consideration. At that point, I will shift my efforts to the development of alternative methods of funding public safety through a foundation approach, based on the criteria discussed earlier. If a viable foundation program for the provision of public safety services can be completed, I will then address the other basic services--public assistance and health and sanitation. During the research on public safety, consideration will be given to the development of a program which is applicable to these other services, as well. I noted in my previous memorandum, and would like to repeat, that the scope and complexity of this research project preclude a fixed completion date; however, I understand the importance of fulfilling your request as quickly as feasible.

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM February 15, 1980

TO: Representative Bill Parker
Senator Arliss Sturgulewski

FROM: Jack Kreinheder, Issues Analyst JK

RE: Revenue Sharing Research
Research Request #8.

Introduction

You have asked that I prepare an analysis of the present revenue sharing program and of the revenue distribution plan incorporated in HB 192, with respect to the criteria set forth in my memo of January 14 and discussed at our meeting the next week. This memo is intended to provide you with the requested analysis and to inform you of other findings of my research to date, the most important of which is that a foundation approach to revenue sharing was introduced in 1975 as HB 539. A copy of the bill is attached, along with a brief report by Mike Miller, Chairman of the Interim Committee on Shared Revenues with Municipalities, which drafted the legislation. I have also attached as background information two memos prepared for Rep. Gardiner by John Williams of the former Research Division and Jack Chenoweth of Legal Services. One memo is a sectional analysis of HB 192 and the other is a general discussion of present law and HB 843, the predecessor to HB 192. The major changes between the two bills are that the per capita income factor was dropped from the equalization formula and eligible local revenues were expanded in HB 192.

Summary of Comparative Analysis

The revenue sharing proposal embodied in HB 192 appears to represent a marked improvement over the present program with respect to six of the ten criteria which we agreed upon as possible goals for the revenue sharing program. The comparison for the remaining four criteria yields mixed or uncertain results. The four criteria for which HB 192 offers no definite advantage over the current program are (by their original numbers): (4) Creation of incentives for transfer of service delivery responsibility from the State to municipalities; (5) Creation of incentives for local government formation in the unorganized borough; (6) Encouragement of local effort in funding basic or additional services; and (10) Encouragment of efficient delivery of services.

It is important to note that although HB 192 may constitute a substantial improvement over the present program in terms of six criteria, there may be alternative systems or modifications which would more completely fulfill some or all of the goals represented by these criteria, and by the four criteria with which HB 192 does not clearly comply. However, it is encouraging, given your emphasis on the use of HB 192 as a legislative vehicle, that the bill does appear at the outset to be compatible with most of your priorities for the revenue sharing program.

The ten criteria will each be evaluated below. For each criterion, the implications of the present program will first be discussed, followed by a comparative evaluation of the HB 192 proposal.

I. An Equitable Allocation of Financial Resources

Because equity is such a subjective term, this criterion cannot meaningfully assessed in isolation, but must be considered in the context of other criteria, primarily those relating to distribution of funds. These distribution criteria are: (2) provision of a minimum level of basic services; (3) considera-tion of local population, wealth and need; and (7), pertaining to tax equalization. Each of these criteria will be discussed in detail below, but their relevance for the equity question can be summarized here.

Present Revenue Sharing Program

Under present law, approximately 75 percent of revenue sharing funds are distributed on a per capita basis, with the entitlements dependent on the type of service provided. The remaining funds are allocated for road maintenance and health facilities and hospitals; these entitlements are based on the number of road miles maintained and the number of beds in each health facility and hospital (or on a per facility grant).

Criterion (2) is not addressed at all by the per capita portion of the entitlements in terms of funding. The Department of Community and Regional Affairs (CRA) has promulgated regulations specifying minimum levels of service for each of the categories, but the entitlements are still based solely on actual population, with no floor or minimum entitlements provided. A minimum grant is authorized for hospitals and health facilities.

Criterion (3) is met only to a limited degree by the present program. Population is, of course, the major factor used in computing current entitlements. Criterion (3) suggests however, that population alone is not an equitable basis for the sharing of state revenues, and that local wealth and need should also be considered. Local wealth plays no part in the current program. If anything, entitlements are positively related to local wealth, because revenue sharing entitlements pay only a part of most service costs; therefore, a poor community may not be able to provide many services and will not receive the corresponding entitlements. Need is considered by the present program only as a function of population and the number of services provided. The structure of the program assumes that if a particular service is needed, it will be provided by the municipality and the level of the service will be determined by the population.

With respect to criterion (7), pertaining to tax equalization, the current program has no positive impact, and may actually contribute to a disequalization of the tax burdens borne by the residents of different municipalities.

In light of the three aspects of the equity question discussed above, the current revenue sharing approach appears to have major deficiencies in several areas. The program does not provide for an equitable allocation of financial resources, <u>when evaluated in accordance with the agreed upon criteria</u>. It is important to note that an entirely different finding could be reached if different criteria or priorities were employed. For example, Representative Parr's amendment last session to HB 192, which specified that no community could receive less revenue than its population percentage share, suggests a prioritization of the population factor at the expense of tax equalization and the consideration of local wealth and need. Were population to be treated as the major component of equity, the present program would fare a good deal better in an evaluation of this type.

<u>HB 192</u>

HB 192, as evaluated by three criteria stated above, is a clear improvement over the present program. Criteria (2) and (7) are ad-dressed in the title of HB 192, which reads in part that the act provides for "minimum entitlements" and for "equalization of the tax resources of municipalities." With regard to criterion (3), HB 192 would replace the current system of per capita service entitlements with an equalization entitlement "based on the population, relative ability to generate revenue, and local tax burden of the taxing unit." Both the current program and HB 192 consider population but HB 192 also addresses the other two factors in criterion (3), local wealth and need. A more detailed discussion of this issue will be deferred to the full analysis of criterion (3).

As a final point on the equity criterion, it should be noted that greater equity is one of the two major purposes stated in HB 192. Section 1 of the act states that the purpose is to "improve the revenue raising and distribution system for the benefit of residents of home rule and general law municipalities by providing for more equitable allocation of financial resources among municipalities to improve their fiscal capacities." Of course, legislative intent and the actual results of implementation can diverge considerably, as is discussed in relation to the present program below; but this analysis suggests that the revenue distribution proposal in HB 192 should accomplish its stated goals regarding equity, where equity is again defined in terms of the component criteria discussed in this memorandum.

II. Assurance of a Minimum Level of Basic Services to Residents of Organized Municipalities

Present Program

As mentioned earlier, the only minimum entitlement provision in the present revenue sharing program is for hospitals and health facilities. The basic hospital entitlement is $1,000 per bed, up to $75,000 per hosptial, but a municipality with a hospital having less than 10 beds may elect to receive a flat $25,000 grant. Similarly, a health facility is eligible for an entitlement of $1,000 per bed, but the local government may receive a flat $4,000 grant for each facility if it chooses.

The intent of these minimum payments is clearly to account for the fixed costs and economies of scale which exist for the provision of hospital and health care services. The statute gives recognition to the fact that a hospital with less than 10 beds is likely to have substantially higher operating costs per bed than a larger hospital. A minimum level of physician services and treatment facilities is necessary for the operation of any hospital or health facility, and these costs are spread over a smaller number of patients and beds.

Similar economies of scale exist for many other services as well, but the current revenue sharing program does not allow for this factor in the per capita service entitlements. For example, a community of 200 persons receives the same entitlement ($12 per capita) for police services as does the Municipality of Anchorage, even though the smaller community would receive a much smaller percentage of the costs it incurrs for police services. Assuming for the moment that a minimum level of police protection is one officer per 1,000 people or community, the 200 person community would receive only $2,400 in revenue sharing funds towards the cost of its one policeman. Anchorage, on the other hand, would receive $12,000 for each officer ($12 x 1,000 people).

The Community and Regional Affairs Department does administer minimum standards regulations, under 19 AAC 30.020. As an example, a community requesting revenue sharing funds for police protection must demonstrate that one or more police officers is on duty or on call at all times, and that the officers employed meet certain age and training requirements. Similar regulations cover each of the services for which revenue sharing funds are provided.

Although these minimum service standards do provide some assurance that services provided by municipalities are adequate, the standards are not backed up with funding for minimum service levels. Because service entitlements are on a straight per capita basis, a community must have a fairly sizable population before revenue sharing funds will provide a substantial percentage of the total cost of service provision at the minimum service levels specified by regulation.

HB 192

The revenue sharing plan proposed in HB 192 would replace all of the per capita entitlements, except for volunteer fire departments, with an equalization entitlement, which is discussed in more detail below. The equalization entitlement provides revenue sharing funds only to municipalities which levy taxes; however, the bill also provides a minimum entitlement of $25,000 plus an area cost-of-living differential for each fiscal year if the municipality meets certain requirements which are set forth in the bill and pertain to elections, council meetings, budget matters, and codification of ordinances. Municipalities are free to spend the $25,000 on meeting the above requirements, provision of municipal services, or on whatever they wish. The minimum entitlement provision substantially increases the revenue sharing funding available to the smaller communities in comparision to amounts allocated under present law.

In addition to increased funding through the minimum entitlement provision, two other factors suggest that HB 192 might provide more assurance of a minimum level of services than the present program. The first is that a municipality receiving a minimum entitlement must organize its administrative affairs as specified in the bill and must hold regular council meetings. Better organization may allow more efficient administration of municipal services. Regular council meetings should provide the residents of the municipality with more control over what services, and what levels of service, are provided by the municipal government.

The second factor is that all municipalities are given greater freedom over the types of services to be provided with revenue sharing funds they receive under HB 192. The current program provides funds only for a set of statutorily specified services, while HB 192 would provide municipalities with a single sum to be used for services of the municipality's choosing (exceptions are road and hospital entitlements which would still be administered on the current basis). Municipalities are therefore able to give greater emphasis to those services most necessary or desirable for their own residents. Although minimum levels of service may not be provided for all of the basic services we discussed, each municipality is more likely to provide adequate levels of service for those services of most importance in that community.

III. Consideration of Local Population, Wealth and Need

Present Program

As we noted earlier, most of the current revenue sharing funds are allocated on a per capita, service specific basis. The allocation criteria for the remaining funds are miles of road maintained, for road entitlements, and number of beds or facilities, for hospitals and health facilities. The distinction between the per capita and the other entitlements is significant in terms of the priorities stated in criterion (3), because the non per capita entitlements more closely reflect these priorities, with the notable and obvious exception of the wealth factor. The distinction between the two categories of allocations is also important because HB 192 deletes almost all of the per capita entitlements in present law, while the entitlement amounts only are modified in the road and health care sections.

The most striking deficiency of the present program with respect to criterion (3) is that local wealth is in no way considered as a factor in determining the per capita, road, or health entitlements. It appears that wealth may have an indirect effect on entitlement amounts, but the effect is directly opposite to that intended by criterion (3), which suggests that wealthier municipalities should receive a lower level of revenue sharing funds, other factors being equal. The current program, on the other hand, may tend to favor local governments with greater financial resources, as less wealthy municipalities are less likely to be able to afford to provide all services that are eligible for revenue sharing. Because revenue sharing grants cover only a part of the cost of most services, communities without a substantial tax base may not be able to fund their necessary share, and therefore would receive less revenue sharing support than a community of equal size but greater wealth.

With respect to the population criterion, the principal drawback of the present program is that population is over-emphasized at the expense of the wealth and need criteria. However, population is not considered at all in the determination of road and health entitlements, apparently because miles of road maintained and number of beds or facilities are regarded as indicators of need. The adequacy of these indicators is another question, but it does seem desirable to employ indicators which more directly reflect need when possible, rather than using population as a proxy for local need.

It is essential to distinguish between two types of need in regard to the State revenue sharing program. The first type of need, and the one which is most commonly thought of in this context, is the degree to which the residents of a particular municipality require a particular service or set of services.

The second type of need is equally important and refers to the degree of necessity for State support of services provided on the local level. This type of need is dependent not only on wealth, but also on the level of taxation, neither of which are considered under the current revenue sharing program.

HB 192

The principal purpose of the proposal embodied in HB 192 is to make revenue sharing entitlements more equitable by introducing local wealth and tax burden factors as allocation criteria. Local wealth is defined in terms of the full and true assessed property valuation in each municipality. HB 843 also included per capita income as an indicator of local wealth, but this provision was apparently dropped because the available data were not sufficiently accurate.

The tax burden is related to the need for State support of local services, as discussed above, but is also correlated in a more general fashion with the need for the services themselves. In theory, the tax rate in each municipality should reflect the level and number of services provided by municipal tax revenues. The weak link between the tax rate and the need for local services is that the type and level of municipal services may not correspond with the actual need for the various services. However, the emphasis of both HB 192 and the criteria discussed here appears to be on local control of service delivery, thus necessitating a reliance on the ability of local governments to identify and meet local needs.

The need criterion is the least specifically defined and understood of the population, wealth, and need group, and may be one area which should receive further attention. But although local tax effort may not be the ideal indicator of local service needs, it seems clear that the combination of population, wealth, and tax effort upon which the HB 192 formula is based represents a marked improvement over present law.

IV. <u>Creation of Incentives for the Transfer of Service Delivery Responsibility from the State to Municipalities</u>

<u>Present Program</u>

By authorizing catergorical grants for the provision of municipal services, the current program does provide incentives for local governments to provide certain services. However, the strength of the incentives is limited by the statutorily specified set of services which are eligible for revenue sharing funds, and by the fact that municipalities must still pay most of the cost of locally provided services. No incentive is provided for the establishment of local services which are not on the eligible list. In addition, because no minimum level of funding is provided for the per capita services, the incentive for providing local services is diminished for these local governments with relatively few people residing in their jurisdictions.

<u>HB 192</u>

The implications of HB 192 regarding such incentives differ in several major respects from current law. The first is that the incentive for locally provided services is not limited to specific services, but applies instead to any service which a municipality may wish to provide. The bill thus broadens the scope of revenue sharing incentives.

However, this broadening of scope also diminishes State control over which services are locally provided. HB 192 may not be an improvement in this respect if incentives are intended to promote local provision of special services.

The minimum entitlement provision of HB 192 alleviates, at least to some extent, the declining incentive problem faced by small communities under present law. However, the bill does not specify that the entitlements must be spent on local services, so the strength of the minimum entitlement incentive depends substantially on the priorities of each local government.

An additional point is that the increased level of revenue sharing funding which HB 192 would provide should logically increase the incentive for local provision of services in a roughly proportional fashion, since more state funds would be available for these services.

The final consideration regarding incentives for local assumption of service delivery is that while the current program is selective in terms of the types of services for which these incentives are provided, HB 192 is selective with respect to the amount of funding, and therefore incentive, provided to communities of differing tax effort. The effect of the equalization entitlement is to provide a greater level of funding, and therefore a greater incentive for local services, to local governments with high tax rates. Two different conclusions can be drawn from this situation. One is that municipalities with high tax burdens will have more difficulty in raising tax rates than municipalities with low tax effort; therefore the former municipalities require a larger incentive i.e, more funding, than the latter to encourage the provision of local services. A contrary argument might be that a high tax rate is an indicator that a municipality already provides many local services, and that the incentives should be directed at those municipalities with low tax rates and few locally provided services.

V. Creation of Incentives for Local Government Formation in the Unorganized Borough

Present Program

This criterion is one which deserves further research; however, my work to date indicates that both the current program and HB 192 are neutral with respect to incentives for borough formation, and both provide positive incentives for the incorporation of cities, with HB 192 providing stronger incentives than the present program. The current program has a provision, Section 43.18.045, which prevents any loss in revenue sharing funding when municipalities unify or merge with a borough. If a borough is formed which assumes service responsibilities formerly held by cities, the cities will lose some revenue sharing funding, but the loss will be proportional to the decrease in service responsibilities.

John Williams noted in the attached memorandum of February 17, 1978 that the system of revenue sharing distribution provided in HB 843 "would appear to have a neutral effect with respect to the unification of existing governments. We do not find any circumstances where a subsequent unification agreement would cause a decrease in the revenue sharing entitlement for identical services." The same finding would appear to apply to HB 192. HB 843 contained a hold harmless clause for non per capita entitlements which was deleted in HB 192. However, this deletion apparently has no effect on entitlement levels. Jack Chenoweth indicated that the clause was dropped because there was no situation in which HB 192 could create this type of revenue loss.

Positive incentives are provided under both present law and HB 192 for the incorporation of cities, because such cities become eligible to receive revenue sharing funds. The incentives under present law may be rather weak because of the per capita structure of the program, the lack of minimum entitlements for the various services, and the fact that communities considering incorporation are generally quite small. The combination of these factors indicates that many communities may not have a great deal to gain from revenue sharing by incorporating. Still, some positive incentive is provided.

HB 192

HB 192 substantially increases the incentive for incorporation of small communities by providing minimum entitlements of $25,000, as discussed earlier. Although no funding can be realized under the equalization entitlement unless taxes are levied, the minimum entitlement alone can provide such communities with a substantial grant of State revenue sharing funds. If a community is considering incorporation in order to raise local tax monies, HB 192 greatly increases the incentive for incorporation over the present program. Under current law, it makes no difference in determining entitlements whether a local tax is levied, but HB 192 specifically considers the generation of local revenue in the equalization formula. Given the small tax base of most unincorporated communities, even a small generation of local revenue would constitute a substantial local effort factor and the entitlements, relative to the number of residents, would be substantial.

VI. Encouragement of Local Effort in Funding Services

Present Program

Application of this criterion reveals the greatest deficiencies in both the present program and HB 192, because its intent is contrary to the legislative intent of the revenue sharing program, which is to enable local governments to reduce tax rates. The legislative intent for the program was restated through the passage of HB 89 in 1977 to read:

"The intent of sections 10-100 of this chapter in authorizing state aid for municipal services is that municipalities which levy taxes reduce those levies in reasonable proportion to the amount of state aid received by the municipality for a given fiscal year." The present program therefore encourages a decrease, rather than an increase in local effort for funding services.

HB 192

Although the above statement of intent would be repealed by HB 192, the bill appears to implicitly retain a similar intent to reduce local effort. However, HB 192 would seem to be an improvement over present law with respect to encouraging local effort, because instead of providing the same entitlement regardless of local effort, HB 192 provides less funding for local governments which levy lower, or no taxes. Some incentive is therefore provided for municipalities to increase local effort, and thereby increase their revenue sharing entitlements. This incentive appears to be an incidental result of the equalization formula, rather than an intentional inducement to increase local effort. HB 192 would provide approximately one dollar in revenue sharing funds for each additional three dollars raised through local effort, other factors held constant. However, if many communities increased their local effort, the proration factor would be substantially reduced unless appropriations for the program were increased. A widespread increase in local effort would therefore result in little additional revenue sharing funding.

HB 192 does represent a major shift in direction with respect to local effort. Although the intent may still be to allow municipalities to reduce tax burdens, the bill replaces the blanket incentive offered by the present program with a more selective approach that focuses the incentive for reduced effort on those municipalities with high or excessive local tax burden, where it may be inappropriate to encourage further increases in local effort.

VII. Consideration of Tax Rates Equalization--Taxpayers Statewide Should Pay Roughly the Same Percentage of the Cost of a Minimum Level of Basic Services

Present Program

Because the current program does not consider local tax effort in the provision of municipal services, tax equalization plays no part in revenue sharing under current law. This would appear to constitute a major difficulty in fulfilling the legislative intent of the program.

For example, communities with no local taxes receive revenue sharing dollars for services at the same rate as a community supplying the same service with a 20 mil property tax rate and a 3 percent sales tax. Clearly the former community cannot reduce the tax burden for its citizens any more by receiving revenue sharing dollars, while revenue sharing funds would allow only a small decrease in the large tax burden of the latter community. Yet the current program provides entitlements at the same rate to communities with tax burdens as disparate as the example cited.

HB 192

Tax equalization is one of the major purposes of this bill, as mentioned earlier. By comparing the amount of revenue raised - not just by taxes, but also by fees, licenses, and other sources which replace taxes - with the tax base of the municipality, the HB 192 formula determines a local effort factor which reflects the equivalent tax burden on the residents of each municipality. Again, municipalities in which residents pay heavily for municipal services are granted a higher entitlement than muncipalities with light or nonexistent tax burdens, population aside.

It is important to note that HB 192 does not fully meet the intent expressed in criterion (7), because there is no assurance that tax rates will actually be equalized. There is nothing to prevent communities which now levy no taxes from continuing this policy. Similarly, local governments with high tax burdens are not required to reduce taxation rates in consideration of revenue sharing; if they wish, they could use the funds to provide additional services. However, some inducement for communities with high tax burdens to reduce taxes may be provided by the requirement in the bill that municipalities post notices of the mil levy equivalent of revenue sharing funds received, thus informing residents of the potential for reducing local taxes.

I would like to raise an important point which I think was overlooked in our discussion of criterion (7). The criterion does not consider the wealth or tax base of municipalities as currently worded, and thus fails to consider the true tax burden placed on residents. For example, consider two communities of equal size in which it costs $50,000 per year to provide a minimum level of police protection, but one community has a much larger tax base than the other. If each community were to pay the same percentage of this cost, the less wealthy community would have to levy a much higher tax to raise the same amount as the wealthier community. Therefore, it is more appropriate that the communities levy the same equivalent tax rate, even though the wealthier community may pay the entire cost, while the community with the smaller tax base may pay only a fraction. A possible restatement of criterion (7) would be that taxpayers "should contribute roughly the same level of local effort toward the cost of providing a minimum level of basic services."

VIII. Consolidation of Funding Into a Minimum Number of Channels (a Simple System is Desirable)

Present Program

The current system is simple in terms of the factors on which entitlements are based, but the number of funding channels is large because a number of other local aid programs are administered separately from the revenue sharing program. The differing requirements and entitlement levels for the per capita grants have caused some complaints by smaller communities about the complexity of the program. Some difficulty is to be expected in any program of this type, though, because of the need for cooperation with communities that do not have adequate administrative capabilities.

HB 192

In terms of complexity, HB 192 is a trade-off. The numerous per capita entitlements are replaced with a single equalization entitlement, but the basis on which this single entitlement is determined is considerably more complex than the present program. Communities would no longer need to document the provision of local services to obtain revenue sharing entitlements under the HB 192 proposal, but detailed information on expenditures and revenues would need to be provided for each fiscal year. On balance, HB 192 would be more complex to administer than the present program, but additional complexity seems unavoidable if factors such as local wealth and need are to be incorporated into the revenue sharing allocation formula. I can see no method of simplifying the HB 192 approach without undermining the purpose and effectiveness of the bill.

With regard to the consolidation of funding channels, HB 192 does not improve the current situation. The identification of other local aid programs suitable for inclusion in the revenue sharing program may be an important research need in meeting this criterion.

IX. Allowance for Differences in Delivery Systems to Meet Local Needs (Local Flexibility)

Present Program

A substantial amount of flexibility in delivery systems is provided to municipalities under the current program. For example, a local government can receive $5 per capita in revenue sharing funds for parks and recreation services. The community has complete flexibility in choosing whether to spend this funding on park maintenance, operation of a pool facility, or any other program.

Although the current program is flexible in the sense just discussed, it is very inflexible with regard to the types of services which are eligible for revenue sharing funding, as only the services specified by statute can qualify. The State is, in effect, assuming responsibility for the prioritization of local services by specifying the eligible services and providing different entitlement amounts for the various services.

HB 192

The bill offers almost complete local flexibility over the choice of delivery systems and the types of services to be provided. The exceptions are the road and health entitlements which are retained from present law, and the minimum entitlement provisions, which imposes certain responsibilities on communities before the entitlement can be received. With these exceptions, municipalities are free to determine service priorities at the local level. If a community has no need for air or water pollution control measures, but has a strong need for improved fire protection, it is able to use revenue sharing funds in accordance with these priorities.

Although HB 192 complies quite well with criterion (9), the flexibility which it provides appears to conflict to some extent with criterion (2), which states that a minimum level of specified services should be provided in all municipalities. Criterion (2) cannot be met without specifying the desired services by statute, which would reduce local control and flexibility. As I mentioned in the discussion of criterion (2), the emphasis seems to be on local control of service delivery, thus suggesting that criterion (2) not be interpreted literally. Given this interpretation of apparent priorities, HB 192 constitutes a significant improvement over present revenue sharing laws with respect to local flexibility.

X. Encouragement of Efficient Delivery of Services

Present Program

No explicit provisions appear to be included in current law for encouragement of efficient service delivery. Although some standards of service are required by statute and regulation, I could find no incentives for communities to meet the required standards in an efficient manner.

There is a rather substantial indirect incentive for efficient service delivery. Because the present program supplies only a portion of the total costs of most services, a substantial commitment of local funds is necessary in most cases to provide municipal services. This local commitment provides greater accountability for efficient service delivery at the local level. For those communities that receive revenue sharing funds but generate no local revenue, this local accountability is diminished.

HB 192

The principal contribution of HB 192 with respect to efficient service delivery appears to be the minimum entitlement requirements. These were discussed earlier, but their significance here is that the necessity for small communities to prepare a budget, hold regular council meetings, and so forth should clarify local expenditure patterns and increase accountability for the efficient use of these expenditures.

HB 192 may increase service efficiency in another way by replacing the per capita entitlements with the single equalization entitlement. Because a community can receive revenue sharing funds only for specific services under present law, an incentive exists for communities to provide a service even if it is not needed, in order to increase local revenues. HB 192 would remove this incentive, because the entitlements are not tied to specific services, with the exception of road and health entitlements. This exception may be a problem; some studies have cited cases of communities clearing snow from rivers just to receive the $900 per mile ice road maintenance entitlement. The efficiency criterion may deserve further research to determine if stronger incentives for the efficient delivery of services could be implemented.

Other Research Findings

The State revenue sharing program has been the subject of two major studies since its inception in 1970. The first was a report prepared by Arthur Young and Company for the Department of Community and Regional Affairs. The conclusions of the report were that an equalization approach would be too costly and was inappropriate for a state with developing governmental structures, and that a straight per capita system would be the best approach.

The second was prepared for the Anchorage Urban Observatory Program and evaluated six alternative revenue sharing proposals considered by the

Interim Committee on Shared Revenues in 1975. Although somewhat unorganized, the report provides useful information on previous revenue sharing research. Contact me if you would like to review either of these reports.

The attached foundation approach bill was introduced during the 1976 session. I asked Jack Chenoweth about the reasons for the bill's failure and he stated that lack of available funding was the principal cause. The bill basically substitutes "units" for "dollars" in determining entitlements. The only real benefit of this approach would appear to be the ease of adjustment in the level of funding for the revenue sharing program.

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM April 9, 1980

TO: Representative Bill Parker
Senator Arliss Sturgulewski

FROM: Jack Kreinheder, Issues Analyst J.K.

RE: Incentives for Regional Government Formation and Local Service Delivery
Research Request No. 8

In a meeting on March 21 with Marjorie Gorsuch and Margo Waring of your staffs, it was agreed that the best course of action at this point would be for me to focus my research efforts on the development of specific amendments to HB 192 which would enable the bill to more effectively meet some of your goals for the revenue sharing program. The two objectives chosen for further study were: (1) to provide greater incentives for the formation of regional governments in the unorganized borough; and (2) to provide incentives for the transfer of service delivery responsibility to the local level.

It appears that the potential for modifying the HB 192 revenue sharing proposal to meet these objectives without sacrificing the political viability of the bill is rather limited, for reasons explained below. However, we have formulated two possible amendments to the bill which would provide the types of incentives you wish to create. The two proposals are described below.

Borough Formation Incentives

Under AS 29.18.180, a newly incorporated borough is eligible for an organizational grant of at least $25,000, or $10 for every voter participating in the borough incorporation election. It is widely recognized that a grant of this size would cover only a small part of of the organizational costs of any new borough. The State Assessor's Office has estimated that it would cost at least $200,000 just to prepare the initial tax assessment roll in any one of the current R.E.A.A.'s. New boroughs would also be faced with the cost of hiring municipal personnel, establishing new services, and other major expenses. In addition, the organizational grant amount has not been changed since 1968, although inflation has more than doubled costs since that time.

One way to encourage borough formation would therefore be to amend AS 29.18.180 to provide a larger grant. A minimum organizational grant for new boroughs of $125,000 per year for the first two years, and $75,000 for the third year, would more accurately reflect the true costs of organization and would provide a greater incentive for the formation of regional governments in the unorganized borough. These figures were developed by staff members of the Department of Community and Regional Affairs and suggested to me by Patrick Poland of the Department's Local Government Assistance Division.

Although these grant values may still not cover all the costs of borough organization, depending on the size and situation of the area being organized, they would at least provide a more realistic and substantial amount of funding for this purpose. Of course, increasing the organizational grants to even higher levels would offer a greater incentive for borough formation, but there would appear to be a clear trade-off between the amount of funding offered and the prospects of the legislation being enacted.

It would probably be desirable to retain the per capita provision of the organizational grants to account for the higher costs of organizing boroughs for larger or more populated areas. Under present law, a new borough would receive more on a per capita basis than the minimum grant if more than 2500 persons vote in the organization election. Applying the same 2500 voter threshold to the proposed total organizational grant of $325,000, the per voter grant would be $130.

It may also be desirable to incorporate other factors into the organizational grants, such as land area of the new borough, population density, or taxable property value. Unfortunately, little is known about the quantitative relationship between these factors and the cost of borough organization, and making the organizational grant provisions too complex could reduce the incentive for organization which the grant is intended to provide.

Incentives for Local Service Delivery

The services which were identified during this research as possible candidates for the transferral of delivery responsibility from the state to the local level are police protection and the maintenance of airports, ports and harbors, and certain types of roads. A number of local governments have expressed interest in assuming these services, but could not obtain sufficient funding from their own resources or from the current revenue sharing program. A possible method of encouraging local governments to assume responsibility for police services and the maintenance of transportation facilities would be to allow municipalities to receive the funds which the State would otherwise expend in providing the particular service the municipality wished to assume.

For example, if the Department of Public Safety spends $50,000 per year to provide police assistance to a given community, that community could elect to receive the $50,000 directly in exchange for an agreement to provide a similar level of police protection. If the community felt it could not fully replace the services of the State Troopers, but wanted to have some type of police assistance at the community level, the local government could receive a level of funding which corresponded to the expected reduction in State Trooper expenditures resulting from the local police service plan. For example, if the majority of police assistance calls in a community were for relatively minor late-night or weekend disturbances, the community could receive some funding for a part-time or on-call local officer, while retaining the services of the State Troopers for homicides or other serious crimes. A similar arrangement could apply to the maintenance of airports, harbors, and roads.

It appears that this type of approach would need to be carried out through negotiations between the Department of Public Safety - or the Department of Transportation, in the case of airports, harbors, and roads - and local governments on an individual basis. The primary concern of the departments involved would probably be to ensure that their responsibilities for local services would be decreased in proportion to their loss in funding. It might be desirable for local governments to prepare a plan of service which would demonstrate to the department's satisfaction that the municipality would be able to either meet the same standards as the service provided by the department, or, if it provided a lower level of service, would require only part of the department's funding for that service.

The primary advantage of transferring these types of services to the local level would be enhanced flexibility and freedom of choice for municipalities with regard to the types and levels of service provided in each community. Local governments assuming a service previously provided by the State would be free to supplement the State funding with other local, federal, or State monies if they wished to provide a greater level of service. Although it is questionable whether local governments should be allowed to use the State money for an altogether different service than the one being transferred, since police protection and basic facility maintenance are usually considered as essential services, municipalities could be allowed to provide the service in an alternative manner that fulfilled the same needs, but was more appropriate for the particular characteristics and situation of each community. For example, a community with high unemployment could elect to employ maintenance procedures for its airport, harbor, or roads which made less use of graders, dredges and other equipment, and employed more workers instead.

There are a number of potential difficulties with the local assumption of State services. Economies of scale appear to be one of the most significant problems with this approach. Particularly in the smaller communities, it may not be economically feasible to maintain a police force or maintenance personnel at the local level. A related problem is that of administrative support for police and maintenance services. Although a community might be able to afford a policeman's salary, for example, it may not be able to cover the cost of equipment, insurance, legal protection, and other necessary administrative expenses. However, it may be possible for two or more local governments in close proximity to enter into joint agreements for a particular service. and thereby increase the efficiency and feasibility of the service, while still retaining local control.

An additional problem may be that in some cases the department's costs would not be significantly reduced if a local government assumed a particular service. For instance, the Department of Public Safety may have one State Trooper who is responsible for a region containing five small communities. If two of these communities decide to assume responsibility for police protection, the Department would probably save only the cost of transporting the trooper to those communities, because it can't employ three-fifths of a trooper for the remaining communities.

One practical consideration with the transfer of services to the local level is that the departments may not be able to break out their expenditures on a community-by-community basis. Should this problem arise, one solution would be to require such a breakdown for the upcoming fiscal year and then implement the transfer of service responsibility the following year.

A final problem could be that of differing standards of service quality between the departments and the communities assuming new services. Because judgements about levels and qualities of service tend to be subjective in nature, it is easy to imagine disputes arising between the departments and local governments about whether a municipality's approach to service delivery met the same standards as the service previously provided by the State.

HB 192 Issues

Neither of the options discussed above would directly modify the revenue sharing program proposed in HB 192, although the options could be incorporated in the bill as a separate section. We considered several possible changes to the HB 192 revenue sharing proposal which would provide incentives for borough formation and local assumption of services, but it was evident that none of these changes could be made without seriously compromising the political viability of the bill. The basic problem is that any changes to the HB 192 equalization formula or other parts of the bill which would provide these types of incentives will result in a loss of revenue sharing funds for established municipalities, or will reduce local flexibility in the use of revenue sharing funds. Both of these results would tend to reduce the support of existing municipalities for the bill, which is already facing an uncertain political future.

The Municipality of Anchorage currently opposes the passage of HB 192. Anchorage municipal officials are concerned that even though Anchorage would receive an increase in revenue sharing funds under HB 192, the municipality's percentage share of the total revenue sharing entitlement would decrease. The significance of this point for this discussion is that any changes to the HB 192 revenue sharing proposal which would provide the types of incentives you desire, would further reduce Anchorage's share (together with all existing local governments' shares)of the total funding for the program. Such changes could therefore further jeopardize the passage of HB 192 by increasing the opposition of Anchorage officials and possibly diminishing the support of other local governments for the bill.

The two major changes we considered and rejected were: (1) providing a temporarily increased entitlement to new boroughs; and (2) requiring that revenue sharing funds be used for the provision of local services, rather than capital improvements or general government expenses. Under the first approach, the equalization entitlement and/or the minimum entitlement for new boroughs would be increased by a specified factor, say three or four times, in the first year and then tapered off over several years. This increased funding would serve a purpose similar to the organizational grants suggested earlier in this memorandum; the major distinction between the two approaches is that the increased revenue sharing entitlement for the new boroughs would necessarily reduce the entitlements for all other local governments, while the organizational grants could be funded separately, as they are under present law, and would not affect the dollar allocation or percentage share of other local governments.

With regard to incentives for local assumption of service delivery responsibilities, it was noted in my earlier memorandum of February 15 that HB 192 does increase such incentives over the present revenue sharing program by increasing the total funding level and by allowing municipalities to allocate revenue sharing funds according to local priorities. Because HB 192 would not require revenue sharing funds to be spent for local services, as opposed to capital improvements or other expenses, consideration was given to including such a requirement in the bill. However, my conversations with Community and Regional Affairs staff, Jack Chenoweth, and others indicated that many municipalities would be strongly opposed to such a requirement. In addition, a requirement of that type runs contrary to the HB 192 emphasis on local flexibility.

An important additional point is that the two options proposed earlier in this memorandum are not intended to represent a comprehensive approach to the formation of regional governments and the local provision of services. The local government legislation package already introduced would provide greater incentives in these areas than any politically feasible additions to HB 192. However, given the constraints established by the HB 192 approach to revenue sharing, these two options appear to be the most viable means of adding the types of incentives you desire to HB 192.

We hope our comments are useful. Please do not hesitate to contact me if you would like to discuss this subject in more detail, or if we may be of further assistance.

JK/bf

PHONE MEMO

TO	Henry
DATE	1/12
TIME	3:10
FROM M	Doug Griffin
NUMBER	4736
OF	Community + Reg Affairs
MESSAGE	re: state revenue sharing
SIGNED	RHC

PHONED — CALL BACK — RETURNED CALL — WANTS TO SEE YOU — WILL CALL AGAIN — WAS IN — URGENT

AICO FORM NO. 50-570

Doug Griffin CGRA Rev Sh info

Rev. Sh = per capita + category money

Higher tax effort by comm gets more

all communities regardless of size, that are inc. get $25K / plus $ per item in categories / remaining monies go per capita

Dept Rev

Munic Assist - 1978 gross tax rev license is gotten by every community / remaining $ go per capita

Repealed because used more

$11.5 - 12 mil

every retail business or corp had to pay 1/2 of 1% of gross business as TAX.

50% of this kept by STATE
50% back to munis.

RS is paid in two chunks.

(on or before 1st of Oct commun must cert popu). After which 50% payment made.

1st March 2nd payment for Commis cert of pop

MA – money paid on comm fiscal year. 30 dys after the date comm gets check

1. DEBT RETIREMENT
2. reduction of MA

1961-72

Rev. Sharing

AS. 29.88.-95.

Formula for distribution of money.

(1) unincorp comm should be non-profit

AAC Title 19 - regs

TO: LYNN BARNES

FROM: SENATOR JOE P. JOSEPHSON

DATE: SEPTEMBER 22, 1983

RE: MUNICIPAL SOCIAL SERVICES FUND

I am interested in developing legislation to establish a municipal social services fund to be distributed to every statutorily defined municipality with a minimum population of $2,000 persons. They monies would be appropriated from the general fund on a yearly basis. The amount appropriated would be calculated at $20.00 per person.

One major obstacle to surpass in the legislation would be the development of a policy statement or plan for municipality to follow that defines the uses of money. Another problem would be justifying the population cut offs. The number 2,000 has no special significance. It may be more feasible to classify regions as recipients rather than municipalities for the purpose of determining population and program effectiveness.

A department should be the administrator of the fund. It may fit best under the Division of Municipal assistance in DCRA or under the DHSS. The money would be distributed t each municipality based upon the most recent certified census figures.

Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Lynn Barnes
FROM: Henry M. Lancaster, II HML
DATE: January 30, 1984

RE: Municipal Social Services Fund

Senator Josephson would like legislation drafted that will establish a municipal social services fund for the distribution of money to statutorily defined regions of Alaska. The regional areas could be boroughs or municipalities. The monies would be appropriated on a yearly basis to the area for social services uses. The distribution would be based on a per capita assessment of the area. The amount distributed per capita would be $35.00.

In order to qualify for the funds the area would have to:

1. Develop a social service plan not inconsistent with AS 47.75.010 et al.
2. Create an area needs assessment task force and fund distribution entity.
3. Require that only non-profit, non-governmental agencies be eligible as recipients of funds.
4. Justify the need for a higher per capita allotment based upon factors such as rural siting, inflation, special problems, etc.

Lastly, a department should be identified to distribute the funds and approve of the social service plans. (DHSS or DCRA)

done 1/31/84

11 JAN '84

Dept. H.&S.

NEEDS ASSESSMENT (SET-UP LOCAL plan) approved by local gov't sent to STATE.

Block grant or per capita

(MAX)

How much are munis getting now for Soc. Svc. ask Jewel Jones Max, LouAnn

AS. 47.75.010 et al

Problem of defining geographic area for per capita grants

applicants - non-gov't entities, non-profits

TYPE LAYOUT

inflation factor / rural increases for cost of doing business

22 Nov 83

recent check written = 33,792.64

Steve Kadisch.

Munic give plan to Department for approval

Monitor monies spent in Regions | small villages work agreement w/ large muni for svcs.

2/3 1/3 1/3

ID services being provided by STATE + munic. | SO TO ID services NOT met at this STAGE for THIS money.

Rev. Sh plan should reflect Local expenses.

Mayor appt comm → Local Comm. (3 yr. plan) → let carry-over into new admin. alt person in 3 yrs

serves directly

Assemb approval

State builds structures | separate operations w/ rev sh money

* Get letter out on concept for constituency build up before draft.

9·13·83

Proposal: Establish a Social Services fund for all municipalities. Money received would be based on a per capita figure.

1. define municipalities
2. boundaries
3. what are perameters for use of funds
4. choose a department to administer funds
   (A) Div. of munic + reg. assistance (DCRA)

Missions, Goals + Objectives FY'84

9·15·83

Mayor's Task Force on Municipal Social Services — OCT 24, 9·17, First S.Svc. Mtg.

(1) Behavioral Health Svc
(2) Social Svcs.

(4) Planning steering committee from Mayor's office to settle soc svc. Issue of funding across our bed. $45K for study to possibly come from S.S. money.

Comprehensive Human Svc. Plan

WHERE DID ALL THE MONEY GO?

CALENDAR YEAR 1983
HB 148 and SB 168M

1.	Support Services to the Disabled	$ 526,126
2.	Day Care/Latchstring	456,359
3.	Counseling/Mental Health	434,067
4.	Special Needs of Children/Youth	380,919
5.	Special Needs of Families	290,750
6.	Employment	250,455
7.	Physical Health	235,243
8.	Special Needs of the Elderly	234,652
9.	Legal Services	208,169
10.	Housing	146,164
11.	Training	126,219
12.	Food Service	69,600
13.	Finanical Aid	4,900
	TOTAL	$3,363,623

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT

RECEIVED

1983

Josephson,

September 28, 1983

Joe:

Please give me a call regarding request for grant proposal issued by Municipality for distribution of 2.2 million.

Josh Wright/ss

Enclosure

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502-0650
(907) 264-4590

TONY KNOWLES,
MAYOR

DEPARTMENT OF FINANCE
Purchasing Division

RECEIVED SEP 2 1 1983

September 21, 1983

RECEIVED SEP 2 1 1983

REQUEST FOR GRANT PROPOSAL

RFGP 1G-83

The Municipality of Anchorage is soliciting requests for grant proposals from non-profit agencies in the Anchorage area to provide Social Service programs within the geographical boundaries of the Municipality of Anchorage for the Department of Social Services.

Enclosed is pertinent information for use in preparing your proposal. This information will be used as a guide in the preparation of any subsequent contract.

Proposals shall be submitted to the Purchasing Office, 632 W. Sixth Avenue, Sixth Floor, Anchorage, AK (mailing address Pouch 6-650, 99502), no later than 5 P.M., A.D.S.T., October 12, 1983. Time of receipt will be as determined by the time stamp in the Purchasing Office. Proposals received by the Purchasing Office after the time specified will be returned to the proposer unopened.

A meeting for discussion of the proposal will be held at 825 "L" Street, 5th floor conference room at 8:30 A.M., A.D.S.T., September 27, 1983. It is requested that those interested in submitting proposals attend this meeting.

Five copies of your proposal should be submitted.

The Municipality of Anchorage reserves the right to reject any and all proposals and to waive any informalities in procedures.

Sincerely yours,

Henry J. Hickey
Purchasing Officer

MUNICIPALITY OF ANCHORAGE
DEPARTMENT OF SOCIAL SERVICES

REQUEST FOR GRANT PROPOSALS

SEPTEMBER 21, 1983

TABLE OF CONTENTS

INTRODUCTION

The Municipality of Anchorage Department of Social Services is soliciting Requests for Grant Proposals (Proposals) from non-profit agencies in the Anchorage area to provide Social Service programs within the geographical boundries of the Municipality of Anchorage. Those boundaries are indicated on the enclosed map as page number 5.

The areas for which Proposals are being solicited are:

1. Legal Services
2. Health and Mental Health Services
3. Support Services to Children and Youth
4. Support Services to the Elderly
5. Support Services to the Disabled
6. Support Services to Families and Individuals
7. Housing Services

The Municipality of Anchorage is offering $2.2 million to be let to non-profit agencies for a grant period commencing January 1, 1984. Proposals will be rated on the criteria as set forth on page number 4. Incomplete Proposals will be considered non-responsive.

Proposals shall be submitted to the Purchasing Division, 632 West 6th, 6th floor (mailing address Pouch 6-650, Anchorage, Alaska 99502), no later than 5:00p.m., Anchorage time, October 12, 1983. The Proposals must be signed by the Chairman of the Board of Directors, or if unavailable, the board member designated to act for the corporation and five copies of your Proposal should be submitted. Time of receipt will be as determined by the time stamp in the Purchasing Division. Proposals received by the Purchasing Division after the time specified will be returned to the proposer unopened.

A conference will be held to answer all agency's questions regarding application format on September 27, 1983, at 825 L Street 5th floor conference room at 8:30a.m.; this will be the only conference held. Any questions which may arise after September 27th must be in writing and addressed to the Municipal Purchasing Office prior to the deadline for submitting applications. The question and a written response will be issued to all agencies which attended the conference.

The Proposals will be reviewed by the staff of the Department of Social Services and submitted to the Social Services Task Force for review and evaluation. The Task Force will formulate their recommendations for presentation to the Mayor and the Assembly and the Assembly will make the final determination of the award. The time schedule for the review process is enclosed as page number 3.

After the funds are awarded, grants will be written by the Project Development and Assessment Division. Included in the grant package will be the requirement that the Board of Directors attend a session relevant to Board responsibilities for management of the grant, that monitoring of agencies performance will be conducted by the Municipality of Anchorage and the agency records be retained for audit purposes for three (3) years after completion of the grant.

Due to the relationship between various sections in the Request for Grant Proposals package it is recommended the entire package be reviewed prior to initiating the response.

SECTION II

TIME SCHEDULE AND REVIEW PROCESS

September 27, 1983	Preapplication Conference.
October 12, 1983	Deadline for submitting applications.
October 13, 1983	Review of applications by the Social Services staff.
October 20, 1983	Review of applications by the Mayor's Social Service Task Force.
November 1, 1983	Recommendations by the Task Force sent to Mayor.
November 8, 1983	Approval of awards by the Assembly.
January 1, 1984	Execution of Grant Agreement.

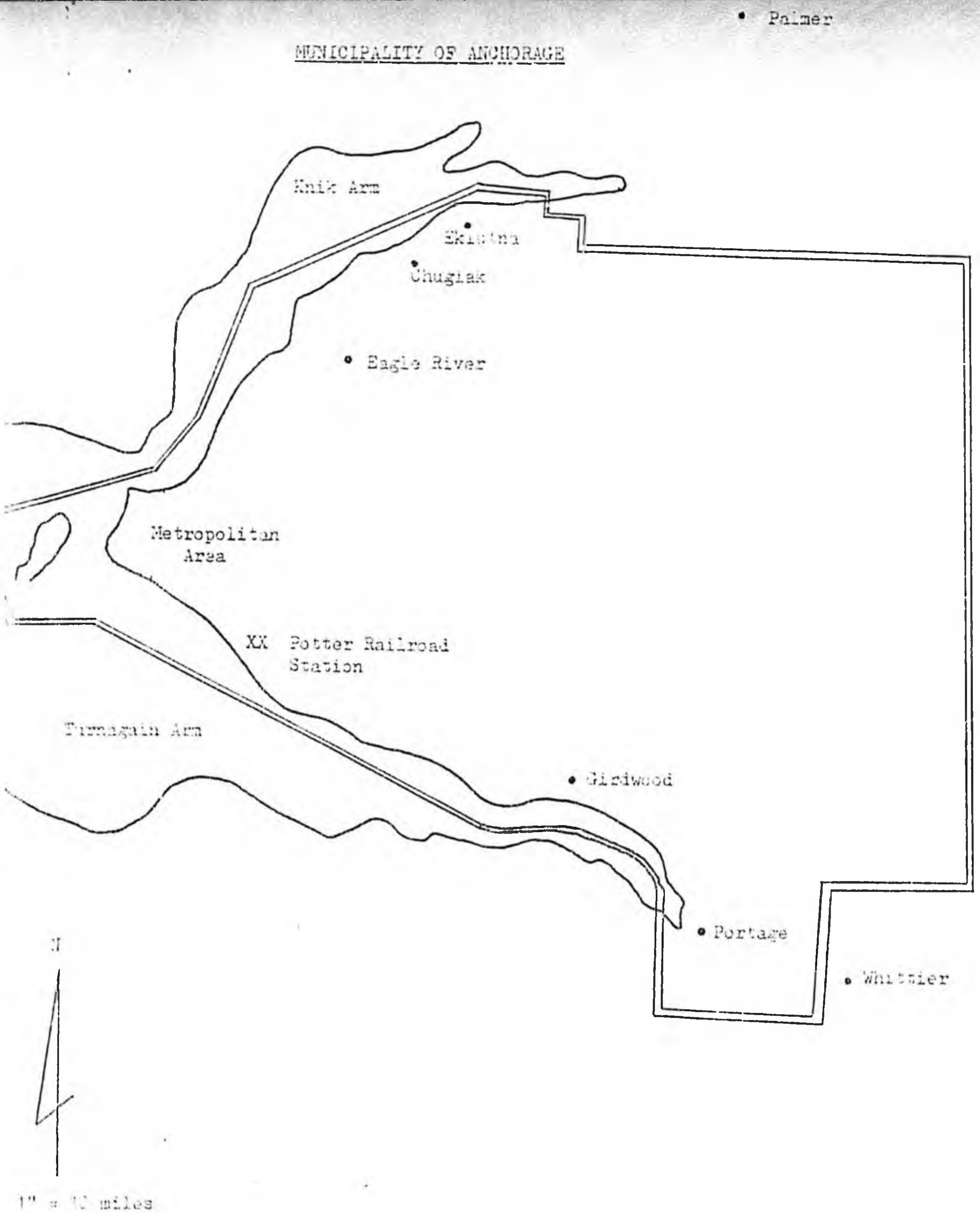
SECTION III

EVALUATION CRITERIA

The following criteria will be utilized in rating the proposals. Please note that the points which are allowed are up to a maximum in each designated area except: "Performance Ability: Item B. Funding received from other sources". The Municipality of Anchorage does not encourage being the full funding source for an agency and full credit is awarded for expanding revenue resources.

	Points
I. Prior Experience:	
A. Prior experience in the field in which the request is submitted.	Up to 15
B. Prior experience in the field of Social Services.	Up to 10
II. Performance Ability:	
A. Number of and qualifications of staff available to accomplish the proposed program (staff can be either funded by this proposal or supported by other funding).	Up to 15
B. Funding received from other sources.	 10
III. Program Design:	
A. Concept (the social service need being met).	Up to 20
B. Feasibility	Up to 20
C. Cost per person receiving benefits from the program.	Up to 5
D. Percent of supportive services to program costs.	Up to 5
TOTAL POSSIBLE POINTS	100

MUNICIPALITY OF ANCHORAGE



GRANT APPLICATION

1. AGENCY

   a. Applicant Name: ____________________

   b. Street Address: ____________________

   c. Mailing Address: ____________________ Zip: ________

   d. Contact Person: ____________________ Telephone: ________

2. PROJECT

   a. New Project ________ Continuing Project ________

   b. Project Purpose: ____________________
   ____

   c. Proposed Municipal Funding: ____________________

   d. Estimated Number of Persons Benefiting: ____________________

   e. Target Population: ____________________

   f. Project Duration: ____________________ ____________________
   Start End

3. AGENCY STATUS

   a. Certified Non-Profit Organization Under Alaska Laws: ☐ Yes ☐ No

   b. I.R.S. Exempt Organization: ☐ Yes ☐ No I.R.S. # ________

   c. Total Municipal Funding in Calendar Year 1983: ________

   d. Estimated Total Calendar Year 1984 Budget
   (All funding sources): ____________________

4. CERTIFICATION

   To the best of my knowledge and belief, data in this APPLICATION/PROPOSAL is true and correct.

   Typed Name: ____________________
   Title: Chairman, Board of Directors

   ____________________ ____________________
   Signature Date

FOR MUNICIPAL USE ONLY

DATE RECEIVED ____________________

ACTION TAKEN: ____________________
____
____

AGENCY DESCRIPTION

In one (1) paragraph, or not to exceed two (2) paragraphs, describe your agency's functions:

List Agency's experience in Social Services and experience in the area of the proposed project.

SECTION VI

NARRATIVE

PROPOSAL:

Briefly describe the program for which these funds are being requested. Title your narrative with one descriptive statement such as: "Bus Transportation for the Disabled".

SECTION VII

PROGRAM GOALS AND OBJECTIVES

This section is to identify the goals and objectives of the proposed program. The goal is the overall action that shall take place whereas the objectives are the actions that are utilized to reach the goal that will be accomplished. For example: The goal might be to provide employment skills to low-income, unemployed youth. The objective might be to train 15 youth in a classroom setting for 20 weeks.

Each objective should be listed under its corresponding goal and be as brief as possible.

1. Goal:

   Objectives:

   a.

   b.

   c.

   d.

2. Goal:

Objectives:

a.

b.

c.

d.

3. Goal:

Objectives:

a.

b.

c.

d.