

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5090 HSTA HB 450 - HB 469

662

POSITION PAPER

IB 450

9

GENERAL SERVICE & SUPPLY

This portion of our position paper is based on the effect of the bill on bids issued by the Department of Administration for the executive branch.

Analysis

Section 2 of the bill adds a new section to AS 36.30 which would prohibit solicitation of bids outside of the state until we could determine that the item sought was not available in state. If no Alaskan firms responded to our in-state solicitation, we could then solicit out of state. This secondary solicitation would extend the procurement process by approximately 60 days. When we opened bids received in response to the in-state solicitation, the bid would have to be awarded to the lowest responsive responsible bidder no matter what location or price.

This bill, as written, would conflict with AS 36.30.050 (b) and AS 36.30.130 (a) (3).

Position

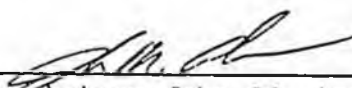
We cannot support this bill as long as the conflict between the bill and the statutes remains.



Robert J. Mink, Director
Division of General Services & Supply

3/1/88

Date



Commissioner John M. Andrews
Department of Administration

3/2/88

Date

NEWS RELEASE

P.O. BOX 1149, JUNEAU, ALASKA 99802

(907) 465-2700

Steve Cowper, Governor, Jim Sampson, Commissioner, J. Allan MacKinnon, Information Officer

Alaska Employment and Unemployment In January

Unemployment in Alaska took a turn for the worse in the month of January, the unemployment rate increased eight-tenths of a percentage point to begin the new year. January's unemployment rate was 10.8 percent, which translated into over 25,000 unemployed Alaskans. Last January the unemployment rate in Alaska was 13.1 percent. The comparable unemployment rate for the US in January (civilian not seasonally adjusted) was 6.3 percent.

Primarily Southeast Alaska and the Gulf Coast area of the state took the biggest jumps in unemployment. Much of the increased unemployment in these two regions can be traced to seasonal employment declines in the manufacturing and transportation industries or layoffs in retail trade establishments following the Christmas season.

Alaska nonagricultural wage and salary employment data indicates that employment losses over the year are beginning to narrow, a sign that Alaska's economy may be headed toward recovery. Most of the over-the-year gains are occurring in the manufacturing industry, in particular seafood processing. While the narrowing of over-the-year employment losses due to a strong showing in the fishing industry is good news for the economy as a whole, regions of the state that have little or no seafood processing employment are not faring as well as those that do. Anchorage and the MatSu Borough for instance have limited direct employment in this industry and are therefore not participating in the employment gains being realized in the coastal areas of the state.

Alaska Nonagricultural Wage and Salary Employment

| | Changes From: | | | | |
|----------------------------------|---------------|-------------|---------|--------|--------|
| | P/ 1/88 | R/ 12/87 | 1/87 | 12/87 | 1/87 |
| Total Nonagricultural Employment | 196,000 | 203,100 | 196,600 | -7,100 | 600 |
| Mining | 8,200 | 8,200 | 7,900 | 0 | 300 |
| Construction | 7,600 | 8,800 | 8,800 | -1,200 | -1,200 |
| Manufacturing | 11,000 | 10,500 | 8,400 | 500 | 2,600 |
| Trans. Comm. & Utilities | 16,600 | 17,000 | 16,400 | -400 | 200 |
| Trade | 38,500 | 41,400 | 38,700 | -2,900 | -200 |
| Finance-Ins. & R.E. | 10,700 | 10,800 | 11,400 | -100 | -700 |
| Services & Misc. | 39,400 | 40,300 | 40,000 | -900 | -600 |
| Government | 64,000 | 66,100 | 65,000 | -2,100 | -1,000 |

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska. Benchmark Date March 1987.

P/ Denotes Preliminary Estimates

R/ Denotes Revised Estimates

Contact John Boucher
465-4510Neal Fried 264-2400
Fairbanks Toll Free 800-478-9900

Date: February 19, 1988

No: 88-46

Labor Force by Region and Census Area

| | Labor Force | | | Unemployment | | | Rate | | | Employment | | |
|--------------------------|-------------|-------------|---------|--------------|-------------|--------|------------|-------------|------|------------|-------------|---------|
| | P/ 1/88 | R/ 12/87 | 1/87 | P/ 1/88 | R/ 12/87 | 1/87 | P/ 1/88 | R/ 12/87 | 1/87 | P/ 1/88 | R/ 12/87 | 1/87 |
| Alaska Statewide | 233,295 | 237,724 | 233,039 | 25,174 | 23,706 | 30,567 | 10.8 | 10.0 | 13.1 | 208,121 | 214,018 | 202,472 |
| Arch-MatSu Region | 124,300 | 126,818 | 125,699 | 11,439 | 10,718 | 13,667 | 9.2 | 8.5 | 10.9 | 112,861 | 116,100 | 112,032 |
| Anchorage Borough | 109,614 | 112,404 | 110,429 | 8,776 | 9,215 | 10,445 | 8.0 | 7.3 | 9.5 | 100,838 | 104,189 | 99,984 |
| MatSu Borough | 14,686 | 14,414 | 15,270 | 2,663 | 2,503 | 3,222 | 18.1 | 17.4 | 21.1 | 12,023 | 11,911 | 12,049 |
| Gulf Coast Region | 24,963 | 25,243 | 23,650 | 3,534 | 3,318 | 4,435 | 14.2 | 13.1 | 15.7 | 21,429 | 21,925 | 19,225 |
| Kenai Peninsula Bor | 16,192 | 16,196 | 15,328 | 2,806 | 2,502 | 3,321 | 17.3 | 15.4 | 21.7 | 13,384 | 13,694 | 12,007 |
| Kodiak Island Bor | 5,238 | 5,406 | 4,912 | 304 | 359 | 486 | 5.8 | 6.6 | 9.9 | 4,934 | 5,046 | 4,426 |
| Valdez Cordova | 3,533 | 3,641 | 3,410 | 422 | 458 | 618 | 11.9 | 12.6 | 18.1 | 3,111 | 3,183 | 2,792 |
| Interior Region | 34,245 | 35,576 | 35,095 | 4,920 | 4,943 | 6,226 | 14.4 | 13.9 | 17.7 | 29,325 | 30,635 | 28,870 |
| Fairbanks North Star Bor | 29,332 | 30,546 | 30,071 | 4,055 | 4,077 | 5,127 | 13.8 | 13.3 | 17.0 | 25,277 | 26,469 | 24,944 |
| Southeast Fairbanks | 2,073 | 2,120 | 2,091 | 362 | 333 | 407 | 17.5 | 15.7 | 19.5 | 1,711 | 1,787 | 1,684 |
| Yukon-Koyukuk | 2,780 | 2,912 | 2,934 | 503 | 533 | 692 | 18.1 | 18.3 | 23.6 | 2,277 | 2,379 | 2,242 |
| Northern Region | 7,519 | 7,749 | 7,676 | 768 | 777 | 850 | 10.2 | 9.7 | 11.1 | 6,751 | 6,995 | 6,826 |
| Nome | 2,934 | 3,007 | 2,903 | 365 | 347 | 306 | 12.4 | 11.5 | 10.5 | 2,569 | 2,662 | 2,597 |
| North Slope Borough | 2,616 | 2,734 | 2,703 | 131 | 159 | 171 | 5.0 | 5.8 | 7.0 | 2,485 | 2,575 | 2,513 |
| Northwest Arctic Bor | 1,969 | 2,008 | 2,070 | 272 | 250 | 273 | 13.8 | 12.5 | 17.1 | 1,697 | 1,758 | 1,716 |
| Southeast Region | 31,201 | 31,510 | 30,952 | 3,727 | 3,083 | 4,450 | 11.9 | 9.6 | 14.4 | 27,474 | 28,427 | 26,502 |
| Haines Borough | 843 | 839 | 850 | 150 | 122 | 182 | 17.8 | 14.5 | 21.4 | 693 | 717 | 668 |
| Juneau Borough | 13,176 | 13,573 | 13,028 | 927 | 699 | 1,211 | 7.0 | 6.6 | 9.3 | 12,249 | 12,675 | 11,817 |
| Ketchikan Gateway Br | 6,175 | 6,151 | 6,122 | 746 | 534 | 885 | 12.1 | 8.7 | 14.5 | 5,429 | 5,617 | 5,237 |
| Pr. of Wales Outer Kitch | 2,519 | 2,379 | 2,511 | 550 | 342 | 612 | 21.8 | 14.4 | 24.4 | 1,969 | 2,037 | 1,899 |
| Sitka Borough | 3,627 | 3,771 | 3,513 | 332 | 362 | 335 | 9.2 | 9.6 | 9.5 | 3,295 | 3,409 | 3,178 |
| Skagway-Yakutat-Ang | 1,701 | 1,629 | 1,631 | 465 | 371 | 458 | 28.5 | 22.8 | 26.1 | 1,236 | 1,258 | 1,173 |
| Wrangell Petersburg | 3,160 | 3,168 | 3,297 | 537 | 454 | 767 | 17.0 | 14.3 | 23.3 | 2,623 | 2,714 | 2,530 |
| Southwest Region | 11,067 | 10,826 | 9,966 | 786 | 690 | 949 | 7.1 | 6.2 | 9.5 | 10,281 | 9,936 | 9,017 |
| Aleutian Islands | 3,051 | 2,956 | 2,726 | 90 | 55 | 129 | 2.9 | 3.2 | 4.7 | 2,961 | 2,861 | 2,597 |
| Bethel | 4,264 | 4,191 | 3,836 | 320 | 379 | 371 | 7.5 | 9.0 | 9.7 | 3,944 | 3,812 | 3,459 |
| Bristol Bay Borough | 450 | 398 | 379 | 43 | 53 | 66 | 10.8 | 13.3 | 17.4 | 357 | 345 | 313 |
| Dillingham | 1,989 | 1,940 | 1,505 | 152 | 165 | 195 | 7.6 | 8.5 | 10.8 | 1,837 | 1,775 | 1,611 |
| Wade Hampton | 1,363 | 1,341 | 1,225 | 181 | 108 | 188 | 13.3 | 14.8 | 15.3 | 1,182 | 1,143 | 1,037 |

P/ Preliminary R/ Revised 1987 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor, because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature, meaning that the unemployment rates in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's rural localities have proportionately more of these discouraged workers.

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

STEVE COWPER
GOVERNOR

NEWS RELEASE



FOR INFORMATION CONTACT
David Ramsaur
Press Secretary

Laury Roberts Scandling
Deputy Press Secretary

Office of the Governor
Box A, Juneau, AK 99811

Bus. Phone (907) 465-3500

FOR IMMEDIATE RELEASE
January 21, 1988
No. 88-8

COWPER STRENGTHENS ALASKA VENDOR PREFERENCE

JUNEAU -- State purchasing practices and are being modified as requested by Gov. Steve Cowper in order to give more state business to Alaska firms. The action is part of the Governor's larger economic stabilization effort.

The intent of the new approach is to give qualified Alaska firms a competitive edge when bidding on state contracts and to initiate a single tracking system to better monitor awards and appeals.

Last month Cowper notified commissioners that all departments need to strive to award a greater share of state purchases to Alaska businesses. He asked for a report by the end of March on whether the new procedures are successful.

"Alaskan vendors hire Alaskans. Employed Alaskans put their wages back into the state's economy," wrote Cowper in a memo. "Thus, doing business with Alaskans puts the public dollar where it ought to be -- into an economy in which all of us have a vested interest."

-MORE-

2-2-2-2

No. 88-8

Jan. 21, 1988

Cowper identified six immediate objectives to improve the state's solicitation of in-state services. This week Administration Commissioner John Andrews informed departments that those changes have been incorporated into official procurement procedures.

* Ten percent of proposal evaluation points will be awarded if bidders are qualified Alaskans.

* Quotations from Alaskan vendors must be secured for even small purchases (under \$5,000). There are 60,000 such purchases annually by the state.

* Large solicitations are to be separated into smaller components if it will help Alaska businesses compete for the bid award.

* Solicitations will include a section asking potential bidders to contact the Department of Administration prior to the bid opening if there are problems with the specifications. This will permit the state to intervene in the bidding process early on if necessary and should reduce the number of contested procurements.

All bid award protests and responses will be forwarded to the department for better recording keeping on the incidence of appeals.

-MORE-

3-3-3-3

No. 88-8

Jan. 21, 1988

*The state's Productivity Improvement Center, which coordinates and conducts various training for public employees, will hold a course on competitive sealed proposals to inform purchasing officers of the Governor's efforts to strengthen Alaskan business participation in state contract awards. The sessions will occur in Juneau and Anchorage in March.

*Solicitations must specify a preference for products grown and manufactured in Alaska, including building and wood materials and food.

Appropriate state agency manuals have been amended to reflect the changes.

The March report to the Governor will include information regarding vendor complaints, agency protests, and data on the dollar volume of in-state and out-of-state purchases. It will be the first time the state has centralized collection and tabulation of purchasing data on a regular basis.

Purchasing data are hard to pull together. However, Andrews noted that in FY 87 about one-third of his department's \$128 million in purchases of goods and services (not including insurance premiums or contracts based on Requests for Proposals) went to out-of-state firms.



"LEGISLATIVELY SPEAKING"

REP. H.A. "RED" BOUCHER HOSTS TELECONFERENCE

Rep. Red Boucher arranged a series of teleconferences recently to attempt to gain input for the Small Business Economic Recovery sub-committee. The opportunity to testify was made available throughout the state at various Legislative Information offices, and AAM staff phoned all members of the association to inform them of the importance of their participation. Though an excellent response was received from most calls made, the turnout was a disappointment to Rep. Boucher and his staff, other Legislators involved, and to the staff of the AAM. It was hoped that a great deal of input could be gathered from these teleconferences with regard to problems faced by manufacturers and/or small business concerns in general. The AAM encourages all members to call the AAM office or their Legislative information office with any questions pertaining to public testimony/teleconference procedures. It is quite informal, and when future opportunities arise to testify, please recognize the importance of being a participant. **It is YOUR opportunity to explain problems and ask for and/or offer solutions!**

LEGISLATION THAT NEEDS YOUR SUPPORT

Three pieces of legislation have been introduced which need the consideration and support of all Alaskan manufacturers. It is essential that you express your statement of support to those Legislators listed for you on the enclosed sheet, either by mail or by phone. The three bills, HB 197, HB 450 and SB 460 are shown in their entirety for you to read. After reading these, we ask that you immediately make photocopies of the form provided, sign and send to the Legislators listed. The address has been provided, so that you need only to write or type in the name of the Senator or Representative above the address, stamp and mail. **PLEASE MAIL AS SOON AS POSSIBLE, no later than MARCH 16.** The combined efforts of the AAM members will have an impact, but we need the help of everyone to make our voices heard. Questions? Call the AAM office (258-2878) or the Legislative Information office (Anchorage 278-3668; Fairbanks 452-4448; Juneau 456-4648; Mer-Ida 376-3704).

HOUSE BILL 197

IN THE LEGISLATURE OF THE STATE OF ALASKA FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled : "An Act relating to delivery of supplies purchased under the State Procurement Code; and providing for an effective date."

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

* Section 1. AS36.30 is amended by adding a new section to article 1 to read:

Sec. 36.30.090 DELIVERY OF SUPPLIES. Supplies purchased under this chapter shall be delivered at a location within the state unless the department determines that a point of delivery outside the state would be in the best interest of the state. A bid or proposal involving the procurement of supplies shall specify the delivery location and shall state that the price is the delivered price at that location.

* Section 2. This act takes effect July 1, 1987.

Introduced 3/20/87

Referred: Labor and Commerce/Finance

LEGISLATION, CONT'D.

**SENATE BILL 460
IN THE LEGISLATURE OF THE STATE OF ALASKA
FIFTEENTH LEGISLATURE - SECOND SESSION
A BILL**

For an Act entitled: "An Act relating to the costs of administering state contracts."

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

* Section 1. FINDINGS. The legislature finds that different bids for a contract that is primarily for supplies can require significantly different state costs for the administration of the contract. The legislature also finds that if significant administrative costs would be required due to the nature of a particular bid, the costs should be added to the bid amount before the low bidder is determined.

* Section 2. AS 36.30 is amended by adding a new section to read:

Sec. 36.30.165 INCLUSION OF ADMINISTRATIVE COSTS. After the opening of the bids for a contract that is primarily for supplies, but before the determination of the successful bidder under AS 36.30.170, the procurement officer shall add to the amount of each bid the significant costs, including transportation and per diem costs, that would be incurred by the state to administer the contract under the bid. The resulting figure is the amount of the bid.

Introduced 2/16/88

Referred: State Affairs

**HOUSE BILL 450
IN THE LEGISLATURE OF THE STATE OF ALASKA
FIFTEENTH LEGISLATURE - SECOND SESSION
A BILL**

For an Act entitled: "An Act relating to out-of-state solicitation for state contracts and state employees."

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

* Section 1. LEGISLATIVE FINDINGS. The legislature finds that (1) the state is experiencing economic difficulties and the rate of unemployment is very high; (2) the state contains a pool of able-bodied and skilled workers and organizations from which the state could, in most instances, find the persons necessary to perform its contracts and fill its employment positions; (3) before advertising outside the state, the state should conduct a search in the state for persons and organizations to perform its contracts and fill its positions.

* Section 2. AS 36.30 is amended by adding a new section to read:

Sec. 36.30.875 OUT OF STATE SOLICITATION OF CONTRACTS. (a) An agency may not solicit outside of the state for a contract unless the chief procurement officer, or for construction contracts or procurements for the state equipment fleet, the commissioner of transportation and public facilities determines in writing that (1) the agency has not received a responsive bid from a responsible bidder, if the agency is procuring the contract under AS 36.30.100 - 36.30.190; (2) the agency has not received a responsive proposal from a responsible offeror, if the state is procuring the contract under AS 36.30.200 - 36.30.270; or (3) a source for the required procurement is not

LEGISLATIVE, CONT'D.

available in the state, if the procurement is made under AS 36.30.300, 36.30.305, 36.30.310, or 36.30.320. (b) in this section, (1) "agency" includes the University of Alaska, the Alaska State Building Authority, and the Alaska Railroad Corporation; (2) "solicitation" includes sending an invitation to bid or a request for proposals to a person who has not requested the invitation or request.

* Section 3. AS 39.25 is amended by adding a new section to read:

Sec. 39.25.165. OUT OF STATE SOLICITATION PROHIBITED. (a) A state agency, including division of personnel, may not solicit outside the state for an individual to fill a position as a state employee unless the personnel officer determines in writing that the agency has been unable during six months of solicitation in the state to find an individual who is qualified for the position. (b) In this section (1) "personnel officer" means the commissioner of administration for a state agency of the executive branch, the speaker of the house of representatives for the members, committees, and leadership of the house of representatives, the president of the senate for the members, committees, and leadership of the senate, and the executive director of the Legislative Affairs Agency for the other entities of the legislative branch; (2) "position" includes a position in the exempt or partially exempt service, except a position identified in AS 39.25.110 (1) - (2).

Introduced: 2/10/88

Referred: State Affairs, Judiciary and Finance

VOICE YOUR SUPPORT BY CALLING, OR SENDING SIGNED COPIES OF THE ENCLOSED FORM. BE SURE TO TYPE THE NAME OF THE SENATOR OR REPRESENTATIVE ABOVE THE MAILING ADDRESS. DO IT TODAY!

LABOR AND COMMERCE

Rep. Dave Donley, Chairman 465-3892 *** Sen. Tim Kelly, Chairman 465-3822

FINANCE

Rep. Al Adams, Chairman 465-3706 *** Sen. John Binkley, Co-Chair 465-4985
Sen. Rick Halford, Co-Chair 465-3753

STATE AFFAIRS

Rep. Fran Ulmer, Chairman 465-4947 *** Sen. Mitch Abood, Chairman 465-4747
Sen. Rick Uehling, Vice-Chair 465-4821

JUDICIARY

Rep. John Sund, Chairman 465-4990 *** Sen. Jalmar Kerttula, Chair 465-3771
Sen. A. Sturgulewski, V.Chair 465-3818

****** FOR YOUR INFORMATION ******

WELCOME new AAM members! Alaska Color Scan, Eldorado Mining Co., Mexico in Alaska, Inside Government, AlasSkins, Human Endeavors.

AAM members will soon be receiving information on the **ALASKA HEALTH PROJECT** and on an **ALASKA BASIC ECONOMIC DEVELOPMENT COURSE**. Please watch for this important info!

THE SMALL BUSINESS DEVELOPMENT CENTER offers a growing range of mgmt. / manufacturing assistance for owners and managers of businesses in Alaska and for those considering starting a business. A schedule of workshops is available, as well as consultations. For more information, and to find the SBDC office in your area, call 274-7232 (800 478-7232 outside Anchorage).

THE OFFICE OF INTERNATIONAL TRADE (Anchorage 561-5585, Juneau 465-3568) and the **WORLD TRADE CENTER** (561-1615) have information for you if you're involved, or interested, in exporting your manufactured products.



FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: An act relating to out-of-state solicitation for State contracts and ** BRU: Division of Personnel
 Sponsor: Pearce et al Components: Centralized Administrative Services
 Requestor: _____

**State employees.

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | 0 | 0 | 0 | 0 | 0 | 0 |
| SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0 |
| EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0 |
| LAND & STRUCTURES | 0 | 0 | 0 | 0 | 0 | 0 |
| GRANTS, CLAIMS | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|---|---|---|---|---|
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

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

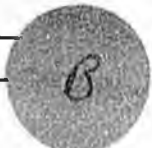
ANALYSIS: (Attach a separate page if necessary)

This bill would not have a fiscal impact on the Division of Personnel.

Prepared By: Rep. Robert Pearce Phone: 465-4430
 Division: Division of Personnel Date: 3-1-88
 Approved by Commissioner: John M. Andrews Date: 3/2/88
 Agency: Department of Administration

Distribution (by preparer):

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



FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: Relating to Out-of-State BRU: General Services & Supply
Solicitation for State Contracts
 Sponsor: Pearce et al. Components: Purchasing
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0 | 87.8 | 87.8 | 87.8 | 87.8 | 87.8 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | 0 | 13.5 | 13.5 | 13.5 | 13.5 | 13.5 |
| SUPPLIES | 0 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 |
| EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0 |
| LAND & STRUCTURES | 0 | 0 | 0 | 0 | 0 | 0 |
| GRANTS, CLAIMS | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING | 0 | 103.1 | 103.1 | 103.1 | 103.1 | 103.1 |
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|-------|-------|-------|-------|-------|
| GENERAL FUND | 0 | 103.1 | 103.1 | 103.1 | 103.1 | 103.1 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | | 103.1 | 103.1 | 103.1 | 103.1 | 103.1 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 0 | 1 | 1 | 1 | 1 | 1 |
| PART-TIME | 0 | 1 | 1 | 1 | 1 | 1 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared By: Robert J. Link *Robert J. Link* Phone: 465-2250
 Division: General Services & Supply Date: March 1, 1988
 Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 3/2/88
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. 450

This fiscal note addresses only the increased costs involved with competitive sealed bids issued by the Department of Administration (DOA) for the executive branch. It does not attempt to evaluate the cost of procurement delays or the impact on prices due to reduced competition. It further assumes an effective date of July 1, 1988.

Our figures are based on 1987 procurements and are not escalated for inflation. During 1987 we issued 135 invitations to bid to which no Alaskan vendors responded. Under the proposed law each of those bids would have to be reissued to vendor lists which included out-of-state vendors.

| | |
|--|----------------|
| Personal Services | \$ 87.8 |
| Advertising Printing Mailing Est. \$100 X 135 bids = | 13.5 |
| Supplies | 1.8 |
| | <u>\$103.1</u> |

During 1987, bids awarded to out-of-state vendors who bid lower than Alaskan vendors approximated \$1,750.0. If all those bids were awarded to the low Alaska vendor, the cost would have been approximately \$2,360.0. The additional cost to the State to buy the same supplies would have been approximately \$610.0.

| | |
|-----------------------------------|----------------|
| Low in-state bid prices | \$2,360.0 |
| Price paid to out-of-state bidder | <u>1,250.0</u> |
| | \$ 610.0 |

This \$610.0 cost will impact the departments in the executive branch.

| | | | | | | | | |
|---|-------------------|-----------|---|-------------------|-------------------|------|---------|---------|
| Position Title Purchasing Agent III | | | No. of Positions 1 | Range/Step 18A | Barg. Unit GGU | Gov. | Approv. | Disapp. |
| Time Status PPT | Staff Months 9 | RP Number | Location Juneau | | Election District | Leg. | | |
| Type of Expenditure | | | Justification | | | | | |
| | | Amount | <p>H.B. 450 would require an estimated 135 bids to be reissued statewide. We estimate 54 of those bids would be reissued from the Anchorage office.</p> <p>During FY 86 and FY 87, each Purchasing Agent averaged just over 70 bids per year. To reissue the estimated 54 bids, the addition of one permanent part-time Purchasing Agent III would be required in the Juneau office.</p> <p>Each bid is estimated to have a cost of approximately \$100.00 to print and mail. Office supplies needed to establish the position an estimated to cost \$500.00.</p> | | | | | |
| 1 | 2 | 3 | | | | | | |
| Salary | 28.0 | | | | | | | |
| Benefits | 9.6 | | | | | | | |
| Premium Pay | | | | | | | | |
| Other | | | | | | | | |
| Total Personal Services | | 37.6 | | | | | | |
| Travel | | 0 | | | | | | |
| Contractual | | 5.4 | | | | | | |
| Commodities | | .5 | | | | | | |
| Equipment | | 0 | | | | | | |
| Other | | 0 | | | | | | |
| Total Cost | | 43.5 | | | | | | |
| Receipt Code | Funding Source | | | | | | | |
| | Federal Receipts | 1002 | | | | | | |
| | G. F. Match | 1003 | | | | | | |
| | General Funds | 1004 | 43.5 | | | | | |
| | I-A Receipts | 1005 | | | | | | |
| | Program Receipts | 1028 | | | | | | |
| | CIP Receipts | 1061 | | | | | | |
| | Other | | | | | | | |
| For B&M Use Only Key Number _____ | | | | | | | | |

4/11K1/0219-02/1

**Request For
New Position**

Agency Administration
 BRU General Services & Supply
 Component Purchasing

Page 1 of 1
 Revised Date _____

FY 89

| | | | | | | | | |
|---|-----------------------|-----------|---|-------------------|-------------------|------|---------|---------|
| Position Title Purchasing Agent III | | | No. of Positions 1 | Range/Step 18A | Barg. Unit GGU | Gov. | Approv. | Disapp. |
| Time Status PPT | Staff Months 12 | RP Number | Location Anchorage | | Election District | Leg. | | |
| Type of Expenditure | | | Justification | | | | | |
| 1 | 2 | 3 | <p>H.B. 450 would require an estimated 135 bids to be reissued statewide. We estimate 81 of those bids would be reissued out of the Juneau office.</p> <p>During FY 86 and FY 87, each Purchasing Agent averaged just over 70 bids per year. To reissue the estimated 81 bids, the addition of one Purchasing Agent III would be required in Anchorage.</p> <p>Each bid is estimated to cost approximately \$100.00 to print and mail. Office supplies and additional data processing software needed to establish the position and estimated to cost \$1,300.00.</p> | | | | | |
| Salary | 37.4 | | | | | | | |
| Benefits | 12.8 | | | | | | | |
| Premium Pay | | | | | | | | |
| Other | | | | | | | | |
| Total Personal Services | | 50.2 | | | | | | |
| Travel | | 0 | | | | | | |
| Contractual | | 8.1 | | | | | | |
| Commodities | | 1.3 | | | | | | |
| Equipment | | 0 | | | | | | |
| Other | | | | | | | | |
| Total Cost | | 56.9 | | | | | | |
| Receipt Code | Funding Source | | | | | | | |
| | Federal Receipts 1002 | | | | | | | |
| | G. F. Match 1003 | | | | | | | |
| | General Funds 1004 | 56.9 | | | | | | |
| | I-A Receipts 1005 | | | | | | | |
| | Program Receipts 1028 | | | | | | | |
| | CIP Receipts 1061 | | | | | | | |
| | Other | | | | | | | |
| For B&M Use Only Key Number _____ | | | | | | | | |

4/11K1/0219-02/3

**Request For
New Position**

Agency Administration
 BRU General Services & Supply
 Component Purchasing

FY 89

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 Revised Date _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: Relating to Out-of-State BRU: General Services & Supply
Solicitation for State Contracts
 Sponsor: Pearce et al. Components: Purchasing
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0 | 50.2 | 50.2 | 50.2 | 50.2 | 50.2 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | 0 | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 |
| SUPPLIES | 0 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 |
| EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0 |
| LAND & STRUCTURES | 0 | 0 | 0 | 0 | 0 | 0 |
| GRANTS, CLAIMS | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING | 0 | 60.3 | 60.3 | 60.3 | 60.3 | 60.3 |
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|------|------|------|------|------|
| GENERAL FUND | 0 | 60.3 | 60.3 | 60.3 | 60.3 | 60.3 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 60.3 | 60.3 | 60.3 | 60.3 | 60.3 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 0 | 1 | 1 | 1 | 1 | 1 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared By: Robert J. Link *Robert J. Link* Phone: 465-2250
 Division: General Services & Supply Date: 4/4/88
 Approved by Commissioner: John M. Andrews *J. Andrews* Date: 4/5/88
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

CSHB 450

This fiscal note addresses only the increased costs involved with competitive sealed bids issued by the Department of Administration (DOA) for the executive branch. It does not attempt to evaluate the cost of procurement delays or the impact on prices due to reduced competition. Impacts to professional services procurements made by other agencies are not addressed. It further assumes an effective date of July 1, 1988.

Our figures are based on 1987 procurements and are not escalated for inflation. During 1987 we issued 88 invitations to bid to which no Alaskan vendors responded. Under the proposed law an estimated 60% - 70% each of these bids would have to be reissued to vendor lists which included out-of-state vendors.

| | |
|---|---------------|
| Personal Services | \$50.2 |
| Advertising Printing Mailing Est. \$100 X 88 bids = | 8.8 |
| Supplies | 1.3 |
| | <u>\$60.3</u> |

| | | | | | | | | |
|---|--------------------|-------------|--|-------------------|-------------------|------|---------|---------|
| Position Title Purchasing Agent III | | | No. of Positions 1 | Range/Step 18A | Org. Unit GGU | Gov. | Approv. | Disapp. |
| Time Status PPT | Staff Months 12 | RP Number | Location Juneau | | Election District | Leg. | | |
| Type of Expenditure | | | Justification | | | | | |
| 1 | 2 | Amount 3 | <p>H.B. 450 would require an estimated 88 bids to be reissued statewide.</p> <p>During FY 86 and FY 87, each Purchasing Agent averaged just over 70 bids per year. To reissue the estimated 88 bids, the addition of one permanent Purchasing Agent III would be required in the Juneau office.</p> <p>Each bid is estimated to have a cost of approximately \$100.00 to print and mail. Office supplies and additional data processing software needed to establish the position is estimated to cost \$1,300.00.</p> | | | | | |
| Salary | 37.4 | | | | | | | |
| Benefits | 12.8 | | | | | | | |
| Premium Pay | | | | | | | | |
| Other | | | | | | | | |
| Total Personal Services | | 50.2 | | | | | | |
| Travel | | 0 | | | | | | |
| Contractual | | 8.8 | | | | | | |
| Commodities | | 1.3 | | | | | | |
| Equipment | | 0 | | | | | | |
| Other | | 0 | | | | | | |
| Total Cost | | 60.3 | | | | | | |
| Receipt Code | Funding Source | | | | | | | |
| | Federal Receipts | 1002 | | | | | | |
| | G. E. Match | 1003 | | | | | | |
| | General Funds | 1004 | 43.5 | | | | | |
| | I-A Receipts | 1005 | | | | | | |
| | Program Receipts | 1028 | | | | | | |
| | CIP Receipts | 1061 | | | | | | |
| | Other | | | | | | | |
| For B&M Use Only Key Number | | | | | | | | |

4/11K1/0219-02/1

**Request For
New Position**

Agency Administration
 BRU General Services & Supply
 Component Purchasing

Page 1 of 1
 Revised Date _____

FY 89

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HB 450
PUBLISH DATE: 2/10/88

REQUEST: FISCAL NOTE

Revision Date: _____
Title: An Act relating to out-of-state solicitation for state contracts and state employees.
Sponsor: Pearce, Swackhammer, and Collins
Requestor: ULMER

Agency Affected: DOT&PF
BRU: Design and Construction, M&O and Administration
Components: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTURAL | 0 | 0 | 0 | 0 | 0 | 0 |
| SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0 |
| EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0 |
| LAND & STRUCTURES | 0 | 0 | 0 | 0 | 0 | 0 |
| GRANTS, CLAIMS | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | |
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | |
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING: (THOUSANDS OF DOLLARS)

| | | | | | | |
|---------------|---|---|---|---|---|---|
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

For all contracts and proposals on State funded projects it has been and is the policy of this Department to advertise only within the State of Alaska.

Requests for solicitation outside the state to fill a position within state service are approved and processed through the Department of Administration.

Prepared by: Loren Rasmussen
Division: Engineering & Operations Standards

Phone: 465-2960
Date: March 1, 1988

Approved by Commissioner: Mark A. Hylleberg
Agency: Department of Transportation and Public Facilities

Date: March 1, 1988

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

H B

4 6 2

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House State Affs:

March 14 - 1988



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

January 22, 1988

MEMORANDUM

TO: Representative Curt Menard

ATTN: Tuckerman Babcock

FROM: Heidi Borson-Paine ^{HBP}
Legislative Analyst

RE: Cost of Adopting Medicaid's Medically Needy Program
Research Request 88.079

You requested this agency to estimate how much it would cost the State to adopt Medicaid's medically needy option and to include an estimate of the cost of providing the medically needy program solely to disabled persons instead of to all groups eligible for Medicaid. In addition, you posed the following specific questions:

- what are the State's current Medicaid eligibility standards (differentiate between standards for those receiving care inside and outside of institutions); and
- how many Medicaid recipients in Alaska would leave nursing homes if home care was provided through a medically needy program?

This memorandum describes Alaska's current Medicaid eligibility criteria; provides background information on Medicaid's medically needy option; estimates the cost of implementing a medically needy program in Alaska; discusses the possible effects of a medically needy program on the state's nursing home population, and presents other alternatives for providing home and community based services to those who, because of their incomes, are currently eligible only for institutional care.

ALASKA'S CURRENT MEDICAID ELIGIBILITY STANDARDS

Federal regulations require states to cover the "categorically needy" under their Medicaid programs. The categorically needy are defined as persons eligible to receive cash assistance payments under either the Aid to Families with Dependent Children (AFDC) program or the Supplemental Security Income (SSI) program. To qualify for assistance under these programs, applicants must meet certain categorical, income, and resource criteria. The categorical requirements of the AFDC and SSI programs require that recipients be members of families with dependent children (AFDC related) or aged, blind, or disabled (SSI related).

The AFDC resource limit allows up to \$1,000 per family real or personal property excluding a home of any value and a car worth \$1,500. The SSI resource limits allow: a home of any value, a car worth up to \$4,500, personal effects worth \$2,000, liquid resources worth \$1,900 for individuals and \$2,850 for couples, a burial plot and up to \$1,500 for burial expenses, and life insurance with a face value of \$1,500. A list of Alaska's current AFDC and SSI income standards is provided in Attachment A. However, it should be noted that these standards are not absolute in that applicants are allowed certain exemptions and deductions to bring their incomes down to the eligibility threshold.

In addition to the previously discussed ways of qualifying for Medicaid, persons in institutions may qualify for Medicaid coverage under a special income standard. Federal regulations permit states to use a higher income standard than SSI to determine eligibility for institutionalized individuals (42 CFR 435.231 and .1005). States may set this income standard at up to 300 percent of the SSI monthly benefit amount (\$354 for an individual). Persons at this income level are not, however, eligible for Medicaid coverage outside of an institution. Alaska's income standard for aged, blind, and disabled persons receiving care outside institutions is \$659 per month, while the monthly income standard for institutionalized recipients is \$1,062.

MEDICAID'S MEDICALLY NEEDY OPTION

The medically needy program is a Medicaid option allowing states to provide Medicaid coverage to persons who meet AFDC or SSI categorical requirements but have resources exceeding the eligibility threshold. Under the medically needy program, states may set the income eligibility standard at levels up to 133-1/3 percent of the maximum AFDC cash assistance payment for the same size household.

Federal Medicaid regulations also provide a "spend down" provision under the medically needy program. This provision allows applicants to spend their income on medical expenses in order to qualify for the medically needy program. If an applicant has incurred medical expenses at least

equal to the difference between his or her income and the applicable income standard, the applicant is eligible for Medicaid. Consequently, instituting a medically needy program essentially removes the income eligibility ceiling under Medicaid for those with significant medical expenses.

States may establish a spend down period from one to six months in duration. The spend down period establishes the time frame for incurring medical expenses as well as the duration of the recipient's eligibility for the medically needy program. While the one month spend down is preferable for many Medicaid recipients because it enables them to receive medical care sooner than the six month spend down, it is administratively complex and costly. Under the one month spend down period, State eligibility workers have to compute financial eligibility each month for all recipients.

Currently, Alaska's AFDC income standard for a single adult is \$437 per month, while the income standard for aged, blind, and disabled adults is \$659 per month. Under the medically needy program, the income standard would be \$582 per month if the State set the income standard at the maximum level of 133-1/3 percent of the maximum AFDC cash assistance payment (\$437 per month). The income standard for aged, blind, and disabled persons is actually higher under the present system than it would be under the medically needy program. Consequently, aged, blind, and disabled adults who are currently ineligible for Medicaid because of excessive income would not qualify for Medicaid under the medically needy program unless they incurred medical expenses at least equal to the difference between their income and the applicable income standard.

Federal regulations require states electing the medically needy option to provide: 1) maternity care to "all pregnant women during the course of their pregnancy who, but for income and resources, would be eligible for Medicaid as categorically needy"; and 2) ambulatory care for all individuals under the age of 21 (42 CFR 435.301). In addition to these groups, states may elect to extend the medically needy program to any of the following groups: caretaker relatives, aged, blind, and disabled.

Currently, 37 states extend Medicaid coverage to the medically needy. Alaska is one of 13 states which does not participate in the medically needy program. According to John Luehrs, with the National Governor's Association's State Medicaid Information Center, most of the states participating in the medically needy program have much lower income eligibility standards than Alaska. Consequently, other states use the medically needy program to cover the population already covered as categorically needy under Alaska's Medicaid program.

According to State Medicaid Information Center statistics, the average income standard in the 37 states' medically needy programs is approximately 60 percent of the poverty threshold. Currently, Alaska's AFDC and SSI income standards are at 78 and 113.2 percent of the poverty level

respectively. Furthermore, the poverty level for Alaska is set at a higher level than for other states. As of July 1987, the poverty level for a family of three in Alaska and other states was \$11,620 and \$9,300, respectively.

COST OF IMPLEMENTING A MEDICALLY NEEDY PROGRAM

It is difficult to draw upon the experiences of other states in developing accurate enrollment and cost estimates for a medically needy program in Alaska because of the variation in medical costs, income eligibility standards, covered services, reimbursement rates, and spend down periods. Consequently, the Division of Medical Assistance (DMA) in the Department of Health and Social Services (DHSS), employed medically needy data collected by the U.S. Department of Health and Human Services (DHHS) to estimate the costs of implementing a medically needy program in Alaska.

According to DHHS data, a medically needy program increases the size of a state's Medicaid recipient population by about six to fourteen percent. The per capita costs of medically needy recipients are approximately three times as much as categorically eligible Medicaid recipients, or 1.75 times as much if only the costs of the noninstitutional medically needy are included. Using these data, DMA estimates between 2,542 (six percent) and 5,932 (14 percent) new applicants would be eligible under a medically needy program in Alaska, based on a current Medicaid population of 42,370. The average medical expenditures per person under the medically needy program would be \$3,593 if only the noninstitutional population is included or \$6,159 including the institutional medically needy population. At the six and fourteen percent levels, this would result in increased medical expenditures of between \$9,133,406 and \$21,313,676 for the noninstitutional population and between \$15,656,178 and \$36,535,188 if the institutional population is included.

In addition to medical expenditures, DMA included administrative costs in its cost estimate, such as increases in statewide eligibility technicians and changes to the computer systems currently used by the Division of Public Assistance to track recipient eligibility and process claims. According to DMA's estimates, the total costs of implementing a medically needy program in Alaska would be between \$10,684,353 (six percent) and \$24,308,971 (fourteen percent) if only the noninstitutional population were included, and between \$17,207,125 and \$39,530,483 including the institutional population. For a complete breakdown of DMA's estimate and a discussion of the variables employed by DMA please refer to Attachment B.

You also requested a cost estimate for providing the medically needy program to solely disabled persons instead of all groups of Medicaid eligibles. As discussed earlier, federal law prohibits States from targeting the medically needy program exclusively to the aged, blind or disabled. By law, any medically needy program must include maternity care for pregnant women and ambulatory care for children.

POSSIBLE EFFECTS ON NURSING HOME POPULATION IN ALASKA

You requested an estimate of the number of Medicaid recipients in Alaska who would leave nursing homes if home health care were provided through a medically needy program. According to DHSS statistics, there were 479 Medicaid recipients in Alaska's nursing homes as of October 1987. Of these 479 Medicaid recipients, 452 met the AFDC or SSI income eligibility standards and thus already had the option of receiving Medicaid coverage for out-of-institution services, including home health services. Only 27 recipients qualified for Medicaid under the federal regulation enabling those with incomes over the eligibility threshold to qualify for Medicaid only if institutionalized. Consequently, it does not appear likely that providing home health services under the medically needy option would automatically result in many Medicaid recipients leaving institutions.

On the other hand, adopting the medically needy option could significantly increase the number of people currently in institutions who would qualify for Medicaid. As discussed earlier, the spend down provision enables people to qualify for the medically needy program if they: (1) meet Medicaid's categorical requirements, and (2) incur medical expenses at least equal to the difference between their income and the applicable income standard. According to the American Hospital Association, entering a nursing home is the most common way the elderly spend down their incomes to the eligibility threshold.

Providing institutional care to the medically needy in Alaska would be very expensive given the high cost of nursing home services. According to DHSS data, the per capita cost of institutional care in Alaska ranges from about \$3,100 to \$8,500 per month. The State could elect not to cover nursing home services under the medically needy option because nursing home services are considered optional benefits under federal regulations.

ALTERNATIVES FOR PROVIDING HOME AND COMMUNITY BASED CARE

This section discusses two alternatives for providing home and community based care to persons who, because of their incomes, are currently eligible for care only if in institutions. The first option, home and community based waivers, provides a mechanism for expanding Medicaid coverage, while the second option provides home and community based services through the federal Title XX Block Grant.

Home and Community Based Services Waiver

The Omnibus Budget Reconciliation Act of 1981 authorized the Department of Health and Human Services (DHHS) to waive certain Medicaid regulations and allow states to provide home and community based services for Medicaid recipients in lieu of nursing home services. Waivers allow states to use the special income thresholds for institutional care (up to 300 percent of the SSI benefit amount) for services provided in the home or community. Waivers can be used to provide alternative services for those aged, blind, or disabled persons who, because of their incomes, currently qualify for Medicaid only if they are in an institution.

Under a waiver, states may limit the provision of home and community based services to specific geographic areas within the state and to certain groups of Medicaid eligibles, such as the disabled. All groups of Medicaid recipients who are at risk of institutionalization, including the aged, disabled, mentally retarded, mentally ill, and disabled children, can receive waiver services. However, separate waiver applications must be submitted for each recipient group. States may also apply for model waivers under which services may be provided to a maximum of 50 recipients. Model waivers must offer at least one additional home and community based service than is covered under the current state Medicaid plan.

The following services may be offered as alternatives to nursing home care under waivers: case management, homemaker, home health aide, personal care attendant, adult day health, habilitation, and respite care. Federal regulations list but do not define these services, consequently, states may use their own definitions. States may also provide other services if the waiver request demonstrates that the services are viable and cost effective alternatives to institutional care.

According to John Luehrs, the waiver application process is time and labor intensive. A state must have the staff to write a waiver application, which is usually about 300 pages in length, as well as staff to manage the waiver if approved. Luehrs estimates that it takes about 18 months for a state to complete a waiver application and get it through the federal review process. Waiver requests must demonstrate that the average per capita expenditure for services under the waiver will not be greater than the cost of services currently available in an institutional setting. In addition, the application must ensure that applicants will undergo an evaluation of the need for nursing home care and will be given a choice between waived services and nursing home care. Once approved, waivers remain in effect for three years and may be renewed for additional five year periods subject to approval by DHHS.

Forty-six states currently have home and community based service waivers for at least one group (37 states have waivers for the aged and disabled, 25 have waivers for the mentally retarded, and 3 have waivers to serve the chronically mentally ill). Alaska is one of four states without a Medicaid waiver. Alaska applied for a waiver in 1983 to provide home and community based services for the aged, disabled, and mentally retarded. The

application was reportedly denied because the State could not demonstrate that the waiver would result in cost savings or at least limit expenditures to the level under existing institutional services.

Mr. Luehrs contends Alaska is at a disadvantage in proving the cost effectiveness of a waiver because of the state's high medical, transportation, and living costs. He suggests it would be easier to prove the cost effectiveness of a waiver for a specific geographic area of Alaska than for the whole state. He also points out that, for a waiver to succeed, alternative home and community based services must be available and service providers must be willing to participate in the waiver program.

Home and Community Based Services under Title XX Block Grant

Under the Social Security Act, each state receives an annual allotment from the Title XX Block Grant for Social Services. The size of the allotment is based on the state's population. Under Title XX, block grant funded services are to be directed toward the following goals:

- 1) achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
- 2) achieving or maintaining self-sufficiency, including reduction or prevention of dependencies;
- 3) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving rehabilitating, or reuniting families;
- 4) preventing or reducing inappropriate institutional care by providing for community based care, home based care, or other forms of less intensive care; and
- 5) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

Services which may be funded with Title XX Block Grants include, but are not limited to, child care services; protective services for children and adults; services for children and adults in foster care; services related to the management and maintenance of the home; day care services for adults; transportation services; family planning services; training and related services; employment services; information, referral, and counseling services; the preparation and delivery of meals, health support services; and appropriate combinations of services designed to meet the special needs of children, the aged, mentally retarded, blind, emotionally disturbed, and physically handicapped, and alcoholics and drug addicts. States are responsible for deciding how to allocate the grant money between

Representative Menard
January 13, 1987
Page 8

these or other services which meet the goals of the Title XX Block Grant program.

In FY 87, Alaska received \$5,496,669 under the Title XX Block Grant. The Department of Health and Social Services estimates that the FY 87 allotment amount is a reasonable estimate of Alaska's probable FY 88 allotment. Because the amount of block grant funds available to Alaska is far below the cost of funding the range of services provided by DHSS, the State has utilized block grant funds to provide discretionary services while funding mandatory services primarily or exclusively with State General Funds.

For FY 88, DHSS has identified the following services which will be funded with the block grant allotment: adult and child protection homemaker support; child protection day care support; day treatment for adolescents; adult protective services; child protective services; and staff development. Attachment C provides a description of each service, the number of persons to be served, and the projected expenditures.

For the period of July 1987 - July 1988, California received over \$300 million under the Title XX Block Grant. The state supplemented these funds with over \$170 million in state general funds and \$22.9 million in county funds for a total of approximately \$500 million. California uses the entire block grant to provide in-home supportive services, which include domestic services, heavy cleaning, nonmedical personal services, accompaniment by a provider during necessary travel, yard hazard abatement, protective supervision, teaching and demonstration directed at reducing the need for other supportive services, and paramedical services which make it possible for the recipient to establish and maintain an independent living arrangement.

According to Terry Jordan, with the California Department of Social Services, the state uses the SSI categorical, income, and resource criteria to determine eligibility for the in-home supportive services program. Those persons who meet the SSI categorical requirements (i.e., they are aged, blind, or disabled) but have incomes above the SSI income standard are required to pay a share of costs for in-home supportive services. A recipient's share of cost is based on his or her income above the standard.

According to Mr. Jordan, approximately 131,000 persons were receiving in-home supportive services as of December 1987. Ninety percent of those served were elderly adults; ten percent were blind or disabled. Given a total expenditure of approximately \$500 million on in-home supportive services, the annual per capita cost is approximately \$3,800, which is considerably less than the cost of institutional care. Mr. Jordan estimates that the in-home supportive services program saves the state \$2 billion per year because most of the recipients would otherwise require nursing home services under the state's Medical program. He argues that not only is the program cost effective, recipients are also happier receiving care in a home setting.

Representative Menard
January 13, 1987
Page 9

Alaska could implement an in-home supportive services program similar to the California program, albeit on a much smaller scale. However, it should be noted that any expenditures of Title XX Block Grant funds on new services result in a loss of funding for existing services, which would then require State General Funds. Furthermore, DHSS currently provides services similar to California's in-home supportive services with Title XX Block Grant funds.

According to the attached service descriptions, one of the objectives of adult protective services currently funded with the Title XX allotment is "to provide community-based long term care to maintain independent functioning and when out-of-home care is necessary, to provide placement in the least restrictive setting." Homemaker services which are provided under the adult protection program include: general housekeeping tasks, aiding with personal care tasks, promoting personal and general hygiene, and other services which assist the client in maintaining the highest level of functioning in the home.

I hope this memorandum addresses your concerns. Please contact me if you have any additional questions.

Attachments

HOUSE STATE AFFAIRS COMMITTEE

NEXT COMMITTEE: HESS

BILL: HB 462

CURRENT VERSION: SS HB 462

SCHEDULED: 3/14/88

SPONSOR: MEHARD

PHONE NO: 2679

CONTACT FILE: _____

BILL SUBJECT: COVERAGE OF MEDICALLY NEEDY PERSONS UNDER MEDICAID

SPONSOR BACKUP: NOTIFIED 4/10/88

AFFECTED AGENCIES:

| <u>DEPARTMENT</u> | <u>CONTACT/PHONE</u> | <u>COMMENT</u> |
|-------------------|----------------------|----------------|
| HESS | JAY LIVEY/3030 | |
| | | |
| | | |

FISCAL NOTES

| <u>AGENCY</u> | <u>REQUESTED</u> | <u>DATED</u> | <u>FY 88 AMT</u> | <u>FY 89 AMT</u> |
|---------------------|-------------------|--------------|------------------|------------------|
| HESS/JAY LIVEY/3030 | 2/29/88 & 3/10/86 | 3/14/88 | Ø | 6928.8 |
| | | | | |

ACTION

| <u>DATE</u> | <u>COMMENT</u> |
|-------------|----------------|
| 3/14/88 | hearing held |
| | |
| | |

HOUSE STATE AFFAIRS COMMITTEE

SSHP 462

"An Act relating to coverage of medically needy persons under medicaid; and reordering the priority for elimination of coverage for optional medical services under medicaid."

I. PURPOSE

The purpose of SSHB 462 is to add to the Medicaid program a medically needy component. The medically needy option allows states to provide Medicaid coverage to certain groups of people who meet categorical requirements (that is, they are pregnant, under 21, aged, blind, or disabled) and the resource requirement, but are over the income limits. Pregnant women and children must be covered in order to adopt a medically needy program under federal rules.

Individuals who meet categorical and resource requirements can "spend down" their income on medical expenses in order to qualify for Medicaid. The individual must demonstrate a legal liability for each incurred expense, so medical care costs reimbursed by health insurance, liable third parties, or written off by providers as bad debt or uncompensated care are not counted towards spend down. The accounting period for calculating an individual's spend down would be one month. Each month, the individual would have to meet their spend down amount in order to receive Medicaid coverage for medical expenses incurred during the remainder of that month.

The medically needy income level (MNIL) can be set up to a maximum of 133 1/3% of the Aid to Families with Dependent Children (AFDC) income standards. Eligible individuals with incomes between the AFDC standard and the MNIL attain Medicaid eligibility without spend down. Because the Adult Public Assistance (APA) income standards are higher than 133 1/3% of the AFDC standards, no aged, blind or disabled person will attain this eligibility; in fact, aged, blind and disabled persons will have to spend down to an income level below the APA standards in order to obtain medically needy coverage.

The size of the medically needy population is difficult to estimate since any person meeting categorical and resource requirements is potentially eligible. Non-institutionalized medically needy recipients are twice as expensive as normal Medicaid clients. Only 1/3 of the existing Medicaid population utilizes medical services in a month; the entire medically needy population will apply only because they have used medical services for which they cannot afford to pay.

A medically needy program does not provide coverage for most pregnant women needing pre-natal care coverage or for most children, because the average health care expenses for these groups do not meet their spend down requirement unless the household income is just above the MNIL. Medically needy will cover part of major expenditures for women with difficult deliveries, infants requiring neo-natal intensive care services, and children needing acute care or who have a chronic condition. Aged and disabled persons, the most costly Medicaid recipients in Alaska, will be the majority of the recipients of a medically needy program.

More detailed information on medically needy programs is contained in an issue paper included as an attachment to this position paper.

II. Sectional Analysis

- Section 1 Adds to AS 47.07.070(b), which delineates the optional groups of people who are eligible for Medicaid: pregnant women, persons under age 21 and persons who are aged, blind, and disabled, but not institutionalized, who meet the income standards for the medically needy and the resource standards of the Supplemental Security Income Program to the Medicaid program.
- Section 2 Amends AS 47.07.035 by adding pregnant women, persons under age 21 and persons who are aged, blind, and disabled, but not institutionalized, who meet the income standards for the medically needy and the resource standards of the Supplemental Security Income Program. The purpose of this section is to provide guidance to the department on the order in which optional Medicaid services and optional coverage groups are to be eliminated in the case of inadequate funding for the Medicaid program.

III. RECOMMENDATIONS

1. The Medically Needy program is extremely complex and a significant departure from the present medical assistance programs available in Alaska. Other states have hired consultants to project costs and design the program because the addition of the medically needy option represents a significant funding commitment which is very difficult to estimate. The two divisions involved, Medical Assistance and Public Assistance deliver their services through major computer systems which would be directly involved in the development and implementation of a medically needy program. Estimating the financial cost of systems upgrades is problematic at this time, as the department lacks depth knowledge of the demands of the medically needy program. Consequently, the department recommends that, prior to implementing this option, the legislature consider an appropriation allowing the department to contract with consultants who can develop the information needed to construct a reliable estimate of the costs of the option, particularly those relating to eligibility and claims payment systems design and operation.
2. The fiscal notes attached to this position paper represent conservative estimates for the cost of implementing a medically needy program. It projects only a 6% increase in Medicaid eligibles, phased in over a three year period. The department believes there is a potential for much greater costs. The department suggests that the legislature consider the impact of the Permanent Fund Hold Harmless and Alaska Longevity Bonus Hold Harmless statutes in relation to a medically needy program as these two provisions would significantly increase the general fund dollar cost of the program.

The Department supports the concept of this coverage, because it provides a mechanism to cover medically indigent Alaskans who currently do not qualify for Medicaid coverage. It also maximizes federal dollars to help offset unpaid medical bills which are currently being borne by health care providers and community health facilities.

However, there are many competing needs for health care financing to assist the 40,000 Alaskans who are currently estimated not to have health care insurance. The Medicaid program itself, currently requires an FY88 supplemental appropriation of \$18.5 million. The General Relief Medical Program no longer provides outpatient or preventive health services to the poorest Alaskans since losing 47% of its funding in 1986. The department cannot fully support a major expenditure of health care dollars on the medically needy option until those at the lowest socio-economic levels are guaranteed at least minimal care.

Governor Cowper convened his Interim Commission on Health Care, composed of legislators, health providers and consumers to make recommendations in the better management of costs in the current system, as well as to set priorities for expansion of coverages to improve access. The Commission has debated the medically needy option at length and will be issuing a recommendation on the adoption of this option versus others in its report in May.

Recommended by: Kim Busch
Kim Busch, Director
Division of Medical Assistance

Date: 3-14-88

Recommended by: John Taber
John Taber, Director
Division of Public Assistance

Date: 3-14-88

Approved by: Myra B. Munson
Myra B. Munson, Commissioner
Department of Health and
Social Services

Date: 3-14-88

ISSUE PAPER: THE MEDICALLY NEEDY MEDICAID OPTION

PROGRAM DESCRIPTION

Medically needy is an optional Medicaid program which allows states to provide Medicaid coverage to certain groups of people who meet all the categorical eligibility requirements (that is, they are pregnant women, children, caretaker relatives, aged, blind or disabled) for Medicaid but are over income. The medically needy income standards may be set at levels up to 133 1/3% of the maximum AFDC cash payment for the same size household. 41 states have elected an income standard close to the 133 1/3% level.

Individuals with income above the medically needy standard are allowed to "spend down" their income on medical expenses in order to qualify for the program. Families whose incomes are above the AFDC standard but below the medically needy cutoff are said to fall within the "band" (the income levels which qualify one for coverage) and will become eligible for Medicaid coverage without spending down any income towards medical expenses. Each state may choose the time period for spend down, up to a maximum allowable of six months.

Medically needy programs must include coverage for:

- children up to the age of 18 who qualify for Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI);
- children up to the age of 5 born after September 30, 1983 who would meet AFDC income requirements but live in two parent families;
- pregnant women who meet the AFDC categorical criteria,
- pregnant women who would meet the AFDC categorical criteria when the child is born;
- pregnant women living with the baby's father who would meet the AFDC unemployed parent qualifications once the baby is born; and
- all other pregnant women in two parent families.

Once these groups are covered, the state can choose to cover other groups such as the aged, blind, disabled, caretaker relatives of children.

Based on 1982 statistics, the aged are the group most likely to use the medically needy program, although the disabled are the most expensive medically needy group on a per capita basis.

IT IS VERY IMPORTANT TO NOTE THAT A MEDICALLY NEEDY PROGRAM WILL NOT COVER ALL PEOPLE WITH HIGH MEDICAL EXPENSES, AND WILL NEVER INCLUDE PERSONS CURRENTLY COVERED BY THE GENERAL RELIEF MEDICAL PROGRAM.

"SPEND-DOWN" PERIOD

The spend down period establishes the time frame for incurring medical expenses as well as the duration of medically needy eligibility. The applicant must incur medical expenses in sufficient quantity to reduce their household income to the medically needy level when these expenses are subtracted from their total income. The medical expenses do not have to be actually paid by the applicant, but they cannot include any expenses for which the recipient does not have a legal obligation (medical expenses covered by health insurance, Workers' Compensation, liable third party for an accident or injury, or medical expenses written off by the provider as bad debt or uncompensated care).

An applicant must apply in the same fashion as all other Medicaid applicants, and then must document incurred medical bills during each "spend down" period. For example: let us assume a one month accounting period, and an applicant who must spend down \$500 based on the household income. The applicant provides documentation of sufficient medical bills to meet the spend down on the 18th of the month. Medicaid will cover all medical bills for services included in the Medicaid Program from the 19th through the end of the month. At the beginning of the following month, assuming the applicant's financial situation is the same, the applicant must once again incur \$500 in medical expenses to receive any Medicaid coverage in that month.

The accounting period that a state selects will have some affect on the number and types of families able to receive medically needy benefits. Generally, families with incomes close to the band are likely to become eligible on the basis of relatively small medical bills. Families with larger incomes must incur more extensive medical bills, and frequently do not meet their spend down requirements unless they enter a nursing home, are hospitalized, or are otherwise treated for a high-cost illness. More of these families would become eligible in a one month spend down period than in a six month period, because the medical expenses that a family would need to qualify would be compared to six times more income and would have to be six times greater. Seasonally employed families may have a greater chance of becoming eligible under a six month period because they would have a longer period in which to incur expenses that were matched against a fluctuating income.

Only children living in families with income close to the band have a chance of obtaining medically needy coverage for regular preventive health care services. Eligibility for the vast majority of low income children is restricted to acute care hospitalizations. For chronically ill children, the likelihood of medically needy eligibility is significantly greater, since they incur more substantial medical bills on a regular basis. For pregnant women, eligibility depends more on the billing methodology of physicians: if the physician charges a global fee, then the pregnant woman would not incur medical expenses until the birth of the baby, attaining eligibility after the delivery, and in greater numbers, under the one month period; if the physician pro-rates the bill on a monthly or semi-monthly basis, then a larger number of pregnant women would become eligible earlier in their pregnancies under a one month accounting period. With this method and a six month period, however, a woman would ordinarily not attain

eligibility until the second trimester, and then lose eligibility again until after the birth of the baby.

Although the one month accounting period is preferable from the standpoint of low income pregnant women and children, it is more expensive in terms of administrative costs. Under the one month scenario, eligibility workers would have to compute financial eligibility for each family each month. Because the one month accounting period results in more accurate eligibility determinations, most states that began a medically needy program with longer accounting periods have switched to a one month period.

RESOURCE CRITERIA

States may develop different resource standards for medically needy programs than those mandated for categorical programs (AFDC resource limit is \$1,000 per family excluding a home and a car worth \$1,500). The vast majority of states use the Supplemental Security Income (SSI) resource standards (As of January 1, 1988: \$1,900 for one person, \$2,850 for a couple). Missouri has the lowest resource standard of \$1,000 per family regardless of family size. States must consider only resources available during the accounting period, and deduct the value of resources that would be deducted under the appropriate cash assistance program.

SERVICES

A medically needy program need not offer the same services as the regular Medicaid Program. A medically needy program must offer prenatal and delivery services to pregnant women; ambulatory services to children under 18 and individuals entitled to institutional services; home health services to any individual entitled to skilled nursing facility services and medically related transportation.

If the state offers services in an institution for mental diseases for persons age 65 or older or services in an intermediate care facility for the mentally retarded, it must offer to each group of the medically needy: inpatient and outpatient hospital, laboratory and X-ray, skilled nursing facility services to individuals over 21, EPSDT, family planning, physician services and nurse midwife services.

OTHER STATES' EXPERIENCES

Forty one states have medically needy programs. The average medically needy income level is 59.8% of the federal poverty level. Alaska does not have a medically needy program. It is important to remember that because Alaska has the second AFDC highest need standard in the country (77.8% of the federal poverty level adjusted for cost of living differences for AFDC, 115% of the federal poverty level for the aged, blind and disabled, and 186% of the federal poverty level for nursing home care). Most other states have such low need standards, that they must add a medically needy program to cover the same groups ordinarily covered here under Medicaid as categorically needy, and still fall short of the coverage provided in Alaska.

In a majority of the states, the AFDC cash payment standards are significantly lower than the federally established poverty level. 34 states provide cash assistance at less than 1/2 of the federal level, 13 states at less than 1/3 of the federal level. In low payment states, the medically needy group is largely comprised of AFDC-type individuals who meet the state's need standards but are ineligible for cash payments because their income exceeds the state's payment level (a state may have two different need standards: one for eligibility determinations and one for payment). The medically needy standard for a family of three in Alaska would span from \$779 to \$1,038 per month. In contrast, the standard for Mississippi, where payments are the lowest, would be \$96 to \$128 for a family of three.

PROGRAM COSTS

Administrative costs are much higher for a medically needy program than a Medicaid program, and the chance of making quality control errors is much greater. This is because medically needy programs are more labor intensive than categorical Medicaid programs, as recalculations of each families' spend down must occur in each accounting period, in addition to monitoring all other eligibility requirements that the household is required to meet.

It has been difficult to collect conclusive expenditure data because states report various categories of eligible groups differently (e.g. institutionalized persons and "Ribicoff children" are ordinarily covered as categorical unless a state has a medically needy program). In addition, there is substantial variation in income eligibility standards, covered services, reimbursement rates and spend down accounting periods. These factors make it difficult to draw upon the experience of other states to develop accurate enrollment and cost estimates for Alaska.

Early projections made by states attempting to calculate the cost of medically needy programs had been high, since a person would not qualify for coverage if they did not have medical expenses for which payment was unavailable. However, available data suggests that although medically needy programs have higher per capita costs than Medicaid, they do not increase a state's overall expenditures as much as had been expected. This is primarily because enrollment rates are generally lower than anticipated; potentially eligible individuals are slow to enroll; and the start-up phase before a program may reach its plateau may last from two to five years. Partially, this is caused by the collection of Medicaid data based on the date claims are paid rather than the date costs are incurred.

A Department of Health and Human Services study found that medically needy costs are slightly less than twice those of regular Medicaid recipients when the institutionalized population is excluded from the count. When only children and the related AFDC caretaker relatives are counted, the amount is 1.26 times the expenditure for a regular Medicaid program. When all non-institutional medically needy are compared to the categorical population, the expenditures average 2 times as much. When the institutional medically needy costs are included, the cost is three times as great. The cost of providing medically needy coverage to children and

pregnant women in 1982 ranged from \$4 million (Colorado) to \$40 million (Texas) with the per capita costs ranging from \$1,000 to \$2,831 for pregnant women and \$194 to \$862 for children.

Expenditure data for 1982 indicate that the medically needy account for 28% of the expenditures even though they are only 14% of the recipients. Different states have experienced dramatically different medically needy expenditures, ranging from a 2.3% population accounting for 2.2% of the expenditures in Louisiana to a 25.1% population using 76.4% of the expenditures in Connecticut.

WHAT WOULD MEDICALLY NEEDED MEAN IN ALASKA?

The income levels for the medically needy in Alaska in the following table are projected at the maximum of 133 1/3% of the AFDC standard. It should be noted that the medically needy income level (MNIL) for the aged, blind and disabled populations is lower than the Adult Public Assistance standards (\$659 for one person, \$976 for a couple). This means that aged, blind and disabled persons would have to "spend down" below the Adult Public Assistance income standard to receive Medicaid coverage, and that, unlike AFDC-related groups, no one in these categories would fall within the "band" and automatically attain Medicaid eligibility with the enactment of a medically needy program. As stated earlier, the medically needy "band" is the range of income for a household of a particular size which would qualify an applicant for Medicaid coverage without spending down to any particular income level. Only AFDC-related families, pregnant women, and children would attain eligibility by having incomes within the "band".

MONTHLY INCOME STANDARDS

| PERSONS | AFDC | MEDICALLY NEEDED BAND | MNIL | APA |
|----------|---------|-----------------------|---------|-------|
| 1 | \$437 | ----- | \$582 | \$659 |
| 2 | \$692 | ----- | \$922 | \$976 |
| 3 | \$779 | ----- | \$1,038 | |
| 4 | \$866 | ----- | \$1,154 | |
| 5 | \$953 | ----- | \$1,270 | |
| 6 | \$1,040 | ----- | \$1,386 | |
| 7 | \$1,127 | ----- | \$1,502 | |
| 8 | \$1,214 | ----- | \$1,618 | |
| 9 | \$1,301 | ----- | \$1,734 | |
| each add | \$87 | ----- | \$116 | |

Although states have experienced a wide variation in growth of eligibles upon enactment of a medically needy program, studies generally cite a 6 to 14% increase in eligibles (2% if only pregnant women and children are added to the program). Assuming this were true in Alaska, the state could expect between 2,542 (6%) and 5,932 (14%) new eligibles (based upon 42,370 current eligibles). The average cost of the non-institutional medically needy is 1.75% greater than the average cost of the Medicaid categorical recipient, which would equal \$3,593 per person, or increased

expenditures between \$9,133,406 and \$21,313,676. If the institutional population is included, at a cost three times that of the categorical recipient (\$6,159 per person), the increased expenditures would range from \$15,656,178 to \$36,535,188. These costs account for only medical expenditures, not administrative expenditures.

Other costs which would necessarily have to be included for implementation of a medically needy program would include substantial systems changes to the Eligibility Information System (EIS) of the Division of Public Assistance to accommodate management of the new program, and the Medicaid Management Information System (MMIS), the automated claims processing system currently coming on-line in the Division of Medical Assistance.

Increases in the Division of Public Assistance statewide field staff, who determine eligibility and monitor cases, would also be required. Field staff are already operating at maximum capacity in managing the AFDC, APA, Medicaid, Food Stamps, General Relief, General Relief Medical and Energy Assistance Programs. The medically needy program is 4 to 5 times more expensive administratively than a regular Medicaid Program, as the cases demand monthly determinations of eligibility and verification of incurred medical expenses. Additionally, medical expenses must be closely tracked to assure that applicants receive correct credit for expenses, that expenses which are pro-rated are accurately accounted, and that expenses covered by other third parties are not included in the spend down. Medically needy programs are extremely error prone because of the complexity of these computations, so the state would be required to expend the necessary personnel resources in achieving the federally allowable 3% error rate.

Because of the above mentioned factors, a medically needy program would need about a year and a half lead time before the program could actually deliver benefits to recipients.

OTHER FACTORS

The existence of the Permanent Fund Dividend Hold Harmless (PFDHH) and the Alaska Longevity Bonus Hold Harmless (ALBHH) provisions will create further impact on General Fund expenditures. Every medically needy recipient will be eligible for PFDHH annually, for at least a one month period. The statute guarantees four months of hold harmless coverage for each person receiving a PFD, during which time all of their medically needy covered services would be reimbursed out of 100% state dollars. The ALBHH is an on-going hold harmless requiring that every aged person turning 65 after 1985 have their benefits paid from 100% state dollars as long as they lose eligibility because of receipt of the ALB. About one half of the elderly medically needy recipients would qualify for ALBHH, so all of their medical expenses will be paid from 100% state dollars. Over time, the number of elderly qualifying for ALBHH for medically needy will increase because fewer will be recipients in the grandfathered pre-1985 group.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An act Relating to the Coverage
of Medically Needy
Sponsor: Menard
Requestor: _____

Agency Affected: Health & Social Services
BRU: Public Assistance Admin
Components: Eligibility Determination
PA Data & Word Processing

EXPENDITURES REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | -0- | 165.5 | 224.6 | 444.9 | 444.9 | 444.9 |
| TRAVEL | -0- | 165.5 | 224.6 | 444.9 | 444.9 | 444.9 |
| CONTRACTUAL | -0- | 408.0 | 65.0 | 95.0 | 95.0 | 95.0 |
| SUPPLIES | -0- | -0- | -0- | -0- | -0- | -0- |
| EQUIPMENT | -0- | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| LAND & STRUCTURES | -0- | -0- | -0- | -0- | -0- | -0- |
| GRANTS, CLAIMS | -0- | -0- | -0- | -0- | -0- | -0- |
| MISCELLANEOUS | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL OPERATING | -0- | 583.5 | 369.6 | 549.9 | 549.9 | 549.9 |
| CAPITAL | -0- | -0- | -0- | -0- | -0- | -0- |
| REVENUE | -0- | -0- | -0- | -0- | -0- | -0- |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|-----|-------|-------|-------|-------|-------|
| GENERAL FUND | -0- | 291.7 | 184.8 | 274.9 | 274.9 | 274.9 |
| FEDERAL FUNDS | -0- | 291.8 | 184.8 | 275.0 | 275.0 | 275.0 |
| OTHER | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL | -0- | 583.5 | 369.6 | 549.9 | 549.9 | 549.9 |

POSITIONS:

| | | | | | | |
|-----------|-----|-----|-----|------|------|------|
| FULL-TIME | -0- | 5.0 | 9.0 | 13.0 | 13.0 | 13.0 |
| PART-TIME | -0- | -0- | -0- | -0- | -0- | -0- |
| TEMPORARY | -0- | -0- | -0- | -0- | -0- | -0- |

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: John R. Taber, Director Phone: 465-3347
Division: Division of Public Assistance Date: 3/14/88
Approved by Commissioner: Myra M. Murren Date: 3/14/88
Agency: Department of Health & Social Services

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Department of Health and Social Services
Division of Public Assistance

Although states have experienced a wide variation in growth of eligibles upon enactment of a medically needy program, studies generally cite a 6 to 14% increase in eligibles (2% if only pregnant women and children are added to the program). This fiscal note assumes Alaska will experience 6% growth or 2542 new eligibles based upon 42,370 current eligibles. The experience of other states also indicates that participation in a medically needy program gradually increases for 2 to 5 from inception before reaching a stable level of participation. This fiscal note assumes incremental increases of 2% per year over current levels during the first three years of the program.

One time costs which would have to be included for implementation of a medically needy program would include system changes to the Eligibility Information System (EIS) of the Division of Public Assistance to accommodate management of the new program (estimated at \$400,000).

Significant increases in the Division of Public Assistance statewide field staff, who determine eligibility, monitor cases, and authorize benefits would be required. Field staff are already operating at maximum capacity in managing the AFDC, Adult Public Assistance, Medicaid, Food Stamps, General Relief and General Relief Medical Programs. The medically needy program is 4 to 5 times more expensive administratively than a regular Medicaid Program, as the cases demand monthly determinations of eligibility and verification of incurred medical expenses. Additionally, medical expenses must be closely tracked to assure that applicants receive correct credit for expenses, that expenses which are pro-rated are accurately accounted, and that expenses covered by other third parties are not included in the spend down. Medically needy programs are extremely error prone because of the complexity of these computations. The state would be required to expend the necessary personnel resources to achieve the federally allowable 3% error rate and effectively manage the caseload.

Public Assistance BRU
Eligibility Determination Component

A. The following identifies the field staff and support resources needed if we assume a Medical Needy program with 3 year service level increase of 6% or 2542 cases. We assume this intake and maintenance case load level by year three of program operation.

YEAR ONE Eligibility staff resources for intake and maintenance workload of an estimated 847 cases

| <u>Position Title</u> | <u>Salary Range</u> | <u>Monthly Cost</u> | <u># of PFT</u> | <u>FY Cost</u> |
|-----------------------|---------------------|---------------------|-----------------|----------------|
| Eligibility Tech II | 13A | 3028 | 4.0 | 145,344 |
| Clerk III | 8A | 1678 | 1.0 | 20,136 |
| TOTAL | | | 5.0 | 165,480 |

Contractual line item is for telephone, postage, printing, and office space 8,000

One time equipment outlay for desk, chair, file cabinet and EIS workstation 10,000

One time cost for system changes to the Eligibility Information System necessary to implement and manage the new medical needy program. 400,000

TOTAL YEAR ONE 583,480

YEAR TWO Eligibility staff resources for intake and maintenance workload of 1694 medical needy cases

| <u>Position Title</u> | <u>Salary Range</u> | <u>Monthly Cost</u> | <u># of PFT</u> | <u>FY Cost</u> |
|-----------------------|---------------------|---------------------|-----------------|----------------|
| Eligibility Tech II | 13A | 3028 | 7.0 | 254,352 |
| Clerk III | 8B | 1678 | 2.0 | 40,272 |
| TOTAL | | | 9.0 | 294,624 |

Contractual line item is for telephone, postage, printing, and office space 15,000

One time equipment outlay for desk, chair, file cabinet and EIS workstation 10,000

EIS Computer System Operation 50,000

TOTAL YEAR TWO 369,624

YEAR THREE Eligibility staff resources for intake and maintenance workload of 2542 medical needy cases

| <u>Position Title</u> | <u>Salary Range</u> | <u>Monthly Cost</u> | <u># of PFT</u> | <u>FY Cost</u> |
|-----------------------|---------------------|---------------------|-----------------|----------------|
| Eligibility Tech IV | 15A | 3441 | 1.0 | 41,292 |
| Eligibility Tech II | 13A | 3028 | 10.0 | 363,360 |
| Clerk III | 8B | 1678 | 2.0 | 40,272 |
| TOTAL | | | 13.0 | 444,924 |

Contractual line item is for telephone, postage, printing, and office space 20,000

One time equipment outlay for desk, chair, file cabinet and EIS workstation 10,000

EIS Computer System Operation 75,000

TOTAL YEAR THREE 549,924

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to coverage
of Medically Needy persons.
Sponsor: _____
Requestor: _____

Agency Affected: Health & Social Services
BRU: Medical Assistance, Medical
Assistance Administration
Components: Medicaid Facility, Medicaid
Non-Facility, ALBHH, PFDW; Central
Administration, Claims Processing

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|---------|----------|----------|----------|----------|
| PERSONAL SERVICES | | 304.0 | 322.2 | 341.6 | 362.1 | 383.8 |
| TRAVEL | | 28.0 | 29.7 | 31.5 | 33.4 | 35.4 |
| CONTRACTUAL | | 275.6 | 133.1 | 141.1 | 149.6 | 158.6 |
| SUPPLIES | | 9.0 | 9.5 | 10.1 | 10.7 | 11.4 |
| EQUIPMENT | | 40.5 | -0- | -0- | -0- | -0- |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | 6,271.7 | 13,296.0 | 21,072.9 | 22,337.3 | 23,677.5 |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | 6,928.8 | 13,790.5 | 21,597.2 | 22,893.1 | 24,266.7 |
| CAPITAL | | | | | | |
| REVENUE | | | | | | |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--|---------|----------|----------|----------|----------|
| GENERAL FUND | | 4,379.0 | 8,715.6 | 13,649.4 | 14,468.4 | 15,336.5 |
| FEDERAL FUNDS | | 2,549.8 | 5,074.9 | 7,947.8 | 8,424.7 | 8,930.2 |
| OTHER | | | | | | |
| TOTAL | | 6,928.8 | 13,790.5 | 21,597.2 | 22,893.1 | 24,266.7 |

POSITIONS:

| | | | | | | |
|-----------|--|---|---|---|---|---|
| FULL-TIME | | 7 | 7 | 7 | 7 | 7 |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS : (Attach a separate page if necessary)

SEE ATTACHED FISCAL NOTE ANALYSIS

Prepared by: Kim Busch, Director *Kim Busch* Phone: 465-3355
Division: Medical Assistance Date: 3-14-88

Approved by Commissioner: Myra Munson *Myra Munson* Date: 3-14-88
Agency: Department of Health and Social Services

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

FISCAL NOTE ANALYSIS
SSHB 462
DIVISION OF MEDICAL ASSISTANCE

ASSUMPTIONS

The Department has assumed that adoption of a medically needy option will increase the number of Medicaid eligibles by 6% (2,542 individuals) phased in over a three year period. Based on other states experience, the medically needy population is generally made up of 2% pregnant women and children. The remaining eligibles will be equal numbers of aged and disabled persons. Medically needy costs for non-institutional recipients is about double the cost of Medicaid recipients.

The Department assumes that the other 4% of the medically needy population will be equally divided between aged and disabled, and that half of the aged population will qualify for Alaska Longevity Bonus Hold Harmless. The average expenditures for these two populations in the existing Medicaid program is significantly higher than the costs of pregnant women and children.

The cost of the Permanent Fund Dividend Hold Harmless is calculated as the equivalent of one month's medically needy program costs. The Alaska Longevity Bonus Hold Harmless (ALBHH) is calculated by assuming that one half of the elderly medically needy recipients would be eligible for the program as ALBHH state-only recipients.

SERVICES

Medically needy Medicaid recipients will receive all Medicaid covered services except for institutional care services: skilled nursing care, intermediate care, intermediate care for the mentally retarded and inpatient psychiatric for those aged 65 and older. The cost for the medically needy covered services for year one of the program is presented by budget component below:

| | MEDICAID FACILITY | MEDICAID NON-FACILITY | ALBHH | PFDHH | TOTAL |
|-----|-------------------|-----------------------|-----------|---------|-----------|
| | 3,081,324 | 1,540,662 | 1,127,075 | 522,641 | 6,271,702 |
| FFP | 1,540,662 | 770,331 | | | 2,310,993 |
| GFM | 1,540,662 | 770,331 | | | 2,310,993 |
| GF | | | 1,127,075 | 522,641 | 1,649,716 |

| | AVERAGE ANNUAL COST* | X | RECIPIENTS | -3** = | FIRST YEAR COST |
|-------------------|----------------------|---|------------|--------|-----------------|
| PREGNANT WOMEN | \$ 6,076 | | 423 | | 856,716 |
| CHILDREN UNDER 21 | \$ 2,388 | | 424 | | 337,504 |
| DISABLED | \$10,000 | | 847 | | 2,823,333 |

AGED \$ 7,984 847 2,254,149

* Adjusted for other states program experiences which indicates that a medically needy recipient is twice as expensive to serve as the corresponding category of Medicaid recipient.

** Three year program phase-in assumption

| | FIRST YEAR COST | SECOND YEAR COST | THIRD YEAR COST |
|-------------------|-----------------------|------------------------|-----------------------|
| PREGNANT WOMEN | 856,716 | 1,816,238 | 2,878,566 |
| CHILDREN UNDER 21 | 337,504 | 715,508 | 1,134,013 |
| DISABLED | 2,823,333 | 5,985,466 | 9,486,399 |
| AGED | 2,254,149 | 4,778,796 | 7,573,941 |
| TOTAL | 6,271,702 | 13,296,008 | 21,072,919 |

The second year costs are calculated by adding a 6% inflation growth amount to the first year's cost and multiplying the amount by 2.

The third year costs are calculated by adding a 6% inflation growth amount for years one and two to the first years cost and multiplying the amount by 2.

MEDICAL ASSISTANCE ADMINISTRATION

JUNEAU - PROGRAM COORDINATION

The addition of a Medically Needy Medicaid Program option will require extensive research into program development; creation of a new Medically Needy Program Manual for eligibility field staff to use in determining eligibility; revision of the Medicaid State Plan with the federal government; drafting of new regulations; on-going policy development; and indepth coordination with the Division of Public Assistance.

Personal Services

| | |
|--|------------------|
| Medical Assistance Program Officer Range 21A \$3,812/mo. X 31% benefits X 12 months | \$59,925 |
| Clerk Typist III, Range 8A \$1,631/mo. X 31% benefits X 12 months | \$25,639 |
| | <u>\$ 85,564</u> |

Travel

| | | |
|--|----------|------------------|
| quarterly district office reviews, estimated at \$2,000 each | \$ 8,000 | |
| Monthly program reviews with Anchorage staff 1,000 each | \$12,000 | <u>\$ 20,000</u> |

Contractual

Communication

| | | |
|---|----------|-----------------|
| centrex line charge | \$ 512 | |
| long distance - \$200/mo | \$ 2,400 | |
| postage \$100/mo | \$ 1,200 | |
| Advertising for public meetings for regulations changes \$200/paper/ 4 papers/3 times/year | \$ 2,400 | |
| Printing of: eligibility manuals and periodic updates; public notices about the program, etc. | \$ 3,000 | |
| Meeting room rental for public meetings \$350 X 3 | \$ 1,050 | <u>\$10,562</u> |

Supplies

| | | |
|---|----------|--|
| Office and Library Supplies for support staff | \$ 1,500 | |
|---|----------|--|

Equipment

| | | |
|---|----------|-----------------|
| 2 - desks, 2 - desk chairs, 2 - side chairs 1 - bookcase, 1 filing cabinet and 1 - supply cabinet | \$ 1,050 | |
| 2 microcomputers with laser printer, network connections, and support software | \$10,000 | <u>\$11,050</u> |

| | |
|--------------|------------------|
| JUNEAU TOTAL | <u>\$128,676</u> |
|--------------|------------------|

ANCHORAGE - PROGRAM IMPLEMENTATION

The addition of the Medically Needy Medicaid program option will require a significant investment of staff time in utilization review functions; development of computer reports; medical review assessments; development of new programming for the Medicaid Management Information System (MMIS, the automated payment system under

development); and interface requirements between MMIS and the Eligibility Information System (EIS) of the Division of Public Assistance.

Medical Review

To support the increased volume and scope of recipients and providers of medical services under a Medically Needy Medicaid option, the medical review function requires the addition of one Nurse position:

- 1) medical services policy development; coordination of providers involving special cases; out-of-state service requests; evaluation of changing criteria for prior authorization of services to include transportation and escorts;
- 2) Medical and program coordination with the dozens of agencies, clinics, advocacy groups and facilities which interface with Medicaid operations;
- 3) agency representation and testimony at fair hearings for recipients and providing of services;
- 4) identification and follow-up of fraudulent or abusive patterns of service utilization;
- 5) medical review of hospital and provider billing practices relative to services performed;
- 6) development and assessment of procedures for adopting new or improved durable medical equipment (DME); new medical/surgical procedures; and pharmaceuticals such as growth hormones, AIDS drugs, and cancer treatments;
- 7) performance of on-site service reviews for assessment of all components of the Medicaid program such as Personal Care; inpatient hospital; physician visits; rehabilitation services; and mental health programs;
- 8) preparation and follow up on federal and state performance reviews and audits.

Surveillance/Utilization Review (SURS)

Medicaid consists of thousands of medical procedures, and a wide array of supplies, drugs, diagnosis, and techniques. Research and analysis of the patterns of use of these elements is clearly a requirement of responsible program management.

Analysts will be called upon under major program expansion, to develop and implement research tools and techniques to determine costs by procedure, by provider, by facility and all related combinations, to establish areas of effectiveness, waste, abuse or fraud.

Information requests will increase dramatically as the size and cost of the Medicaid program increases. A well developed research unit with appropriate reports design capability and statistically valid analyst techniques is crucial to program administration. To effectively meet the increased information reporting and demands of both the state and federal government will require the addition of two research analysts to the program. Their responsibilities will include cost/benefit analysis to the service or procedure levels of the program; and pattern analysis of usage throughout the Medicaid program.

These positions will also continually reconcile system edits and audits with the current state plan and regulations; and will prepare documentation for federal funding; and facility rate setting and issue resolution.

System Support

Automation is the basis of health care financing, as it becomes increasingly more complex each year. The state through its fiscal intermediary processes in excess of 350,000 individual claims for medical services annually. Virtually all payments, patient history, provider information and reporting is handled by computer. While contractors or other state agencies bear responsibility for computer operations and mainframe programs, the Division increasingly requires the in-house capability to define program specifications; test coded results; communicate technical requirements; and to download data to agency personal computers for specialized detailed analysis and reports. This has already become a major gap in program administration. There are currently nine major computer systems the division interfaces with in regular operations; and three independent system networks. Staff with the technical background needed to communicate user requirements, computer system limitations, and develop realistic expectations, is a necessity in modern, complex operations. However, this is a specialized area of expertise, and therefore does not lend itself to small, as needed contracts for programs. It is an ongoing responsibility requiring the technical staff with a developed understanding of medical claims processing systems; financial transactions; edits and audits; and reporting requirements to successfully respond to the changing medical environment in Alaska.

Administrative Support

The increased activity and positions for operation will necessitate administrative support beyond typing and reception duties. There will be budget monitoring and reporting for all units in the section; increased scope and complexity of procurements; procedures and follow-up for personnel recruitment actions; documentation systems to be developed and maintained for the claims payments system and for administration manuals and legal materials; and coordination of leases and contracts.

Personal Services

MEDICAL REVIEW

Nurse IV Range 17A

| | |
|---|------------------|
| \$2,895/mo. X 1.31% benefits X 12 | \$ 45,509 |
| SURVEILLANCE/UTILIZATION REVIEW | |
| Research Analyst III Range 18A \$3,113/mo X 1.31% benefits X 12 | \$ 48,936 |
| Research Analyst II Range 16A \$2,702/mo X 1.31% benefits X 12 | \$ 42,475 |
| MEDICAID MANAGEMENT INFORMATION SYSTEM | |
| Systems Programmer Analyst I Range 18A \$3,113/mo X 1.31% benefits X 12 | \$ 48,936 |
| ADMINISTRATIVE SUPPORT | |
| Administrative Assistant III Range 16A \$2,072/mo. X 1.31% benefits X 12 | \$ 32,572 |
| | <u>\$218,428</u> |

Travel

| | |
|---|-----------------|
| quarterly district office reviews estimate at \$2,000 each | \$ 8,000 |
| | <u>\$ 8,000</u> |

Contractual

Communications

| | |
|--|----------|
| Long distance \$200/month 1 professional | \$ 9,600 |
| Telephone base system \$480/new unit to system | \$ 2,400 |
| Postage \$200/month | \$ 2,400 |

Office Space Rental

| | |
|---|-----------|
| 200 square feet per position X 5 positions X \$1.25/sq. ft/mo X 12 | \$ 15,000 |
|---|-----------|

Printing

| | |
|---------------------------------------|----------|
| Provider bulletins, forms and manuals | \$ 4,000 |
|---------------------------------------|----------|

Data Processing

| | |
|--|-----------|
| Medicaid Management Information System (MMIS) modifications | \$200,000 |
|--|-----------|

Contract

| | |
|---|--|
| Claims processing costs of MMIS fiscal intermediary 2 claims/yr/ | |
|---|--|

2,542 recipients X \$6.23/claim
processing charge

\$ 31,673
\$265,073

Supplies

Office supplies to support program at 1,500
per professional staff

\$ 7,500
\$ 7,500

Equipment

Desk (\$300), Office chair (\$200), side chair (\$100)
file cabinet (\$150), and book case (\$100) for each
position = \$850 X 5
Supply cabinet \$200

\$ 4,250
\$ 200

5 microcomputers with laser printer,
network connections and support software

\$ 25,000
\$ 29,450

ANCHORAGE TOTAL

\$528,451

MEDICAL ASSISTANCE ADMINISTRATION SUMMARY

| | (JUNEAU) | (ADMINISTRATION) | |
|-------------------------|---------------------------|-----------------------|------------------------|
| | Central Administration | Claims Processing | M.A. Administration |
| Personal Services | 85,564 | 212,428 | 303,992 |
| Travel | 20,000 | 8,000 | 28,000 |
| Contractual | 10,562 | 265,073 | 275,623 |
| Supplies | 1,500 | 7,500 | 9,000 |
| Equipment | <u>11,050</u> | <u>29,450</u> | <u>40,500</u> |
| Total MA Administration | 128,676 | 528,451 | 657,127 |
| Total Services | | | \$6,271,702 |
| | | TOTAL FIRST YEAR COST | <u>\$6,928,829</u> |

Year two and beyond assume a 6% annual inflationary rate of growth. The Medicaid Management Information System modifications of the first year would be

Paralyzed man takes up fight for home care

By ERIC TROYER

Frontiersman staff

WASILLA - A man paralyzed from his neck down is fighting to stay out of a nursing home and save the government some money, but state regulations are leaving him little choice.

Juan D. Gutierrez, injured in a 1978 diving accident, can get funding from the state for nursing-home care, but not to pay for an aide in his home, where he wants to live. The cost of having an aide help him at home is about \$3,800 per month less than the cost of living in a nursing home, Gutierrez said, but he is not eligible for a Medicaid in-home care program.

Able to get by on his own much of the time, he says he would be miserable in a nursing home. He wants to live around his friends and family and be able to come and go freely. Around the house he needs only periodic care, spending his time reading, typing and watching television.

It would take an attendant six to eight hours a day to tend to his needs at a cost of about \$1,200 a month if he were eligible for reimbursement. He could, however, be placed in a nursing home at the state's expense for about \$5,000 a month.

Gutierrez is in the center of a drive to change requirements for handicapped people who require daily care. Fighting with him are Marilyn Bannister, 53, his friend

and attendant for eight years, and Chris Chernick, 27, Bannister's daughter. Already the trio has won the support of a Valley legislator.

They are trying to find out how many people are in the same situation as Gutierrez to gain more support to get the laws changed. But nobody in state government seems to have figures on which handicapped people need what care, Chernick said.

"It's like everybody in a wheelchair is hiding at home," she said.

Duane French, of Access Alaska, a non-profit handicap advocacy group, estimates that about 75 people are in the same situation as Gutierrez. The group is pushing for change in the law to help these people.

Gutierrez's problem, simply, is that he makes too much money.

Gutierrez, 33, makes \$750 a month from Social Security and Veterans' Administration benefits, which is about \$100 too much for him to qualify for the in-home care program. Gutierrez, a veteran, broke his neck in 1978 when diving into shallow water.

"Every last social worker says I'd like to help you, but . . ." Gutierrez said.

Gutierrez, Bannister and Chernick are trying to get the qualifications changed so Gutierrez, and others like him, can receive financial aid for an attendant instead of having to go to a nursing home.

(Continued on Page 10)

Home care

(Continued from Page 3)

Rep. Curt Menard, R-Wasilla, said he is having legislation drafted that would allow people like Gutierrez to have the state pay for in-home care rather than having to go to a nursing home.

"It just doesn't seem to make good sense to me," he said.

He said he will introduce the bill in the House this session and try to get a similar one introduced in the Senate. The bills will be similar to existing laws in California and Washington.

Until moving up here in August Gutierrez and Bannister were living in California. While there Gutierrez was getting financial aid to pay for Bannister to care for him. California has a share-the-cost program where Gutierrez paid the difference between what he made and the state's poverty level for part of Bannister's care. The rest of Bannister's care was paid for by

the state.

"Everybody's told me 'Why don't you move back to California where the system works,'" Gutierrez said.

Nancy Bennett, a medical assistance administrator for the Department of Health and Social Services, echoed the advice.

"His options are pretty limited. He can leave Alaska and go somewhere else or he can go to a nursing home," she said.

But Bennett doubts the legislature will vote to change the system once it finds out the consequences.

"We'd be saving money in his particular case, but we'd have to offer it to everybody," she said.

By offering a share-the-cost program many more people, including pregnant needy women and needy children would be eligible for Medicaid programs. The increase would cost the state a lot, she said, though she could not give any estimates.

"His options are pretty limited. He can leave Alaska and go somewhere else or he can go to a nursing home."

"It's not an oversight. We just have limited funds," Bennett said.

But Gutierrez said the state shouldn't just look at the money element.

"They don't see the moral side of the story," he said.

Gutierrez and Bannister moved to Alaska in August to be with Yvonne, Gutierrez's sister. Yvonne, 16, has been living with Chernick and going to Wasilla High School since last winter.

"We moved up here to be with the ones we love," Gutierrez said.

Before Gutierrez and Bannister came they checked with the Veterans' Administration and the state and were told they would be eligible for at least two programs.

"It wasn't as though we

were taking a shot in the dark," Gutierrez said.

After being rejected for funding by a number of government agencies Gutierrez ended up in a hospital and was told he was going to be sent to a nursing home in Seward. Rejecting that Gutierrez moved back in with Chernick temporarily.

Gutierrez, his sister and Bannister would like to move into their own place and Gutierrez is considering going to college. But none of it can happen if Gutierrez is in a nursing home or can't get in-home care funding.

But after a few more phone calls Gutierrez has discovered he may yet be eligible for an in-home care program through veteran's benefits.



With the right equipment Gutierrez can type 15 words a minute.

H B

4 6 9

HOUSE STATE AFFAIRS COMMITTEE

NEXT COMMITTEE: FINANCE

BILL: HB 469

CURRENT VERSION:

SCHEDULED: MARCH 25 1988

SPONSOR: KOPONEN

PHONE NO: 4992

CONTACT FILE: _____

BILL SUBJECT: GRANTING CERTAIN FIREFIGHTERS STATUS AS PEACE OFFICERS UNDER PERS

SPONSOR BACKUP: IN FOLDERS

AFFECTED AGENCIES:

| <u>DEPARTMENT</u> | <u>CONTACT/PHONE</u> | <u>COMMENT</u> |
|-------------------|----------------------|------------------|
| ADMIN | PUSHPENDER/2200 | NOTIFIED 2/24/88 |
| | | |
| | | |

FISCAL NOTES

| <u>AGENCY</u> | <u>REQUESTED</u> | <u>DATED</u> | <u>FY 88 AMT</u> | <u>FY 89 AMT</u> |
|-------------------|------------------|--------------|------------------|------------------|
| ADMIN | 2/25/88 & 3/4/88 | 3/24/88 | -0- | -0- |
| NATURAL RESOURCES | | 3/7/88 | -0- | -0- |
| | | | | |

ACTION

| <u>DATE</u> | <u>COMMENT</u> |
|-------------|--|
| 3/11/88 | TELECONFERENCE HEARING: HELD FOR FURTHER INFORMATION |
| 3/25/88 | CS PASSED FROM STATE AFFAIRS |
| | |
| | |

Original sponsors: Koponen and Gruenberg

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 469 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act granting certain forestry or natural resource
7 employees status as peace officers under the Public
8 Employees' Retirement System; and providing for an
9 effective date."

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

11 * Section 1. AS 39.35.680(28) is amended to read:

12 (28) "peace officer" or "fireman" means an employee occupy-
13 ing a position as a peace officer, chief of police, correctional
14 officer, correctional superintendent, fireman, [OR] fire chief, or a
15 state employee occupying a position as a forestry technician, natural
16 resource manager in the division of forestry in the Department of
17 Natural Resources, or forester;

18 * Sec. 2. An employee who was employed by the state as a forestry
19 technician, natural resource manager in the division of forestry in the
20 Department of Natural Resources, or forester before July 1, 1988, may
21 convert the credited service for that position to credited service as a
22 peace officer by claiming the service as peace officer service before the
23 member is appointed to retirement and making retroactive contributions to
24 the system. The indebtedness is equal to (1) the contributions to the
25 system that the employee would have made if the service had counted as
26 peace officer service, less (2) the contributions to the system that the
27 employee actually made. Interest as prescribed by regulation accrues on
28 this indebtedness beginning July 1, 1988. Any outstanding indebtednes..
29 that exists at the time a person is appointed to retirement will require an



Official Business

Alaska State Legislature

House

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

HOUSE STATE AFFAIRS COMMITTEE

HOUSE BILL 469

FILE CONTENTS

1. HB 469: AN ACT GRANTING CERTAIN FIREFIGHTERS STATUS AS PEACE OFFICERS UNDER THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; AND PROVIDING FOR AN EFFECTIVE DATE.
 - 1A. COMMITTEE SUBSTITUTE FOR HOUSE BILL 469: WORK DRAFT
2. LETTER TO REPRESENTATIVE ULMER FROM COMMISSIONER ANDREWS: DATED MARCH 23, 1988
3. LETTER TO REPRESENTATIVE ULMER FROM COMMISSIONER ANDREWS: DATED MARCH 22, 1988
4. POSITION PAPER, DEPARTMENT OF ADMINISTRATION, DATED MARCH 24, 1988
5. POSITION DESCRIPTIONS: FOREST TECHNICIANS, FORESTER, AND NATURAL RESOURCE MANAGEMENT
6. PUBLIC OPINION: LETTERS, POM'S AND TESTIMONY
7. RESOLUTION OF ALASKA FIRE CHIEF'S ASSOCIATION AND ATTACHMENTS

FISCAL NOTE

- A. DEPARTMENT OF ADMINISTRATION, DATED MARCH 24, 1988: --0--

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX C
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200



March 23, 1988

Honorable Fran Ulmer
Chair, House State Affairs Committee
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

Dear Representative Ulmer:

Re: Committee Substitute House Bill 469

In accordance with AS 24.08.036, I am providing the analysis below on Committee Substitute House Bill 469. The analysis includes the long-term and short-term impact to the State if the bill is adopted and the impact the bill will have on the actuarial soundness of the Public Employees' Retirement System (PERS) fund.

This bill would allow members who fight forest and grassland fires to participate in the the Public Employees' Retirement System (PERS) in the Peace Officers/Firefighters category. Currently, these members are participating in the PERS in the "All Other" category and are classified by State Personnel as Forestry Technicians, Natural Resource Managers, and Foresters.

There are approximately 200 PERS members in the three job classifications above. Fire fighting duties are assigned at the local level so not every one may be assigned duties in the field fighting fires. These positions are located throughout Alaska, high risk fire areas as well as low (or no) risk fire risk areas. The members may transfer to positions around Alaska. Under the current personnel system, the entire job classification(s) would have to be included in the Peace Officer/Firefighter category and not just those persons with fire fighting duties. Other than for a small core group, fire fighting duties are secondary and may or may not be assigned. For example, a Forestry Technician living in Glennallen may not be assigned to fighting forest fires during the months of May or June but because of a high number of fires and too few firefighters, may have fire fighting duty during July and August. The following year, this member may not be assigned to any fire calls.

It is estimated that this bill would increase the State's cost by 0.03%. This would result in an annual increase of \$125.9 to the State. The \$125.9 cost to the State is calculated as follows:

| | |
|--|---------|
| Increase in the contribution rate (0.03%) times the estimated FY 88 State payroll (\$419,656,104): | \$125.9 |
|--|---------|

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HB 469
PUBLISH DATE: 2-15-88

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Natural Resources
 Title: An Act granting certain fire fighters BRU: Forest Management
status as Peace Officers under PERS.
 Sponsor: Koponen and Gruenberg Components: Forest Management
 Requestor: Koponen

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| 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)

| | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary) There is no fiscal impact to the Department of Natural Resources; however, the Department of Administration may show fiscal impact.

Prepared by: George K. Hollett Phone: 465-2491
 Division: Forestry Date: _____
 Approved by Commissioner: *Lenne Gunn* Date: 3/7/88
 Agency: Natural Resources

Distribution (by preparer):

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

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/15/88

FURTHER REFERRALS: Finance

DATE: 3-25-88

The State Affairs Committee has considered HB 469

"An Act granting certain firefighters status as peace officers under the Public Employees' Retirement System; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 469 (SA) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Ed. G. Tombs

David Duley

SIGNING OTHER RECOMMENDATIONS:

John Wilson no rec

~~_____~~
Larry Martin No rec.

Carl M... NO REC.

[Signature]

 Chairman's signature

POSITION PAPER
Committee Substitute House Bill 469

This bill would allow members who fight forest and grassland fires to participate in the the Public Employees' Retirement System (PERS) in the Peace Officers/Firefighters category. Currently, these members are participating in the PERS in the "All Other" category. These members are classified by State Personnel as Forestry Technicians, Natural Resource Managers, and Foresters.

There are approximately 200 PERS members in the three job classifications above. Fire fighting duties are assigned at the local level so not every one may be assigned duties in the field fighting fires. These positions are located throughout Alaska, high risk fire areas as well as low (or no) risk fire risk areas. The members may transfer to positions around Alaska. Under the current personnel system, the entire job classification(s) would have to be included in the Peace Officer/Firefighter category and not just those persons with fire fighting duties. Other than for a small core group, fire fighting duties are secondary and may or may not be assigned. For example, a Forestry Technician living in Glennallen may not be assigned to fighting forest fires during the months of May or June but because of a high number of fires and too few firefighters, may have fire fighting duty during July and August. The following year, this member may not be assigned to any fire calls.

The Department is neutral on this bill.

Robert F. Stalnaker
Robert F. Stalnaker, Acting Director
Division of Retirement & Benefits

3/23/88
Date

John M. Andrews
Commissioner John M. Andrews
Department of Administration

3/24/88
Date

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

P.O. BOX C
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200

3

March 22, 1988

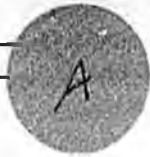
The Honorable Fran Ulmer
Chair, House State Affairs Committee
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Representative Ulmer:

Re: Proposed Changes to House Bill 469

This is in response to the committee's request to the Division of Retirement and Benefits for additional information relative to the proposed changes to House Bill 469. The proposed amendment would allow "seasonal" Forestry Technicians, National Resource Managers, and Foresters to receive additional Peace Officers/Firefighters service credit in the Public Employees' Retirement System (PERS) for paid overtime hours. The Department of Natural Resources employs about 107 Forestry Technicians, 90 Natural Resource Managers, and 24 Foresters each season. The amendment would also affect about 400 seasonal employees of the Department of Fish and Game who are "grandfathered" in the Peace Officer/Firefighter retirement coverage.

Contrary to statements made to the committee by state employees favoring passage of the proposed amendment to HB 469, considering overtime for additional service credit would increase the cost of the bill. The overtime issue would increase the annual state cost by an additional \$2,100.0 over that estimated for just including the "wildland" firefighter only under PERS Peace Officer/Firefighter coverage. This amendment alone would increase the State's PERS contribution rate by 0.12%. The Department of Natural Resources estimate that the hours of overtime range from 80 hours to 750 hours per year per seasonal employee with the average around 500 hours per year. We also estimate that the 400 Fish and Game seasonal Peace Officers work an average of 200 hours of overtime each season.



FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: Granting certain firefighters peace officer status under Public Employees' Retirement System (PERS) BRU: Retirement and Benefits
 Retirement System (PERS) Components: Retirement and Benefits
 Sponsor: Koponen
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | 0 | 0 | 0 | 0 | 0 | 0 |
| SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0 |
| EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0 |
| LAND & STRUCTURES | 0 | 0 | 0 | 0 | 0 | 0 |
| GRANTS, CLAIMS | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|---|---|---|---|---|
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: R. F. Stalnaker, Acting Director Phone: 465-4470
 Division: Retirement and Benefits Date: 3-9-88
 Approved by Commissioner: John M. Andrews Date: 3/24/88
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

CORRECTION

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

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

P.O. BOX C
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PHONE: (907) 465-2200

March 22, 1988

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March 22, 1988

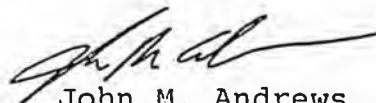
Pursuant to the request of the committee, I have enclosed copies of the class specifications for the Forestry Technicians, the Natural Resources Managers, and the Foresters. Also enclosed are copies of individual job descriptions representative of each job class. The individual job descriptions indicate that about 142 (64%) of the 221 employees working in the three listed classifications are actually involved in "fire suppression" from 20% to 40% of the time with an additional 20% to 30% in "presuppression" (maintaining equipment, etc.). The other 30% to 40% of their duties include non-firefighting activities.

You had also expressed a concern about the potential for a "leap frogging" effect if this amendment was passed. The state hires many seasonal employees who are not covered as peace officers therefore not covered by this bill, but who would have a claim of being similarly situated regarding overtime. Many state agencies use a few seasonal workers at times during the year, but most of these seasonal employees work standard hours with little overtime. However, the departments of Fish and Game, Transportation (Marine Transportation), and Natural Resources have sizeable seasonal work forces working a substantial amount of overtime at some time during the year. About one third of the Marine Highway employees are seasonal and work substantial overtime hours during the summer months. The Department of Natural Resources employs an additional 100 seasonal workers who do not have to fight wildland fires. These employees also work considerable overtime during each season.

I feel that it is also important to note that under the PERS, we credit service on a day-to-day basis, not by the hour. A change of this type would require a major restructuring of crediting service under the PERS.

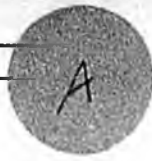
I hope that this information will be helpful to the committee. Please contact Robert F. Stalnaker, Acting Director, Division of Retirement and Benefits, at 465-4470 if there are any questions or if additional information is needed by the committee.

Sincerely,



John M. Andrews
Commissioner

JMA/DS/lc
Enclosures



FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: Granting certain firefighters peace officer status under Public Employees' Retirement System (PERS) BRU: Retirement and Benefits
 Components: Retirement and Benefits
 Sponsor: Koponen
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | 0 | 0 | 0 | 0 | 0 | 0 |
| SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0 |
| EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0 |
| LAND & STRUCTURES | 0 | 0 | 0 | 0 | 0 | 0 |
| GRANTS, CLAIMS | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|---|---|---|---|---|
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Robert F. Stalnaker, Acting Director
 Division: Retirement and Benefits
 Phone: 465-4470
 Date: 3-9-88

Approved by Commissioner: John M. Andrews
 Agency: Department of Administration
 Date: 3/24/88

Distribution (by preparer):
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STATE OF ALASKA

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6605-07
6606-09
6607-11
6608-13
6609-14

FOREST TECHNICIANS I-V

Series Definition:

The Forest Technician series exists in order to assist the State forestry program in three general areas: to provide the base field data for professional foresters to appraise, research and plan for the conservation, protection, utilization, and development of the State's forestry resources; to implement recommendations and plans of foresters to conserve, protect, utilize and develop the forests; and to communicate to and assist the public with technical aspects of forestry management. Forest Technicians perform subprofessional and paraprofessional work in predefined and preestablished disciplines centered around field operations; where positions do not perform field work they are involved in supportive or administrative functions vital to the functioning of the field operations (such as, radio dispatching or map making).

Forest Technician I

Distinguishing Characteristics:

Forest Technician I is the trainee level class. Under immediate supervision, Forest Technicians I receive on the job training and classroom instruction in basic forestry field work routines, terminology, equipment and safety procedures. Training generally lasts one summer season (approximately five months); at the end of this period trainees are able to participate in a field crew performing routine tasks without specific instruction.

Examples of Duties:

In a learning context, under specific direction of a Forest Technician II or higher, participates in field crew work such as:

- Data collection
- Flagging
- Cruising
- Scaling
- Inventory
- Seasonal nursery work
- Planting, thinning, seed gathering
- Fire equipment usage in suppression of forest fires
- Learns safety procedures (forest and fire)
- Fire-fighting tactics
- Fire prevention and detection
- Evidence preservation

Attends basic forestry courses generally covering such subjects as:

- Aerial Photograph Interpretation
- Map Work
- Inventory
- Cruising
- Basic Fire Orientation
- Basic Fire Fighting
- Introduction to Fire Vehicles

Forest Technicians I-V

Page 2

Water and Pumps
Power Saws

Knowledges, Skills & Abilities:

Knowledge of: Basic arithmetic (+ - - x %); basic reading and writing (in order to maintain records).

Skill in: Operating a motor vehicle.

Ability to: Perform strenuous physical tasks (hiking, bending, carrying heavy loads); work cooperatively with others over extended periods of time; follow instructions; learn forestry field work routines; and respond effectively in emergency situations.

Minimum Qualifications:

Knowledges, skills and abilities as above.

Interest in and aptitude for forestry technician field work.

Possession of a valid Alaska Driver's License.

Forest Technician II

Distinguishing Characteristics:

Forest Technician II is the first working level class in this series. Under immediate supervision, positions perform the basic, core, routine field and office work in the Forest Technician series. Positions do not lead, direct or supervise others except to teach basic techniques to temporary crews hired to assist in the work at peak periods (such as Young Adult Conservation Corps groups or emergency firefighters). Positions typically work in field crews gathering data (measuring, counting, estimating, taking notes, identifying species, reading weather instruments, making maps, etc.) and in forest development (flagging, gathering seeds, planting, thinning, removing, felling, digging, slashing, operating water pumps, driving trucks, dispatching, etc.) Incumbents may be "red card qualified" to any level of fire boss depending upon personal fire experience; this in itself does not affect the classification of positions. Physical labor is incidental to carrying out the functions performed.

Examples of Duties:

Assists in data collection for timber sales as a field crew member, taking or recording information on wood type, tree size, distance from road, acreage, erosion, etc.

Flags and paints trees as specifically directed, to designate sale boundaries and roads.

Cruises trees by estimating gross volume of trees before cut.

Measures roads, culverts, trim, stump size, slash, etc. during and after timber sale removal by purchasers to assure compliance to

Forest Technicians I-V

Page 3

contract standards.

Scales timber by estimating gross volume of cut trees under immediate supervision of a higher level forest technician.

Inventories a specific plot by counting or recording tree and plant species.

Assists in nursery work at peak periods (spring and fall) by planting seeds, thinning trees, and packing for shipment.

Gathers cones and seeds; plants young trees in designated areas for reforestation; may teach YACC groups the techniques of tree planting.

Thins trees; removes diseased trees.

Makes general interpretation of aerial photographs for scale, distance, roads, distinctive timber types, muskeg; draws simple maps based on photographs; indexes photos.

Takes notes; records data in the field and recomputes in office; may assist in report writing as a training exercise.

Explains most elementary timber measurement techniques to private land owners.

Performs a routine check of fire equipment daily on assigned truck to assure working order.

Assists in fire suppression by operating small water pumps, felling trees, clearing areas, etc. and maintaining awareness of fires to predict directional changes, take safety precautions and communicate firefighting techniques and safety to emergency firefighters.

Relays information concerning fires detected to headquarters in absence of higher level technicians; may be located alone in a fire look out tower; dispatches information as directed concerning fire status and needs at the fire scene.

Participates as a crew member in prescribed burning, i.e. deliberately burning specified areas for ecological and/or major fire prevention benefits.

Protects areas after fires from damage to critical evidence which is used to establish cause of fires.

May do simple daily weather checks for computer input to interpret fire hazards.

Draws, or assists in drawing, basic fire maps showing roads, kinds of roads, accessibility, timber types, water sources, etc.

Assists in presenting fire prevention programs to schools or other agencies.

Issues burning permits.

Attends basic courses not taken at the trainee level.

Performs other related duties as assigned.

Knowledges, Skills & Abilities:

In addition to those at level I:

Knowledge of: Forestry and fire field work safety procedures; general forestry terminology; limited species identification; basic field work routines (such as: measuring, cruising, reading aerial photographs and maps, flagging, using a compass, operating fire fighting tools).

Minimum Qualifications:

One season of at least four months duration of forestry field work experience. Qualifying experience would include logging, forest fire suppression, timber sale layout, or related.

Substitution: Education at an accredited college or university in forestry; or fire science or fire management oriented toward forest or grassland fires may be substituted for the required experience on the following basis: field or lab oriented courses - one semester hour = one month.

Possession of a valid Alaska Driver's License.

Forest Technician III

Distinguishing Characteristics:

Forest Technician III is the full working level class in this series where incumbents make first level, elementary decisions and limited interpretations of plans and results. Positions are expected to understand the basics and purposes of forestry field operations, yet not required to make decisions regarding complex, difficult or unusual situations. For example, the Forest Technician III is able to pinpoint a location on an aerial photograph and guide him/herself to that spot when distinctive geographic features exist; the Forest Technician III would not be expected to locate his/her position in a flat, uniform forest as would the Forest Technician IV. This class receives general supervision, though at times positions may be placed in the field with no supervision immediately available. Positions have responsibility for the smallest technical projects and may lead crews of one to four lower level technicians while participating in the work of the crew.

Examples of Duties:

Leads a small crew in data collection for timber sales.

Leads a small crew in flagging trees, determining specific routes to take within established boundaries.

Cruises trees by estimating net volume of trees before cut (i.e. gross volume - defects = net).

Leads a small crew in measuring and checking timber sale removal by private companies for contract compliance.

Scales timber by estimating net volume of cut trees; may be a "certified scaler".

Leads a small crew in inventory of timber plots; identifies plots to be inventoried from aerial photographs or maps.

Leads crew in planting trees; determines number and location of trees to be planted within a given area; directs a large YACC crew in tree planting.

Leads crew in thinning trees; identifies diseased trees to be eradicated.

Interprets aerial photographs in order to identify his/her position in the field where distinguishing geographical features exist; draws basic maps.

Writes short reports (1-4 pages) on small crew projects summarizing purposes, data collected and conclusions, with charts attached.

Explains basic forest technician procedures to private land owners (such as elementary aerial photograph interpretation) to assist them with their own timber sales.

Has responsibility for a small firefighting crew and emergency firefighters; directs strategies for small fire suppression.

Relays information concerning fires detected to headquarters, requiring interpreting and reporting of accurate information; dispatches information concerning fire status and needs as directed by the fire boss.

Leads crew in burning specific areas as directed, assuring that necessary precautions are taken so fires will not burn out of control.

Draws basic fire maps.

Leads lower level technicians in presenting fire prevention programs to schools and agencies.

Inventories equipment of assigned truck after fires.

Performs other related duties as assigned.

Knowledges, Skills and Abilities:

In addition to those at the lower levels:

Knowledge of: Techniques of forestry field work; general firefighting strategies; elementary forestry ecology, protection, timber sales, mapping, and timber growth.

Skill in: Operating forestry and firefighting tools; writing reports.

Ability to: Work independently; lead others; make decisions, particularly in emergency situations; interpret general directions and data.

Minimum Qualifications:

Eighteen months of forest technician field experience including one year equivalent in kind and level to Forest Technician II. Experience must have included forest fire prevention or suppression AND technical aspects of forest management (e.g. timber sales, reforestation, inventory).

Substitution: Education at an accredited college or university in forestry; or fire science or fire management oriented toward forest or grassland fires may be substituted for the required experience on the following basis: field or laboratory oriented courses - one semester hour = one month (to maximum of six months); other or additional courses - one semester hour = two months to a maximum of twelve months.

Possession of a valid Alaska Driver's License.

Forest Technician IV

Distinguishing Characteristics:

Forest Technician IV functions as the independent working level in the series; this class frequently has lead responsibility over lower level technicians or over several crews which are each directed by a Forest Technician III. This level generally performs the highest level technical field work where the positions are not technical specialists as found at level V. Positions allocated to this class spend the majority of their time directing, assisting and checking the work of lower level technicians; solving the most difficult problems; consolidating information and writing reports; or doing similar administrative functions rather than actually participating in the basic field and office work as do the lower levels. Forest Technicians IV are frequently assigned general projects by professional foresters and are expected to complete them independently without other supervision.

Examples of Duties:

May direct several crews in data collection for timber sales; makes rough estimates from data collected for appraisals (such as: value of wood, kind and number of roads and bridges needed, distances to main roads); prepares routine timber sale contracts.

Leads several crews in sale layout, indicating general limits and routes for the crews to work with; implements more complex road and bridge designs; issues permits to homeowners requesting timber for private use.

May cruise more difficult timber; may be a "certified scaler."

Directs inventory work by ensuring crews have adequate equipment, identifying plots from maps, determining number of samples to take based on the uniformity of the timber stand, identifying unusual plant and tree species.

May be a full time nursery worker with responsibility for complete care of plants, taking foliage analyses to adjust soil, climate and water and identifying diseases and insects.

Distinguishes genetically superior trees from which to gather cones and seeds; recommends specific areas be surveyed for possible reforestation.

Determines percentage of trees to thin in given areas.

Makes difficult and complete interpretations of aerial photos (for specific timber types, road grades, etc.); identifies specific locations where non-distinguishing factors exist.

Consolidates small project reports into one area report.

Explains timber sale layout procedures to private land owners (such as: how to build roads and bridges, cruise and scale, write sale contracts, layout sales with least environmental damage).

May be a "small fire boss"; directs strategy tactics of small crews.

May direct lower level technicians to dispatch requests for assistance with fighting fires.

May provide ground supervision of prescribed burning programs.

Gathers evidence, takes pictures, maintains security, traces fire damage from source, notes wind direction, etc.. and draws general conclusions concerning fire causes; trains lower levels on techniques of evidence preservation.

Directs lower level technicians in map preparation; resolves more complex problems.

Determines prevention program content according to school age level; directs lower levels on how to present programs and what information to include.

Responsible for burning permit program, educating users on fire prevention and control; gathers evidence and takes to court those who have caused fire outbreaks; issues citations.

Inventories area fire equipment after fires; responsible for yearly area inventory.

Identifies individuals needing training in specific subjects; assures implementation and follows through on training programs.

Performs other related duties as assigned.

Knowledges, Skills & Abilities:

In addition to those at the lower levels:

Knowledge of: Basic principles of forestry ecology, inventory, development, timber sale administration, logging, fire prevention and suppression.

Minimum Qualifications:

Two and a half years of forest technician field experience including one year equivalent in kind and level to Forest Technician III.

Substitution: Education at an accredited college or university in forestry; or fire science or fire management oriented toward forest or grassland fires may be substituted for the required experience on the following basis: field or laboratory oriented courses - one semester hour = one month (to maximum of six months); other or additional courses, lower division - one semester hour = two months to a maximum of 18 months; other or additional courses, upper division - one semester hour = two months to a maximum of six months.

Possession of a valid Alaska Driver's License.

Forest Technician V

Distinguishing Characteristics:

Forest Technician V functions as a technical specialist class. Positions allocated to this level are unique and are the most knowledgeable persons regarding one or more technical program or specialty areas (such as: scaling, aerial photograph interpretation, bridge construction, or district/statewide training programs.) Although positions may function as either staff specialists or leaders of a large group of lower level technicians, all have responsibility for setting standards, defining work content and procedures, taking work samples and reviewing for quality, and identifying needs in administering one or more programs. These positions are not working field positions; they are distinguished from professional foresters by the fact that they work within predefined, preestablished disciplines and do not plan, manage, develop or research forests on a wide range scale. Forest Technicians V have district wide responsibility in one or more functions and may have statewide responsibility.

Examples of Duties:

Makes cost estimates from collected data for appraisals; prepares routine, timber sale contracts.

Defines and interprets the most complex bridge designs for sale layouts.

Determines priority areas to cruise.

May be an expert scaler, performing "quality control" checks on a district or statewide basis, setting standards for and teaching courses in scaling.

Determines priority areas, in conjunction with the area forester, to inventory for sale, reforestation or timber stand improvement.

May be an aerial photograph expert, solving the most difficult problems of interpretation.

Forest Technicians I-V

Page 9

Explains timber sale layout procedures to private land owners (such as: how to build roads and bridges, cruise and scale, write contracts, layout sales with least environmental damage).

Develops course content and standards for courses not "canned"; teaches or trains others to teach courses; identifies general training needs on a district or statewide basis.

Develops prevention program content; procures films; outlines presentations geared to different age levels.

Direct lower levels in creating fire maps, explaining procedures, assuring relevant information is included (timber types, natural fire breaks, equipment location, grades, length of time to reach a fire outbreak from specific locations, etc.)

Responsible for district wide inventory after fires; maintains property control numbers; determines supply needs.

May specialize in forest fire investigation handling more complex situations (unless arson is involved, in which case an outside specialist would be called in). May develop and teach courses on investigation.

Performs other related duties as assigned.

Knowledge, Skills & Abilities:

Same as those required at level IV.

Minimum Qualifications:

Three and one half years of forest technician field experience including one year equivalent in kind and level to Forest Technician IV.

Substitution: Education at an accredited college or university in forestry; or fire science or fire management oriented toward forest or grassland fires may be substituted for the required experience on the following basis: field or laboratory oriented courses - one semester hour = one month to a maximum of six months; other or additional courses, lower division - one semester hour = two months to a maximum of 18 months; other or additional courses, upper division - one semester hour = two months to a maximum of 18 months.

Possession of a valid Alaska Driver's License.

Orig: 05/01/77

Rev: 10/16/78 Series revised

STATE OF ALASKA

Class Specification

FORESTER I

6621-14

Definition:

Under immediate supervision, assists senior Foresters and learns procedures involved in a variety of forest management programs.

Distinguishing Characteristics:

This is the trainee level of the Forestry class series. Assignments are of limited scope, and often comprise segments of larger projects which are the responsibility of a senior level Forester. Assignments are usually routine, and do not require independent judgment and decisions since instructions are specific and geared toward familiarization with operating programs. Positions allocated to this class may be rotated among operating district sections, headquarters, and office and field assignments for training purposes.

Examples of Duties:

Makes stereoscopic interpretation of ground cover using aerial photographs and the application of photo interpretation techniques.

Assists in planning and determines forest inventory as to species, size and volume, age, percent of stocking, growth rate and quality.

Applies field data toward the preparation of statistical charts compiled for ground surveys.

Maps forest types using drafting equipment, aerial photographs and projectors.

Participates in field surveys for establishment of timber tracts, park areas, and other land classification.

Locates field plots on aerial photographs and determines azimuth, scale and distances to locations.

Keeps maps and photo indices up to date; assists in fire prevention and fire fighting activities; keeps records and prepares reports.

Participates in and may supervise small fire fighting, tree planting and other work crews.

May inspect logging and earthwork projects for compliance with regulations and sound resource management principles.

Performs other related work as required.

Knowledges, Skills and Abilities:

Knowledge of: the principles and practices of forestry, to include forest inventory procedures and classifications; plant nutrition, forest reproduction and growth cycles; logging methods consistent with sustained yield and conservation of ecological balance; fire prevention and control; surveying techniques.

Ability to: learn specific forest management practices, to include inventory, appropriate land use factors, and protection; take part in and learn specific procedures of surveying and mapping; participate in and contribute to timber cruise and land evaluation and classification programs; record and transcribe field notes accurately; work cooperatively with others; perform arduous physical tasks under difficult field conditions.

Minimum Qualifications:

Graduation from an accredited college or university with a Bachelor's degree in forestry.

Substitution: Completion of six semester hours of forestry courses in an accredited college or university.

AND

- A. One year of experience equivalent in kind and level to Forest Technician IV
- OR
- B. Three years of experience equivalent in kind and level to Forestry Technician III.

Orig: 4/70
Rev: 7/01/76
Rev: 10/16/78 M.Q.'s

STATE OF ALASKA

Class Specification

FORESTER II

6622-16

Definition:

Under general supervision, performs a variety of journey level forest management projects, and participates with superiors in the accomplishment of major programs.

Distinguishing Characteristics:

This is the full professional level in the Forester series. Positions allocated to this class may be distinguished by independence of action. Supervision is not usually received while work is in process, although assignments are usually reviewed upon completion.

Examples of Duties:

Serves on the headquarters forest protecting staff, helps prepare statewide fire control plan; monitors cooperative agreements with other governmental agencies to assure cost effectiveness.

Identifies forest types by tree species, size and stand density, and locates boundaries of a give forest inventory area.

Participates in timber sale planning and prepares timber appraisals and contract proposals; prepares sale prospectus, advertisements and final contracts.

Participates in land evaluation and access road planning; may supervise field survey parties.

Locates personnel and equipment, arranges transportation, and assigns crews to specific work areas.

Assists in preparing basic training programs and trains new employees in the interpretation of aerial photographs, fire suppression and timber cruising.

Checks aerial photographs to see that correct delineation of forest types has been made by subordinates.

Supervises fire control efforts cooperative forest management projects and timber sale field work at subdistrict level. Distributes and disseminates information to the public and industry regarding fire prevention programs, timber resources and forestry assistance available to private landowners and industry.

Distributes and disseminates information to the public and industry regarding fire prevention programs, timber resources and forestry assistance available to private landowners and industry.

Prepares reports and maintains records.

Performs other related duties as required.

Knowledges, Skills and Abilities:

Knowledge of: Principles and practices of forestry, to include forest inventory procedures and techniques, fire prevention and suppression, surveying, timber and land use appraisal and management planning, silviculture, logging practices and reforestation practices and land classification procedures; interagency forest management responsibilities; effective public relations practices.

Ability to: Independently perform forest management projects, to include field surveys, consultation with staff and other operating and administrative agencies, consolidation of information and use of sound judgment in preparation of complete and factual reports in consideration of available alternatives; prepare complete contract documents; lead and supervise the work of technicians; establish and maintain effective working relationships with others; perform arduous physical tasks under difficult field conditions.

Minimum Qualifications:

Graduation from an accredited college or university with a Bachelor's degree in forestry

AND

One year of experience as a professional forester or equivalent in kind and level to Forest Technician V.

Substitution: Graduate study from an accredited college or university may be substituted for the required experience on a year-for-year basis.

Additional experience as a forester or forest technician may substitute for the required undergraduate education on a year-for-year basis.

Orig: 5/70
Rev: 10/01/74
Rev: 2/16/76
Rev: 7/01/76
Rev: 10/16/78 M.Q.'s

STATE OF ALASKA

Class Specification

NATURAL RESOURCE MANAGEMENT SERIES

| | |
|--------------------------------|-----------|
| Natural Resource Technician I | 6650 - 10 |
| Natural Resource Technician II | 6651 - 12 |
| Natural Resource Officer I | 6652 - 14 |
| Natural Resource Officer II | 6653 - 16 |
| Natural Resource Manager I | 6654 - 18 |
| Natural Resource Manager II | 6655 - 20 |
| Natural Resource Manager III | 6656 - 22 |
| Natural Resource Manager IV | 6657 - 23 |

Series Definition:

The Natural Resource Management series covers a variety of functions involved in managing land, water, minerals, timber, oil, gas, agriculture, parks, historical sites, and related surface and subsurface resources of the State. The management of each type of resource typically requires specialized knowledge peculiar to that resource. However, all positions in this series, in addition to sharing a common mission, are characterized by similar processes such as ascertaining the legal status of the resource; evaluating issues critical to the short-term and long-term management of the resource; identifying and resolving potential conflicts in status of resources; and administering specific transactions and use. Generally, positions in this series perform public information; adjudication (issuing permits, contracts, leases, etc.); research and planning; field work (primarily to collect or verify information); title administration; and conveyance functions. Positions share similar references, procedures, and methods in doing their work. Such common references include title reports, maps, status plats, statutes, regulations, planning and classification reports, historical records. In addition, many of the "subject areas" overlap with others to a great extent. Therefore, familiarity with other areas is important. For example, a position primarily issuing water permits may be asked to also issue land use permits. A position primarily focusing on public information may often need to answer questions about land use, firewood permitting, or the geology of the local area. A broad perspective is particularly needed at the higher class levels.

Positions excluded from the professional (Natural Resource Officer) series are those which primarily perform technical investigations that require application of a specific scientific background such as hydrology, geology or forestry; positions which primarily perform additional and specialized field services such as park/visitor protection or fire control; or positions in other specific disciplines covered by other job series. However, positions which are primarily involved in administrative or management functions relative to forest or park resources are included in this series, at the Natural Resource Manager levels.

There are three different kinds of job classes in the Natural Resource Manager Series: Natural Resource Technicians (I & II), Natural Resource Officers (I & II), and Natural Resource Managers (I, II, III & IV). They are differentiated based on the nature and level of work performed. Typically Natural Resource Technicians assist higher levels with routine documents processing, public information, field work in state parks, etc. They receive close supervision and are required to explain and understand the basics of resource management in particular subject areas. They

do not make decisions that may be controversial, or ones that are particularly complex. Neither do they administer programs or supervise other technicians or higher levels. They may have some supervisory responsibility for clerks. Nat Resource Officers do the independent and professional work of the series, exceeding the technical level assignments because they are expected to process difficult/complex transactions; be familiar with and draw on all regulations, policies, etc. pertinent to their area of expertise (e.g. lands, water, title, minerals); organize projects; independently investigate permit or other violations; etc.

Natural Resource Managers have, understandably, management responsibility. They may be responsible for managing park districts; land, water, or minerals planning and adjudication; or forestry programs. The primary focus of their jobs is on effective administration. They draw on their own experience and the expertise of subordinates to make decisions, yet are expected primarily to be effective managers.

Minimum Qualifications

For purposes of these minimum qualifications, Natural Resource Management is defined as the management of the land, water, mineral, timber, oil, gas, agricultural, park, historical site and related surface and subsurface resources of the state. Experience and/or education in natural resource management would mean involvement in the above resources exclusively. Those with experience or education in managing these resources may specialize in different management functions (for example planning, regulation, research and appraisal). All of this experience is applicable to the natural resource management definition.

Original: 9/24/82 (incorporates Land Management Technician I; Land Management Officer I-V; Deputy Director, NR; Park Technician I-II; Park Ranger III; Park Planner I-IV; Forester III-IV; State Recorder; Chief, Park Maintenance and Operations.)

Natural Resource Technician I 6650 - 10
Natural Resource Technician II 6651 - 12

Natural Resource Technician I is the first entry level into the Natural Resource Manager Series. It is a training level class. Incumbents learn to perform one or more technical functions of resource management. They learn to issue simple permits for a variety of uses, work at a public information counter, record property transactions, assist in patrolling a park area, etc. After a successful completion of the training period (normally six months) incumbents are promoted to Natural Resource Technician II. (Note: positions are covered by "flexible-staffing agreements.")

Natural Resource Technician II do routine technical work in any one or more of the following specific areas. Work is technical in the sense that assignments require reference to, and comprehension of, subject matter guidelines (i.e. beyond clerical work). Tasks at this level are summarized below in order to give a general idea of the work assigned at this level. Note that although many of these duties are characteristic of the Technician II level, they are also frequently performed by higher level Natural Resource Officers, in conjunction with other responsibilities. Also, positions at the Natural Resource Officer I or higher level who specialize in one area quite often do additional technician level tasks in other areas.

Examples of Duties:

PUBLIC INFORMATION tasks at this level include responding to verbal and written requests from the public for assistance; participating in public meetings or hearings to collect information on a particular resource issue, to speak on a topic of concern, or to assist in resolving an issue; preparing materials for exhibit; explaining historical features to a park visitor; assisting the public with complex permit applications. Substantive knowledge and research of the subject area(s) are critical.

TITLE SEARCH involves such duties as comparing case files against previous plats; abstracting land title status information; determining easements, rights-of-way, encumbrances, etc. that a parcel of land may be subject to; identifying and correcting erroneous information; and determining that the State has sufficient title before a particular action is taken. At this level, only simple title searching would be conducted, and conflicts would be resolved by the supervisor.

ADJUDICATION at the technician level involves preparing simple permits (i.e. a routine transaction for private use with only one party requesting an action) for land use, water use and mineral rights. Adjudicators review applications for proper signatures, data, etc. and then research the request by referencing maps and aerial photos to identify the location of the requested use; read legal descriptions, title reports, classification reports, etc; do field work if necessary; identify sources of conflict with other resource users; prepare permits for approval of the technician's supervisor or identify conflicts that need resolution by the supervisor.

PARK MANAGEMENT activities that a technician would assist with, in addition to general public information, include general park maintenance; patrolling park areas to enforce park regulations; administering

first aid; identifying and warning visitors of park hazards; participating in search and rescue; assisting park managers with explaining park programs to other agencies; doing research for park programs, talks, informational brochures, etc.

Minimum Qualifications:

Natural Resource Technician I:

One year of:

- a) college
- b) clerical experience at the level of Clerk Typist III, Recording Clerk I or Documents Processing Clerk II
- c) experience as a Drafting Tech I
- d) field experience in a scientific subject area
- e) any combination of the above

Natural Resource Technician II:

Six months of experience as:

- a) a Natural Resource Technician I with the State of Alaska or the equivalent elsewhere
- b) a College Intern in a natural resource management field (975 hours)

- or -

One year of experience:

- a) equivalent in kind and level to Recording Clerk III or Documents Processing Clerk III where the work involved land transactions
- b) in real estate work above the clerical level
- c) equivalent in kind and level to Forest Technician II or III
- d) equivalent in kind and level to Drafting Technician I where the work was primarily in lands (maps, surveys, plats, etc.)

- or -

Twelve semester or eighteen quarter hours of college coursework in natural resource management subjects.

Natural Resource Officer I 6652 - 14
Natural Resource Officer II 6653 - 16

Natural Resource Officer I is the first level of the professional Natural Resource Manager series. Generally, positions at this level either participate in complex projects (such as research projects, planning projects, and administrative projects [e.g. writing policy and procedure manuals]). Or they may be asked, for example, to complete small planning projects that would become a part of a land use plan. Positions may also be working leaders over technicians who are doing routine title/adjudications/public information work. Characteristically, positions either participate in completing major, professional projects, are responsible for small ones, or do complex or difficult adjudication or title work. This is the first level where general administrative tasks are assigned. For example, positions frequently assist in budgeting, planning, supervising and other personnel work. They frequently train lower level staff, evaluate program objectives, implement management plans, etc.

Examples are:

TITLE SEARCH duties would involve determining when title is inadequate or can be contested/opposed.

ADJUDICATION at this level typically involves processing complex permits and case files as well as preparing notices and decisions, sales, best interest findings, legal descriptions, etc. When the Natural Resource Officer encounters problems, he/she would make some preliminary attempts to resolve them, and if unsuccessful would forward them to his/her supervisor with a recommended solution. Natural Resource Officers I do not usually sign off permits, or make final decisions. They do work which may cause potential difficulties, requires special research, independent judgment, etc.

Natural Resource Officer II is the full professional level class in the areas of resource planning, adjudicating resource use, abstracting title and professional research related to the management of natural resources. While positions normally do not have substantial supervisory responsibilities, they do participate in the overall administration of programs by assisting with program planning and implementation, writing policies and procedures and recommending changes in policy and program operations as requested. Positions may in some cases be working leaders over technician work, or may occasionally supervise a few nonpermanent or permanent assistants. The primary focus of their jobs, however, is on accomplishing the professional assignments critical to carrying out these programs.

Examples are:

ADJUDICATION at the Natural Resource Officer II level usually involves processing difficult case files which involve several party interest or controversy; holding conferences to understand/resolve conflicts; identifying nonstandard solutions to problems; doing extensive research to understand problems; testifying in court cases; responding to appeals of permit decisions made at lower levels; being a team leader in field work investigations; etc.

PLANNING AND CLASSIFICATION involves such activities as researching land status; writing reports on resource issues; evaluating proposals for the use of resources to recommend policy alternatives; developing regional plans; soliciting public input; and providing planning assistance to local governments and other state agencies.

Minimum Qualifications:

Natural Resource Officer I:

One year of experience equivalent in kind and level to Natural Resource Technician II or Forest Technician IV.

- or -

A bachelor's degree.

Note: Specialized "registers" are being developed at this level (and will be continued at the NRO II and NR Manager levels). Preference will be given to those who have experience in any of the specific disciplines described in the Natural Resource Management series, specifically, those with one year minimum experience or 16 semester hours (24 quarter hours) college coursework in the subject matter needed as described in the above definition. To get on one or more of these special lists, the applicant needs to complete the natural resources supplemental application form.

Natural Resource Officer II:

One year of:

- a) experience equivalent in kind and level to Natural Resource Officer I, Forester I, Park Ranger I, Geologist I, Hydrologist I, Agronomist I, Historian I, Archaeologist I, or other professional natural resources work at the NRO I level
- b) experience as a Graduate Intern in a natural resource management field (1950 hours)
- c) graduate study in natural resource management, law, public administration, or business administration. (One year of graduate study = 24 semester hours or 36 quarter hours of graduate level coursework.)
- d) any combination of the above.

Natural Resource Manager I 6654 - 18
Natural Resource Manager II 6655 - 20
Natural Resource Manager III 6656 - 22
Natural Resource Manager IV 6657 - 23

Natural Resource Manager I is the first level at which significant administrative responsibility is assigned and where it is the major job duty. The following tasks are typical: supervising other professional, technical and/or clerical employees; managing one or more major projects (as defined in the department's operating budget); managing a work unit; developing a budget and controlling/accounting for expenditures; monitoring and accounting for personnel accomplishments/time restraints within the project responsibility; writing program guidelines; preparing monthly reports on project(s) status; developing contracts for additional services. Positions at this level have a clearly defined programmatic responsibility. This includes developing guidelines for work products, advising the supervisor on the effectiveness of guidelines (e.g. regulations, legislation) and recommending improvements that might be made. They evaluate management concerns and options that are complex due to multiple effect and interaction of laws, public and private interests, or potential for conflict or loss. Positions at this level do the work that is referred (by lower levels) to those technically knowledgeable about the particular field, such as analyzing and drafting regulations, developing program plans, providing information to other state agencies and coordinating projects with them, representing the division at public hearings involving resource management policy or regulations, developing and recommending policies and procedures to carry out certain resource management functions, advising the division director of areas within his/her expertise, etc.

Natural Resource Manager II, in addition to performing those duties characteristic of Natural Resource Manager I, has stronger supervisory responsibilities. All positions are supervisory with authority for appointing, promoting, transferring, suspending, discharging and adjudicating the grievances of subordinates. Typically, the II level supervises a staff or unit (including other professionals) with responsibility for significant, statewide resource management functions; or in a decentralized organization supervises several units through subordinate supervisors. Positions at this level have responsibility for managing at least one, often more than one, major project (specifically budgeted). Thus they are distinguished from the I level by greater programmatic and management responsibility, wider effect and interest.

Natural Resource Manager III are full section chiefs (sections are designated by the Commissioner). "Sections" are titled as such when responsibility for one or more major resources is involved and the section has responsibility for policy formulation and has line authority for implementation. Responsibilities include policy development for managing the particular resource, program administration (personnel and budget), representing the department's activities in the particular area of resource management, advising the Commissioner on policy alternatives, etc. Positions at this level are fully supervisory with authority for appointing, promoting, transferring, suspending, discharging, and adjudicating the grievances of subordinates.

Natural Resource Manager IV serves as the Deputy director of one of the divisions in the Department of Natural Resources. Deputy Directors are classified in this series only when they have resource management responsibilities, and therefore must supervise lower level Natural Resource Managers. The deputy director exercises full line authority over all or the majority of division functions unless

the division is organized in such a way as to require two deputies, each responsible for administering one half of the division. Positions assist the director in formulating and administering divisional policies, procedures and programs, coordinating and prioritizing the work of subordinate staff, and leading special projects and studies; representing the director and/or division in contacts with other agencies; are authorized to act in behalf of the director, assisting and acting for the director in administering the division, including such functions as budget, personnel, supply, legislation and information services; and advising the director of administrative or operational problems in the division. This is a supervisory class with substantial responsibility for the exercise of independent judgment in appointing, promoting, transferring, suspending, discharging, and adjudicating the grievances of subordinate personnel.

Minimum Qualifications:

Natural Resource Manager I:

one year as a Natural Resource Officer II, Forester II, Park Ranger II, Geologist II, Hydrologist II, Agronomist II, Historian II, Archaeologist II, Cadastral Survey Assistant II, or other professional natural resources work equivalent in level to NRO II

- or -

A Master's degree in natural resources management, law, or public or business administration.

Natural Resource Manager II:

One year as a Natural Resource Manager I, Geologist III, Hydrologist III, Cadastral Survey Assistant III, Agronomist III, or other professional natural resource work at the NRM I level

- or -

Master's degree in natural resource management, law, or public or business administration and one additional year of graduate study or a doctorate in these subjects

- or -

A combination of a) one year of professional administrative experience in any field at the level of Natural Resource Manager I and b) either one year of professional natural resources experience equivalent in level to Natural Resource Officer II or a Master's degree in natural resource management, law or public or business administration.

Natural Resource Manager III:

One year of experience as a Natural Resource Manager II, Agronomist IV, Cadastral Surveyor II, Geologist IV, Hydrologist IV, or other professional natural resource experience at the NRM II level

- or -

A combination of a) one year of professional administrative experience in any field at the level of NRM II and b) either one year of professional natural resources experience equivalent in level to NRO II or a Master's degree in natural resource management, law, or public or business administration.

Natural Resource Manager IV:

Same as Natural Resource Manager III.

March 9, 1988

Rob Barbour
P.O. Box 871552
Wasilla, Alaska 99687

House of Representatives
Senate
P.O. Box V
Juneau, Alaska 99811

Subject: House Bill 469 - Amendment

Dear Senator:

I am in support of HB 469 which includes Wildland Firefighters as a part of the firefighter provision of the Public Employee's Retirement System. Nationally, each year several wildland firefighters are seriously injured and/or killed in the performance of their duties. Wildland firefighters are exposed, on a regular basis, to carbon monoxide levels of from 9 ppm (parts per million) to 54 ppm. Measurements of the total suspended particles (TSP) range from 827 to 4000 micrograms per cubic meter of air (U.S. Dept. of Labor). This poses significant health problems when exposure occurs over many years. The National Academy of Science and National Academy of Engineering rate COHb (carbon monoxide hemoglobin) levels greater than 5.0 ppm to cause cardiac and pulmonary functional changes, and 10.0 to 80.0 ppm can cause headaches, fatigue, drowsiness, coma, respiratory failure, and death. Cancer death among firefighters in the United States has doubled in the past 30 years. Lung disease strikes them more frequently than black lung strikes miners, and heart disease disables firefighters 55 percent more often than people they serve (International Association of Fire Chief's report).

During the 1987 fire season nearly all Division of Forestry firefighters were dispatched to California to assist with it's devastating fires that threatened many communities. Tragically, 10 firefighters lost their lives and hundreds more were injured during a 30-day period. Many Alaskans were injured, but thankfully, none lost their lives. The dangers faced in California fires are no different than those faced here in Alaska. Wildfires strike thousands of acres annually in remote areas as well as in the urban fringes. Dedicated firefighters then respond night or day under very arduous conditions to save lives and the resources of the State. For these reasons I ask your assistance in passing this much needed and overdue Bill.

Sincerely,

Rob Barbour
Rob Barbour

3-15-88

Representative Ulmer

Chair, House State Affairs Committee

Dear Ms. Ulmer

I am writing in support of HB 469 which includes wildland firefighters as a part of the firefighter provision of the Public Employees Retirement System.

The wildland fire program administered by the Division of Forestry is a recent addition to the land management programs of the state. Because the program is relatively new, state government is just beginning to recognize the efforts of this small group of 200 people. The recognition of hazards is just developing also. Hazards such as carbon monoxide, carbon dioxide, rapid fire spread, flying into unimproved landing areas with helicopters, and low level recon and air attack missions. Such situations and activities are hazardous and recognized as such by other Wildland Fire agencies in state and Federal government, who participate in 20 year retirement programs.

I urge your support of HB 469 and its amendments to establish a 20 year retirement program for those who participate in the Wildland Fire Protection Program.

Sincerely

Dennis C. Ricker

P.O. Box 872793 Wasilla Alaska 376-6544

1235 Heath
Fairbanks, Alaska 99712
March 10, 1988

House of Representatives
Senate
P.O. Box V
Juneau, Alaska 99811

Subject: House Bill 469

Dear Representative:

I support HB 469 which adds Wildland Firefighters to the firefighters provision of the Public Employee's Retirement System. I am a full time employee that is working in resource management most of the year, however when fire season comes I become a Wildland Firefighter. Last season I spent nearly 700 working hours on fires, during which I breathed in a lot of smoke, spent many hours in helicopters, worked with bulldozers and chainsaws, beat out flames with spruce boughs and shovels, and avoided getting burned up. As part of the resource staff I spend much less time on fires than the fire staff people. We Wildland Firefighters spend as much or more time actually fighting fires than many city and volunteer firefighters. We face as many hazards and suffer the same heart and lung abnormalities brought about from breathing smoke (last year on the fires in California the smoke was 6 times worse than the smog in Los Angeles at it's worst). Those of us that survive 20 years of this punishment should be able to retire.

There is another amendment that would allow seasonal employees to add overtime hours worked to their yearly credit for retirement. This would not help me as I already work 12 months every year, but I can see where it is necessary for the seasonal firefighters. Some of the firefighters here have been working for 8-9 years and are just now getting vested. For them 20 year retirement means about 35 years of service. Firefighting is such demanding work physically and causes such detrimental effects to the body that I doubt that any of the seasonal will ever make it to retirement under the present rules. If they can count in all the hours they worked on fires, it should only take them 20-25 years to retire. Most of them put in 10 or more months of working hours every year but only get credit for 5 1/2.

Please feel free to contact me should you need any further information.

Sincerely,

William B Johnson

WILLIAM B. JOHNSON
Forester I