

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10234 HOUSE HEALTH EDUCATION & SOCIAL SERVICES 79

SB

21

Out of Session:
PO Box 531
Golovin, Alaska 99762
(907) 443-5599

Alaska State Legislature



In Session:
State Capitol, Suite 510
Juneau, Alaska 99801-1182
(800) 597-3707
(907) 465-3707
(907) 465-4821 Fax

SENATOR
DONALD C. OLSON

DISTRICTS

Alakanuk
Ambler
Anaktuvuk Pass
Atkasuk
Barrow
Brevig Mission
Browerville
Buckland
Chevak
Deering
Diomedea
Elim
Emmonak
Gambell
Golovin
Hopper Bay
Kaktovik
Kiana
Kivalina
Kobuk
Kotlik
Kotzebue
Koyuk
Mekoryuk
Mountain Village
Newtok
Nightmute
Noatak
Nome
Noorvik
Nuiqsut
Nunam Iqua
Pitka's Point
Point Hope
Point Lay
Savoonga
Scammon Bay
Selawik
Shaktolik
Shishmaref
Shungnak
St. Mary's
St. Michael
Stebbins
Teller
Toksook Bay
Tununak
Unalakleet
Wainwright
Wales
White Mountain

SPONSOR STATEMENT

SB 21, Fines by the State Medical Board.

I introduced SB 21 to increase the monetary sanction that the State Medical Board may impose on a licensee upon a finding of professional or ethical misconduct. The bill increases the maximum penalty from the \$10,000 limit that is currently in statute to \$25,000.

I feel the justification for SB 21 is twofold. First, I believe that the maximum sanction of \$10,000 does not provide a sufficient monetary deterrent, given the economic status of many licensees. Most often, the severity of the penalty is in no manner equivalent to the damage caused in extreme cases of misconduct. Furthermore, the \$10,000 limit has not been changed since it was first enacted 14 years ago.

A second reason for SB 21 is the increasing costs that the board is experiencing in its caseload management of misconduct allegations. It is not unusual for the costs of a misconduct determination to exceed the \$10,000 penalty limit. Since the activities of the board are wholly supported by licensure fees and fines, increased costs of operation usually translate into license fee increases. SB 21 offers a second way to meet increasing caseload costs. It expands the board's cost recovery ability through increased fines. In practice then, the financial burden for this regulatory activity may be shifted more from the general membership to the wrongdoers themselves.

Currently, the board has 188 cases that are open for potential investigation and adjudication by the Division of Occupational Licensing. During calendar year 2000, 130 new cases were opened and 133 closed. This effort resulted in 35 disciplinary actions against medical board licensees. In fiscal year 2000, the costs of pursuing misconduct charges exceeded \$160,000.

Alaska State Legislature



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Gambell
Golovin
Hopper Bay
Kaktovik
Kiana
Kivalina
Kobuk
Kotlik
Kotzebue
Koyuk
Mekoryuk
Mountain Village
Newtok
Nightmute
Noatak
Nome
Noorvik
Nuiqsut
Nunam Iqua
Pitka's Point
Point Hope
Point Lay
Savoonga
Scammon Bay
Selawik
Shaktolik
Shishmaref
Shungnak
St. Mary's
St. Michael
Stebbins
Teller
Toksook Bay
Tununak
Unalakleet
Wainwright
Wales
White Mountain

February 20, 2001

MEMORANDUM

To: Representative Dyson, Chair
House HESS Committee

From: Senator Olson

A handwritten signature in black ink, appearing to be "D Olson", written over the "To:" line of the memorandum.

Re: Hearing request for SB 21, Fines by the State Medical Board.

I would appreciate the scheduling of SB 21 for a HESS committee hearing at your earliest convenience. Attached is my sponsor statement and other information. I believe the medical professions are supportive of this legislation and am unaware of any opposition. If you need further information or have concerns, please call me or my staff.

Thank you for considering this request.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 21
() Publish Date: _____

Revision Date/Time (Note if correction): 01/19/2001 1:25pm Dept. Affected: DCED
Title: An Act increasing the maximum civil fine.... BRU: Occupational Licensing
by the State Medical Board..... Component: Occupational Licensing
Sponsor: Senator Olson
Requester: Senate Judiciary Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 21 increases the amount of civil fine that may be imposed by the State Medical Board as a disciplinary sanction. New funds are not required to implement this change.

Medical Investigations

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
Division: Occupational Licensing Date/Time 01/19/2001 1:25pm
Approved by: Commissioner, Deborah B. Sedwick Date 1/19/2001
Agency: Dept. of Community and Economic Development

For distribution information, call the Governor's Legislative Office

Alaska

Tony Knowles, Governor

Department of Community and Economic Development

Division of Occupational Licensing

P.O. Box 110806, Juneau, AK 99811-0806

Telephone: (907) 465-2534 • Fax: (907) 465-2974 • Text Telephone: (907) 465-5437

Email: license@dced.state.ak.us • Website: www.dced.state.ak.us/occl/

January 19, 2001

Alaska State Legislature
State Capitol
Juneau AK 99811

At its meeting of January 18, 2001, the Alaska State Medical Board reviewed Senate Bill 21 which would increase the maximum amount of civil fines that could be imposed by the board from \$10,000 to \$25,000. The board voted unanimously to support this bill.

The board appreciates the consideration of the members of legislature in this matter and hopes the bill will receive speedy and favorable action.

Sarah A. Isto, M.D.

Sarah A. Isto, MD

Chair

Alaska State Medical Board

Journal Text



02-13-2001

Senate Journal

0353

SB 21

The Finance Committee considered SENATE BILL NO. 21 "An Act increasing the maximum civil fine that may be imposed by the State Medical Board as a disciplinary sanction" and recommended the adoption of the following Finance Committee Letter of Intent:

Letter of Intent for SB 21

It is the intent of the Legislature that the size of fines typically imposed for minor, noncompliance infractions remain unaffected by the enactment of SB 21.

It is the intent of the Legislature that the size of fines typically imposed for serious and consequential violations of ethical and professional misconduct be increased.

Signing do pass: Senators Donley, Kelly, Cochairs, Senators Green, Austerman, Hoffman, Olson, Wilken, Leman, Ward.

The following previously published fiscal information applies:
Fiscal Note No. 1, zero, Department of Community and Economic Development

The bill was referred to the Rules Committee.

*Senate adopted
2/16/01*

Bill Root:

**BASIS HAS BEEN RE-PROGRAMMED THIS YEAR.
TO REPORT PROBLEMS WITH BASIS INQUIRY**

[Return to Basis Main Menu \(22nd Legislature\)](#)

[Return to Legislature Home Page](#)

S B

1 1 2

ALASKA STATE LEGISLATURE



Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 376-3370
(907) 376-3157 Fax

Session:
State Capitol
Juneau, Alaska 99801-1182
(907) 465-6600
(907) 465-3805 Fax

SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE SENATOR LYDA GREEN, CHAIR

SPONSOR STATEMENT SB 112

“An Act placing certain employees of the Alaska Mental Health Trust Authority in the exempt Service; establishing a minimum salary for the long term care ombudsman”

Senate Bill 112 would place employees of the Alaska Mental Health Trust Authority (the Trust) in the exempt service, while establishing a minimum salary for the Long Term Care Ombudsman.

SB 112 was introduced at the request of the Alaska Mental Health Trust Authority to address concerns expressed about their ability to function efficiently as a state corporation.

Unlike other state boards, commissions and authorities whose employees are placed in the exempt service under AS 39.25.110(11), the Alaska Mental Health Trust Authority's employees are not in the exempt service. This is despite the fact that the fiduciary duty owed to the beneficiaries by the Trust requires that employees perform at the highest levels of competency, since their actions could jeopardize the assets and/or management of the Trust.

Additionally, this legislation establishes a minimum salary for the Long Term Care Ombudsman at a Range 21. Establishing a minimum salary of the Long Term Care Ombudsman will help ensure that a qualified individual can be hired for this crucial position.

LG/hrn

SENATOR LOREN LEMAN, VICE-CHAIR

Sponsor Statement

SB 112 LONG-TERM CARE OMBUDSMAN; MENTAL HEALTH AUTHORITY

SECTIONAL ANALYSIS

Prepared by Aurora Hauke, Senate HESS Committee Aide

Sec.	Statute	Existing	Change
1	AS 39.25.110 Public Officers and Employees Coverage of Personnel Exempt service	Lists positions that are exempt.	New paragraph (34) added. Chief executive officer and employees of the Alaska Mental Health Trust Authority are also exempt.
2	AS 47.30.026 Welfare, Social Services and Institutions Mental Health Mental Health Trust Authority Officers and staff	The annually elected chief officer may hire additional employees, appoint hearing officers, and contact for the services of consultants and others.	New subsection (d) added. The chief executive officer and employees hired under this section are in the exempt service.
3	AS 47.62.010(b) Welfare, Social Services and Institutions Office of the Longer Term Care Ombudsman Office established	See Executive Order 102. Hiring guidelines for the Long Term Care Ombudsman.	The LTCO will be at least a range 21.
4	Uncodified law	None.	New section CONDITIONAL EFFECT added. This act takes effect only if Executive Order 102 does.
5	Effective date		Takes effect immediately as conditioned by Sec. 4

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: SB 112
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Long-Term Care Ombudsman: BRU: Mental Health Trust Authority
Mental Health Trust Authority Component: Mental Health Trust Authority
 Sponsor: Senate Health, Education & Social Services
 Requester: Senate Health, Education & Social Services Component Number: 1423

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type) 1094	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This fiscal note reflects the placing of the Alaska Mental Health Trust Authority staff positions in the exempt service and the establishment of a minimum salary for the Long-Term Care Ombudsman.

The Alaska Mental Health Trust Authority will absorb any and all costs for the staff positions that will be placed in exempt service within the current Trust income funded budget.

The Office of the Long-Term Care Ombudsman positions being transferred to the Alaska Mental Health Trust Authority by Executive Order 102 will remain classified. The costs of establishing a minimum salary for the Long-Term Care Ombudsman will be absorbed within the current federally funded budget.

Prepared by: Jeff Jessee, Executive Director
 Division: Alaska Mental Health Trust Authority
 Approved by: Larry Persily, Deputy Commissioner
 Agency: Department of Revenue

Phone (907) 269-7960
 Date/Time 2/23/01 2:00 PM
 Date Feb.23, 2001

550 West 7th Avenue, Suite 1820
Anchorage, AK 99501
Main line: (907) 269-7960
FAX: (907) 269-7966
Internet:
mhta@mhta.revenue.state.ak.us

The TRUST

The Alaska Mental Health Trust Authority

February 27, 2001

Senator Lyda Green, Chair
Senate Health, Education and Social Services Committee
State Capitol
Juneau, Alaska 99801-1182

Re: SB 112

Dear Senator Green,

This letter is in support of SB 112 that would place the employees of the Alaska Mental Health Trust Authority in the exempt service and establish a minimum salary for the Long Term Care Ombudsman.

Through oversight, the legislation creating the Alaska Mental Health Trust Authority (the Trust) made no provision regarding the category of service of either the Executive Director of the Authority or the staff. Therefore, all positions were deemed to be in the classified service by default. This has created a number of problems for the Trust and continues to be a barrier to the efficient operation of the agency.

At the time the initial Board of Trustees was appointed in 1995, it was forced to petition the State Personnel Board to have the Executive Director position established as partially exempt. Without this action, the Trustees would have been seriously restricted in their ability to hire an appropriate person for this critical position. Subsequently, due to the large assets of the Trust (over \$300 million and 1,000,000 acres of land) and the fiduciary duty owed to the beneficiaries, the Trust was forced to budget for a State Investment Officer position, which is already exempt by law, as a means of securing the services of someone they could be assured over time would adequately monitor the management of Trust assets by the Permanent Fund Corporation and the Department of Natural Resources. The remaining four staff are still in the classified service. This eclectic mix of employee positions in such a small office has been cumbersome and confusing at best.

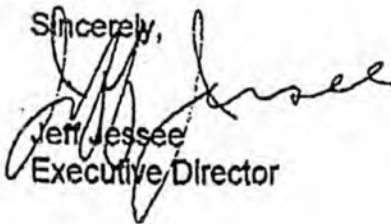
Support Material

The Trust is a state corporation similar in nature and function to the other boards, commissions and authorities whose employees are in the exempt service under AS 39.25.110 (11). These include, the Alaska Industrial Development and Export Authority, the Alaska Permanent Fund Corporation, the Alaska Aerospace Development Corporation, the Alaska Commission on Postsecondary Education and the Alaska Commercial Fisheries Entry Commission. The function of the Trust in developing a plan for the state and granting endowment income is extremely similar to that of the Alaska Science and Technology Foundation which is also in the exempt service under AS 39.25.110 (25). Finally, the fiduciary duty owed to the beneficiaries by the Trust requires that employees perform at the highest levels of competency and that any action that jeopardizes the assets or management of the Trust can be immediately addressed.

The Trustees have agreed to accept responsibility for administering the Office of the Long Term Care Ombudsman. The Long Term Care Ombudsman is responsible for protecting the welfare of some of our most vulnerable Alaskans. Residents in the Pioneer Homes, nursing homes and community based assisted living homes often cannot speak for themselves. To mediate disputes and protect these individuals, the Long Term Care Ombudsman has extraordinary powers including the authority to subpoena confidential records and pursue legal actions if necessary. The Trustees believe that establishing a minimum salary for the Long Term Care Ombudsman is essential to ensure that a qualified individual can be found for this vitally important position. This position, as well as all others in the office, would remain in the classified service to protect them from any political pressure.

On behalf of the Trustees and the beneficiaries, thank you for considering SB 112. Please let me know if I can be of any further assistance.

Sincerely,



Jeff Jessee
Executive Director

Cc: Board of Trustees

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



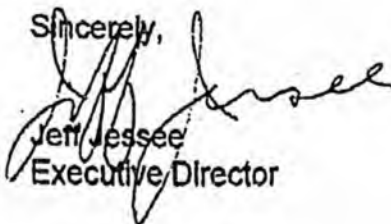
Central Microfilm Services
Department of Education & Early Development
State of Alaska

The Trust is a state corporation similar in nature and function to the other boards, commissions and authorities whose employees are in the exempt service under AS 39.25.110 (11). These include, the Alaska Industrial Development and Export Authority, the Alaska Permanent Fund Corporation, the Alaska Aerospace Development Corporation, the Alaska Commission on Postsecondary Education and the Alaska Commercial Fisheries Entry Commission. The function of the Trust in developing a plan for the state and granting endowment income is extremely similar to that of the Alaska Science and Technology Foundation which is also in the exempt service under AS 39.25.110 (25). Finally, the fiduciary duty owed to the beneficiaries by the Trust requires that employees perform at the highest levels of competency and that any action that jeopardizes the assets or management of the Trust can be immediately addressed.

The Trustees have agreed to accept responsibility for administering the Office of the Long Term Care Ombudsman. The Long Term Care Ombudsman is responsible for protecting the welfare of some of our most vulnerable Alaskans. Residents in the Pioneer Homes, nursing homes and community based assisted living homes often cannot speak for themselves. To mediate disputes and protect these individuals, the Long Term Care Ombudsman has extraordinary powers including the authority to subpoena confidential records and pursue legal actions if necessary. The Trustees believe that establishing a minimum salary for the Long Term Care Ombudsman is essential to ensure that a qualified individual can be found for this vitally important position. This position, as well as all others in the office, would remain in the classified service to protect them from any political pressure.

On behalf of the Trustees and the beneficiaries, thank you for considering SB 112. Please let me know if I can be of any further assistance.

Sincerely,



Jeff Jessee
Executive Director

Cc: Board of Trustees

JOHN
ARE YOU OK WITH US MISSING
THIS

SB

149

**CS for SSSB 149(HES)
TEACHER INCENTIVES**

Witness List

**House HESS Committee
10:00am Saturday, April 28, 2001**

Witnesses with prepared testimony

Paul Roetman Aide to Senator Loren Leman, SPONSOR	Juneau
Melissa Hill, Program Director Alaska Teacher Placement	505-884-2511 OFFNET – New Mexico
Debbie Ossiander Anchorage School Board	907-688-2308 OFFNET - Anchorage

Witnesses available for questions

Guy Bell, Director Health Benefits Section, Division of Retirement & Benefits	Juneau
Kathy Lea, Retirement Supervisor Health Benefits Section, Division of Retirement & Benefits	Juneau
Bruce Johnson, Deputy Commissioner of Education Dept. of Education and Early Development	Juneau

Staff Contact: Paul Roetman 465-3712
Last updated: April 24, 2001

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSSSSB 149(HES)

1 Page 1, line 14:

2 Delete "a new section"

3 Insert "new sections"

4

5 Page 3, following line 3:

6 Insert a new section to read:

7 **"Sec. 14.20.017. Grace period for issuance of regular teacher certificates**
8 **to previously certificated teachers.** (a) The department shall issue a teacher
9 certificate as described in AS 14.20.020, subject to revocation, to a teacher who meets
10 the requirements of this section. To be eligible for a revocable teacher certificate
11 under this section, a person shall

12 (1) have held a valid teacher certificate issued under AS 14.20.020 that
13 expired more than 12 months before the teacher applied for a certificate under this
14 section;

15 (2) have paid the fee required by the department under
16 AS 14.20.020(c).

17 (b) A revocable teacher certificate issued under this section is valid for one
18 year, during which the teacher shall complete any requirements for the issuance of a
19 regular teacher certificate under AS 14.20.020 that the teacher has not already met.
20 The department shall expedite the procedures required of teachers holding revocable
21 teacher certificates who are seeking certification under AS 14.20.020.

22 (c) A teacher holding a revocable teacher certificate under this section who
23 previously passed the competency examination designated by the board under
24 AS 14.20.020(i) is not required to retake the examination before being eligible for a

1 regular certificate under AS 14.20.020. A teacher holding a revocable teacher
2 certificate who did not previously take or pass the competency examination shall take
3 and pass the examination within one year after the date the revocable teacher
4 certificate was issued. If the teacher does not pass the examination, the department
5 shall immediately revoke the revocable teacher certificate.

6 (d) A teacher holding a revocable teacher certificate under this section may
7 not receive a teacher certificate issued under AS 14.20.020 until the teacher submits
8 fingerprints to the department to be used for a criminal history background check and
9 the teacher has been found by the department to be suitable for employment as a
10 teacher under AS 14.20.020(f).

11 (e) The revocable teacher certificate issued under this section must contain the
12 same endorsements as those on the teacher's expired teacher certificate.

13 (f) Employment on the basis of a revocable teacher certificate issued under
14 this section shall be considered in determining whether a teacher qualifies for tenure
15 under AS 14.20.150.

16 (g) A revocable teacher certificate and any endorsements issued under this
17 section are valid for one year and may not be renewed under this section. The
18 department may not issue a provisional certificate or a temporary certificate to a
19 teacher who has held a teacher certificate issued under this section."

During Session, January - May:
State Capitol, Room 115
Juneau, Alaska 99801
(907) 465-2095
465-3810 FAX



During Interim, June - December:
716 W 4th Ave, Suite 520
Anchorage, Alaska 99501
(907) 269-0240
269-0242 FAX

Senator Loren Lemman

Sponsor Statement - CS for SSSB 149(HES): TEACHER INCENTIVES

“An Act relating to reemployment of retired teachers, to eligibility for major medical insurance coverage for beneficiaries of the teachers’ retirement system, and to teacher certificates; and providing for an effective date.”

SB 149 responds to Alaska’s current teacher shortage. It establishes a three-pronged approach to increase and retain personnel in this critical staffing area.

First, to increase the teacher supply in Alaska, SB 149 creates a new teacher certification that will allow the State to recognize the credentials of teachers certified out-of-state. The “preliminary teacher certificate” will include the same endorsements as those on a teacher’s current, valid certificate issued out-of-state.

Second, SB 149 promotes employment of retired teachers through the creation of a retirement benefits election option. Under election, retired members continue to receive benefit payments upon reemployment, but do not accrue additional years of service or additional benefits. If no election is made, upon reemployment retired members have their benefit payments suspended, but additional years of service continue to accrue. The election option will be available for a three-year period beginning July 1, 2001, and ending July 1, 2004.

Third, SB 149 promotes teacher retention by improving coverage and easing qualifications to receive major medical benefits. Under SB 149 a teacher can qualify for 100% medical coverage by: years of service (25 years), age (60 instead of 65), or if disabled and appointed to normal retirement.

Prepared by Paul Roetman, Legislative Aide to Senator Loren Lemman (907-465-3712)
Last updated: April 24, 2001



Senator Loren Lemman

Sectional Analysis – CS for SSSB 149(HES): TEACHER INCENTIVES

“An Act relating to reemployment of retired teachers, to eligibility for major medical insurance coverage for beneficiaries of the teachers’ retirement system, and to teacher certificates; and providing for an effective date.”

The following is a sectional analysis of CS for Sponsor Substitute for Senate Bill 149 (draft #22-LS0769NT). CS for SSSB 149 proposes several amendments to Title 14 (Education, Libraries, and Museums), Chapter 20 (Teachers and School Personnel) and Chapter 25 (Teachers Retirement).

Section 1. Amends Title 14 (Education, Libraries, and Museums) Chapter 20 (Teachers and School Personnel) Section 10 (Teacher certificate required) by adding a new teacher certification allowing a person from out-of-state to be employed in Alaska as a teacher in a public school under a “preliminary teacher certificate” created under section 2.

Section 2. Amends Title 14 (Education, Libraries, and Museums) Chapter 20 (Teachers and School Personnel) Section 15 (Recognition of out-of-state teachers) that lists the requirements under which teachers certified out-of-state may have their credentials recognized in Alaska.

Once an out-of-state teacher has been issued a preliminary teacher certificate, he/she is required to pass a competency examination within one year from the date the preliminary teaching certificate was issued. A preliminary teacher certificate is issued by the department with the same endorsements as those on the current, valid certificate issued by the other state.

Tenure may not be granted to a teacher employed under a preliminary teacher certificate. A preliminary teacher certificate is valid for three years and is not renewable.

Section 3. Amends Title 14 (Education, Libraries, and Museums) Chapter 20 (Teachers and School Personnel) by creating Section 135 (Employment of retired teachers because of shortages), specifying that a school district having or anticipating a shortage of teachers may by resolution adopt a policy that permits the employment of retired teachers.

Retired members have 30 days from the date of reemployment to elect to continue receiving retirement benefits. If election is made, no deductions will be made from the reemployed member’s salary and no credit service will be given for the period of reemployment.

A teacher, principal, or administrator who participated in a retirement incentive program (RIP) under 1986, 1989, or 1996 is not eligible to make an election under this section.

Section 4. Amends Title 14 (Education, Libraries, and Museums) Chapter 25 (Teachers Retirement) Section 40 (Membership) by creating an election option, specified in section 6, exempting a retired member from Chapter 25.

Section 5. Repeals the election provision referenced in AS 14.25.040(a), on July 1, 2004.

Section 6. Amends Title 14 (Education, Libraries, and Museums) Chapter 25 (Teachers Retirement) Section 43 (Reemployment of retired members) by providing an incentive for a retired teacher to return to full time teaching for a TRS employer. With this change, a retired teacher who took normal retirement may elect a new option under (b) of this section when reemployed. The new option:

- Is subject to a declaration or shortage by a school district;
- Allows the teacher to elect continuation of retirement benefit payments during reemployment;
- Would stop additional retirement benefit accrual;
- Must be selected within 30 days of reemployment; and
- Is not available to RIP participants

If no election is made, the current method would apply and the teacher would:

- Stop receiving a retirement benefit during reemployment; and
- Accrue additional retirement benefit during period of reemployment

Section 7. Repeals the election provision referenced in AS 14.25.043(a), on July 1, 2004.

Section 8. Amends Title 14 (Education, Libraries, and Museums) Chapter 25 (Teachers Retirement) Section 168 (Medical Benefits) by improving medical coverage benefits. Currently, Tier II retirees are eligible for 50 percent coverage once they reach age 60. No benefit accrues for years of service.

Under this section, a teacher who stays five years beyond the normal retirement service requirement of twenty years or who is 60 years old, will be eligible for full system paid medical coverage.

Section 9. Repeals the election provisions of section 3 and section 6 on July 1, 2004.

Section 10. Requires the administrator of the teachers' retirement system to give an annual report to the Legislature detailing the effect of this Act on the retirement system.

Section 11. Authorizes the Alaska Teachers' Retirement Board to adopt regulations necessary to implement changes made by sections 4, 6, and 8 of this Act.

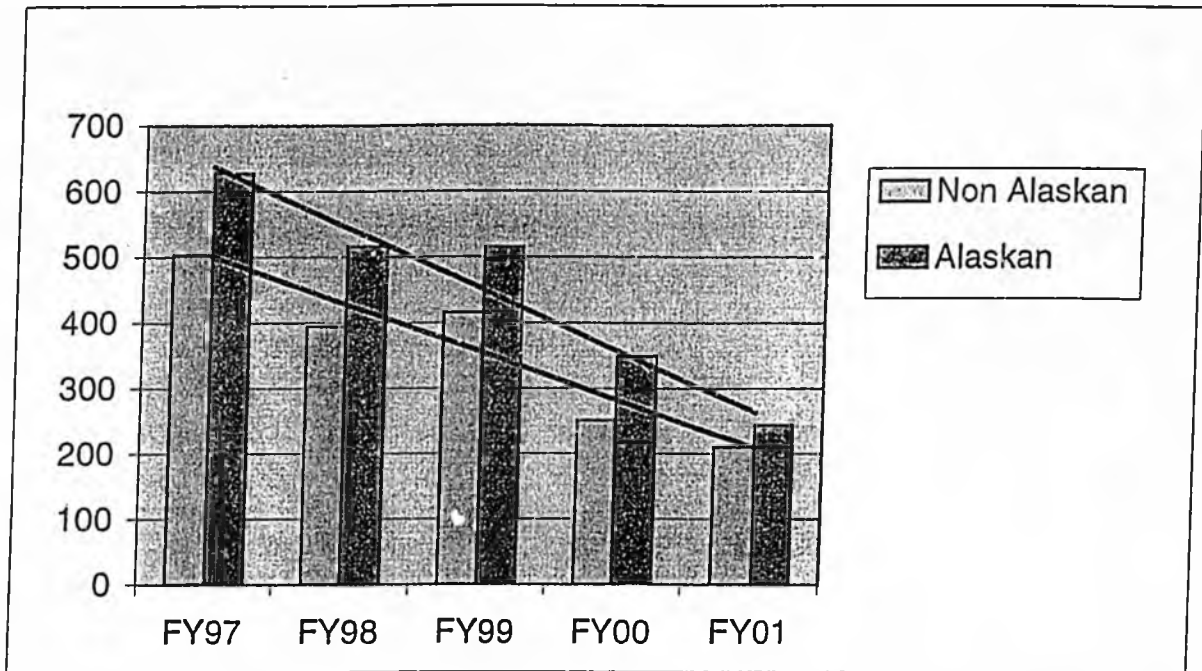
Section 12. Specifies that Section 11 takes effect immediately upon signing by the governor.

Section 13. Specifies that Sections 5, 7, and 9 take effect July 1, 2004.

Section 14. Specifies that this Act, with the exception of sections 12 and 13, takes effect July 1, 2001.

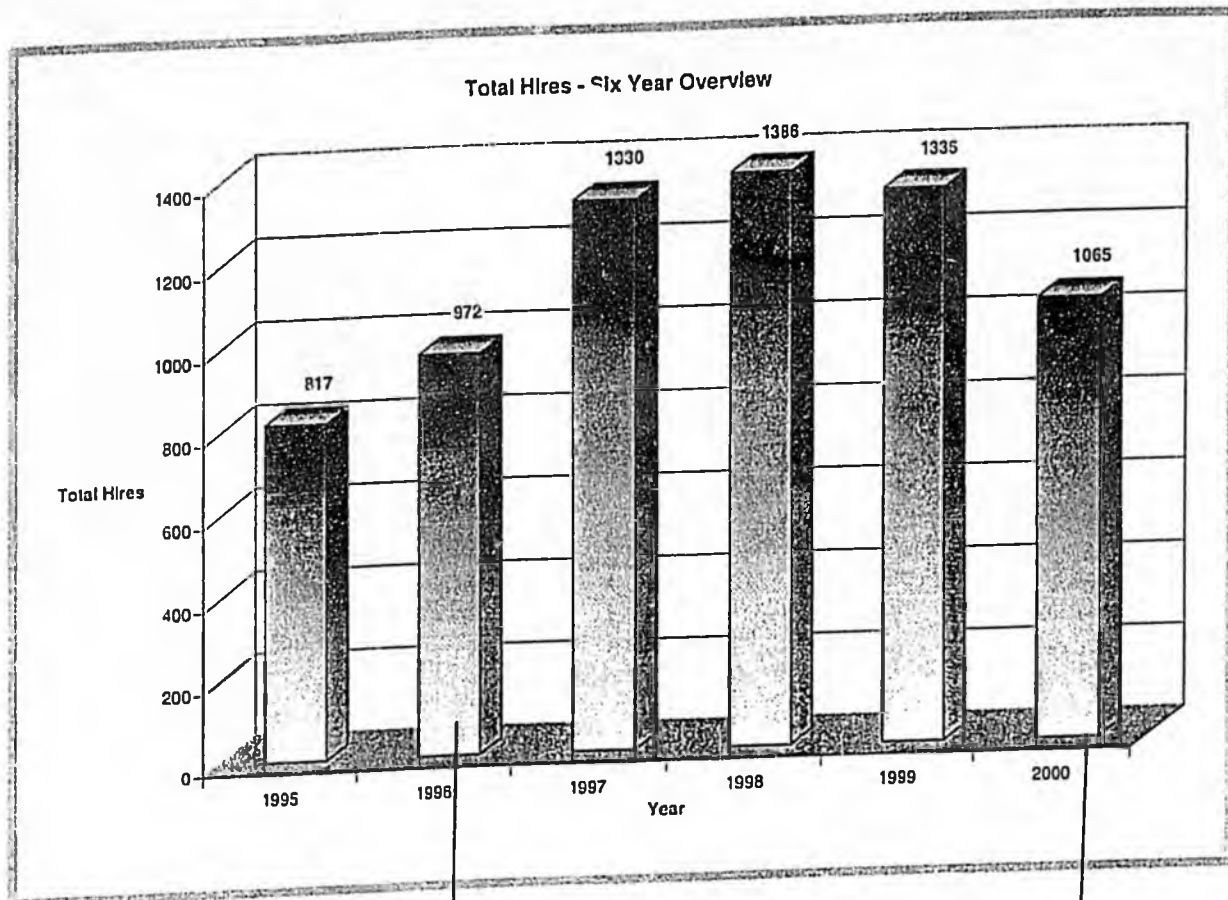
Prepared by Paul Roetman, Legislative Aide to Senator Loren Leman (907-465-3712)
Last updated: April 24, 2001

Job Fair Attendance Trends



This graph includes the total number of educators that attended all the ATP Educator Job Fairs combined for that year. The gradual decline of interest across the board is evident. The severity of the teacher shortage in Alaska has greatly impacted many of the rural districts (those off the road system).

Year	Non Alaskan	Alaskan	Total
FY97	503	628	1131
FY98	395	516	911
FY99	416	515	931
FY00	251	349	600
FY01	210	244	454



Just a few years ago it seemed everyone wanted to teach in Alaska, now that has changed as the Lower 48 has increased reciprocity and lessened the red tap on certification requirements. In addition adding higher salaries and signing bonuses has drawn many teachers to the Lower 48.

The American Federation of Teachers at <http://www.aft.org/> has some excellent data on salaries and cost of living.

Don't let this number fool you. 88.7 vacancies went unfilled at the start of the school year. Of those 88.7 vacancies 60.2 of them were in Special Education areas.

adn.com

Anchorage Daily News

STATE SEEKS WAYS TO KEEP TEACHERS

By Rosemary Shinohara

(Published June 21, 2000)

Faced with a national teacher shortage and aggressive recruiting by other states, Alaska education officials are considering incentives ranging from gym memberships to forgiveness of state student loans to attract teachers and keep them in Alaska.

Alaska used to draw plenty of teachers because of high salaries and an excellent retirement plan, said Bruce Johnson, deputy state commissioner of education.

"Now we have mediocre salaries and a high cost of living," he said. "You leave your extended family (to come to Alaska) and have all the costs of going out to see them."

In rural Alaska, harsh living conditions, especially poor housing, drive teachers out, say union representatives and people who hire for the Bush.

Alaska districts hired 1,335 new teachers during the last school year, but had 84 unfilled positions on the first day of school, and some of them remained open for months, state officials report.

Openings for special education teachers, math teachers and speech pathologists were especially hard to fill.

Because they can't find qualified applicants, districts are hiring more people who don't meet state requirements for teachers. State records show that 20 people taught with emergency certificates in 1998-1999, up from just seven the year before. Twelve people who hadn't completed coursework to teach children with disabilities got waivers to be special education teachers, vs. one the year before. The 1999-2000 statistics have yet to be compiled.

The state issues one-year emergency certificates when districts can't find anyone who has the legal credentials - such as a degree in education. The teachers with waivers are qualified as teachers, but not as special ed teachers.

The shortage comes at a time when the state is imposing new academic standards and tests to graduate from high school.

That's true in many other states as well.

Two states, Oklahoma and Texas, recently have given teachers across-the-board raises of \$3,000 each, and a half-dozen other Southern states are planning to raise pay, according to Education Week newspaper. The

New York State Legislature approved a package of incentives that includes scholarships of up to \$3,400, and also bonuses of up to \$30,000 over three years for top teachers who agree to work in schools with poor academic records.

The San Francisco Unified School District will break ground this fall on a 43-unit apartment building to offer subsidized housing to some of its teachers, and make it more possible for teachers to live in the high-rent community.

Santa Clara County, Calif., even sent recruiters to Alaska in an effort to stem its own shortage. The recruiters attended the April teacher job fair in Anchorage, offering signing bonuses of \$4,000 for special education teachers with particular qualifications, such as training to teach autistic children. The county also offers \$1,000 bonuses to certain other teachers.

Alaska education officials say the state needs to give enough money to districts so that

they can increase teacher pay. Just five years ago, Alaska offered the highest average teacher salary in the country, according to the Association of Alaska School Boards. Last year, the state ranked sixth, but the cost of living in remote areas of the state can be astronomical compared to most parts of the Lower 48.

The average salary of Alaska teachers last year was \$46,170.

Rich Kronberg, president-elect of National Education Association-Alaska, said in urban Alaska, "The issue is attracting people to the district. Once they're here, most of the time they stay."

Competitive pay and benefits, and community support probably will be enough to keep good teachers, Kronberg said.

In rural Alaska, rapid turnover of teachers is getting in the way of academic improvements. Pay is an issue there, too.

Decent housing, running water, flush toilets and realistic expectations about life in the Bush are important to rural teachers, said Johnson, the deputy state commissioner.

"The pioneer notion that you can use an outdoor bathroom and live in a log cabin is not very appealing to people in the 21st century," he said.

Mike Husa, union president for the Lower Kuskokwim District, said a teacher in Kwigillingok, on the Kuskokwim Bay, left this year partly because she was forced to live in the school. "There was a house, but it wasn't livable. It had no Arctic entry. When the wind blew, it came right through the door."

The state Department of Education has yet to narrow down what incentives would be most effective, but is considering some that would take legislative approval, and some that the state Board of Education can get going.

State administrators plan to make recommendations to the board this fall.

Johnson said the list of possibilities includes:

Increasing salaries.

Forgiving state student loans for teachers who work in rural areas.

Paying some moving expenses.

Offering signing bonuses in fields where there are shortages.

Giving higher salaries to teachers who are certified by a national board.

Improving rural housing for teachers.

Offering orientation so that new Bush teachers know what they're getting into before they go.

Offering computers and gym memberships.

"Private industry offers gym memberships, why shouldn't we?" said Johnson. "They're not huge costs. If they're sick three or four days fewer per year, you've more than paid for the gym membership."

Reporter Rosemary Shinohara can be reached at rshinohara@adn.com.

Close Window

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSSSSB 149(HES)
 (S) Publish Date: 4/24/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title: An Act relating to reemployment of retired BRU: Teaching & Learning Support
teachers, to eligibility for major medical insurance coverage . . . Component: Quality Schools
 Sponsor: Senator Leman
 Requester: S HESS Component Number: 2147

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill contains many provisions for re-employing retired teachers, recognizing certificates of out-of-state teachers in the same areas of endorsement, and granting preliminary teacher certificates to those who meet the requirements in Section 3. This bill allows school districts to employ retired teachers because of shortages.

In Section 8, please note that teachers hired under Tier II of TRS would receive a major medical benefit provided they continue teaching for a minimum of 25 years. Additional costs for the employer would, according to estimates by TRS, amount to approximately \$60 per year, per eligible teacher. These increased annual costs wouldn't start for several years and are considered small compared to the opportunity to retain these qualified teachers.

Prepared by: Barbara Thompson, Deputy Director
 Division: Teaching & Learning Support
 Approved by: Bruce Johnson, Deputy Commissioner of Education
 Agency: Alaska Department of Education & Early Development

Phone 465-8727
 Date/Time 4/23/01 12:00 AM
 Date 4/23/01

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SSSB 149(FIN)
 (S) Publish Date: 4/24/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: "An Act relating to employment incentives
for teachers and health care providers, to reemployment..." BRU: Centralized Admin. Services
 Sponsor: Senator Leman Component: Retirement & Benefits
 Requester: Senate HESS Component Number: 64

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual	50.0	20.0	20.0	20.0	20.0	20.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	50.0	20.0	20.0	20.0	20.0	20.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Teachers' Ret 1034)	50.0	20.0	20.0	20.0	20.0	20.0
TOTAL	50.0	20.0	20.0	20.0	20.0	20.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

\$50.0 will be needed in the first year for the development and distribution of enrollment, educational, informational materials, and for systems programming. We estimate \$20.0 will be necessary in succeeding years. See page 2 for additional analysis.

Prepared by: Guy Bell, Director Phone 465-4471
 Division: Retirement and Benefits Date/Time 03/30/01
 Approved by: Jim Duncan, Commissioner Date 03/30/01
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

This legislation amends the Teachers' Retirement System statute to address employee retention.

1. Retiree Return Incentive—brings retirees back into the workforce. This proposal has no fiscal impact.

This retiree return incentive removes a disincentive for retirees to return to full time employment. Currently, a retiree who wishes to return to permanent public employment must forego retirement benefit payments during their period of return. The proposed change would, in the event of a declared teacher shortage, allow a retiree to elect to continue receiving benefit payments after returning to full-time teaching. To keep this proposal cost-neutral, the employee would not accrue additional retirement credit during the period of return.

2. Improvements to TRS Tier II medical benefits:
 - Add full system paid retiree medical benefits at age 60 and minimum service of 8 years.
 - Add full system paid medical benefits for Tier II members upon reaching 25 years of service.

The fiscal impact associated with this change would be 0.17% of annual payroll each year. The total value of Alaska teacher salaries is approximately \$470 million. The annual cost of this increase to TRS employers would therefore be approximately \$800.0. Given that there are approximately 9,300 active teachers, this equates to an annual cost of about \$86.00 per teacher.

We believe this change would make a significant difference in employee retention. Teachers can retire after 20 years. A 45 year old school teacher with 20 years service can retire and pursue a second career and they often do because there is a disincentive for them to continue to work for the system. With this enhancement to the Tier II and III plans, we believe more of these individuals would stay the additional five years to qualify for system-paid medical coverage.



Alaska State Legislature

Official Business

State Capitol
Juneau AK 99801

Memorandum

To: Representative Fred Dyson, Chairman
House Health Education and Social Services Committee

From: Senator Loren Leman *Loren Leman*

Date: April 25, 2001

Re: Hearing request for CS for SSSB 149(HES): Teacher Incentives

Please schedule CS for SSSB 149(HES) for a hearing in the Senate HESS Committee at your earliest possible convenience.

SB 149 responds to the current Alaska teacher shortage by 1) recognizing credentials of teachers certified out-of-state, 2) encouraging employment of retired teachers, 3) improving medical coverage for currently employed teachers.

I have attached a copy of the CS, sponsor statement, and sectional. Please contact my aide Paul Roetman at extension 3712 if you have any questions.

SB

182



Official Business


Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

MEMORANDUM

To: Representative Fred Dyson, Chair
House Health & Social Services Committee

Fr: Senator Dave Donley, Co-Chair 
Senate Finance Committee

Re: Calendar Request for CSSB 182, "An Act requiring reductions in payments to individuals under certain benefit programs if appropriations are not sufficient to fully fund the statutorily established levels of payments."

Date: April 10, 2002

I request that you schedule Committee Substitute for Senate Bill 182, "An Act Requiring reductions in payments to individuals under certain benefit programs if appropriations are not sufficient to fully fund the statutorily established levels of payments."

Committee Substitute for Senate Bill 182 requires pro ration without regard to the possibility of a supplemental when so directed by legislative intent in the budget.

Committee Substitute for Senate Bill 182 passed out of the Senate on April 3rd with a vote of 13 yabs to six nays.

Thank you in advance for your consideration of this request. If you or your staff should have any questions, please contact myself or Marilyn Wilson of my staff at 6541.

DD/mjw

Attachments
Bill
Sponsor Statement
Sectional Analysis
Fiscal Notes
Background Information



Official Business

Alaska State Senate

Senate Finance Committee

Sponsor Statement Committee Substitute for Senate Bill 182

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

"Reducing certain payments to ensure continued payments for an entire fiscal year when funding at the statutory designated level is not appropriated"

Committee Substitute for Senate Bill 182 provides a valuable budgeting tool to executive branch program managers by allowing them to reduce payments on a pro rata basis when necessary. Currently, most statutes require that payments be made at a prescribed level without reference to funding actually available in the budget for that year. If a program does not receive funding at the statutorily suggested level, the only current option is to request a supplemental appropriation or shut a program down in the later months of the fiscal year.

Committee Substitute for Senate Bill 182 recognizes the reality that funds may not always be available to fund individual benefit payments at the statutorily suggested level. If this occurred, individuals who rely on these programs may receive benefits only until the available money runs out for that fiscal year. This legislation provides a contingency in the event that a funding shortage occurs in the future.

Committee Substitute for Senate Bill 182 would allow program directors to reduce benefit payments on a pro rata basis should funding for that program be insufficient. This legislation would **require** pro ration when so directed by legislative intent in the budget.

While this would reduce each payment, it would extend payments over the full 12-month period, thus allowing the Legislature and Administration to respond to reductions in revenue and increases in program recipients in a simple and practical manner. This bill specifically excludes loan programs, subsidies for hard-to-place children, fishermen's fund, workers' compensation fund, second injury fund, retirement programs and programs for which other provisions of law address underfunding.

This legislation will encourage greater accuracy and accountability in state budgeting and also encourage accountability on the part of program directors for the efficient management of their program. The mechanism is similar to other state programs that provide benefits based on funds available.

Committee Substitute for Senate Bill 182 provides a reasonable budgetary tool for the administration and legislature and a valuable mechanism that may be needed to help deal with future fiscal challenges.

DD/mjw



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

Sectional Analysis

Committee Substitute for Senate Bill 182

Section 1. Requires a state agency to reduce payments on a pro rata basis if an appropriation for a benefit program is not sufficient to fund payments to individuals under that program at the statutorily suggested level.

Requires pro ration when directed by legislative intent in the budget.

Does not require reductions for the program that provides subsidies for hard-to-place children in foster homes, for loan programs, for state employee retirement benefit programs, fishermen's fund, workers' compensation, second injury fund or for programs for which other provisions of law address under funding.

Section 2. Adds a severability clause that reads: Under AS 01.10.030, if any provision of this Act or the application of it to any person or circumstance is held invalid, the remainder of the Act and the application to other persons or circumstances are not affected.

DD/mjw

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Public Assistance
APPROPRIATIONS INSUFFICIENT Component: Tribal Assistance
 Sponsor: SENATE (FIN)
 Requestor: SENATE (FIN) Component Number: 2336

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Through Alaska Native Family Assistance Grants, the department currently provides a fair and equitable proportion of state appropriations to support the operation of Native Family Assistance Programs. If this legislation passes and there is a reduction in the ATAP component, it may impact the amount of state funding available for Alaska Native Family Assistance Grants. Currently, there are three Native organizations that operate Native Family Assistance Programs and provide temporary assistance benefits to approximately 1,400 Native families.

Prepared by: Jim Nordlund Phone 465-5835
 Division: Public Assistance Date/Time 02/28/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 02/28/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Public Assistance
APPROPRIATIONS INSUFFICIENT Component: General Relief Assistance
 Sponsor: SENATE (FIN)
 Requestor: SENATE (FIN) Component Number: 221

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Alaska's General Relief Assistance (GRA) program pays for 450 indigent burials and emergency assistance to prevent evictions for 1380 families per year. This program has existed in Alaska since territorial days.

Governments have long had a history of paying for burials for the poor. A fair and reasonable reimbursement for this service to Funeral homes insures a sense of dignity for those poor individuals and their families who cannot afford to bury their deceased loved ones. It would not be reasonable to reduce payments in this area; there are no other entities available to pick up expenses for these costs.

The burial portion of the program consumes 75% of the funds. The remainder is used to assist poor

Prepared by: Jim Nordlund Phone 465-5835
 Division: Public Assistance Date/Time 02/28/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 02/28/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 182

ANALYSIS CONTINUATION

families who are facing eviction, with payments made to vendors.

Currently, the GRA program is funded in full in the Governor's FY03 Budget Request based on the latest projections and if the Legislature approves the Governor's FY03 Budget Request SB 182 would have no impact. However, we are providing a fiscal analysis to show what would occur if the GRA program faced a shortfall of 5% and 10% in FY03.

Assumptions:

The GRA program is underfunded by 5%, or \$53.1 below projected need.

The GRA program is underfunded by 10%, or \$106.2 below projected need.

Indigent Burials. The average payment made to funeral providers for each indigent burials is about \$1,760. Should SB 182 become law, with a 5% reduction these payments would be reduced to \$1,672. With a 10% reduction, the payments would be reduced to \$1,584.

Evictions. The average monthly payment made to landlords to prevent evictions is approximately \$160 per household. Should SB 182 become law, with a 5% reduction these vendor payments would be reduced to \$152. With a 10% reduction, these payments would be reduced to \$144.

The GRA program serves as a last resort safety net for some of Alaska's most impoverished citizens. The GRA benefit already represents the minimum payment for services that most vendors will tolerate. A pro rata reduction in benefits would further discourage participation by vendors and make it difficult, if not impossible, for the program to meet emergent needs of applicants.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Public Assistance
APPROPRIATIONS INSUFFICIENT Component: Adult Public Assistance
 Sponsor: SENATE (FIN)
 Requestor: SENATE (FIN) Component Number: 222

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Adult Public Assistance (APA) program provides a \$308.50 per month supplement for poor blind, disabled, and elderly clients. Payments are made to 15,156 people per month (10,232 disabled and 4,924 elderly). This monthly payment allows these very disadvantaged individuals to live with dignity and independence, primarily in their own homes. Without this support many of our most vulnerable adults would have to be placed in institutions, nursing homes or made homeless because they do not have the financial ability to live an independent life without this help.

Many of the individuals who rely on this monthly cash assistance lead very frugal lives and have limited resources, reductions in any amount will leave these clients with having to choose between such things as paying the electric bill or buying food. APA payments have been held steady since 1993 without

Prepared by: Jim Nordlund Phone 465-5835
 Division: Public Assistance Date/Time 02/27/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 02/28/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 182

ANALYSIS CONTINUATION

cost of living adjustments. These blind, disabled and elderly clients have already had to cut costs just because of the higher cost of living in the last 10 years. Any across the board reductions in the benefit level on top of having to absorb cost of living increases will force many clients from independent living.

APA PRO-RATA REDUCTION ANALYSIS:

Currently, the APA program is funded in full in the Governor's FY03 Budget Request based on the latest projections. If the Legislature approves the Governor's FY03 Budget Request, SB 182 would have no impact. However, we are providing a fiscal analysis to show what would occur if the APA program faced a shortfall of 5% and 10% in FY03.

Assumptions:

The APA program is underfunded by 5%, or \$2,805.4 below projected need.

The APA program is underfunded by 10%, or \$5,610.8 below projected need.

Should SB 182 become law, with a 5% reduction each of these individuals would lose, on average, about \$185 in basic life supporting benefits in FY03. With a 10% reduction, they would lose about \$370 in basic life supporting benefits in FY03. Subsequent benefit reductions would depend on Legislative appropriation for the program.

An important fact to note: State spending on Adult Public Assistance has exceeded the Legislature's appropriation in 11 of the last 13 years, often with the assurance that the need for supplemental funding would be acted on during the next legislative session. SB 182 removes this assurance and increases the risk for this already at risk population.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 182
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Public Assistance
APPROPRIATIONS INSUFFICIENT Component: ATAP
Sponsor: SENATE (FIN) Component Number: 220
Requestor: SENATE (FIN)

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The focus of the Alaska Temporary Assistance Program (ATAP) is to provide temporary financial assistance to poor families and help those families work their way out of poverty and into self-sufficiency through employment. Assistance payments are intended to help these families with their basic living expenses while they take steps to move off of assistance. In FY03, ATAP will provide monthly payments to 5,820 families across Alaska.

Such reductions could not be from general funds because this would put the state out of compliance with federal "maintenance of effort" (MOE) requirements. Under the federal Temporary Assistance for Needy Families program, states are required to contribute at least 80% of their historic expenditures. Alaska is already at its MOE "floor" and a reduction in payments would result in severe penalties. No

Prepared by: Jim Nordlund Phone 465-5835
Division: Public Assistance Date/Time 02/27/2002
Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 02/28/2002
Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 182

ANALYSIS CONTINUATION

state has violated its MOE. Alaska is already at its MOE "floor" and a reduction in payments would result in severe penalties.

Our only option would be to apply the reduction against the federal portion of the ATAP benefits. This would not result in any general funds savings to the program, and might adversely impact other state programs that currently use federal TANF funds to replace general funds in their programs.

If the ATAP program is forced to make pro-rated reductions in individual benefits, families will have a much harder time meeting basic needs (rent, utilities, transportation, etc.) This in turn, will cripple some families' ability to hold down jobs or take other steps toward self-sufficiency -- and ultimately lead to more people on welfare.

ATAP PRO-RATA REDUCTION ANALYSIS:

Currently ATAP is funded in full in the Governor's FY03 Budget request based on the latest projections and if the legislature approves the Governor's FY03 Budget Request SB 182 would have no impact. However we are providing a fiscal analysis to show what would occur if ATAP faced a shortfall of 5% and 10% in FY03.

Assumptions:

ATAP is underfunded by 5%, or \$2,357.1 below projected need.

ATAP is underfunded by 10%, or \$4,714.2 below projected need.

Should SB 182 become law, with a 5% reduction each ATAP family would lose, on average, about \$405 in benefits for basic needs in FY03. With a 10% reduction, they would lose about \$810 in benefits for basic needs in FY03. Subsequent reductions would depend on Legislative appropriation for the program.

Since it was implemented, welfare reform has saved over \$55.7 million in state and federal benefit payments. Many more recipients are now working, and the average payment has declined 15% -- from \$794 in FY97 to an \$675 in FY01.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 182
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Purchased Services
APPROPRIATIONS INSUFFICIENT Component: Foster Care Base Rate
Sponsor: SENATE (FIN)
Requestor: SENATE (FIN) Component Number: 2236

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
---------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Foster Care program exists to provide the State of Alaska with safe homes for over 1,100 children per month who have been abused or neglected to live on a temporary basis. Foster Parents in Alaska have not had a raise since 1997 and the payment rate has been eroded due to increases in inflation. The average daily rate of \$22.34 per day is intended to reimburse foster parents for the basic costs of raising a child. With the current rates inadequate any pro-rata reduction in rates further erodes the amount paid to foster parents.

The state of Alaska recognizes the valuable work foster parents do on our behalf for vulnerable children. If reductions are made to an already low daily rate this will have the effect of devaluing the work that foster parents do. The State will also face increasing problems in attracting and retaining foster parents

Prepared by: Theresa Tanoury, Director Phone 465-3191
Division: Family & Youth Services Date/Time 02/27/2002
Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 02/28/2002
Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 182

ANALYSIS CONTINUATION

ANALYSIS CONTINUED:

and could disrupt placements. If foster parents are not available to do this valuable work, DFYS could have to turn to residential care to make sure abused children are in safe places at almost 10 times the cost. A payment reduction of even \$2.00 per day could make a big difference in the lives of foster families in Alaska.

Further, the State has an obligation to reimburse Foster Care Providers for the cost of care for children in their custody. If the State fails to meet its obligation, Foster Care providers will have no legal obligation to continue to provide care for the children. This could result in Foster Care Providers returning children to the Division of Family and Youth Services. This situation would seriously undermine the State's child welfare system and would negatively impact the children that the State is responsible for protecting.

PRO-RATA REDUCTION:

Currently the Foster Care Base Rate program is funded in full in the Governor's FY03 Budget request based on the latest projections and if the Legislature approves the Governor's FY03 Budget Request SB 182 would have no impact. However, we are providing a fiscal analysis to show what would occur if the Foster Care Base Rate program faced a shortfall of 5% and 10% in FY03.

Assumptions:

- The Foster Care Base Rate program is fully funded in FY03 at \$11,269.6.
- A 5% reduction in funding will decrease component funding by \$563.5.
- A 10% reduction in funding will decrease component funding by \$1,127.0.

FOSTER CARE REDUCTION ANALYSIS:

The current Foster Care Base Rate of \$22.34 is based on the federal poverty guidelines of 1993, and does not reflect overall cost of living increases that have occurred since that time. A 5% reduction of benefits will decrease the daily rate from \$22.34 to \$21.22, a decrease of \$1.12 per day. A 10% decrease in benefits will reduce the daily rate from \$22.34 to \$20.11, a decrease in reimbursement to foster care providers of \$2.23 per day.

Trained, experienced foster families are a valuable resource and provide an essential service. There is already a shortage of foster parents. An inability to reimburse foster care providers for services rendered will seriously erode any success that the Department has made during the last two years to recruit and retain foster parents. Foster parents rely on the State being able to reimburse them for their costs of care. Any reduction in payments may disrupt placements and result in the Department not having enough foster parents to care for the children committed to State custody. This may result in other placements for children such as Residential Care Facilities, at a daily cost that ranges from \$168 to \$272.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Purchased Services
APPROPRIATIONS INSUFFICIENT Component: Foster Care Augmented Rate
 Sponsor: SENATE (FIN)
 Requestor: SENATE (FIN) Component Number: 2237

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Augmented Foster Care program, or difficulty of care program, reimburses foster care providers for extraordinary costs and for higher levels of supervision not otherwise covered by the Foster Care Base Rate program. When children enter foster care with a higher level of disturbance, foster parents are required to access a higher level of services to meet their needs (i.e., physical and/or psychological therapy, supervised visits with family members, individual education plans, tutoring).

This program serves the most difficult to care for children in the Child Protection system. Making reductions in augmented care rates to implement this bill will make it more difficult for foster parents to provide a safe environment for these disadvantaged children. The Department anticipates that 30.6% of the 1,100 children per month will receive an augmentation of \$20.15 to their base rate in FY2003.

Prepared by: Theresa Tanoury, Director Phone 465-3191
 Division: Family & Youth Services Date/Time 02/27/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 02/28/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 182

ANALYSIS CONTINUATION

ANALYSIS CONTINUED:

The state of Alaska recognizes the valuable work foster parents do for abused and neglected children. If reductions are made to augmented rates, the state will not be reimbursing foster parents for the cost of care. The State will face increasing problems in attracting and retaining foster parents.

PRO-RATA REDUCTION:

Currently the Foster Care Augmented program is funded in full in the Governor's FY03 Budget request based on the latest projections and if the Legislature approves the Governor's FY03 Budget Request SB 182 would have no impact. However, we are providing a fiscal analysis to show what would occur if the Foster Care Base Rate program faced a shortfall of 5% and 10% in FY03.

Assumptions:

- The Foster Care Augmented program is fully funded in FY03 at \$3,748.5.
- A 5% reduction in funding will decrease component funding by \$187.4.
- A 10% reduction in funding will decrease component funding by \$374.9.

FOSTER CARE AUGMENTED RATES PRO-RATA REDUCTION:

AS 47.14.100 mandates the Department to provide for the care of every child committed to its custody by placing the child in a foster home or in the care of an agency or institution providing care for children inside or outside the state. To meet this mandate, the Department provides foster care programs - Foster Care Base Rate, Foster Care Augmented, and Foster Care Special Needs. These programs provide for children that have been removed from situations of abuse or neglect and that are at risk for further abuse and neglect.

A 5% reduction in the augmented benefit will reduce reimbursement to foster parents from \$20.15 to \$19.14 per day, a reduction of \$1.01 per day. A 10% decrease in benefits will reduce the augmentation from \$20.15 to \$18.13, a reduction of \$2.02 per day.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: REQUIRING PRO-RATA REDUCTIONS IN PROGRAMS WHEN BRU: Purchased Services
APPROPRIATIONS INSUFFICIENT Component: Foster Care Special Need
 Sponsor: SENATE (FIN) Component Number: 2238
 Requestor: SENATE (FIN)

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Children who have experienced abuse or neglect often present unique challenges to families, and foster parents are frequently required to access a higher level of service, such as special medical or therapeutic care, to meet the needs of the child. The Foster Care Special Needs program reimburses foster care providers for these pre-approved "one-time" goods or services that are not covered by the Foster Care Base Rate program and that are consistent with the child's case plan.

Special needs children often require one-time items that assist them in leading normal lives. Any reductions to this program will reduce the number of special needs children that get served.

Currently the Foster Care Special Needs program is funded in full in the Governor's FY03 Budget

Prepared by: Theresa Tanoury, Director Phone 465-3191
 Division: Family & Youth Services Date/Time 02/27/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date: 02/28/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 182

ANALYSIS CONTINUATION

ANALYSIS CONTINUED:

request based on the latest projections and if the Legislature approves the Governor's FY03 Budget Request SB 182 would have no impact. However, we are providing a fiscal analysis to show what would occur if the Foster Care Base Rate program faced a shortfall of 5% and 10% in FY03.

Assumptions:

- The Foster Care Special Needs program is fully funded in FY03 at 4,294.5; with almost \$3 million allocated to special needs payments.
- A 5% reduction will decrease component funding by \$214.7.
- A 10% reduction will decrease component funding by \$429.5.

There are only two choices for reductions in the special needs program; either a cap will have to be placed on how much each child can receive as a one-time payment or DFYS will have to decide that some children will not receive special needs payments.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 182
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title "An Act requiring reductions in pay- BRU Longevity Bonus
ments to individuals..." Component Longevity Bonus Grants
 Sponsor Senate Finance
 Requester Senate Finance Component No. 26

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The following FY 2003 Longevity Bonus recipients could be affected by the proration provisions in SB 182:

\$250 per month	12,710	Average Monthly Recipients
200 per month	1,777	" " "
150 per month	1,935	" " "
100 per month	<u>2,215</u>	" " "
Total	18,637	Average Monthly Recipients

Prepared by: James L. Kohn, Director Phone 465-2159
 Division Alaska Longevity Programs Date/Time 2/28/02 3:59 PM
 Approved by: Jim Duncan, Commissioner Date 2/28/2002
 Agency Department of Administration

Bill History/Action Display



BILL: SB 182 SHORT TITLE: PRO RATA REDUCTIONS IN BENEFIT PROGRAMS
 BILL VERSION: CSSB 182(FIN)
 SPONSOR(S): FINANCE
 CURRENT STATUS: (H) HES STATUS DATE: 04/05/02
 THEN FIN

TITLE: "An Act requiring reductions in payments to individuals under certain benefit programs if appropriations are not sufficient to fully fund the statutorily established levels of payments."

[Full Text](#)

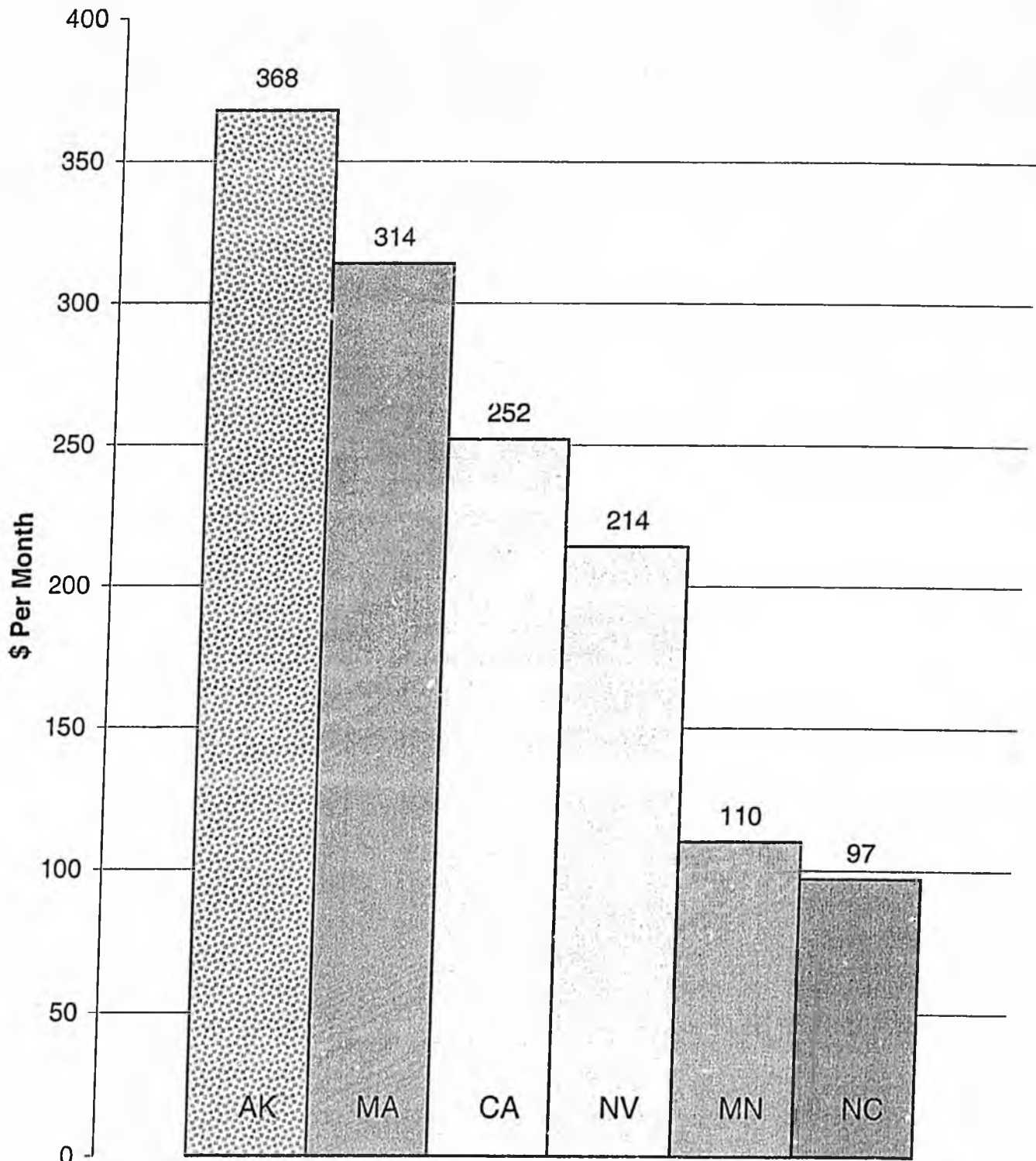
[Fiscal Notes](#)

Committee Action with Bill History

Jrn-Date	Jrn-Page	Action
04/09/01	<u>1014</u>	(S) READ THE FIRST TIME - REFERRALS
04/09/01	<u>1014</u>	(S) FIN
03/22/02	<u>2490</u>	(S) FIN RPT CS 4DP 3NR SAME TITLE
03/22/02	<u>2490</u>	(S) DP: DONLEY, GREEN, LEMAN, WARD;
03/22/02	<u>2490</u>	(S) NR: KELLY, AUSTERMAN, WILKEN
03/27/02	<u>2533</u>	(S) FN1: INDETERMINATE(GOV/ALL DEPTS)
03/27/02	<u>2533</u>	(S) FN2: INDETERMINATE(HSS)
03/27/02	<u>2533</u>	(S) FN3: INDETERMINATE(HSS)
03/27/02	<u>2533</u>	(S) FN4: INDETERMINATE(HSS)
03/27/02	<u>2533</u>	(S) FN5: INDETERMINATE(HSS)
03/27/02	<u>2533</u>	(S) FN6: INDETERMINATE(HSS)
03/27/02	<u>2533</u>	(S) FN7: INDETERMINATE(HSS)
03/27/02	<u>2533</u>	(S) FN8: INDETERMINATE(HSS)
04/02/02	<u>2586</u>	(S) RULES TO CALENDAR 1OR 4/2/02
04/02/02	<u>2587</u>	(S) READ THE SECOND TIME
04/02/02	<u>2588</u>	(S) FIN CS ADOPTED UNAN CONSENT
04/02/02	<u>2588</u>	(S) ADVANCE TO 3RD READING FLD Y13 N4 E2 A1
04/02/02	<u>2588</u>	(S) ADVANCED TO THIRD READING 4/3 CALENDAR
04/03/02	<u>2616</u>	(S) READ THE THIRD TIME CSSB 182(FIN)
04/03/02	<u>2616</u>	(S) PASSED Y13 N6 E1
04/03/02	<u>2616</u>	(S) ELLIS NOTICE OF RECONSIDERATION
04/04/02	<u>2635</u>	(S) RECONSIDERATION NOT TAKEN UP
04/04/02	<u>2636</u>	(S) TRANSMITTED TO (H)
04/04/02	<u>2636</u>	(S) VERSION: CSSB 182(FIN)
04/05/02	<u>2813</u>	(H) READ THE FIRST TIME - REFERRALS
04/05/02	<u>2813</u>	(H) HES, FIN
04/05/02	<u>2813</u>	(H) REFERRED TO HES

Alaska and the Five Highest 1999 SSI State Supplemental Program
Monthly Payments For
Individuals Living In Another Household

Adult Public Assistance

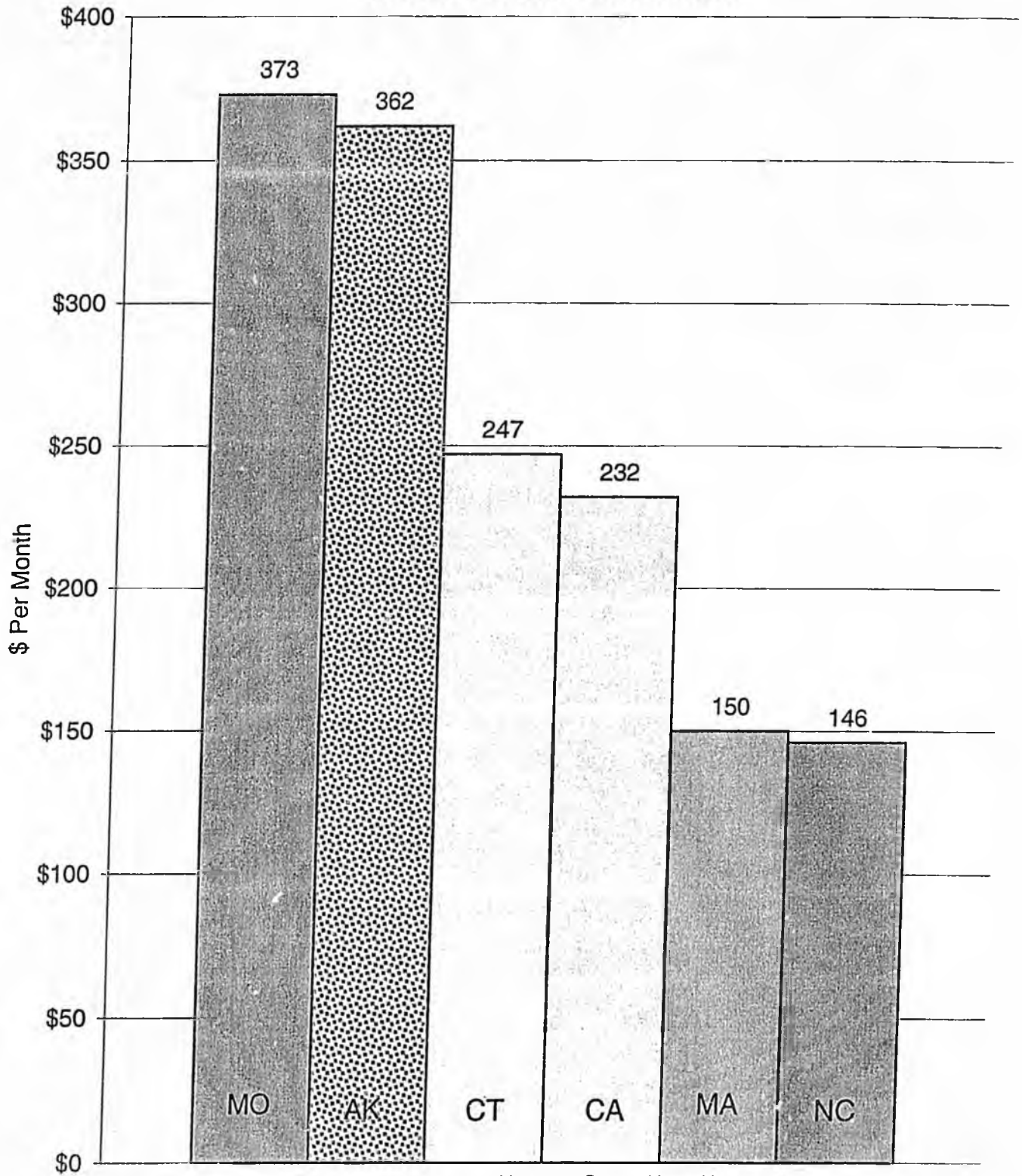


Note: 27 States Have No Program or Pay Nothing

Some states have multiple levels of benefits. The amounts shown are the highest level.

Alaska and the Five Highest 1999 SSI State Supplemental Program
Monthly Payments For Individuals Living Independently

Adult Public Assistance

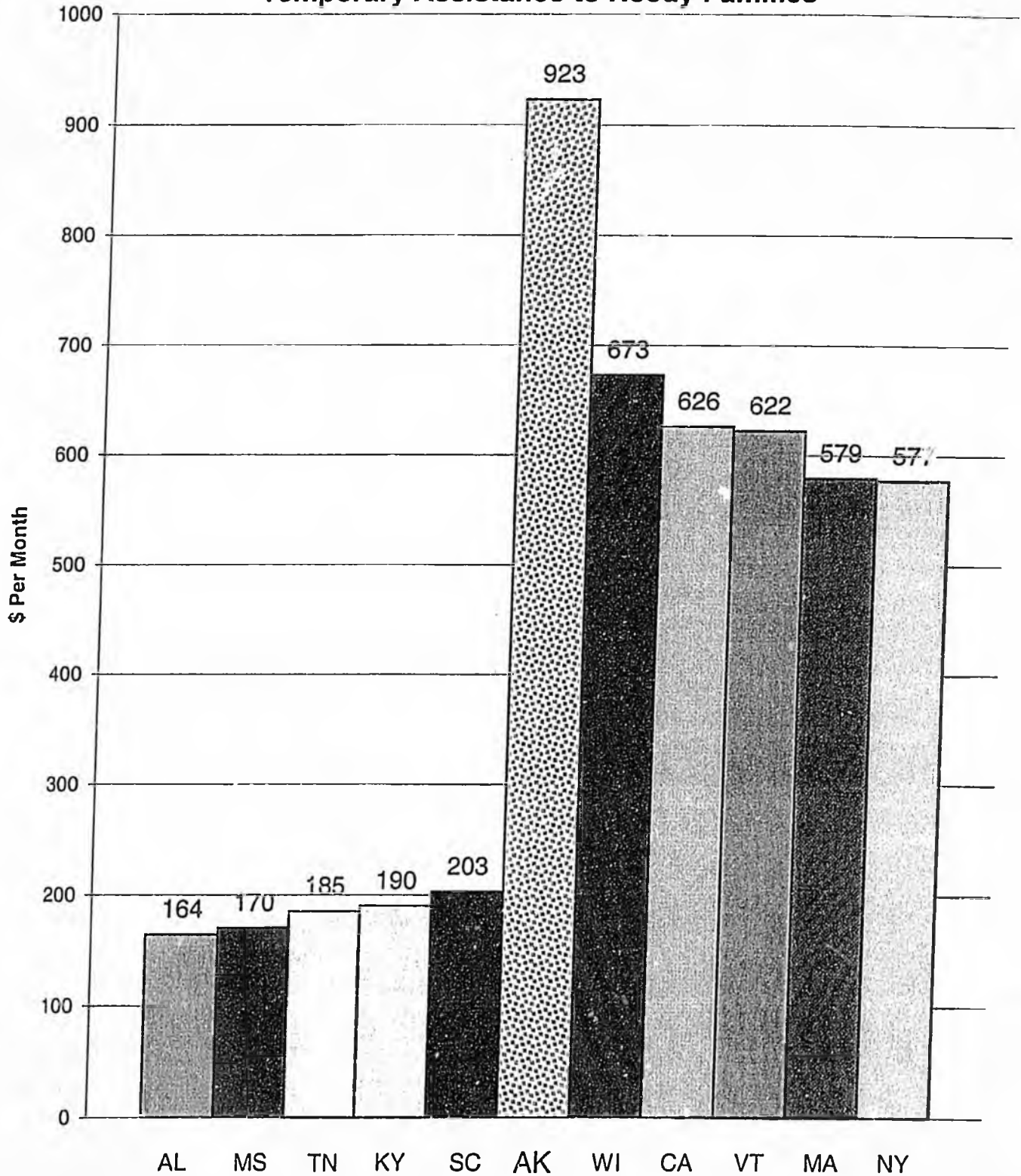


Note: 22 States Have No Program or Pay Nothing

Some states have multiple levels of benefits. The amounts shown are the highest level.

TANF Maximum Monthly Benefits For a Family of Three As Of January 2000 Alaska, The Five Lowest States and The Next Five Highest States

Temporary Assistance to Needy Families





Honorable Fred Dyson, Chair
House Health, Education and Social Services Committee
Alaska Capitol, Room 104
Juneau, AK 99801-1182

April 22, 2002

RE: SB 182 (oppose)

Dear Chair Dyson:

On behalf of the AARP members in Alaska, we sincerely ask that you and your colleagues on the House Health, Education and Social Services Committee oppose SB 182 when it comes before you.

Everyone needs to plan his or her monthly budget. SB 182 would make it impossible for some of Alaska's most vulnerable citizens to stay within their budgets because the Legislature might cut their benefits on a month-to-month basis.

Mid-life and older persons who receive Adult Public Assistance have already demonstrated their need to the state. We have recognized that financial need and certified their eligibility for this benefit.

No one chooses to go into a nursing home. All of us want to "age in place". We want to remain in the community as long as possible. Adult Public Assistance allows our most frail and vulnerable citizens to remain independent and avoid premature institutionalization. Cuts in Adult Public Assistance could force some of these individuals into nursing homes and Pioneer Homes at greater cost to the state.

SB 182 would also endanger those retired Alaskans who receive the Longevity Bonus. This list of recipients grows smaller each year. Those who do receive the Bonus are among our oldest fellow Alaskans. They budget each month anticipating a steady bonus, not one that would be threatened with "pro-rata" cuts because of budget shortfalls over which they have no control.

AARP appreciates the concern you and your colleagues have about our fiscal situation and the need to explore solutions for it.

We pledge to work with you to bring our members and the public in support of the solutions at which you arrive. However, these solutions should be fair and make sense.

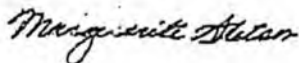
SB 182 targets some of our most needy Alaskans and puts them at financial risk. A better solution would be for all Alaskans to share equally, as they are able to, in resolving our fiscal situation. Some of us can tighten our belts easier than others. Some of us have no belts.

Please set aside SB 182 and let us work together on cuts that make more sense and revenue enhancements that will be fair to all.

Should you have any questions about our position, please feel free to contact Marie Darlin (907.586.3637), Coordinator of the AARP Capitol City Task Force; Patrick Luby (907.762.3314), AARP Legislative Representative; or me (907.245.5259).

Thank you for your consideration.

Sincerely,



Marguerite Stetson
AARP Alaska
Executive Council Member for Advocacy
3009 Northwood Street
Anchorage, AK 99517-1871
907.245.5259 voice
907.245.5279 fax
ffmas@aurora.uaf.edu

cc: Representative Peggy Wilson, Vice-Chair
Representative John Coghill, Jr.
Representative Vic Kohring
Representative Gary Stevens
Representative Sharon Cissna
Representative Reggie Joule

**To: Representative Dyson,
House Health, Education and Social Services
Committee**

**From: Jennifer Nehlsen
4400 Old Nenana Hwy
Fairbanks AK 99709**

Date: 4/23/02

Re: SB 182

I am vehemently opposed to SB182 and the devastating effects it will have on thousands of Alaskans.

Along with many other constituents, I have continually asked for you and your colleagues to develop a responsible fiscal revenue plan. As your efforts to this end have been negligible, this Committee continues its efforts to put the burden of a balanced budget on the backs of the citizens that can least afford it.

As a community-minded property owner and gainfully employed resident of this great State, I ask you to figure out a better and more equitable way to provide the necessary assistance to my fellow citizens.

I am willing to pay for my fair share for the tremendous benefits I receive from my choice to live in Alaska. I implore you to seriously consider a fiscal plan that utilizes any combination of the following: income tax, sales tax, removing or capping the PFD, state lottery, and increased alcohol/tobacco/fuel taxes.



THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

**Elders in Residence 414 Hollywood - Sitka
AK**

The elders and members of 414 Hollywood Sitka, AK have determined that Senate Bill 182 is potentially detrimental to the quality of life and the peace of mind of the most vulnerable of citizens - younger person with disabilities and older persons that receive Adult Public Assistance.

Whereas, the Elders in Residence are concerned for their fellow Alaskans and the possibility that the passage of SB 182 could place already vulnerable citizens in serious financial jeopardy, even to the point of forcing elders and persons with disabilities to be placed in Nursing Homes prematurely.

Whereas, the Elders in Residence enjoy a life of independent living, as meager as it is, through the consistency of Adult Public assistance as it stands. Any changes that occur, especially financial changes, affect the quality of life and the continued independent living status of most of the residence.

Now therefore be it resolved that, the Elders in Residence adamantly oppose the passage of SB 182, because this action would place our most vulnerable of citizens, elders and younger person with disabilities, in serious financial jeopardy on a continuing basis, changes could be made on a month-to-month basis, when ever the Legislature under-funds a program.

Passed April 17, 2002

Adopted and approved by unanimous voice vote.

Mary Wright, Secretary/Treasurer



Official Business


Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

MEMORANDUM

To: Representative Fred Dyson, Chair
House Health, Education & Social Services Committee

From: Senator Dave Donley, Co-Chair 
Senator Finance Committee

Re: Committee Substitute for Senate Bill 182, "An Act requiring reductions in payments to individuals under certain benefit programs if appropriations are not sufficient to fully fund the statutorily established levels of payments"

Date: April 20, 2002

On behalf of the Senate Finance Committee, I request your support for Committee Substitute for Senate Bill 182, which would allow program directors to reduce benefit payments on a pro rata basis.

Alaska is facing a revenue shortfall and funds may not always be available to fund individual benefit programs. Under existing law, if a shortfall occurs, individuals relying on these programs would only receive benefits until the money runs out for that fiscal year.

This legislation encourages greater accuracy and accountability on the part of program directors, and only requires pro ration when a program actually has insufficient funds and when so directed by legislative intent in the budget.

Attached, for your information, is the sponsor statement. If you have any questions, please contact Marilyn Wilson of my staff at 6541.

Thank you for your time and consideration.

DD/mjw

Attachment



Official Business

Alaska State Legislature

State Capitol
Juneau, AK 99801-1182

Sponsor Statement Committee Substitute for Senate Bill 182

“Reducing certain payments to ensure continued payments for an entire fiscal year when funding at the statutory designated level is not appropriated”

Committee Substitute for Senate Bill 182 provides a valuable budgeting tool to executive branch program managers by allowing them to reduce payments on a pro rata basis when necessary. Currently, most statutes require that payments be made at a prescribed level without reference to funding actually available in the budget for that year. If a program does not receive funding at the statutorily suggested level, the only current option is to request a supplemental appropriation or shut a program down in the later months of the fiscal year.

Committee Substitute for Senate Bill 182 recognizes the reality that funds may not always be available to fund individual benefit payments at the statutorily suggested level. If this occurred, individuals who rely on these programs may receive benefits only until the available money runs out for that fiscal year. This legislation provides a contingency in the event that a funding shortage occurs in the future.

Committee Substitute for Senate Bill 182 would allow program directors to reduce benefit payments on a pro rata basis should funding for that program be insufficient. This legislation would **require** pro ration when so directed by legislative intent in the budget.

While this would reduce each payment, it would extend payments over the full 12-month period, thus allowing the Legislature and Administration to respond to reductions in revenue and increases in program recipients in a simple and practical manner. This bill specifically excludes loan programs, subsidies for hard-to-place children, fishermen's fund, workers' compensation fund, second injury fund, retirement programs and programs for which other provisions of law address underfunding.

This legislation will encourage greater accuracy and accountability in state budgeting and also encourage accountability on the part of program directors for the efficient management of their program. The mechanism is similar to other state programs that provide benefits based on funds available.

Committee Substitute for Senate Bill 182 provides a reasonable budgetary tool for the administration and legislature and a valuable mechanism that may be needed to help deal with future fiscal challenges.

DD/mjw

**LEAGUE OF WOMEN VOTERS OF ALASKA
RESOLUTION 2002-03**

**A resolution pertaining to SB 182
Pro-Rata Benefit Reductions**

Whereas, the laws of the State of Alaska provide for assistance with basic support for low-income families, the elderly and disabled; and

Whereas, basic support programs promote self-sufficiency for low-income families, and

Whereas, basic support program also allow the elderly and disabled to live with dignity in their own communities; and

Whereas, SB 182 allows the legislature to disregard actual need for a benefit program, and instead under fund basic support programs; and

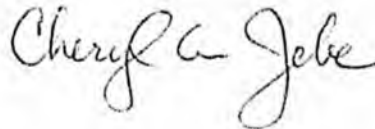
Whereas, the state agency determining the benefit program would then be required to prorate the benefit, reducing the amount of the benefit to all recipients, and

Whereas, a fluctuating benefit will cause instability in the lives of Alaska's most vulnerable citizens; and

Whereas, the League of Women Voters position on meeting basic human needs calls for benefit levels to be sufficient to provide decent, adequate standards for food, clothing and shelter and to be uniform based on needs,

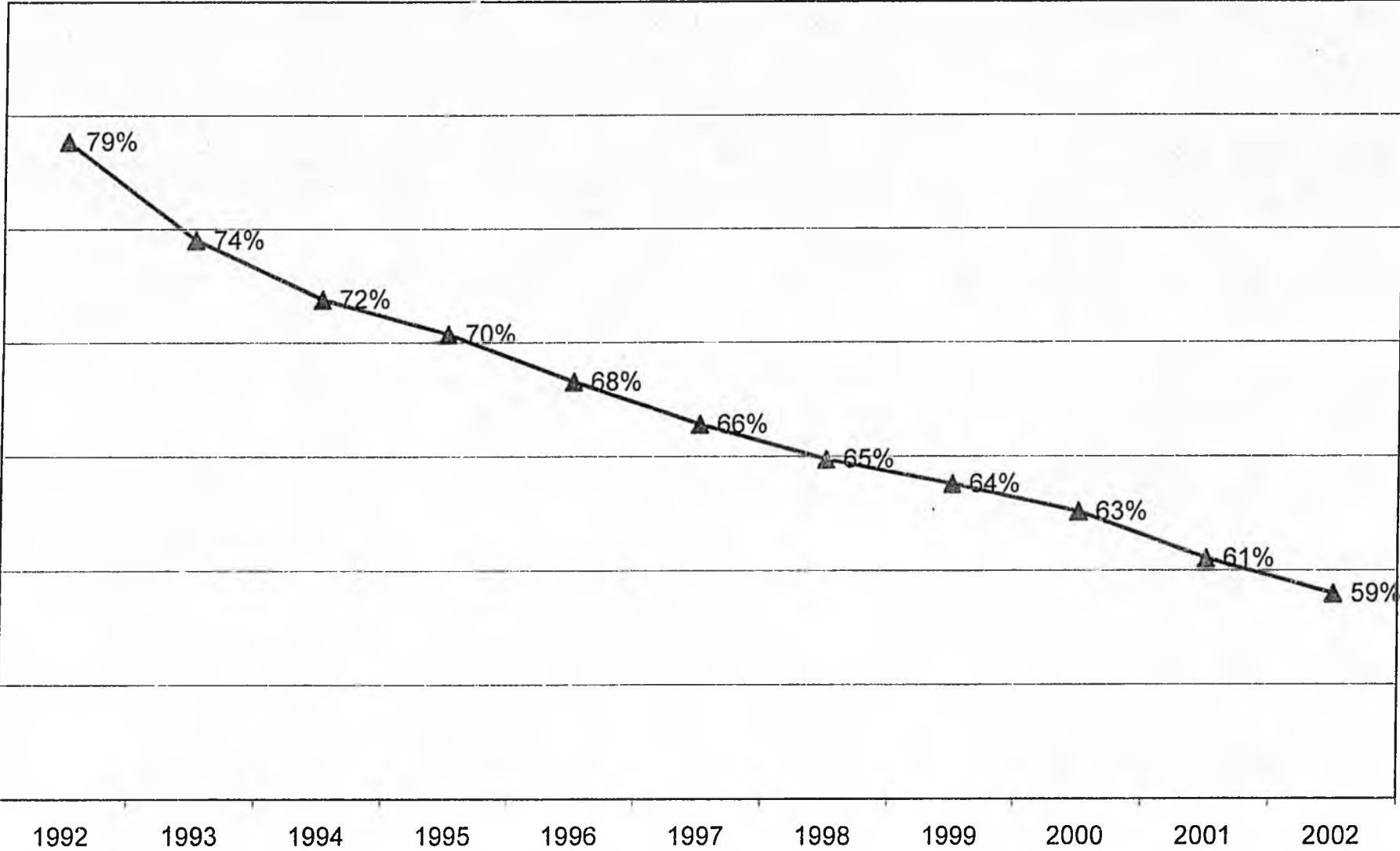
Now, therefore, be it resolved that the League of Women Voters of Alaska opposes passage of SB 182.

Passed and approved this 7th day of April, 2002, by the delegates to the 2002 Convention of the League of Women Voters of Alaska in Soldotna, Alaska.

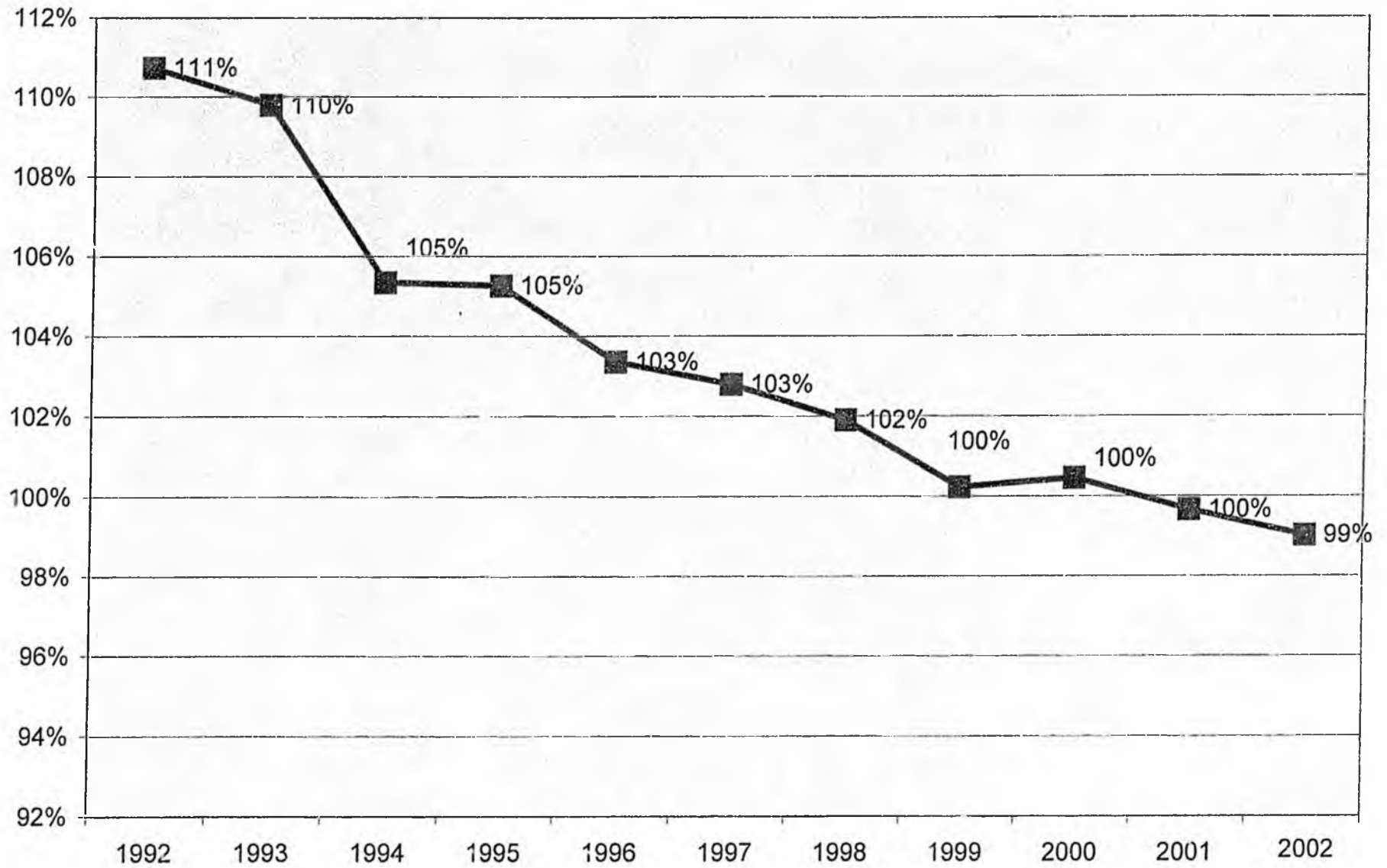


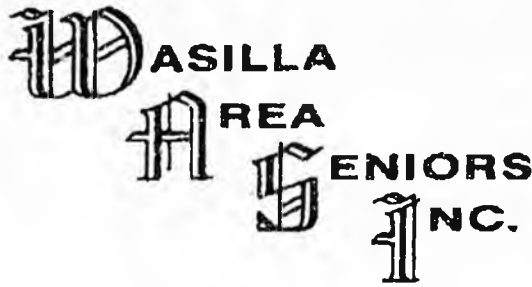
Cheryl Jebe, President
League of Women Voters of Alaska

AFDC/ATAP Benefit as a Percent of Federal Poverty Level



SSI/APA Benefit Amount as a Percent of Alaska Poverty Level





April 18, 2002

Representatives: Beverly Masek, Vic Kohring,
Scott Ogan, Fred Dyson, Peggy Wilson, John Coghill,
Gary Stevens, Sharon Cissna, Reggie Joule
Alaska State Legislature
Juneau, Alaska 99811

Dear Representative:

The Board of Directors reviewed SB 182 at their last meeting and requested that a letter opposing this bill be sent to the Legislature.

We are sure you are aware that this bill would have a serious affect on seniors. Many seniors live on fixed incomes and need their monthly income to pay their rent and other living costs. Reducing there Longevity Bonus for a month a year would create a hardship. Additionally some seniors receive some form of public assistance to live and this bill would affect this.

While we recognize you are facing a serious problem with the Fiscal Gap in the State budget and we support your resolving this issue on a permanent basis we urge you to do this in a manner that is equitable and fair to all Alaskans. We would urge you to not support this bill.

Sincerely,

Ruby Church, Vice President
Board of Directors



TESTIMONY REGARDING SB 182
PRESENTED 04-23-2002
LEGISLATIVE INFORMATION OFFICE
ANCHORAGE

Ladies and Gentlemen of the Health Education and Social Services Committee,

Good afternoon. My name is Anthony Lombardo and I represent Covenant House Alaska. Covenant House is a privately funded, non profit agency which cares for homeless and at risk youth . Today, I am here to offer you our view on SB182.

In addition to our emergency shelter, we having a program in Anchorage, called Passage House, which helps teen moms transition off public assistance and into self sufficiency. I speak to you today on their behalf.

Most Passage House moms come to us barely surviving on ATAP and WIC. We help stabilize their lives, find affordable day care, learn life skills like money management, find a job and over the course of about 18 months, transition off of public assistance. They come to us because they know that they are barely making it and often fear that one false step will result in life on the street and possibly loss of their child to the state's protective custody.

The uncertainty this bill would create in the meager budgets of young moms like those at Passage House is too great. Those teen moms who could otherwise come to us for help might lose their children to state services before they ever get to Passage House. We need less babies in state custody, not more. We need more programs transitioning poor moms and babies into self sufficiency

and off public assistance, but these moms do not need any more financial crisis or uncertainty.

In addition, if this bill passes, foster parents would not necessarily know from month to month how much income to factor into their budget. The added difficulties could discourage foster parents from participating in the program. We already have a shortage of foster care homes in this state. If we train wreck the fragile homes maintained by moms like those at Passage House, the state will need somewhere to place those children.

In short, Covenant House is opposed to the apparent intent of this bill. It would be unreasonable to introduce additional uncertainty into the health, safety and welfare of our poorest families.

Thank you.

4/22/2002

To:

Subject: HB 182

From: Michael & Tamara Keech
7715 Port Orford Drive
Anchorage, AK 99507

To Whom It May Concern:

This letter is in reference to HB 182 and it's probable impact on the foster care system.

The bill, also known as the "pro-rata" bill, tells the administration to pro-rate the monthly payment to foster parents when funds run low, which means the payment would be adjusted to fit the amount of money the Department is budgeted.

When foster care funding runs low now, the administration is allowed to ask for more funding through the Supplemental Budget process. SB 182 states no Supplemental funding would be available for foster care.

Living within the budget is ok when the number of children needing that care does not exceed the annual budget. In some years, more children needed protection through placement in foster care than the budget allowed.

If SB 182 passes, then in future years when foster care budget runs low, future administrations would have to reduce the monthly payment to foster parents. There would be no other option. Legally, the division could not accept fewer children in need in order to balance the budget.

The average monthly payment to foster parents is \$22.34. Foster parents are not interested in making money while providing foster care, but they surely can't supplement foster children to the detriment of their own! Secondly, managing a household within financial limits is vital, and without confidence that the rates would not vary, many foster families would discontinue caring for these children in need. After the first occurrence of reductions, I believe the already frustrated foster families, who are unaccustomed to dealing with the government bureaucracy would say the heck with it and bring the children back to DFYS! Then the only alternative would be to place them in residential group home settings at a rate of well over \$100.00 daily. Common sense should prevail here ladies and gentlemen. Sheer economics, coupled with the proven success of home environments in lieu of shelters, dictates the discontinuance of this bill.

Sincerely,

Tamara Keech
*Michael Keech*Michael & Tamara Keech
Foster Parents

Subject: HB 182

Date: Tue, 23 Apr 2002 15:53:13 -0800

From: "Tammy Keech" <keechtammy@hotmail.com>

**To: Representative_Sharon_Cissna@legis.state.ak.us,
Representative_John_Coghill@legis.state.ak.us**

**CC: Representative_Fred_Dyson@legis.state.ak.us, Representative_Reggie_Joule@legis.state.ak.us,
Representative_Vic_Kohring@legis.state.ak.us**

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A few years ago a legislature said they should discontinue the stipend for foster parents all together. Then we would have the dedicated! I tell you have the dedicated.

Sincerely,

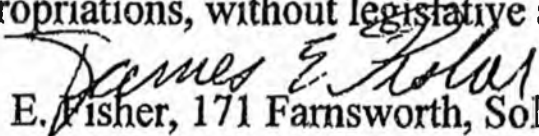
Michael and Tamara Keech

Join the world's largest e-mail service with MSN Hotmail.
<http://www.hotmail.com>

4/25/02

To: HOUSE HEALTH & SOCIAL SERVICES COMMITTEE

Re: SB 182 -- pro rata reductions to Longevity Bonus & socially needed appropriations, without legislative action

From:  James E. Fisher, 171 Farnsworth, Soldotna
Fax: 262-9641 ph: 262-9601

The SB 182 appears to be the Legislature abandoning one of its constitutional functions by passing it.

If you must reduce an appropriation for a program like the Longevity Bonus, you should be willing to look we elders of the State in the eye and convince us of your justification for doing so. Passing the responsibility on to an administrative official appears coy almost verging on failure of nerve.

I strongly urge that you vote NO on SB 182.

A rather senior citizen of Alaska,

James E. Fisher
(Sen4402.SB182)