

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10563 SENATE HEALTH EDUCATION & SOCIAL SERVICES

408

SCR

2

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1
 Bill Version: SCR 2
 (S) Publish Date: 1/30/01

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title: Relating to declaring March 2001 as BRU: _____
 Sobriety Awareness Month. Component: _____
 Sponsor: Sen. Ward Component Number: _____
 Requester: _____

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: SENATE HEALTH, EDUCATION & SOCIAL SERVICES COMM Phone 465-3009

Senator: /s/ SENATOR GREEN *Lynne Green* Date 1/29/01
 Committee Chair

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 1/23/01

FURTHER:

Date of 5-Day Notice: 01/25/01
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: _____

Health, Education and Social Services Committee considered **SENATE CONCURRENT RESOLUTION NO. 2**

Relating to declaring March 2001 as Sobriety Awareness Month.

and recommends:

- be replaced with CS SCR 2 (HES)
- adopt previous CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
CHAIR: <i>[Signature]</i>	✓			

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

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CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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Estimate of any current year (FY2001) cost: 0.0

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Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: SENATE HEALTH, EDUCATION & SOCIAL SERVICES COMM Phone 465-3009

Senator: /s/ SENATOR GREEN *Lynne Green* Date 1/29/01
 Committee Chair



SENATOR JERRY WARD

ALASKA STATE LEGISLATURE

Sponsor Statement SCR 2

“A Senate Concurrent Resolution declaring March 2001 as
Sobriety Awareness Month.”

Alcohol and drug abuse has been identified as the single most destructive health problem in Alaska. Its devastating effects have been felt within every racial, ethnic and economic background.

Senate Concurrent Resolution (SCR) 2 reinforces the commitment Alaskans make to a clean and healthy life style.

SCR 2 will help to: a) Highlight and reinforce socially appropriate behaviors and choices that improve quality of life and health of individuals, families, and communities, b) Reduce the incidence of alcohol and drug related crime and c) Reduce the burden on government in having to expend valuable resources to pay for the perverse problems caused by alcohol and drugs.

SCR 2 follows conventional wisdom to focus on sobriety as a solution being embraced by thousands of Alaskans.

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

Bill: CSSCR 2 (HES)

Short Title: Sobriety Awareness Month

Long Title: "Relating to declaring March 2001 as Sobriety Awareness Month."

Amended: January 31, 2001

Reason Amended: SCR 2 was amended by the Senate HESS Committee to reflect the alarming increase of inhalant abuse and the devastating affects upon society. The Senate HESS Committee felt that it was important to acknowledge the problems associated with the abuse of inhalants along with the abuse of alcohol and drugs.

Changes Made: Page 1, line 7: Replaced "alcohol and drugs" with "alcohol, drugs, and inhalants";

Page 1, line 14: Replaced "alcohol and drug abuse" with "alcohol, drug, and inhalant abuse";

Page 2, Line 4. Replaced "alcohol and drug related crimes" with "crimes related to alcohol, drugs, and inhalants"; and

Page 2, Line 6: Replaced "alcohol and drug abuse" with "alcohol, drug, and inhalant abuse".

SENATOR LOREN LEMAN, VICE-CHAIR
SENATOR PETE KELLY, SENATOR JERRY WARD, SENATOR BETTYE DAVIS

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SENATOR LYDA GREEN
SENATE DISTRICT N

CONCEPTUAL CS FOR SCR 2
SOBRIETY AWARENESS MONTH

Would include the following amendments:

Page 1, line 7: Replace "alcohol and drugs" with "alcohol, drugs, and inhalants";

Page 1, line 14: Replace "alcohol and drug abuse" with "alcohol, drug, and inhalant abuse";

Page 2, Line 4: Replace "alcohol and drug related crimes" with "crimes related to alcohol, drugs, and inhalants"; and

Page 2, Line 6: Replace "alcohol and drug abuse" with "alcohol, drug, and inhalant abuse".

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

COMMITTEE SCHEDULE

BUTROVICH 205

1:30 PM

* Today we will also be hearing ECR2 Sobriety Awareness month

Monday February 5

+*SB2 MUNICIPAL SCHOOL BOND REIMBURSEMENT

+*SB11 COMPULSORY SCHOOL AGE

+SB19 CHILD SUPPORT ENFORCEMENT/SOC SEC. #

Bills Previously Heard/Scheduled

Wednesday February 7

+*SB40 EDUC.OF DISABLED OR GIFTED CHILDREN

Bills Previously Heard/Scheduled

SENATOR LOREN LEMAN, VICE-CHAIR
SENATOR PETE KELLY, SENATOR JERRY WARD, SENATOR BETTYE DAVIS

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

COMMITTEE SCHEDULE

BUTROVICH 205

1:30 PM

Monday February 12

+ High School Graduation Qualifying Exam Hearing:

Department of Education & Early Development

Bills Previously Heard/Scheduled

Wednesday February 14

SENATOR LOREN LEMAN, VICE-CHAIR
SENATOR PETE KELLY, SENATOR JERRY WARD, SENATOR BETTYE DAVIS

22-LS0306F
Ford
1/31/01

CS FOR SENATE CONCURRENT RESOLUTION NO. 2(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:

Referred:

Sponsor(s): SENATOR WARD

A RESOLUTION

1 **Relating to declaring March 2001 as Sobriety Awareness Month.**

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** it is the policy of the State of Alaska, under AS 47.37.010, "to recognize,
4 appreciate, and reinforce the example set by its citizens who lead, believe in, and support a
5 life of sobriety"; and

6 **WHEREAS** sobriety has been defined to mean "a positive, healthy, and productive
7 way of life, free from the devastating effects of alcohol, drugs, and inhalants" by more than 50
8 profit and nonprofit organizations, community groups, and student governments throughout
9 the state; and

10 **WHEREAS** these organizations, community groups, and student governments
11 constitute what is commonly referred to as a growing "sobriety movement"; and

12 **WHEREAS** the "sobriety movement" is interpreted as "[t]he collective effort on the
13 part of individuals, families and communities, and public and private agencies, affected by,
14 concerned with, and working toward the prevention of alcohol, drug, and inhalant abuse, who
15 by example encourage and support others in leading a life of sobriety"; and

16 **WHEREAS** the practice and benefits of leading a life of sobriety to Alaska's citizens

1 are threefold:

2 (1) improvement in the quality of life and health of individuals, families, and
3 communities;

4 (2) reduction in the incidence of crimes related to alcohol, drugs, and
5 inhalants;

6 (3) reduction in the burden on government by not having to exhaust its
7 resources to pay for the pervasive problems caused by alcohol, drug, and inh^a int abuse; and

8 **WHEREAS** March has been designated "Sobriety Awareness Month" by the Alaska
9 State Legislature and Governor Knowles every year since 1995 to recognize, appreciate, and
10 reinforce the example set by citizens who lead, believe in, and support a life of sobriety;

11 **BE IT RESOLVED** that the month of March 2001 should be proclaimed as Sobriety
12 Awareness Month; and be it

13 **FURTHER RESOLVED** that Governor Tony Knowles proclaim the same and have
14 copies of the proclamation sent to all the respective departments and departmental agencies
15 within the administration that fund or have contact with youth, schools, family services, or
16 provide rehabilitation or correctional services; and be it

17 **FURTHER RESOLVED** that all Alaska citizens who lead, believe in, or support a
18 life of sobriety indicate so by wearing a white ribbon of their choosing so that they may be
19 readily recognized and appreciated during Sobriety Awareness Month 2001.



SENATOR JERRY WARD

ALASKA STATE LEGISLATURE

Sponsor Statement SCR 2

“A Senate Concurrent Resolution declaring March 2001 as Sobriety Awareness Month”

Alcohol, drug and inhalant abuse has been identified as the single most destructive health problem in Alaska. Its devastating effects have been felt within every racial, ethnic and economic background.

Senate Concurrent Resolution (SCR) 2 reinforces the commitment Alaskans make to a clean and healthy life style.

SCR 2 will help to: a) Highlight and reinforce socially appropriate behaviors and choices that improve quality of life and health of individuals, families, and communities, b) Reduce the incidence of crimes related to alcohol, drugs and inhalants and c) Reduce the burden on government in having to expend valuable resources to pay for the perverse problems caused by alcohol, drugs and inhalants.

SCR 2 follows conventional wisdom to focus on sobriety as a solution being embraced by thousands of Alaskans.

January-May: STATE CAPITOL • JUNEAU, AK • 99801-1182 • (907) 465-4940 • FAX (907) 465-3766
ANCHORAGE: 716 W. 4th AVE. • STE. 450 • ANCHORAGE, AK 99501 • (907) 269-0106 • FAX (907) 269-0109
KENAI: 145 MAIN STREET LOOP • KENAI, AK • 99611 • (907) 283-7996 • FAX (907) 283-3075

Chairman, Senate Transportation Committee • Chairman, Senate State Affairs Committee
Senator_Jerry_Ward@legis.state.ak.us



SENATOR JERRY WARD

ALASKA STATE LEGISLATURE

Sponsor Statement SCR 2

“A Senate Concurrent Resolution declaring March 2001 as Sobriety Awareness Month”

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Chairman, Senate Transportation Committee • Chairman, Senate State Affairs Committee

Senator_Jerry_Ward@legis.state.ak.us

SJR

21

ALASKA STATE LEGISLATURE



Interim:

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(907) 376-3157 Fax


Session:

State Capitol
Juneau, Alaska 99801-1182
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SENATOR LYDA GREEN SENATE DISTRICT N

Memo

TO: Representative Pete Kott, Chair
House Rules Committee

FROM: Senator Lyda Green 

DATE: May 3, 2001

RE: SJR 21, TANF Supplemental Funding

Senate Joint Resolution 21 has been referred to the House Rules Committee, please schedule it for the House Floor as soon as possible.

Attached is the Sponsor Statement and the backup materials.

If you have any questions please call my staff person all Jerry Burnett at 3579.

Your cooperation is appreciated.

United States Senate

WASHINGTON, DC 20510

March 9, 2001

The Honorable George W. Bush
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

We are writing to call your attention to a program, which has been critical to the success of welfare reform in our states. The Temporary Assistance for Needy Families (TANF) block grant established in the 1996 welfare law included modest supplemental grants for 17 relatively poor or rapidly growing states, such as Texas and Florida. These grants were intended to reduce the very large disparity between poorer and wealthier states in TANF funding that resulted from the basic TANF funding formula. These grants have afforded states, like ours, a more adequate opportunity to achieve TANF goals.

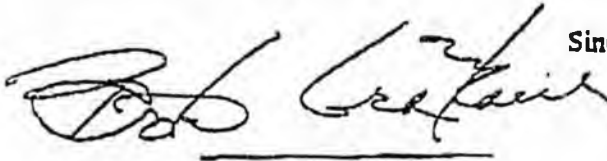
While TANF is scheduled to be reauthorized in 2002, the supplemental grants included in the 1996 law were authorized only through October, 2001. This means that under current law, the 17 states currently eligible for these grants will face a reduction in their TANF funding of as much as 10 percent of their block grant starting on October 1 of this year. The other, wealthier, lower growth states will experience no reduction.

These grants are not supplemental in the sense of being add-ons; they were designed as an integral part of the TANF allocation formula and are critical to the success of our states, and many others', TANF programs. These grants have allowed states to expand their welfare and related programs - such as child care and job training initiatives - to include a broader range of services that enable all welfare recipients to become self sufficient. Without the TANF supplemental grants these programs could not have been made available to individuals moving from welfare to work.

For these reasons, we are requesting that a one year extension of the TANF supplemental grants be included in your budget recommendations for fiscal year 2002. This step will help to ensure that high growth states can continue their welfare reform efforts and will enable the supplemental grants to be considered as part of the overall TANF reauthorization next year.

We look forward to working with you to ensure that the accomplishments that states have made in helping people move from public assistance to independence can continue throughout the nation.

Sincerely,



Nordlund, Jim

From: Sheri Steisel [sheri.steisel@ncsl.org]
Sent: Thursday, March 22, 2001 3:14 PM
To: Humserv-l; nalfo-dist@ncsl.org
Subject: TANF Supplemental Grants

EFFORTS UNDERWAY TO SUPPORT CONTINUATION OF TANF SUPPLEMENTAL GRANTS
 3/22/2001

TANF supplemental grants were awarded to 17 states and are set to expire this year. Efforts are now underway to try to extend this grant until reauthorization of the welfare reform law next year. Under the 1996 welfare reform law, supplemental grants were provided to states with high rates of population growth and with historically low levels of welfare spending per capita. Referred to formally as the "Population Growth and Poverty Adjuster", a total of \$800 million was authorized for FY 1998 to FY 2001 for the TANF supplemental. Without Congressional action, the TANF supplemental will expire at the end of FY2001.

The 17 states are Alabama, Alaska, Arizona, Arkansas, Colorado, Idaho, Louisiana, Mississippi, Nevada, Texas, Utah, Florida, Georgia, Montana, New Mexico, North Carolina, and Tennessee.

NCSL included support for a one year extension of the TANF supplemental in a recent letter to President Bush on welfare-related budget issues (<http://www.ncsl.org/statefed/humserv/bushltr2.htm>). On March 9, a group of US Senators sent a letter to President Bush urging him to support a one year extension of the TANF supplemental grants in his budget recommendations for FY2002. The Senators signing the letter were Bob Graham, Kay Bailey Hutchison, John Ensign, Thad Cochran, Ted Stevens, Jeff Sessions, Harry Reid, John Breaux, Blanche Lincoln, Larry Craig, Fred Thompson, Jeff Bingaman, Jesse Helms and Conrad Burns. If you would like a copy of the letter, please contact Lee Posey at NCSL at 202/624-8196 or Lee.Posey@NCSL.org

This is a good time for states to contact their House and Senate delegations to support a one-year extension of the TANF supplemental grant. For further information, please contact Sheri Steisel at sheri.steisel@ncsl.org or Lee Posey at NCSL.

[How States Qualify for Funding Under the TANF Supplemental](#)

Under the "automatic qualification" criteria for grants, states qualified for full supplemental grants in all four fiscal years if the level of state welfare spending per poor person by the state in FY 1994 was less than 35% of the national average or the state's population increased by more than 10 percent between April 1, 1990 and July 1, 1994. States automatically qualified for TANF supplemental grants are Alabama, Alaska, Arizona, Arkansas, Colorado, Idaho, Louisiana, Mississippi, Nevada, Texas, and Utah.

Under the "general eligibility qualification" criteria, states qualified for a grant for a fiscal year if the level of welfare spending per poor person in the state for the previous fiscal year is less than the national average and the state's population growth in the most recent year for which data are available is greater than the national average population for all states in the same period. These states receive supplemental grants in subsequent years, but amount of the grant they can receive depends on whether or not the state remains qualified for that particular year. States that met the general eligibility criteria in FY 1998 (and thus are eligible for subsequent fiscal years) are Florida, Georgia, Montana, New Mexico, North Carolina, and Tennessee.

-- Sheri Steisel
 Federal Affairs Counsel
 Director, Human Services Committee
 NCSL Washington DC Office
Sheri.Steisel@ncsl.org

ALASKA STATE LEGISLATURE



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

To: Terry Lauterbach, Legislative Legal Services

From: Aurora Hauke, Committee

A handwritten signature in black ink, appearing to read "Aurora Hauke".

Date: March 28, 2001

Subject: SJR 21 Extend Federal TANF Grants

In Senate HESS Committee today, SJR 21 Extend Federal TANF Grants, passed out with the conceptual CS as follows:

1. Page 1, Line 15: Change \$6,900,000 to \$6,887,800.
2. Page 2, line 10: Remove "the Head Start program,".
3. Page 2, Line 18: Copies of the resolution should also be sent to the President of the United States and Tommy Thompson, United States Secretary of Health & Human Services.

Please prepare a final for this bill with the above described changes. Thank you for your assistance.

SENATOR LOREN LEMAN, VICE-CHAIR
SENATOR JERRY WARD, SENATOR GARY WILKEN, SENATOR BETTYE DAVIS

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

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

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: Urging Congress to reauthorize TANF block grant BRU: Public Assistance
 Component: ATAP
 Sponsor: Senate (HES)
 Requester: _____ Component Number: 220

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
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CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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1003 GF Match						
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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)

The federal TANF grant funds cash benefits as well as a variety of services to recipients of the Alaska Temporary Assistance Program including case management, job readiness training, supportive services, short-term job training and pregnancy prevention education. Alaska's high population supplemental TANF grant in the amount of \$6,887,000 has become an integral part of the state's block grant and its loss will negatively impact the state's efforts to move recipients from welfare to work. The expiration of the supplemental grant will also result in loss of TANF funding for essential services to non-ATAP families including Head Start, Healthy Families and child protection.

Prepared by: Jim Nordlund, Director Phone _____
 Division: Public Assistance Date/Time _____
 Approved by: Karen Perdue, Commissioner Date 3/23/01 3:50 PM
 Agency: Department of



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

DEPARTMENT Health & Social Services	DIVISION Public Assistance	BILL NUMBER SJR 21	SPONSOR Senate (HES)
SHORT TITLE OF BILL Urging Congress to reauthorize TANF block grant			
DEPARTMENT POSITION Support			
PREPARED BY Angela Salerno <i>AS</i>	DATE 3/20/01	COMMISSIONER'S SIGNATURE	DATE

SUMMARY

OTHER AGENCIES AFFECTED BY BILL DHHS/DPH, DFYS; DEED; DPS-Council on Domestic Violence and Sexual Assault	CONSTITUENT GROUP(S) AFFECTED BY BILL Recipients of ATAP Non-ATAP recipients who receive a variety of social services funded by TANF
ORGANIZATIONAL SUPPORT FOR BILL Advocates and providers of service to ATAP recipients	ORGANIZATIONAL OPPOSITION TO BILL None known

FISCAL IMPACT NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

The Temporary Assistance to Needy Families (TANF) block grant established in the 1996 federal welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), included modest supplemental grants for 17 relatively poor or rapidly growing states. Alaska's TANF program, Alaska Temporary Assistance, was awarded a "high population" supplemental grant because the state's population grew by more than 10 percent between April 1, 1990 and July 1, 1994. These supplemental grants were authorized only through fiscal year 2001, while PRWORA was authorized through fiscal year 2002. This means that beginning October 1, 2001, the state of Alaska will face a reduction of \$6.9 million in TANF funding, or 13% of its block grant.

Alaska is currently using these funds for employment-related and supportive services that are helping to move people off welfare and into self-sufficiency. TANF funds also support a variety of essential services to non-welfare recipients including childcare, child protection and the Head Start program. The elimination of the supplemental grant will force the Department of Health and Social Services to scale back on these efforts compromising the ongoing success of welfare reform.

ANALYSIS OF BILL/PROGRAM EFFECTS

This legislation urges the United States Congress to extend the authorization date for supplemental block grants to the State of Alaska under the federal Temporary Assistance to Needy Families Program through FY 2002.

AMENDMENTS PROPOSED

SECTIONAL ANALYSIS

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 3/19/01

FURTHER:

Date of 5-Day Notice: 03/22/01
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 03/29/01

Health, Education and Social Services Committee considered **SENATE JOINT RESOLUTION NO. 21**
EXTEND FEDERAL TANF GRANTS

Urging the United States Congress to extend the authorization date for supplemental block grants to the State of Alaska under the Federal Temporary Assistance to Needy Families Program.

and recommends:

- be replaced with CS SJK 21 (HES)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by Committee
- further referral to Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR #

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Health & Social Serv.	3/22/01		X	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Karen D. Jensen</i>	✓			
<i>Gary Wells</i>	✓			
<i>Betty Davis</i>	✓			
CHAIR: <i>Lynne Muen</i>	✓			

ALASKA STATE LEGISLATURE



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

To: Senate HESS Members
From: Aurora Hauke, Committee Aide
Date: March 28, 2001
Subject: SJR 21 EXTEND FEDERAL TANF GRANTS

Please find attached additional back-up information for SJR 21 EXTEND FEDERAL TANF GRANTS.

SENATOR LOREN LEMAN, VICE-CHAIR
SENATOR JERRY WARD, SENATOR GARY WILKEN, SENATOR BETTYE DAVIS

United States Senate

WASHINGTON, DC 20510

March 9, 2001

The Honorable George W. Bush
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

We are writing to call your attention to a program, which has been critical to the success of welfare reform in our states. The Temporary Assistance for Needy Families (TANF) block grant established in the 1996 welfare law included modest supplemental grants for 17 relatively poor or rapidly growing states, such as Texas and Florida. These grants were intended to reduce the very large disparity between poorer and wealthier states in TANF funding that resulted from the basic TANF funding formula. These grants have afforded states, like ours, a more adequate opportunity to achieve TANF goals.

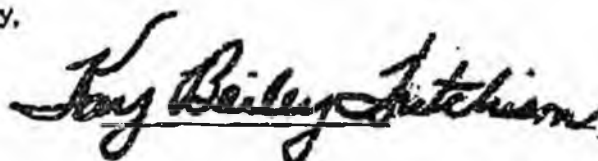
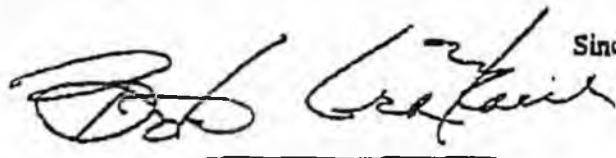
While TANF is scheduled to be reauthorized in 2002, the supplemental grants included in the 1996 law were authorized only through October, 2001. This means that under current law, the 17 states currently eligible for these grants will face a reduction in their TANF funding of as much as 10 percent of their block grant starting on October 1 of this year. The other, wealthier, lower growth states will experience no reduction.

These grants are not supplemental in the sense of being add-ons; they were designed as an integral part of the TANF allocation formula and are critical to the success of our states, and many others', TANF programs. These grants have allowed states to expand their welfare and related programs - such as child care and job training initiatives- to include a broader range of services that enable all welfare recipients to become self sufficient. Without the TANF supplemental grants these programs could not have been made available to individuals moving from welfare to work.

For these reasons, we are requesting that a one year extension of the TANF supplemental grants be included in your budget recommendations for fiscal year 2002. This step will help to ensure that high growth states can continue their welfare reform efforts and will enable the supplemental grants to be considered as part of the overall TANF reauthorization next year.

We look forward to working with you to ensure that the accomplishments that states have made in helping people move from public assistance to independence can continue *throughout* the nation.

Sincerely,



President Bush
Page two

John Ensign

Paul Cohen

Pat Brown

Jeff Lewis

Garrett

John Breau

Blank R. Lewis

J. E. King

Frank W. Tompkins

W. J. King

Jesse Helms

W. J. King

NATIONAL
GOVERNORS'
ASSOCIATION

12026245413
Parris N. Glendening
Governor of Maryland
Chairman

T-083 P.02/02 F-686
Raymond C. Scheppach
Executive Director

John Engler
Governor of Michigan
Vice Chairman

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1512
Telephone (202) 624-5300
<http://www.nga.org>



February 13, 2001

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

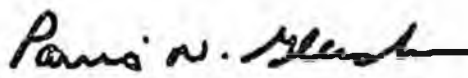
As you know, the historic welfare reform agreement of 1996 will need to be reauthorized during the 107th Congress and the nation's Governors look forward to working with you toward that end. As you prepare to submit your budget recommendations for fiscal year 2002, we want to bring to your attention a key provision of the welfare reform agreement that must be addressed this year. Without an extension of the Temporary Assistance for Needy Families (TANF) supplemental grants, 17 states will face a reduction in TANF funding in fiscal year 2002.

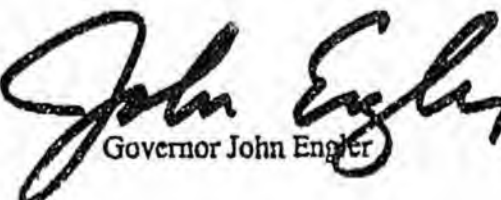
The TANF supplemental grants were designed to address the needs of states with especially high population growth or historically low welfare benefits. These grants represent a significant portion of the overall level of TANF funding for the 17 states receiving supplemental grants. Cuts of this magnitude would have a significant effect on continued state implementation of welfare reform. The TANF supplemental grants are not provided to states in the form of a bonus, but rather are calculated as an integral part of the states' allocation.

We recognize that this will be one of many TANF funding issues that will be debated within the context of welfare reform reauthorization next year. But in the interim, the nation's Governors are concerned that allowing the supplemental grants to expire while reauthorization is being discussed puts a number of states at a serious disadvantage. On many occasions since the enactment of the 1996 welfare reform package, Governors have voiced strong opposition to actions that would alter the nature of the original agreement. The expiration of the TANF supplemental grants without the benefit of full debate during the reauthorization process would be a violation of the historic agreement.

On behalf of the nation's Governors, we urge you to extend the TANF supplemental grants through fiscal year 2002.

Sincerely,


Governor Parris N. Glendening


Governor John Engler

C: Secretary Tommy G. Thompson



February 26, 2001

The Honorable George W. Bush
 President of the United States
 The White House
 Washington, D.C. 20500

Dear President Bush:

As you decide on the priorities of your Administration for the next four years, the National Conference of State Legislatures (NCSL) urges you to give careful consideration to a number of issues within the U.S. Departments of Health and Human Services and Agriculture that are extremely important to state legislators. As a bipartisan organization whose members are keenly aware of how federal decisions impact the lives of America's families, we are ready to work with you on the issues raised below.

The Temporary Assistance to Needy Families (TANF) Block Grant

The bold reform of welfare in 1996 has been very successful. Welfare caseloads have declined by more than 50% since the implementation of PRWORA (the Personal Responsibility and Work Opportunity Reconciliation Act). More recipients are in the labor force. This success is the result of a federal and state partnership. Making use of the flexibility given us in the 1999 TANF regulations, states have implemented creative strategies to assist both TANF recipients and the working poor. We hope that you will firmly support full funding for the Temporary Assistance for Needy Families (TANF) block grant.

* { The TANF supplemental grants were designed to ensure that certain states with rapidly growing populations had adequate resources to carry out the goals of the TANF program. TANF supplemental allocations should be made for the next fiscal year to ensure that states can continue the progress of welfare reform and to allow time to deal with this issue during welfare reform reauthorization.

As the 2002 reauthorization approaches, state legislators will have TANF funding and flexibility to administer the TANF program as their highest priorities. A key feature of the law was the devolution to the states of decision-making authority. NCSL requests that members of your domestic policy staff and HHS officials meet with a small group of legislators early in the reauthorization process. This would be an ideal opportunity to discuss state issues and concerns before you finalize your reauthorization proposal.

The Social Services Block Grant (SSBG, Title XX of the Social Security Act)

SSBG funds are a vital part of the delivery of community and home-based services to the most vulnerable segments of society including the disabled, elderly, and children in need of protective services. NCSL urges you to fund the SSBG at the \$2.38 billion level as agreed to as part of the enactment of the 1996 welfare reform act. In addition, it is critical that the amount states can transfer from their TANF grants to the SSBG remains at 10% and is not reduced.

Restoration of Benefits for Legal Immigrants

NCSL urges you to restore food and health benefits for legal immigrants and end a cost-shift to the states. The 1996 welfare reform law denied food stamps to all legal immigrants and their children and denied Medicaid to certain legal immigrants and their children. While NCSL supported the 1996 welfare

reform law, NCSL opposed these particular provisions. NCSL believes that in so doing, the federal government abdicated its responsibility to fund the consequences of its decisions regarding immigration. To their credit, states rose to the challenge. Many states, for example, created their own food assistance programs or increased state funding to food banks. The 1996 immigration provisions had nothing to do with the fundamental goals of the Temporary Assistance to Needy Families program— to promote self-sufficiency and family stability through a work-first, time-limited program. Efforts to restore food stamp benefits and ensure an option for states to provide Medicaid and SCHIP have bipartisan support. NCSL asks you to consider including funding for the restoration of benefits in your budget as way of helping hard-working new Americans and restoring equilibrium to the state/federal partnership.

Food Stamps

The food stamp program is in need of reform. NCSL is concerned that many working families whose income makes them eligible for food stamps are not receiving them. From 1994 to 1998, the participation rate fell from 71% of 59% of eligible individuals. Federal law is often a barrier to state innovation. Many times federal food stamp provisions are in conflict with state welfare reform efforts. While numerous factors influence the participation rate, NCSL believes that state outreach is hampered by fear of quality control errors. We urge you to consider changes in this program and to include NCSL in the discussion.

Waivers

As a general principle, NCSL encourages you to support waiver programs at U.S. Departments of Health and Human Services and Agriculture that allow states to implement innovative approaches to the delivery of human services programs. Waivers allow states to address the unique needs of their populations, and help the federal government discern best practices. Policy flexibility will result in better outcomes for our families and children.

Thank you for your attention to NCSL's concerns. NCSL is well aware that as a former governor, you understand the need for flexibility and partnership in delivering services that benefit Americans in need. If you wish to discuss these issues further, please contact Sheri Steisel, Federal Affairs Counsel, in our Washington office. Sheri can be reached at (202) 624-8693, or at sheri.steisel@ncsl.org.

Sincerely,

Senator Jim Costa
California Senate
President, NCSL

Senator Stephen Saland
New York Senate
President Elect, NCSL

cc: The Honorable Tommy Thompson
The Honorable Ann Veneman
Mitch Daniels, OMB Director
Josh Bolten, Deputy Chief of Staff for Policy

National Conference of State Legislatures
INFO@NCSL.ORG (autoresponse directory)

Denver Office:
1560 Broadway, Suite 700
Denver, CO 80202
Tel: 303-830-2200
Fax: 303-863-8003

Washington Office:
444 North Capitol Street, N.W., Suite
515
Washington, D.C. 20001
Tel: 202-624-5400
Fax: 202-737-1069

Nordlund, Jim

From: Sheri Steisel [sheri.steisel@ncsl.org]
Sent: Thursday, March 22, 2001 3:14 PM
To: Humserv-l; nalfo-dist@ncsl.org
Subject: TANF Supplemental Grants

EFFORTS UNDERWAY TO SUPPORT CONTINUATION OF TANF SUPPLEMENTAL GRANTS
 3/22/2001

TANF supplemental grants were awarded to 17 states and are set to expire this year. Efforts are now underway to try to extend this grant until reauthorization of the welfare reform law next year. Under the 1996 welfare reform law, supplemental grants were provided to states with high rates of population growth and with historically low levels of welfare spending per capita. Referred to formally as the "Population Growth and Poverty Adjuster", a total of \$800 million was authorized for FY 1998 to FY 2001 for the TANF supplemental. Without Congressional action, the TANF supplemental will expire at the end of FY2001.

The 17 states are Alabama, Alaska, Arizona, Arkansas, Colorado, Idaho, Louisiana, Mississippi, Nevada, Texas, Florida, Georgia, Montana, New Mexico, North Carolina, and Tennessee.

NCSL included support for a one year extension of the TANF supplemental in a recent letter to President Bush on welfare-related budget issues (<http://www.ncsl.org/statefed/humserv/bushltr2.htm>). On March 9, a group of US Senators sent a letter to President Bush urging him to support a one year extension of the TANF supplemental grants in his budget recommendations for FY2002. The Senators signing the letter were Bob Graham, Kay Bailey Hutchison, John Ensign, Thad Cochran, Ted Stevens, Jeff Sessions, Harry Reid, John Breaux, Blanche Lincoln, Larry Craig, Fred Thompson, Jeff Bingaman, Jesse Helms and Conrad Burns. If you would like a copy of the letter, please contact Lee Posey at NCSL at 202/624-8196 or Lee.Posey@NCSL.org

This is a good time for states to contact their House and Senate delegations to support a one-year extension of the TANF supplemental grant. For further information, please contact Sheri Steisel at sheri.steisel@ncsl.org or Lee Posey at NCSL.
[How States Qualify for Funding Under the TANF Supplemental](#)

Under the "automatic qualification" criteria for grants, states qualified for full supplemental grants in all four fiscal years if the level of state welfare spending per poor person by the state in FY 1994 was less than 35% of the national average or the state's population increased by more than 10 percent between April 1, 1990 and July 1, 1994. States automatically qualified for TANF supplemental grants are Alabama, Alaska, Arizona, Arkansas, Colorado, Idaho, Louisiana, Mississippi, Nevada, Texas, and Utah.

Under the "general eligibility qualification" criteria, states qualified for a grant for a fiscal year if the level of welfare spending per poor person in the state for the previous fiscal year is less than the national average and the state's population growth in the most recent year for which data are available is greater than the national average population for all states in the same period. These states receive supplemental grants in subsequent years, but amount of the grant they can receive depends on whether or not the state remains qualified for that particular year. States that met the general eligibility criteria in FY 1998 (and thus are eligible for subsequent fiscal years) are Florida, Georgia, Montana, New Mexico, North Carolina, and Tennessee.

-- Sheri Steisel
 Federal Affairs Counsel
 Director, Human Services Committee
 NCSL Washington DC Office
Sheri.Steisel@ncsl.org

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 FOR SJR 21

Urging the United States Congress to Extend the Authorization Date
for Supplemental Block Grants to the State of Alaska under the
Federal Temporary Assistance to Needy Families Program

The Temporary Assistance to Needy Families (TANF) block grant established in the 1996 federal welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), included modest supplemental grants for 17 relatively poor or rapidly growing states. Alaska's TANF program, Alaska Temporary Assistance, was awarded a "high population" supplemental grant because the state's population grew by more than 10 percent between April 1, 1990 and July 1, 1994.

These supplemental grants included in the 1996 law were authorized only through fiscal year 2001, while PRWORA was authorized through fiscal year 2002. This means that beginning October 1, 2001, the state of Alaska will face a reduction of \$6.9 million in TANF funding, or 13% of its block grant.

The term "supplemental grant" is misleading in that these grants were never intended to be merely add-ons. They were designed by the architects of welfare reform as an integral part of the formula used to determine each state's block grant allocation. Alaska is currently using these funds for employment-related and supportive services that are helping to move people off welfare and into self-sufficiency. TANF funds also support a variety of essential services to non-welfare recipients including childcare, child protection and the Head Start program. The elimination of the supplemental grant will force the Department of Health and Social Services to scale back on these efforts compromising the ongoing success of welfare reform.

Many policymakers in Washington D.C. are aware of this issue and the American Public Human Services Association, the Center for Budget and Policy Priorities and the National Governor's Association support the continuation of the supplemental grants.

SJR 21 is addressed to Alaska's congressional delegation and all other members of Congress. Action to extend the supplemental grants will need to be taken by Congress this year before the new federal fiscal year begins in October.

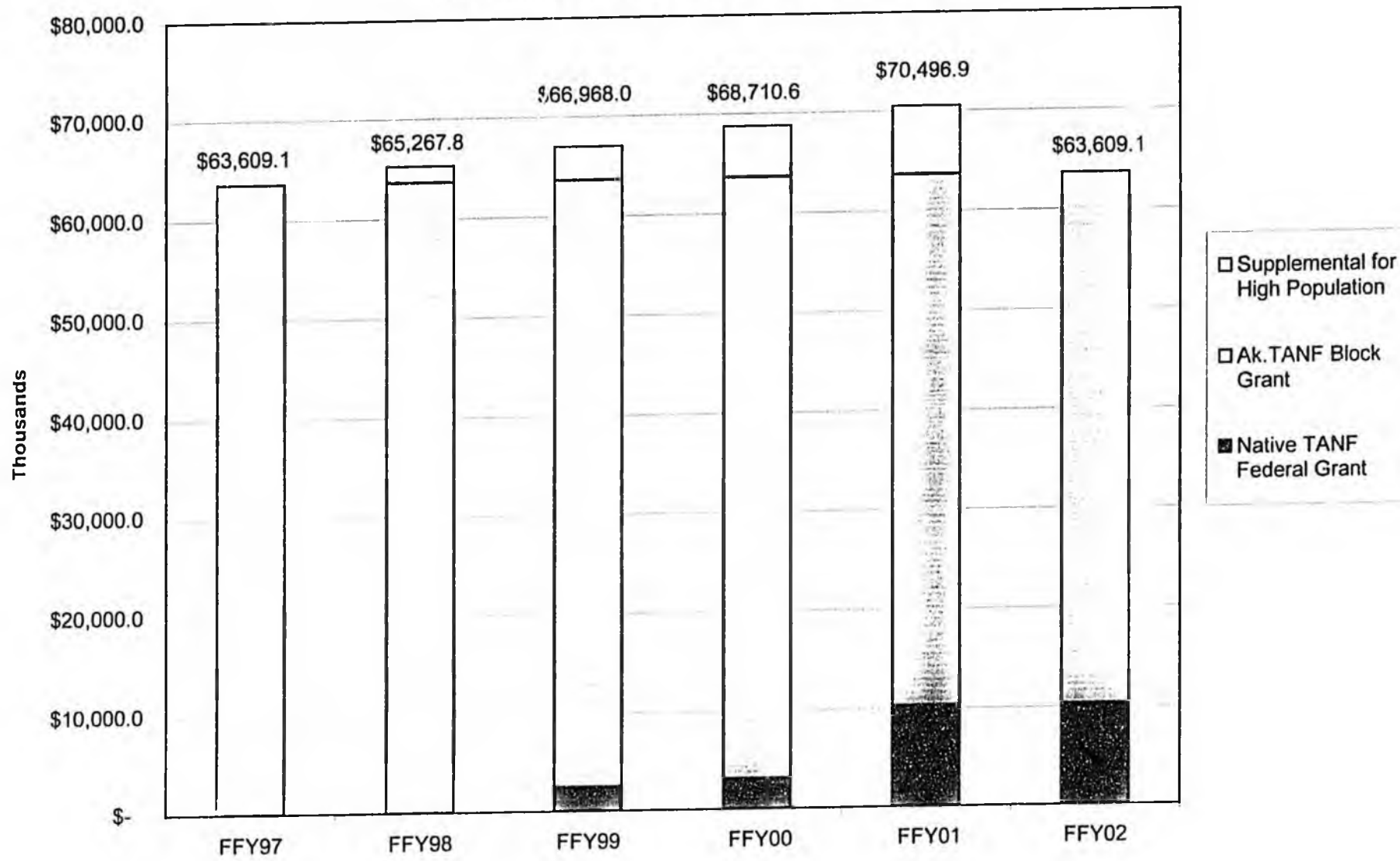
SENATOR LOREN LEMAN, VICE-CHAIR

SENATOR J

ETTYE DAVIS

SPONSOR STATEMENT

**State of Alaska
FFY1997-FFY2002 TANF Block Grant Amount**



BACK-UP INFORMATION

States Receiving TANF Supplemental Grants

State	Supplemental grant amount (<i>in millions</i>)
Alabama	11.1
Alaska	6.9
Arizona	23.9
Arkansas	6.2
Colorado	13.6
Florida	60.4
Georgia	37.3
Idaho	3.5
Louisiana	17.0
Mississippi	9.0
Montana	1.1
Nevada	3.7
New Mexico	6.6
North Carolina	36.1
Tennessee	21.6
Texas	52.7
Utah	8.7



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Topics	Letter	More Information
<ul style="list-style-type: none"> ♦ Appropriations and Budget ♦ Aviation ♦ Child Support Financing ♦ Child Welfare ♦ Clean Water Act ♦ Coastal Zone Management ♦ Crime and Juvenile Justice ♦ Election Reform ♦ Electric Industry Restructuring and Energy Issues ♦ Elementary and Secondary Education ♦ Endangered Species Act ♦ Fatherhood ♦ Federalism, Preemption, and Regulatory Reform ♦ Food Stamps ♦ Health Care Coverage for the Uninsured ♦ Health Insurance Regulation ♦ Indian Gaming ♦ Indian Gaming - Related Tribal-State Issues ♦ Individuals with Disabilities Education Act (IDEA) ♦ Minimum Wage ♦ Outer Continental Shelf Revenues ♦ Privacy ♦ Public Pension and Retirement Savings ♦ Sales Tax Simplification ♦ SSBG ♦ State Children's Health Insurance Program 	<p>February 13, 2001</p> <p>The President The White House Washington, D.C. 20500</p> <p>Dear Mr. President:</p> <p>As you know, the historic welfare reform agreement of 1996 will need to be reauthorized during the 107th Congress and the nation's Governors look forward to working with you toward that end. As you prepare to submit your budget recommendations for fiscal year 2002, we want to bring to your attention a key provision of the welfare reform agreement that must be addressed this year. Without an extension of the Temporary Assistance for Needy Families (TANF) supplemental grants, 17 states will face a reduction in TANF funding in fiscal year 2002.</p> <p>The TANF supplemental grants were designed to address the needs of states with especially high population growth or historically low welfare benefits. These grants represent a significant portion of the overall level of TANF funding for the 17 states receiving supplemental grants. Cuts of this magnitude would have a significant effect on continued state implementation of welfare reform. The TANF supplemental grants are not provided to states in the form of a bonus, but rather are calculated as an integral part of the states' allocation.</p> <p>We recognize that this will be one of many TANF funding issues that will be debated within the context of welfare reform reauthorization next year. But in the interim, the nation's Governors are concerned that allowing the supplemental grants to expire while reauthorization is being discussed puts a number of states at a serious disadvantage. On many occasions since the enactment of the 1996 welfare reform package, Governors have voiced strong opposition to actions that would alter the nature of the original agreement. The expiration of the TANF supplemental grants without the benefit of full debate during the reauthorization process would be a violation of the historic agreement.</p>	<p>Letters</p> <p>Testimonies</p> <p>NGA Policy Positions</p> <p>Congressional Calendar</p> <p>Legislative Priorities</p> <p>Previous Congresses</p> <p>Recent News</p> <p><i>March 20, 2001</i></p> <ul style="list-style-type: none"> ♦ Children's Health <p>Second NGA Policy Academy on Oral Health Care for Children to be Held in Tennessee</p> <p><i>March 19, 2001</i></p> <ul style="list-style-type: none"> ♦ Education <p>Higher Education Focus of Governors' Roundtable</p> <p><i>March 16, 2001</i></p> <ul style="list-style-type: none"> ♦ Private Lands Summit <p>Governors Set Course to Save America's Working Lands</p> <p><i>March 14, 2001</i></p> <ul style="list-style-type: none"> ♦ Testimony <p>Governor Geringer Calls on Congress to Restore State Authority in Internet Taxation Policy</p> <p><i>March 09, 2001</i></p> <ul style="list-style-type: none"> ♦ Working Lands <p>Theodore Roosevelt to Address NGA Working Lands Conservation Summit</p> <p><i>March 08, 2001</i></p> <ul style="list-style-type: none"> ♦ Streamlined Sales Taxes <p>Streamlined Sales Tax Project Gains Momentum</p>

- [Superfund and Brownfields](#)
- [Taxes and Revenues](#)
- [Telecommunications](#)
- [Terrorism](#)
- [Welfare Reform](#)

On behalf of the nation's Governors, we urge you to extend the TANF supplemental grants through fiscal year 2002.

Sincerely,

Governor Parris N. Glendening Governor
John Engler

C: Secretary Tommy G. Thompson

(Signatures on file)

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National Governors' Association, Hall of States, 444 N. Capitol St., Washington, D.C.
20001-1512

Telephone (202) 624-5300 | webmaster email address: webmaster@nga.org

FY2001: Instate/out of state Medicaid RPTC Data

Date of Service >=7/1/2001 and <=6/30/2002

Date of Payment >=7/1/2001

Age <21

Provider Type 03 (RPTC)

Instate placements (unduplicated):	223	34.52%
Out of state placements (unduplicated):	<u>423</u>	<u>65.48%</u>
	646	100.00%

All RPTC Placements

		Ave. days per child	
Instate placement days:	25,488	114.3	
Out of state placement days:	<u>67,857</u>	160.4	46.12 more days than instate
	93,345		
		Ave. cost per child	
Instate expenditure amount:	8,205,973	36,798.09	
Out of state expenditure amount:	<u>17,080,959</u>	40,380.52	
	25,286,932		

Native placement days

		Ave. days per child	
Instate placement days:	8,607	117.90	
Out of state placement days:	<u>20,494</u>	170.78	52.88 more days than instate
	29,101		

Native expenditures

		Ave. cost per child
Instate expenditure amount:	2,794,875	38,285.96
Out of state expenditure amount:	<u>5,273,235</u>	43,943.63
	8,068,110	

FY2001: Instate/out of state Medicaid RPTC Data

Date of Service >=7/1/2001 and <=6/30/2002

Date of Payment >=7/1/2001

Age <21

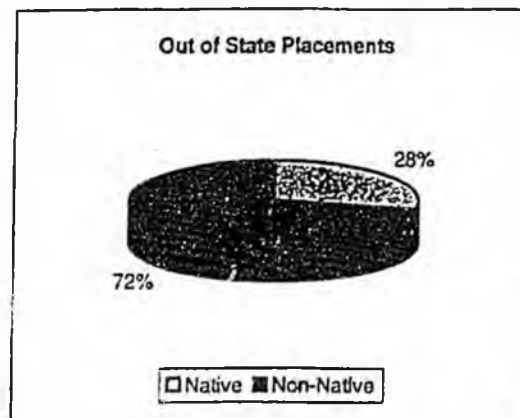
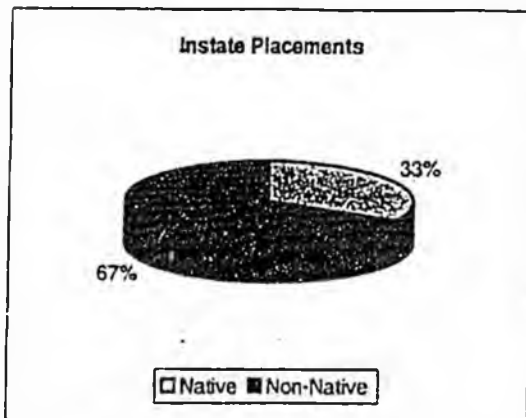
Provider Type 03 (RPTC)

Instate placements (unduplicated):	223	34.52%
Out of state placements (unduplicated):	423	65.48%
	<u>646</u>	

RACE

Instate		
Count	Race	%
73	Alaska Native	32.74%
4	American Indian	1.79%
1	Asian	0.45%
16	Black	7.17%
5	Hispanic	2.24%
1	Pacific Islander	0.45%
2	Unknown	0.90%
121	White	54.26%
223		100.00%
Native 73		32.74%
Non-Native 150		67.26%

Out of state		
Count	Race	%
120	Alaska Native	28.37%
9	American Indian	2.13%
1	Asian	0.24%
14	Black	3.31%
7	Hispanic	1.65%
2	Pacific Islander	0.47%
24	Unknown	5.67%
246	White	58.16%
423		100.00%
Native 120		28.37%
Non-Native 303		71.63%



FY2001: Instate/out of state Medicaid RPTC Data

Date of Service >=7/1/2001 and <=6/30/2002

Date of Payment >=7/1/2001

Age <21

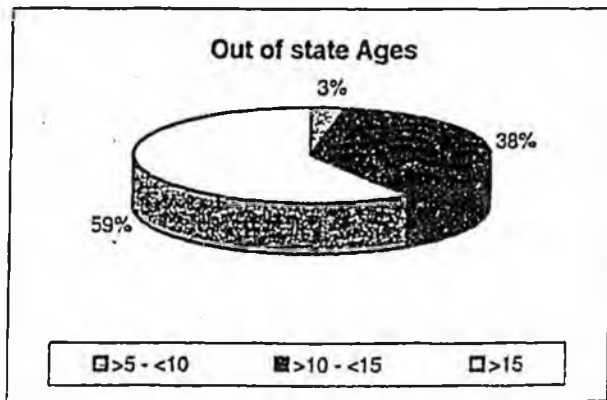
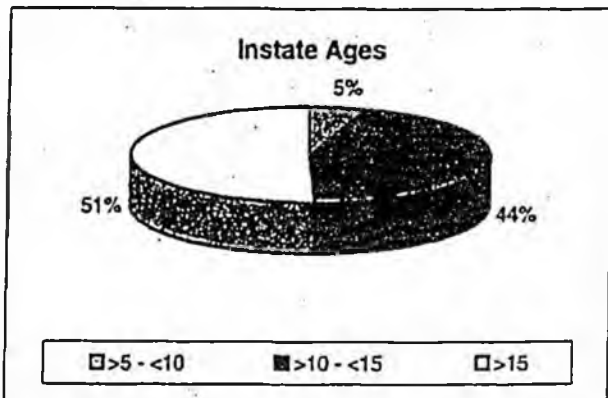
Provider Type 03 (RPTC)

Instate placements (unduplicated):	223	34.52%
Out of state placements (unduplicated):	423	65.48%
	<u>646</u>	

AGE

Instate		
Age	Count	%
>5 - <10	11	4.93%
>10 - <15	99	44.39%
>15	113	50.67%
	<u>223</u>	<u>100.00%</u>

Out of state		
Age	Count	%
>5 - <10	13	3.07%
>10 - <15	160	37.83%
>15	250	59.10%
	<u>423</u>	<u>100.00%</u>

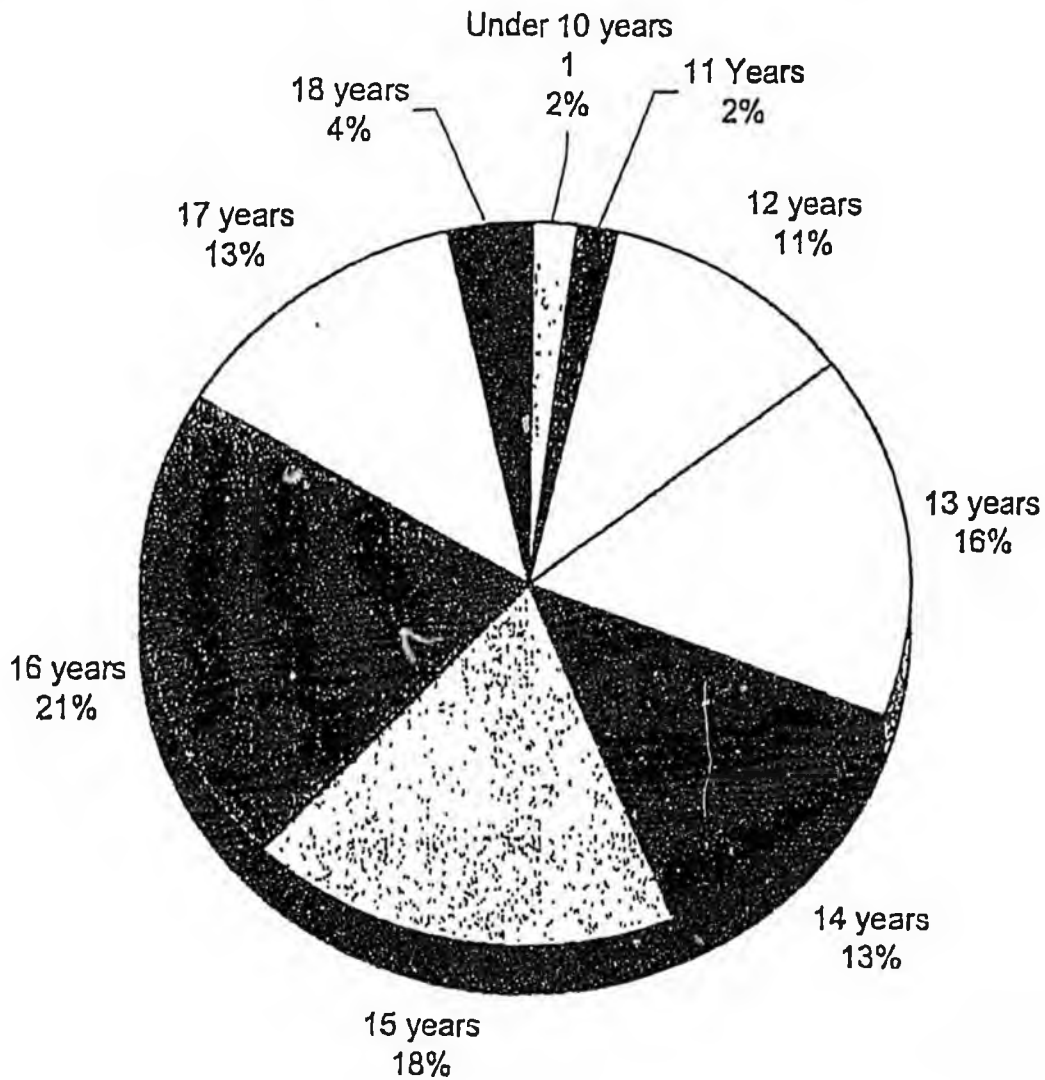


Report to the Alaska Mental Health Board

Children and Youth Placed in Residential Psychiatric Treatment Centers Out of State

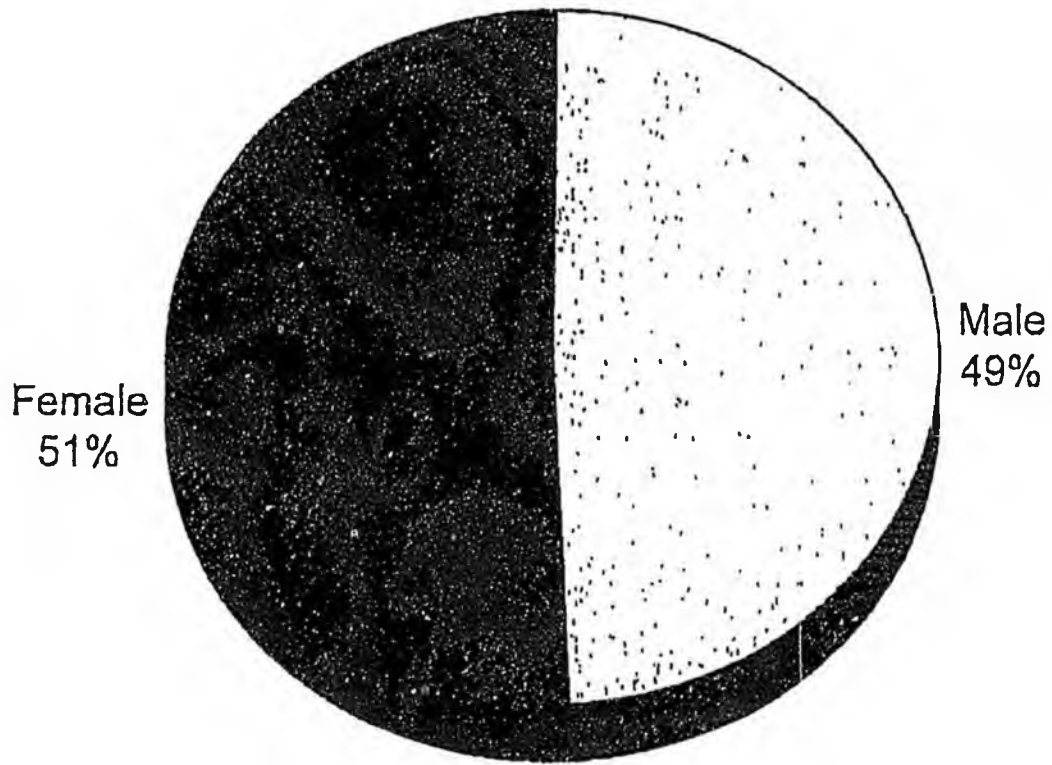
**Division of Family and Youth Services
January 15, 2002**

Unduplicated Number of Children Placed Out of State in RPTC by AGE



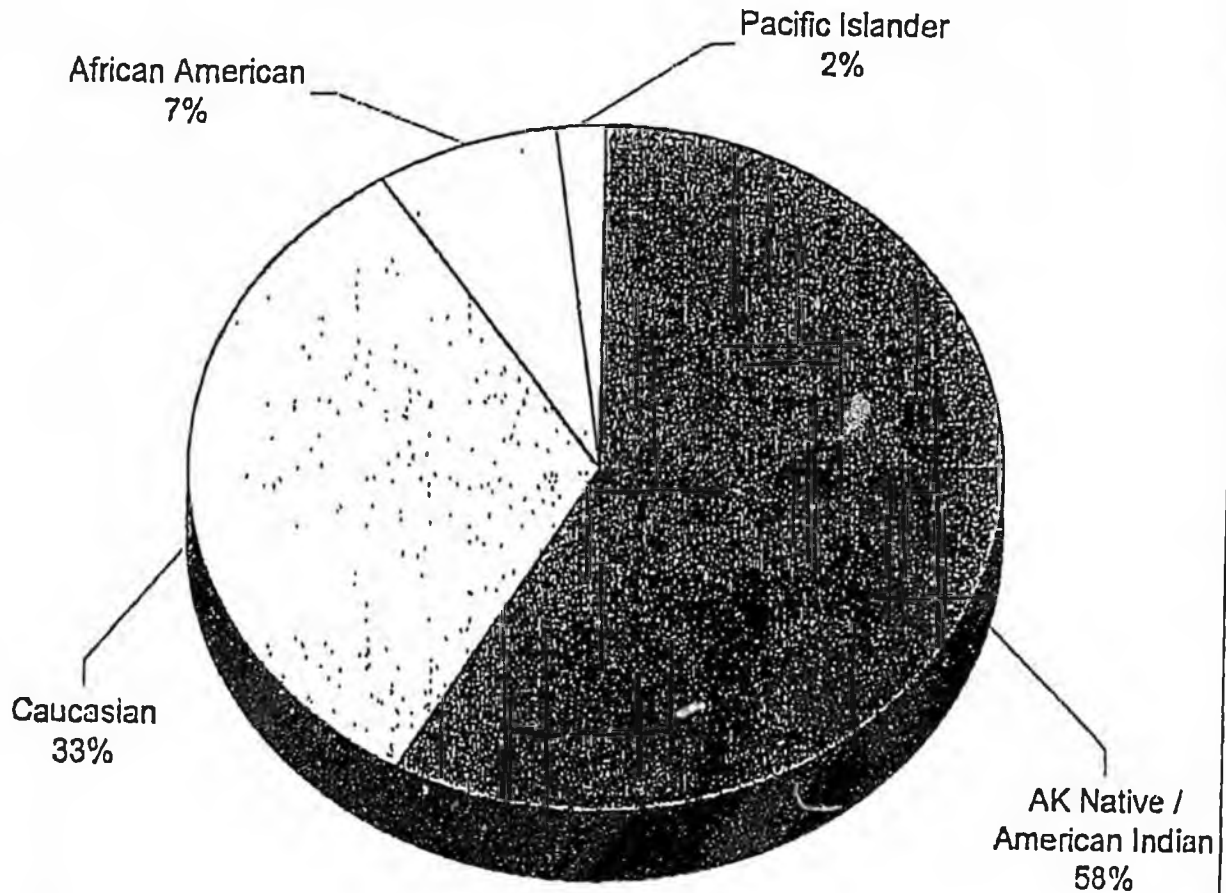
□ Under 10 years	1	■ 11 Years	1	□ 12 years	6
□ 13 years	9	■ 14 years	7	□ 15 years	10
■ 16 years	12	□ 17 years	7	■ 18 years	2

Unduplicated Number of Children Placed Out of State in RPTC by GENDER



□ Male	27	■ Female	28
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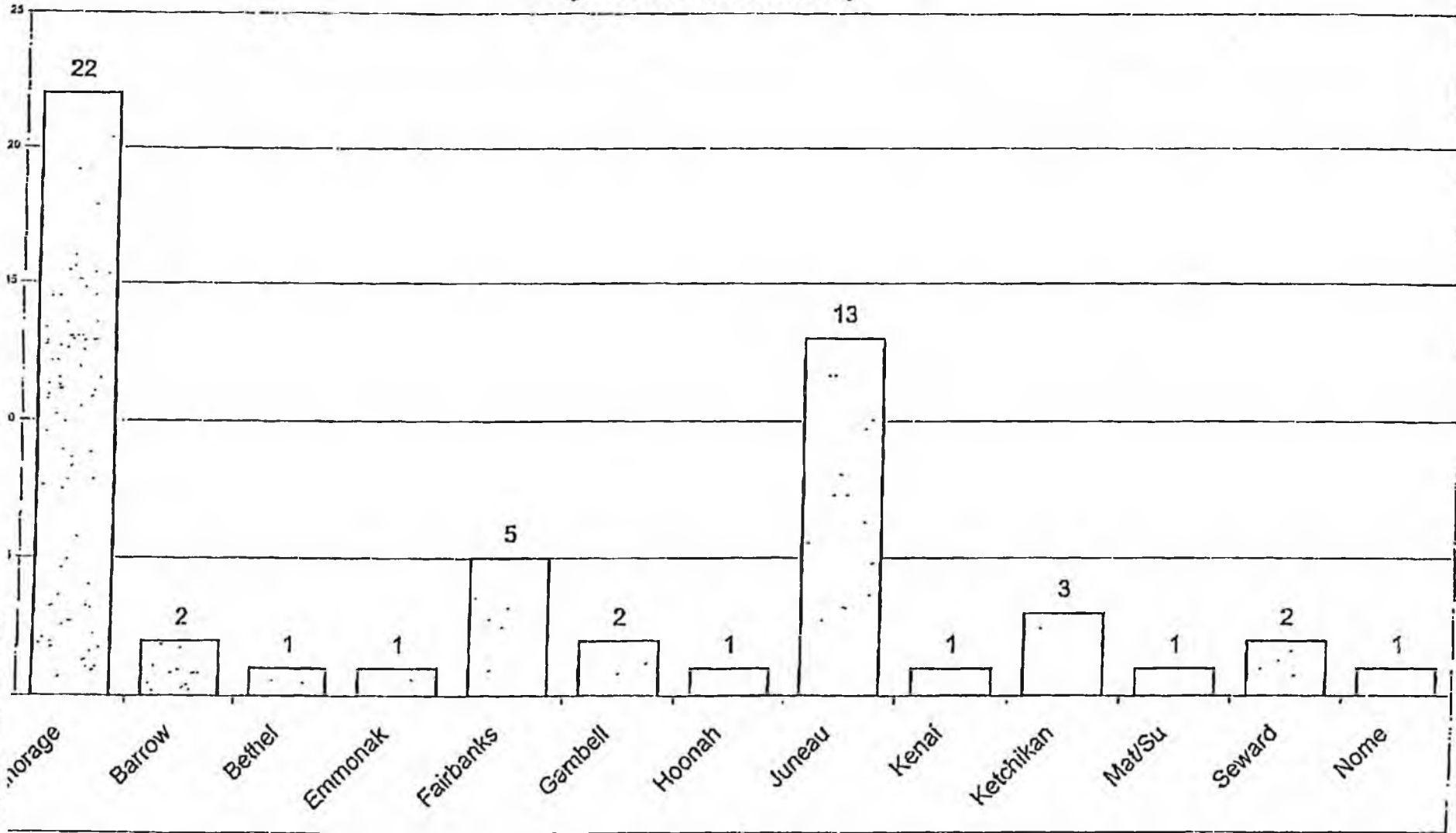
Unduplicated Number of Children Placed Out of State in RPTC by RACE



AK Native / American Indian	32
Caucasian	18
African American	4
Pacific Islander	1

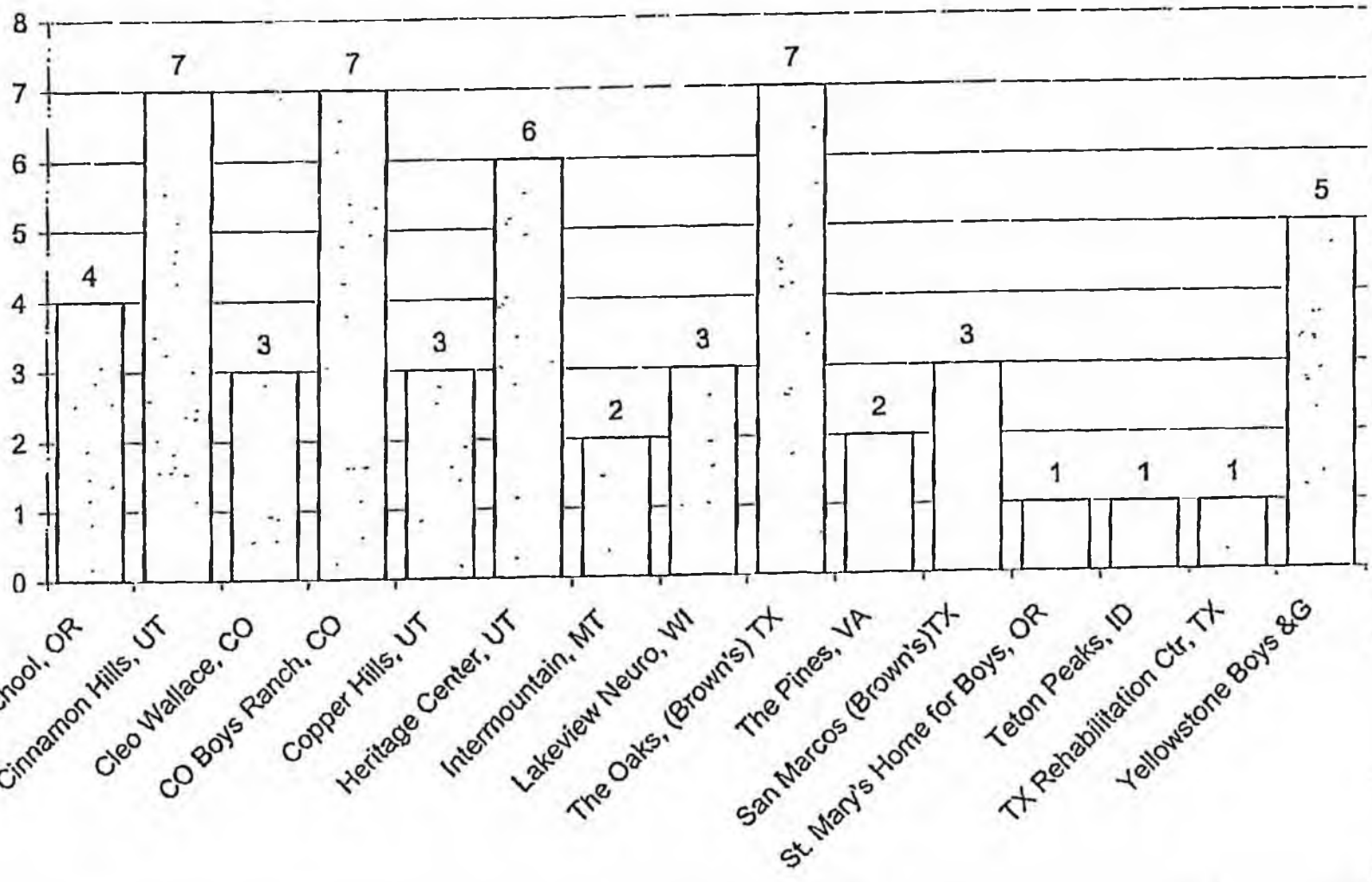
Source: Division of Family and Youth Services, January 2002

Unduplicated Number of Children in RPTC by Home Community



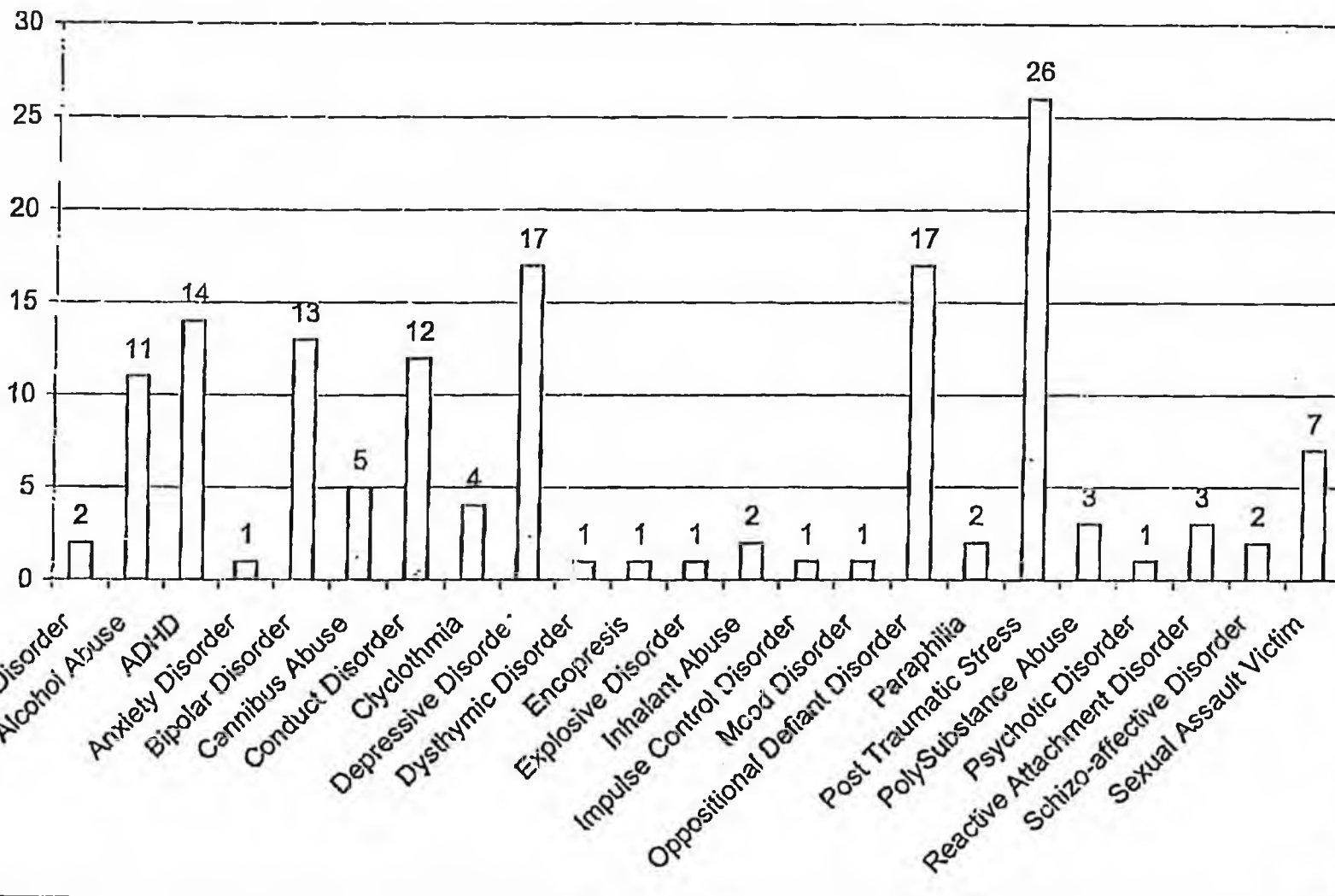
Source: Division of Family and Youth Services, January 2002

Unduplicated Number of Children in Each RPTC



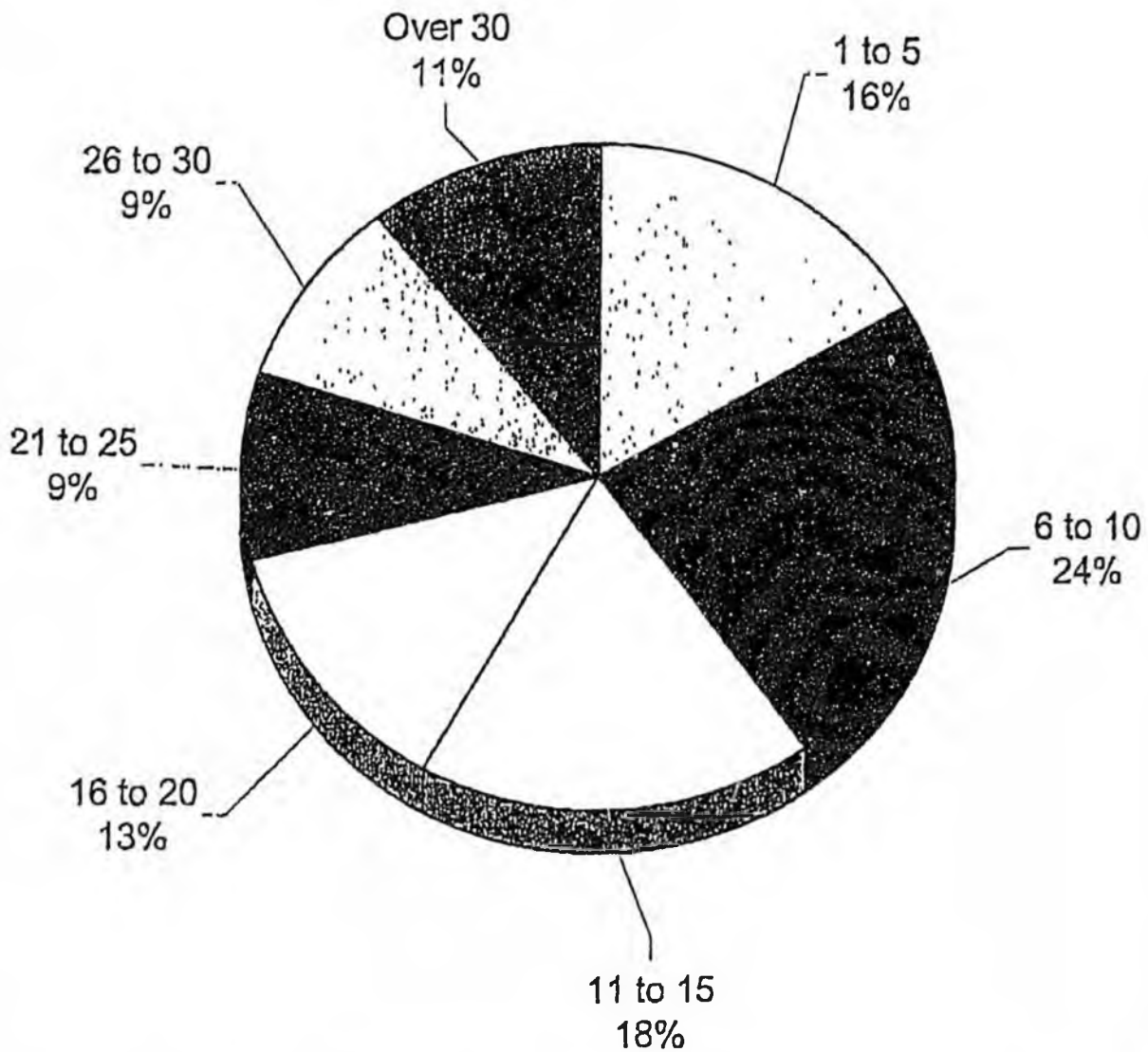
Source: Division of Family and Youth Services, January 2002

Diagnosis of Children in Out of State RPTC



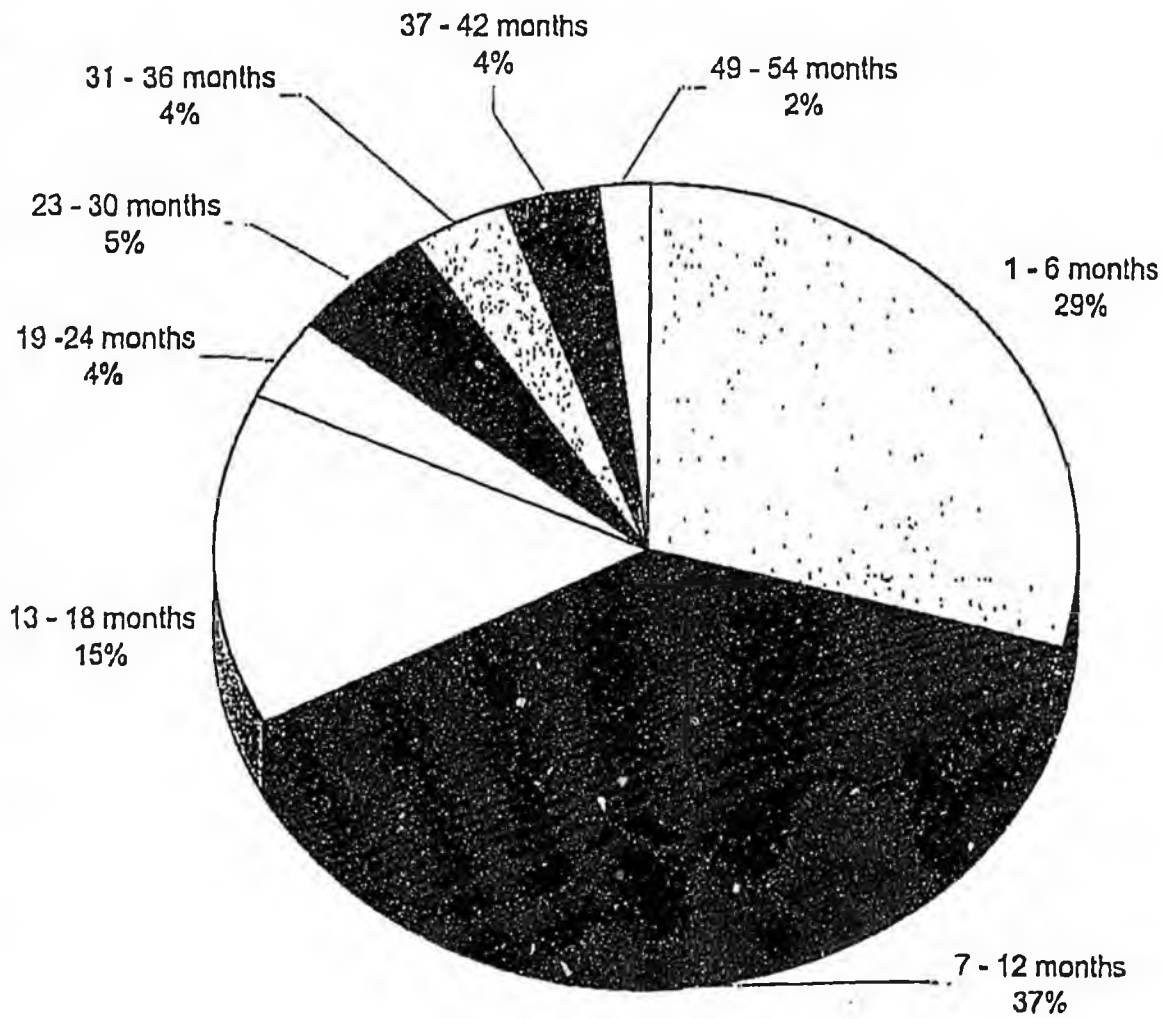
Source: Division of Family and Youth Services, January 2002

Number of Prior Placements Before Children Were Placed in an Out of State RPTC



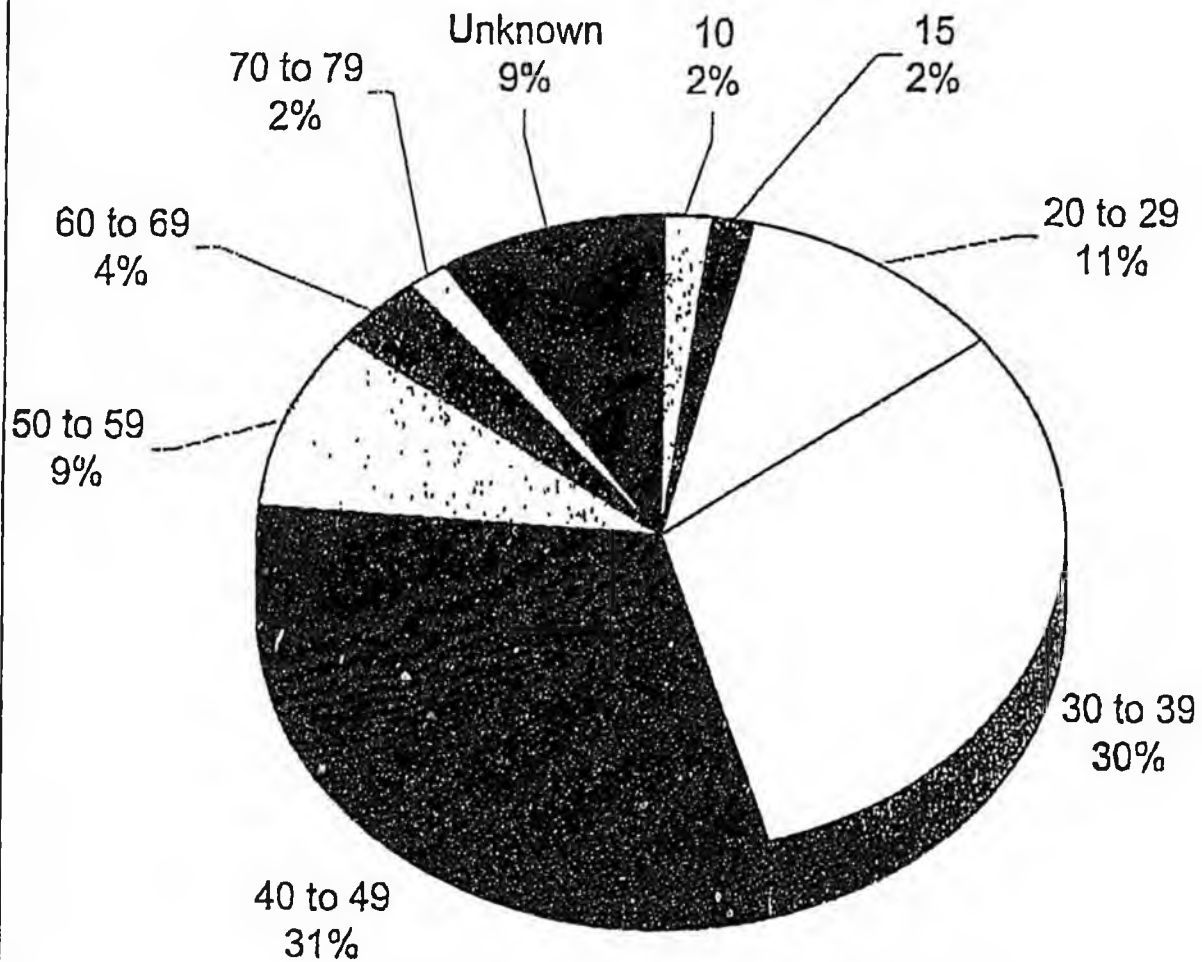
□ 1 to 5	9	■ 6 to 10	13	□ 11 to 15	10	□ 16 to 20	7
■ 21 to 25	5	□ 26 to 30	5	■ Over 30	6		

Length of Time Children Have Been in an Out of State RPTC



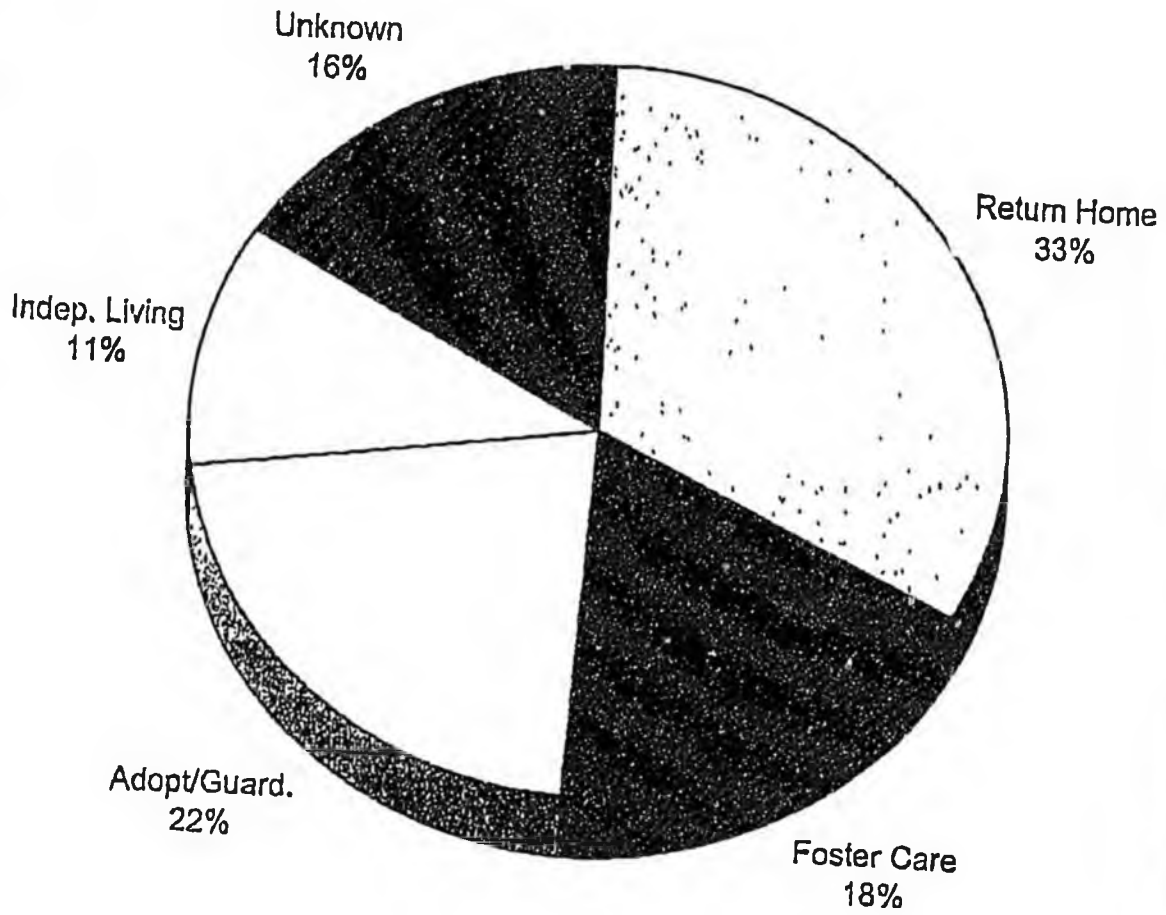
□ 1 - 6 months	16	■ 7 - 12 months	21	□ 13 - 18 months	8
□ 19 - 24 months	2	■ 23 - 30 months	3	□ 31 - 36 months	2
■ 37 - 42 months	2	□ 49 - 54 months	1		

GAF Scores at Time of Placement in Out of State RPTC



□ 10	1	■ 15	1
□ 20 to 29	6	□ 30 to 39	17
■ 40 to 49	17	□ 50 to 59	5
▨ 60 to 69	2	□ 70 to 79	1
■ Unknown	5		

Permanency Plan for Children in Out of State RPTC



Return Home	18	Foster Care	10	Adopt/Guard.	12
Indep. Living	6	Unknown	9		

Source: Division of Family and Youth Services

Amendment

TO: SCR 21

Offered By Senator Green

Page 1, line 15, after the word "family" add the following:

.members of the child's support system and involved community providers

Page 1, line 16, after the word "success" add the following:

and improved client satisfaction

Page 2, line 3, after the word "facility" add the following:

focusing on transition and a variety of local community-based services. in the child's home of origin

Page 2, line 9, after the word "care" add the following:

to work in a coordinated. cooperative. collaborative and partnering manner towards integration of services

SENATE CONCURRENT RESOLUTION No. 21

Supporting the development of adequate in-state treatment capacity for severely disturbed children.

FY 2001 Expenditures:

The Department of Health & Social Services has produced data titled "FY2001: Instate/ out of state Medicaid RPTC Data". This information shows there were 423 (65.48%) out of state placement (unduplicated) for Residential Psychiatric Treatment Centers. (copy attached) The out of state expenditure amount is listed as \$17,080,959.00, compared to \$8,205,973.00 for instate expenditures.

Another report has indicated that Medicaid expenditures for Residential Psychiatric Treatment Centers is one of the fastest growing categories of Service for a 3 year average.

FY 02 Expenditures: The amount of out of state expenditures is growing:

The Division of Medical Assistance FY02 Mental Health Expenditure Report – Provider Type Summary thru November 2001 (copy attached) indicates paid claims through this period are \$9,409,745.41 (72.3%). The instate expenditures for this same period is \$3,597,399.02 (27.7%).

Alaskan children are being sent outside Alaska for long term mental health treatment.

Alaskan health care dollars (Medicaid) are being spent in other states.

Alaskan jobs are being lost to the lower 48.

Control of the Medicaid expenditures has been a priority of the legislative branch. Data submitted by the department show the average cost per child:

Instate expenditure:	\$36,798.09
Out of state:	\$40,380.52

The full continuum of care should be strengthened in Alaska to provide care to our children in state.

Medical Assistance

Maintain access to health care and to provide health coverage for Alaskans in need.

Medicaid provided access to health care to approximately 118,000 Alaskans in FY 2001.

Alaska's largest Medicaid population is our children. On average, children are the least expensive Medicaid recipients.

Medicaid expenditures have increased an average of 17 percent per year from FY 1999 through FY 2001.

General fund expenditures per Medicaid eligible have decreased by \$97 since FY 1999. During that same time period, other fund expenditure per eligible have increased by \$856

"State Medicaid programs serve as an important safety net for Americans by providing health and long-term care coverage. Reduced state revenues are placing severe strains on many state budgets and could limit Medicaid at a time when additional coverage and spending is most needed."

- The Kaiser Commission on Medicaid and the Uninsured, Medicaid and State Budgets: An October 2001 Update, October 16, 2001.

The National Conference of State Legislatures, State Fiscal Outlook for FY2002 November Update, December 3, 2001, reports 23 of 51 states that specifically note Medicaid as a "Program Over Budget."

Medicaid -

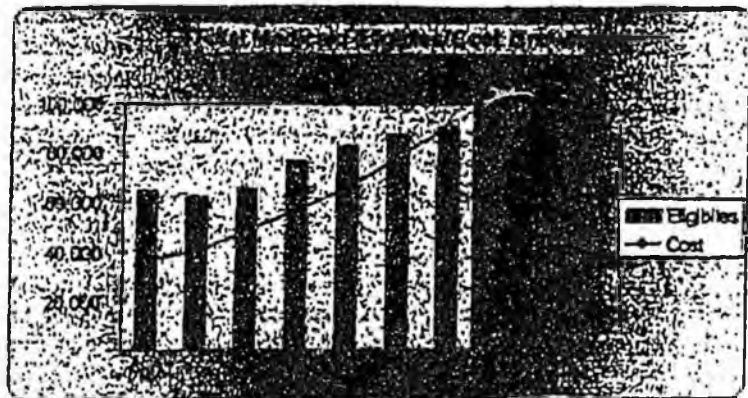
Medicaid is a means-tested, jointly-funded cooperative effort between federal and state governments that provides health care coverage to persons in need. There are 56 individual Medicaid programs - each state, territory and district determines its own eligibility standards, benefits package, and payment rates within federal guidelines.

Alaska's Medicaid program currently provides medical care coverage to approximately 118,000 Alaskans. Persons eligible to receive benefits include children, caretakers of children, pregnant women, the aged, the blind, and the disabled of low-income that meet certain resource standards. Medicaid does not provide assistance to all low-income persons.

Medicaid continues to grow

In FY 2001, Medicaid enrollment increased by about 7,000 people, or 6 percent, over FY 2000. Medical services provided to recipients in FY 2001 cost \$525.7 million - a 13 percent increase over FY 2000.

Medicaid's claims payment rate of growth has averaged 17 percent since FY 1999.



The following chart shows eligible and expenditure percentages for the four Medicaid eligibility groups: children, adults, elderly and disabled.

The disabled group in each chart includes children (1.5 percent of the eligible numbers and 6 percent of the expenditures).

January 15, 2002

Division of Medical Assistance

FY02 Mental Health Expenditure Report

Provider Type Summary

thru November 2001

	FY00 Total	FY01 Total	FY02 YTD
Physicians: Psychiatry	2,059,967.43	2,718,616.95	1,182,072.55
Mental Health Physician Clinics	1,589,247.33	1,880,384.72	867,587.76
Community Mental Health Clinics	35,327,406.94	38,703,451.08	15,894,563.17
Day Treatment Facilities	1,335,755.00	1,413,067.50	294,857.50
Inpatient Psych Services (total)	24,224,574.88	34,272,860.53	19,193,399.67
RPTCs (OOS)	8,379,665.40	15,619,408.00	9,409,745.41
RPTCs (Instate)	6,658,007.12	7,800,219.22	3,597,399.02
Alaska Psych Institute	1,083,757.03	1,083,757.03	863,197.89
Other Inpatient Psych Hospitals	8,103,145.33	9,178,378.38	5,323,057.35
Total Mental Health Services	64,536,951.58	78,988,380.78	37,432,480.65

The information presented in this report is based on paid claims (date of payment) up to and including the date listed above. Provider specific information is available in Excel format. Please contact Jeff Kemp if you would like this information.

FY2001: Instate/out of state Medicaid RPTC Data

Date of Service >=7/1/2001 and <=6/30/2002

Date of Payment >=7/1/2001

Age <21

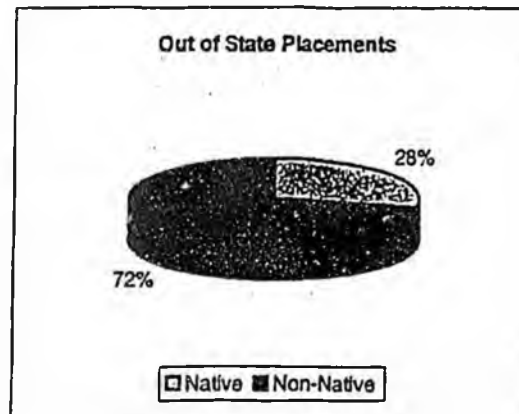
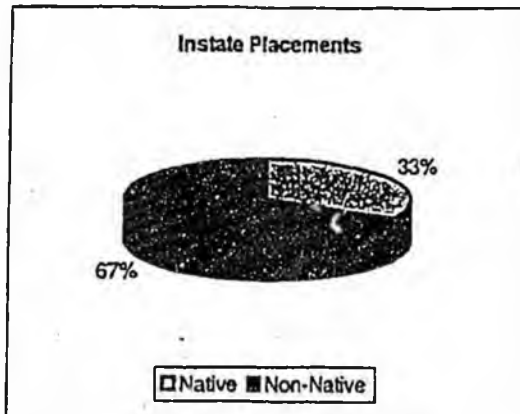
Provider Type 03 (RPTC)

Instate placements (unduplicated):	223	34.52%
Out of state placements (unduplicated):	423	65.48%
	646	

RACE

Instate		
Count	Race	%
73	Alaska Native	32.74%
4	American Indian	1.79%
1	Asian	0.45%
16	Black	7.17%
5	Hispanic	2.24%
1	Pacific Islander	0.45%
2	Unknown	0.90%
121	White	54.26%
223		100.00%
Native 73 32.74%		
Non-Native 150 67.26%		

Out of state		
Count	Race	%
120	Alaska Native	28.37%
9	American Indian	2.13%
1	Asian	0.24%
14	Black	3.31%
7	Hispanic	1.65%
2	Pacific Islander	0.47%
24	Unknown	5.67%
246	White	58.16%
423		100.00%
Native 120 28.37%		
Non-Native 303 71.63%		



FY2001: Instate/out of state Medicaid RPTC Data

Date of Service >=7/1/2001 and <=6/30/2002

Date of Payment >=7/1/2001

Age <21

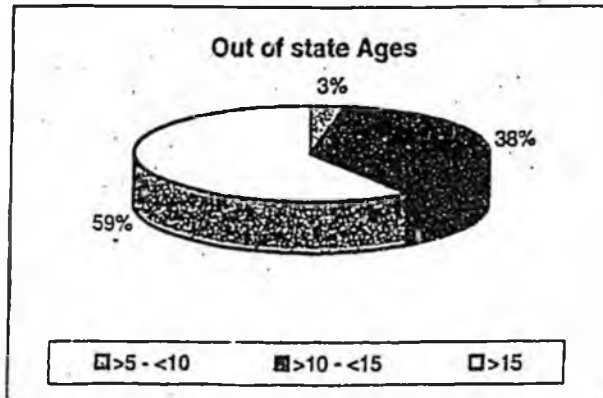
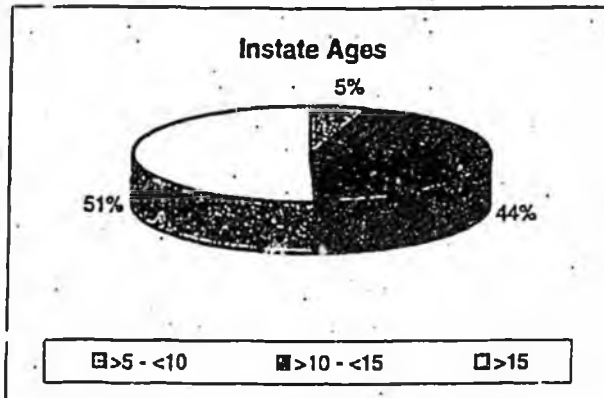
Provider Type 03 (RPTC)

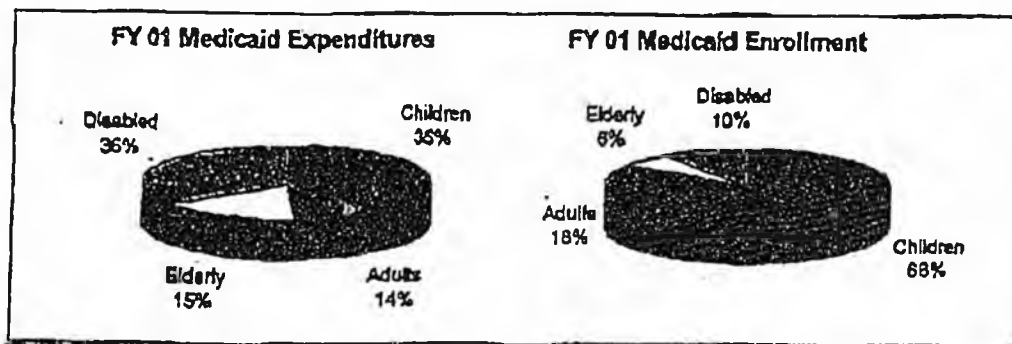
Instate placements (unduplicated):	223	34.52%
Out of state placements (unduplicated):	423	65.48%
	<u>646</u>	

AGE

Instate		
Age	Count	%
>5 - <10	11	4.93%
>10 - <15	99	44.39%
>15	113	50.67%
	223	100.00%

Out of state		
Age	Count	%
>5 - <10	13	3.07%
>10 - <15	160	37.83%
>15	250	59.10%
	423	100.00%





The following charts set out Medicaid program categories of service expenditures – what costs the most, what is growing the fastest.

FY01 Top Expenditure Categories of Services		Fastest Growing Categories of Service (3-Year Average)	
Hospital Services	\$128,929,284	Adults with Physical Disabilities Waiver	81%
Physician Services	\$96,600,954	Residential Psychiatric Treatment Centers	78%
Pharmacy	\$54,973,432	CCMC Waiver**	51%
Nursing Homes	\$46,975,802	MRDD Waiver*	41%
MRDD Waivers*	\$42,377,562	Older Alaskans Waiver	31%
Mental Health	\$39,479,765	Transportation	23%
Medicaid Other Services	\$28,551,246	Pharmacy	21%
Residential Psychiatric Treatment Centers	\$23,611,943	Physician Services	20%
Transportation	\$21,206,322	Psychiatric Hospitals	18%
Older Alaskans Waiver	\$14,723,800	Nursing Homes	4%

*Mental Retardation and Developmental Disabilities

** Children with Complex Medical Conditions

Proposed Medicaid re-financing options

Re-financing options will reduce the Medicaid general fund request to \$7.9 million, except for the fund source change of \$18.7 million GF increase due to federal changes to Alaska's Pro-Share program. The division is proposing the Alaska Medicaid Fair-Share Program. This arrangement will make an additional payment for services to Medicaid-eligible beneficiaries to hospitals operated by Alaskan Tribes, up to the payment limit applicable. The hospitals will return 90 percent of the payment to the Medicaid program as statutory designated program receipts that can be used as match for Medicaid service payments. The result is a net savings of \$44.3 million in general fund requirements for Medicaid.

In addition, private hospital re-financing options are being considered. The division will make additional payments of \$31.7 million to private hospitals up to the aggregate Medicare Upper Payments Limit. The hospitals will retain 5 percent of the payment to pay for state-funded programs previously paid for with direct state grants or contracts. It is anticipated that up to 95 percent of the funds made available, \$11.8 million, will be appropriated to the Medicaid Services BRU to cover state match requirements.

Federal funding policy changes

The Federal Medical Assistance Percentage (FMAP) rate was decreased to 57.38 percent for federal fiscal year 2002. Early federal estimates indicate federal fiscal year 2003 will increase slightly to 58.22 percent. These changes are significant and carry with them a projected loss of \$10.8 million in federal fund participation if Congressional changes don't continue.

Medicaid Program Incremental Request: \$26.6 million general funds, \$50.1 other funds, \$200.6 federal fund:
Total \$277.3 million.

January 15, 2002

FY2001: Instate/out of state Medicaid RPTC Data

Date of Service >=7/1/2001 and <=6/30/2002

Date of Payment >=7/1/2001

Age <21

Provider Type 03 (RPTC)

Instate placements (unduplicated):	223	34.52%
Out of state placements (unduplicated):	423	65.48%
	<u>646</u>	100.00%

All RPTC Placements

		Ave. days per child	
Instate placement days:	25,488	114.3	
Out of state placement days:	<u>67,857</u>	160.4	46.12 more days than instate
	<u>93,345</u>		

		Ave. cost per child
Instate expenditure amount:	8,205,973	36,798.09
Out of state expenditure amount:	<u>17,080,959</u>	40,380.52
	<u>25,286,932</u>	

		Ave. days per child	
Native placement days			
Instate placement days:	8,607	117.90	
Out of state placement days:	<u>20,494</u>	170.78	52.88 more days than instate
	<u>29,101</u>		

		Ave. cost per child
Native expenditures		
Instate expenditure amount:	2,794,875	38,285.96
Out of state expenditure amount:	<u>5,273,235</u>	43,943.63
	<u>8,068,110</u>	

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSCR 21(HES)
 (S) Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title Treatment for Disturbed Children BRU _____
 Component _____
 Sponsor Senate HESS Committee Component No. _____
 Requester Senate HESS Committee

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	0.0	0.0	0.0	0.0	0.0	0.0

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

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

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	0.0	0.0	0.0	0.0	0.0	0.0

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)

Prepared by: HEALTH, EDUCATION & SOCIAL SERVICES COMMITTEE
 Division _____
 Approved by: /s/ Senator Green, Chair *[Signature]*
 Agency _____

Phone 465-6600
 Date/Time 2/4/02
 Date 2/4/02

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

SENATOR LYDA GREEN SENATE DISTRICT N

Sponsor Statement SCR 21

Over 300 severely emotionally disturbed Alaskan children are currently receiving treatment in residential facilities in other states. Families are being separated, sometimes for years. The flexibility to provide an appropriate mix of treatment between residential and community based care is lost when children must be sent to out of state for treatment. Millions of state dollars and hundreds of jobs are being exported each year.

Alaska currently lacks the necessary facilities to provide the full continuum of community-based and residential care in Alaska for the treatment of severely emotionally disturbed children. The largest gap in this continuum is the lack of residential treatment beds that can provide the necessary level of care in Alaska. SCR 21 asks the Department of Health and Social Services to work with the Alaska Mental Health Board, the Alaska Mental Health Trust Authority and other interested parties to strengthen this continuum of services and to establish a priority for the development of sufficient in-state residential care to serve emotionally disturbed children who would otherwise be placed in out-of-state facilities.

SPONSOR STATEMENT

Law Offices of
CAROL A. BRENCKLE

130 Trading Bay # 340
Kenai, Alaska 99611
(907) 283-4343
FAX (907) 283-4464

April 9, 2001

Senator Lyda Green
Senate Finance Committee

VIA FAX ONLY
(907) 465-3805

Dear Senator Green:

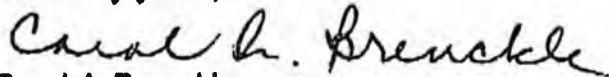
I urge your support for construction of the Kenai Juvenile Detention Facility. It is certainly long overdue.

As an attorney, I have worked with the juvenile justice system in Kenai for more than sixteen (16) years. Construction of a facility on the Peninsula will result not only in savings for the Department but a local detention center will provide our juveniles with immediate consequences. Families will be able to become involved in the treatment process if treatment is available locally. It is not always possible for families to travel to Anchorage.

Should you have any questions or wish to speak with me directly, please do not hesitate to contact my Office.

Thank you.

Sincerely yours,


Carol A. Brenckle

SJR

25



SENATOR JERRY WARD

ALASKA STATE LEGISLATURE

SPONSOR STATEMENT FOR SJR 25

“Proposing an amendment to the Constitution of the State of Alaska relating to education.”

SJR 25 is a companion resolution to Senate Bill 188. This resolution amends the Constitution allowing legislature to create an education fund as a separate fund in the state treasury.

The principal of the fund consists of land or money appropriated by the legislature. The money in the fund shall be invested. Income from the fund may be appropriated only for public elementary and secondary education and for the University of Alaska.

Jannary-May: STATE CAPITOL • JUNEAU, AK • 99801-1182 • (907) 465-4940 • FAX (907) 465-3766

ANCHORAGE: 716 W. 4th AVE. • STE. 450 • ANCHORAGE, AK 99501 • (907) 269-0106 • FAX (907) 269-0109

KENAI: 145 MAIN STREET LOOP • KENAI, AK • 99611 • (907) 283-7996 • FAX (907) 283-3075

Vice-Chair, Senate Finance Committee • Vice-Chair, Senate Transportation • Member, Senate Health Education & Social Services
Senator_Jerry_Ward@legis.state.ak.us

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: April 10, 2001

FURTHER: Judiciary
 Finance

Date of 5-Day Notice: _____
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 04/20/01

Health, Education and Social Services Committee considered SENATE JOINT RESOLUTION NO. 25
 CONSTITUTIONAL AMENDMENT: EDUCATION FUND

Proposing an amendment to the Constitution of the State of Alaska relating to education.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Ofc. of Lt. Gov.	4/13/01	X		1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Constance</i>			✓	
<i>Angela</i>	✓			
<i>Bruce Davis</i>			✓	
<i>Kevin D. Hume</i>	✓			
CHAIR:				

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SJR 25
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: OOG
 Title: Constitutional Amendment relating to BRU: Elective Operations
education fund Component: Elections
 Sponsor: Senator Ward
 Requester: Senate HESS Committee Component Number: 21

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		1.5				
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	1.5	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		1.5				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	1.5	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 figure includes the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58. If this measure requires the printing an 8-1/2 by 18 inch ballot, the cost will increase by \$22.0.

Prepared by: Gail Fenumiai Phone 465-3935
 Division: Division of Elections Date/Time 4/13/01 9:50 AM
 Approved by: Lieutenant Governor Fran Ulmer Date 04/13/2001
 Agency: Office of the Lieutenant Governor

For distribution information, call the Governor's Legislative Office

SJR

26

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SJR 26
 (S) Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title: FEDERAL AID FOR SPECIAL EDUCATION BRU: _____
 Sponsor: Senate HESS Component: _____
 Requester: Senate HESS Component Number: _____

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						
-----------------------------	--	--	--	--	--	--

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

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)

Prepared by: SENATE HEALTH, EDUCATION & SOCIAL SERVICES COMM Phone 465-3009

Senator: /s/ SENATOR GREEN Date 4/12/01
Committee Chair

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: April 10, 2001

FURTHER:

Date of 5-Day Notice: 04/12/01
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 04/19/01

Health, Education and Social Services Committee considered **SENATE JOINT RESOLUTION NO. 26**
FEDERAL AID FOR SPECIAL EDUCATION

Urging the President and the Congress to provide additional funding for special education services.

and recommends:

- be replaced with CS SJR 26 (HES)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by Committee
- further referral to Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR #

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Senate HESS Com	4/12/01		X	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>How D. Hines</i>	✓			
<i>Gary Hesse</i>	✓			
<i>James H. ...</i>	✓			
<i>Betty Davis</i>	✓			
CHAIR: <i>Lyle Rice</i>	✓			

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 SJR26

Urging the President and the Congress to provide additional funding for special education services.

In 1976, the United States Congress passed P.L. 94-142, a portion of the Individuals with Disabilities Education Act, providing a national framework for providing free, appropriate public education to all students regardless of the level or severity of disability. Along with the guarantee of appropriate education, Congress promised states that it would provide funding for 40 percent of these special education services.

Since the passage of the Individuals with Disabilities Education Act, Alaska has provided the special education services required by federal law. However, Congress has failed to live up to its promise of providing the necessary funding to cover the costs of this mandate.

SJR 26 petitions the U.S. Congress to provide the promised level of funding for special education services.

SENATOR LOREN LEMAN, VICE-CHAIR
SENATOR JERRY WARD, SENATOR GARY WILKEN, SENATOR BETTYE DAVIS

SJR

28

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SJR 28
 (S) Publish Date: _____

Revision Date/Time (Note if correction): _____
 Title: Long-Term Care Insurance

Dept. Affected: _____
 BRU: _____
 Component: _____

Sponsor: Senator Wilken
 Requester: Senate HESS

Component Number: _____

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						
-----------------------------	--	--	--	--	--	--

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

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						
Temporar						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: SENATE HEALTH, EDUCATION & SOCIAL SERVICES COMM Phone 465-3009

Senator: /s/ SENATOR GREEN Date 4/26/01
Committee Chair

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: April 11, 2001

FURTHER: L&C

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 04/28/01

Health, Education and Social Services Committee considered **SENATE JOINT RESOLUTION NO. 28**
LONG-TERM CARE INSURANCE

Urging dissemination of information about the costs of long-term care services and the availability of long-term care insurance for individuals.

and recommends:

- be replaced with _____ CS SJR 28 (HES)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Sen HESS	4/11/01		X	1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	No REC	AMEND
<i>Conrad Hille</i>	✓			
<i>Betty Davis</i>	✓			
CHAIR: <i>Lyle Hen</i>	✓			

AMENDMENT

OFFERED IN THE SENATE

TO: SJR 28

1 Page 2, line 26, following "Senate;":

2 Insert "the Honorable Tommy Thompson, United States Secretary of Health and
3 Human Services;"

4

5 Page 2, line 28:

6 Delete "and to"

7

8 Page 2, line 30, following "Development":

9 Insert "; and to Jane P. Demmert, Director of the Alaska Commission on Aging,
10 Division of Senior Services, Department of Administration"

LTC **TASK FORCE**
Long-Term Care Task Force



FINAL REPORT
January 1999

Representative Con Bunde, Co-chairman
Senator Gary Wilken, Co-chairman

State Capitol Building
Juneau, Alaska 99801-1182

INFORMATION ON PRIVATE LONG-TERM CARE INSURANCE

RECOMMENDATION

29

The Task Force requests the Division of Insurance compile relevant information on the need for and availability of long-term care insurance in Alaska and disseminate the information to the general public.

On March 9, 1998 Mr. Paul Willging, Ph.D., executive vice-president of the American Health Care Association, testified before the U.S. Senate Special Committee on Aging. "Most Americans (76 percent) do not believe they will ever need long-term care, but the facts are that two out of five will at some point in their lives, and that one in five over the age of 50 is at risk of needing long-term care within 12 months. None-the-less, few take any steps to plan for the possibility, believing Medicare will provide for their needs. Medicare, of course, will not. It only provides limited long-term care, so government help for most Americans comes only when they have exhausted their personal savings and are forced onto welfare."³¹

"Most Americans (76%) do not believe they will ever need long-term care, but the out of five will at some point in their lives."

Private long-term care insurance coverage, must be considered as another option. Although the market is still small – the American Association of Retired Persons

ltc TASK FORCE

The Long-Term Care Task Force

"In Alaska in 1997, approximately 80 percent of nursing home costs were paid by the Medicaid program."

estimates 6 percent of older people have private policies -- interest is growing. The Health Insurance Association of America (HIAA) data revealed that in 1986, fewer than 125,000 policies were in effect. Eleven years later, roughly 5 million policies had been written.⁸²

Private long-term care insurance usually pays for skilled, intermediate, or custodial care in a nursing home. It can also cover a variety of home and community-based care services. Typically, long-term care policies pay up to a specific dollar amount for covered services per day, reimbursing policy owners for expenses they incur. Annual premiums for long-term care insurance policies can range from \$250 to over \$2,500 depending on age, waiting periods, and the duration and amount of benefits.⁸³

According to the Health Care Financing Administration, approximately 80 percent of nursing home costs were paid by the Medicaid program in Alaska in 1997, while only 10 percent were paid by either private long-term care insurance or out-of-pocket. This federal-state welfare system cannot continue to exist unless a change is made. The private sector must begin to shoulder a greater portion of the financial burden. As shown, private long-term care insurance is affordable if purchased early in life. Unfortunately, many people believe that long-term care insurance is unnecessary and display a basic unwillingness to face up to their own future frailty.⁸⁴

"Alaskans should be encouraged to examine the options available through private long-term care insurance."

However, this does not mean that the issue should be dropped. Indeed, Alaskans should be encouraged to examine the options available through private long-term care insurance and ultimately, if appropriate, purchase policies that meet their individual needs. Accurate, concise, and unbiased information about long-term care insurance and the alternatives available is invaluable in this decision-making process. State government, especially through its annual publications, mailings, and mass media campaigns, has the ability to inform all residents about this issue.

The Task Force requests the Division of Insurance compile relevant information on the need for and availability of long-term care insurance in Alaska and disseminate the information to the general public by January 1, 2000. ❖

Are you prepared for long-term care?

By Kristin Hilderbrand
For the Journal

WEALTHBUILDERS



Statistics indicate we will all feel the effects of long-term care — whether you are in need of long-term care yourself, a caregiver, an employer who experiences a loss in employee productivity, or an employee who loses valuable wages due to an obligation to provide care to a loved one.

According to the American Health Care Association, "Half of all Americans will need some form of long-term care and of that number, 40 percent will be under the age of 65."

It is important to understand what defines long-term care. LTC is the assistance you need with a lengthy illness, disability, or cognitive disorder. You might receive care in your home, in an extended care facility or a nursing home.

The type of care and the cost of that care will range from region to region. In 1999, the average cost for LTC in the Lower 48 was \$50,000 a year, while in Alaska, it runs \$143,000 a year. If you take into consideration that the average stay in a nursing home is more

proposition.

Of the \$82.8 billion spent on LTC in 1997, the federal government paid for 60 percent,

with individuals assuming 31 percent, insurance companies covering 5 percent, and other sources accounting for the remaining 4 percent. The federal government can not afford this financial burden and has responded by providing tax incentives for employers and individuals to assume more of the risk.

With the passage in 1996 of the Health Insurance Portability and Accountability Act, Corporations can deduct 100 percent of the premium expense for LTC premiums paid on officers, owners and employees for qualified LTC plans. For pass-through entities they can deduct 60 percent of the premium expenses, with the percentage increasing to 100 percent deductibility by 2003.

In both cases, the premium contributions are generally excludable from the employee's income. For individuals who pay the premiums themselves

the cost of LTC premiums as a medical expense, with an age-based limit guiding the eligible amount.



Hilderbrand

How will you pay for LTC? As previously mentioned, the federal government can foot the bill through its welfare program, Medicaid. However, you must spend down all your assets to \$2,000, and you may only retain your home if your spouse continues to

live there.

Be aware that while these provisions may protect these few assets while you're alive and receiving care, many states have taken the federal mandate very seriously and recouped their costs by putting liens on the homes. Furthermore, by accepting Medicaid assistance you give up to the state your right to choose the type of care you will receive.

Medicare is not designed to provide support for long-term care needs. It is designed to cover major medical, and at that it only provides 100 days of coverage, with the first 20 days at no cost to you and the remaining 80 days at \$97 per

will incur all of the cost.

In addition to the common

Continued on Page 8

Now's the time to decide how to pay for your long-term care

Continued from Page 4

misunderstanding that Medicare provides long-term care, Medicare Supplement Insurance only supplements your Medicare co-pay expenses. Medicare Supplement Insurance does not extend coverage.

Your final option to cover LTC expenses is to self-insure or transfer the risk to an insurance company. The best strategy for outlining whether self-insurance is the right option for you is to determine based on family medical history: "How long will

you need the coverage?" and "Where do you intend to be when you need the coverage?"

Realize that these are crystal ball scenarios but the worst thing you can do is put it off because you just can't decide. Develop a financial plan that takes into account cost and duration, then assess how much money will need to be set aside and what kind of return you can expect to cover that annual expense.

Employers need to be prepared for the impact on productivity and the bottom-line effect of

having employees exposed to the requirements of being caregivers.

The National Center for Women and Aging at Brandeis University and the National Alliance for Caregivers conducted a survey in 1999 and found that employees who served either in whole or in part as caregivers lost, over a life-

time, \$650,000 in wages.

That figure takes into account passed-over promotions and excess hours gone from work on family medical leave, including limited dollars due to the financial burden of covering a loved-ones' long-term care expenses.

Are you prepared for the financial risks of long-term care?

Kristin Hilderbrand is an associate at The Wilson Agency in Anchorage. She can be reached at 907-277-1616 or by e-mail at (kristinh@thewilson-agency.com).

The Scary Numbers of Long-Term Medical Care

by Stephen A. Moses

The financial woes of Social Security and, to a lesser extent, Medicare, are well known. But how long can Medicaid, which pays for over two-thirds of all nursing home patient days in the U.S., avoid bankruptcy?

Researchers predict that 9 percent of people over age 65 will spend five years or more in a nursing home. Nursing home care already averages \$50,000 per year. If 70 million of today's 77 million baby boomers make it to age 65 and the researchers are right, then almost seven million of the boomers will spend at least five years in a nursing home—at a cost of \$250,000 each, in today's dollars. That totals up to \$1.75 trillion.

How long can public funds survive as the payer of last resort for long-term care? The United States spent \$82.8 billion on nursing home care in 1997, and the Health Care Financing Administration estimates nursing home costs will rise to \$148.3 billion by 2007. Medicaid and Medicare, two big public payers, contributed 59.9 percent of the total cost of nursing home care in 1997, up from 48.7 percent in 1985. And that number underestimates the taxpayer's tab; it does not include the indirect funding from Social Security benefits, which nursing home residents often use to make their required co-payments.

Public financing of long-term care is already showing terrible strains as it increasingly pays more of the bills. Medicare is cutting back on growth in nursing home and home health care spending. Medicaid is shrugging under the burden of financing long-term care and already has a dismal reputation for problems with access, quality, reimbursement, discrimination, and institutional bias. My guess is that Medicaid cannot survive much beyond the seniority of the baby boomers beginning in 2010.

While public spending has soared, out-of-pocket nursing home expenditures have fallen—from 44.3 percent of the total in 1985 to 31.1 percent in 1997. After you deduct the direct and indirect public contributions to nursing home care from the total expenses, very lit-

who might otherwise feel a sense of urgency about the need for early long-term care planning.

With every benign intent, government has been sending a message to the public that long-term care is a risk that people can ignore. By increasing Medicaid's contribution to nursing home care rapidly; by allowing out-of-pocket nursing home payments to decline drastically; and by permitting Medicare long-term home health care expenditures to skyrocket uncontrollably, the government has anesthetized the public to the real financial risk of long-term care.

Consequently, most people do not plan ahead for predictable

allows people to spread this risk, has penetrated less than 10 percent of the senior market, and virtually none of the crucial baby-boomer market.

Medicaid estate planning—the practice of artificially impoverishing elderly people to qualify them for Medicaid nursing home benefits without spending down their assets—is rampant. The day of reckoning is still a long way away. But the best time to confront and solve the problem is now.

The LTC Proposal

The Center for Long-Term Care Financing has proposed a solution called "LTC Choice." The government should educate American citizens about long-term care risk no later than when they reach age 60 to 65. People should be encouraged to insure privately for long-term care. Those who do not should be required to agree in writing that they can expect no financial assistance for long-term care from the government until they exhaust their personal wealth.

Instead of forcing people to impoverish themselves in order to gain access to a well-fare-financed nursing home as the current system does, the government should offer a line of credit on the estates of the uninsured to empower them to purchase quality long-term care in the private marketplace at the appropriate level of care. Then, it would require seniors to pay back these fully secured loans out of their estates. That would send a very strong message to everyone, especially

heirs, that long-term care is a risk they should take seriously and protect against early.

Confronted with genuine risk of this kind, most Americans will do the responsible thing: insure and pay privately for long-term care, and thereby allow Medicaid to survive as a safety net for the truly needy.

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government has been
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Financing. The Center's new white paper—"The Myth of Unaffordability: How Most Americans Should, Could, and Would Buy Private Long-Term Care Insurance"—was published September 1, 1999, and may be purchased for \$34.95. Contact the Center at 800 Fifth Avenue #4100 Seattle, WA, 98101; phone 206/447-1340; e-mail info@centerltc.com; Web <http://www.centerltc.com>.

Insurance Company Information

1. Name of the insurance company

The following companies that sell long-term care insurance in Alaska were identified through a November 1999 survey conducted by the Division of Insurance. This list may not include all companies offering long-term care insurance in Alaska and it does not represent an endorsement of a particular company by the division.

Aid Association For Lutherans (AAL)	800-225-5225
(This company only sells to the specific group members.)	
AIG Life Insurance Company	800-710-9876
Allianz Life Insurance Company of North America	800-814-8841
American Family Life Assurance Company	800-992-3522
of Columbus (AFLAC)	
Bankers Life and Casualty	360-254-6311
Bankers United Life Assurance Company	800-672-7202
CNA	800-775-1541
Conseco Senior Health Insurance Company	800-441-3978
Continental General Insurance Company	800-545-8905
Country Life Insurance Company	309-821-3000
GE Financial Assurance / Long Term Care Division	800-456-7766
Golden Rule Insurance Company	317-297-4179
(This company offers long-term care benefits only through life insurance policies.)	
Great American Life Insurance Company	800-854-3640
Hartford Life Insurance Company	800-454-4582
The Investors Insurance Company of America	800-524-9902
Lincoln Benefit Life Company	877-525-4582