

ALASKA LEGISLATURE COMMITTEE FILES

2007-2008

SHES

12

- (4) invest and reinvest the assets of the trust as provided in this section and as provided for the investment of funds under AS 37.14.170 ;
- (5) exercise the powers of an owner with respect to the assets of the trust;
- (6) maintain accounting records of the trust in accordance with investment accounting principles and with distinction between the principal and income accounts of the trust;
- (7) engage an independent firm of certified public accountants to annually audit the financial condition of the trust's investments and investment transactions;
- (8) enter into and enforce contracts or agreements considered necessary for the investment purposes of the trust;
- (9) report to the board the condition and investment performance of the trust;
- (10) do all acts, whether or not expressly authorized, that the commissioner of revenue considers necessary or proper in administering the assets of the trust.

Sec. 37.14.220. Administration of the trust.

The trust shall be administered by the Alaska Children's Trust Board.

Sec. 37.14.225. Trust board established.

The Alaska Children's Trust Board is established in the Office of the Governor. The board is composed of

- (1) the governor or a designee of the governor;
- (2) the commissioner of health and social services or the commissioner's designee;
- (3) the commissioner of education and early development or the commissioner's designee; and
- (4) four public members appointed by the governor; in appointing the public members, the governor shall give a preference to persons who have experience and expertise in
 - (A) children's or prevention programs; or
 - (B) private sector finance.

Sec. 37.14.230. Powers and duties of the board.

When acting as administrator of the trust, the board shall

- (1) hold regular and special meetings it considers necessary; the board may hold meetings by teleconference;
- (2) award grants from the net income of the trust to community-based programs and projects that the board finds will aid in the prevention of child abuse and neglect;
- (3) monitor approved programs and projects for compliance with AS 37.14.200 - 37.14.270;
- (4) before providing assistance to a program or project, approve written findings on the program or project that include a consideration of the means of measuring the effectiveness of the program or project;

(5) apply for, and use net income from the trust to obtain, private and federal grants for the prevention of child abuse and neglect;

(6) solicit contributions, gifts, and bequests to the trust;

(7) keep audio tape recordings of each meeting of the board to be made available on request; and

(8) submit to the governor and make available to the legislature by February 1 each year a report describing

(A) the child abuse and neglect prevention services that were provided by the programs and projects to which the board awarded grants; and

(B) the annual level of contributions, income, and expenses of the trust.

Sec. 37.14.240. Fund utilization.

(a) Except as provided in (d) of this section, the principal of the trust and any capital gains or losses realized on the principal shall be retained perpetually in the trust for investment as specified in AS 37.14.210, and may not be used for the awarding of grants.

(b) The net income of the trust may be appropriated only for the following purposes:

(1) the awarding of grants;

(2) obtaining private and federal grants for the trust;

(3) soliciting contributions, gifts, and bequests for the trust; and

(4) reimbursement to the Department of Revenue for the costs of establishing the trust.

(c) Realized net income that has not been appropriated, or that has been appropriated but not expended, shall be invested until appropriated and expended.

(d) Up to \$150,000 per year may be appropriated from the principal of the trust for the administrative expenses of the board relating to AS 37.14.200 - 37.14.270.

Sec. 37.14.250. Grants.

(a) In awarding grants from the net income of the trust, the board shall consider the proposals of a qualified applicant only after the applicant has submitted a detailed proposal in the form prescribed by the board. The board may not award a grant unless the board makes written findings that

(1) the proposed project, if successful, will help prevent child abuse or neglect;

(2) the application for financial assistance contains an adequate plan for project implementation, including both financial feasibility and project effectiveness;

(3) the applicant demonstrates that sufficient technical expertise is available to accomplish the objectives of the proposed program or project;

(4) the applicant has identified costs associated with and ancillary to the project, additional governmental costs, future obligations generated by the program or project, and necessary operating, maintenance, or other support costs for the life of the program or project; and

(5) the applicant has included in the program or project proposal a plan for sustainability and self-sufficiency after the grant period.

(b) The board may establish other requirements for the award of grants under this section if necessary to carry out the purpose of the trust.

(c) The board shall award grants in amounts that

(1) are appropriate to the conditions of the applicant and the proposed program or project; and

(2) will make the most effective use of the money available.

(d) The board may not award grants to a single project or program for more than four years. The grant amount awarded by the board under this section may not exceed the following amounts for the years specified:

(1) for the first year for which the program or project receives a grant, 75 percent of the first-year costs of the program or project;

(2) for the second year of the project or program, 50 percent of the project's or program's first-year costs; and

(3) for the third and fourth years of the project or program, 25 percent of the project's or program's first-year costs.

(e) A recipient of a grant may not use more than 10 percent of the grant for administration of the program or project.

(f) To the extent consistent with the terms or conditions of the grant, a private or federal grant awarded to the board shall be distributed in the same manner as provided for grants under this section and AS 37.14.260.

(g) The board may reduce or discontinue a grant awarded or distributed under this section at any time during the grant period if the project is not being successful in accomplishing its objectives, as determined by the board.

Sec. 37.14.260. Eligibility for grants.

The board may award a grant to an applicant if

(1) the applicant has submitted a proposal that is acceptable to the board; and

(2) programs and projects, if any, of the applicant that have previously received a grant from the board have complied with all requirements of that assistance and have performed with sufficient success or promise to warrant further financial assistance.

Sec. 37.14.270. Definitions.

In AS 37.14.200 - 37.14.270

(1) "board" means the Alaska Children's Trust Board;

(2) "child abuse and neglect" has the meaning given "child abuse or neglect" in AS 47.17.290;

(3) "prevention of child abuse and neglect" includes primary and secondary prevention programs; in this paragraph

(A) "primary prevention program" means an educational or training program intended to raise the awareness of and change attitudes concerning child abuse and neglect and its prevention;

(B) "secondary prevention program" means a service intended to reach high-risk groups and to prevent the occurrence or recurrence of child abuse and neglect;

(4) "trust" means the Alaska children's trust established in AS 37.14.200.

MEMORANDUM OF AGREEMENT
Between
THE ALASKA CHILDREN'S TRUST
And
THE FRIENDS OF THE ALASKA CHILDREN'S TRUST

RECITALS

The Alaska Children's Trust (Trust) is an entity of the government of the State of Alaska, established under ASS 37.14.225 - 37.14.270.

The Friends of the Alaska Children's Trust (Friends) is a non-governmental, private, non-profit organization dedicated to assisting the Trust achieve its objectives, principally through fundraising for the Trust and the dissemination of information concerning the Trust.

This agreement is entered into by both the Trust and the Friends for the purpose of establishing the relationship between them and to provide a framework under which the two organizations can best operate to accomplish their mutual purposes.

AGREEMENT

The Trust and the Friends agree as follows:

1. The Trust understands that the Friends exists to promote the Trust and facilitate the Trust in its pursuit of its mission. Based on this understanding, the Trust authorizes the Friends to use the name "Friends of the Alaska Children's Trust." This authorization is contingent on the Friends continued compliance with this agreement and the Friends' Articles of Incorporations and Bylaws. The Friends will not make any use of the name "Friends of the Alaska Children's Trust," or the connection between the two organizations, for any purposes not directly concerned with the purposes and mission of the Trust.

2. The Trust authorizes the Friends to undertake educational efforts on behalf of the Trust that further the purposes of the Trust, subject to prior approval of the Friends' efforts by the board of the Trust or its chairperson.
3. The Trust authorizes the Friends to raise funds in the name of the Trust, subject to prior approval of the fundraising plan by the board of the Trust or its chairperson. The Friends agree to conduct all fundraising efforts with decorum and in a manner appropriate to the mission of the Trust.
4. The Trust authorizes the Friends to engage in efforts on its behalf to procure private and federal grants to be deposited in the corpus of the Trust or administered by the Trust.
5. The Trust recognizes that the Friends will need to spend some of the money it raises. The Trust authorizes the Friends to spend reasonable amounts of the money it raises on administrative purposes, and for additional fundraising and educational campaigns. The Friends agree that it will never use any funds raised in the name of the Trust for awards to an entity engaged in the prevention of child abuse and neglect – awarding such grants is the sole province of the Trust. The Friends agree that it will deposit in the corpus of the Trust any funds raised with the expectation, on the part of the donor, that the full amount given or raised will be deposited in the corpus of the Trust.
6. At this time, the Friends do not intend to apply for grants from the Trust for the purpose of engaging in efforts to prevent child abuse and neglect. Should the Friends ever wish to apply to the Trust for a grant, it will first approach the Trust for a modification of this agreement.
7. The Friends may apply to the Trust for an award of a contract to further the mission of the Alaska Children's Trust. Nothing in this agreement would preclude the Trust from entering into a contract with the Friends for these purposes, if consistent with the requirements of AS 37.14.240 and AS 36.30 (State Procurement Code).

8. The Friends agree to timely turn over to the Trust any funds received that are intended to be added to the corpus of the Trust.
9. The Trust will appoint a member of the board to sit as a non-voting, ex-officio member of the board of the Friends. The Friends agree to allow the Trust board member to sit at all meetings of the board of the Friends and to provide timely notice of meetings.
10. The Friends will have a member of its board attend meetings of the board of the Trust as often as reasonably possible, but at least once a year. The Friends agree to submit to the annual meeting of the Trust a report of its activities during the previous year, including an accounting of all monies received by the Friends. The Friends also agree to present to the Trust board at its annual meeting a plan of action for the upcoming year. The plan should contain the Friends' strategies for fundraising in the coming year and for informational campaigns designed to further both the mission of the Trust and the efforts of the Friends. The plan should also contain a proposed budget.
11. The Trust agrees to support the efforts of the Friends to the fullest extent reasonably possible in light of the requirements of this agreement and the mission of the Trust.

(Deborah R. Benito)
Signature of FACT chairperson

(Carol Brice)
Signature of ACT chairperson

Date Signed: 3/27/01

RE-TYPED FOR LEGIBILITY 4/26/06

ABOUT THE GIVING PRACTICE

The Giving Practice is a program of **Philanthropy Northwest**, a respected, 30 year-old *nonprofit* association of foundations and grantmaking corporations in Washington, Oregon, Idaho, Montana, and Alaska. We make full use of our connections to grantmaking peers, resources, and contacts throughout the world.

Donors, trustees, foundation managers, and corporate community involvement staff all share a desire to make a difference in their communities, families, foundations, and companies. But every philanthropist is unique in focus and approach.

The Giving Practice can help you determine philanthropic practices that will work for you. We have no vested interest in how you structure your philanthropy—only that you find ways to be effective and enjoy your giving in the process.

We help our clients by:

- **GETTING YOU GOING**
- **PLANNING STRATEGICALLY**
- **KEEPING YOU GOING**
- **THINKING OF THE FUTURE**
- **HELPING YOU TO BE EXTRAORDINARY**

Contact: Managing Partner and Philanthropy Northwest CEO Carol Lewis for more information at 206-443-8431.

SB

210

Alaska State Legislature

Interim: (May - Dec.)
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Anchorage, AK 99501
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Session: (Jan. - May)
State Capitol, Suite 30
Juneau, AK 99801-1182
Phone: (907) 465-3822
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Senator Bettye Davis@legis.state.ak.us
<http://www.akdemocrats.org>

Senator Bettye Davis

Senate Bill 210, 25-LS1244\C

“An Act making a special appropriation to The Alaska Community Foundation; and providing for an effective date.”

SPONSOR STATEMENT

This bill is the second in a two-step process of first repeal of Alaska Children’s Trust (ACT) and then appropriation necessary to create a donor-advised fund with Alaska Community Foundation, which is to act as custodian and trustee of the funds and managed as an endowment fund for the benefit of community-based programs and projects that aid in the prevention of child abuse and neglect.

Pursuant to and contingent upon the repeal of the Alaska Children’s Trust (ACT) in CSSB 206 “E,” SB 210 appropriates from the General Fund to the Department of Commerce, Community, and Economic Development an amount equal to the unencumbered balance of the Alaska Children’s Trust for payment as a grant under AS 37.05.316 to the Alaska Community Foundation for child abuse and neglect treatment and prevention activities and programs. Based on the Department of Revenue’s schedule of investment income and changes in invested assets, the balance of the Alaska Children’s Trust is estimated to be about \$12 million. Upon passage of this bill pursuant to the repeal of ACT in CSSB 206 “E,” this Act takes effect June 30, 2008.

SB

212

Alaska State Legislature

Interim: (May - Dec.)
716 W. 4th Ave
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Session: (Jan. - May)
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Senator Bettye Davis @ legis.state.ak.us
<http://www.akdemocrats.org>

Senator Bettye Davis

SB 212 "An Act relating to eligibility requirements for medical assistance for certain children, pregnant women; and providing for an effective date."

Sponsor Statement

SB 212 reinstates the qualifying income standards for children and pregnant women receiving Medicaid benefits under the Denali KidCare (DKC) program to poverty guidelines used when the program was established in 1997 at 200% Federal Poverty Guideline (FPG) for Alaska. Reduced and frozen at 175% FPG by the Legislature in 2003, the equivalent income limits were reduced in the following four years to 154% by the time SB27 was implemented to reinstate current levels of the FPG at 175% in 2007. Children and pregnant women with household incomes between 176% and 200% FPG still have not regained eligibility. SB212 also increases allowable premiums or cost-sharing by families whose incomes are between 150%-200% FPG.

The fiscal notes anticipate 2% enrollment growth after 2009 and an annual cost increase of 8.6%, allowing for 5% medical inflation in Alaska. The \$249,600 appropriation required for 2009 does not reflect the indirect savings by fewer emergency room visits and many avoided long-term illnesses for SCHIP children. The addition of one employee and office expense at \$73,800 provides for the anticipated increase in enrollment of 218 pregnant women and 1277 children. DHSS has requested additional support for Denali KidCare in the Governor's FY09 budget.

Forty one-states allow participation by families at or above 200% FPG with many over 300%. The reason for higher SCHIP eligibility coverage in other states is that the federal government reimburses SCHIP at an enhanced rate, and higher SCHIP eligibility has proven to be an efficient use of health care dollars. While most patients enrolled in Medicaid are children, children utilize only a fraction of the resources. Early intervention and preventative care greatly reduce visits to emergency rooms and costly long-term illnesses. Hospitals regularly write-off the cost of emergency room visits by non-emergency low-income, indigent, or uninsured patients whom they must serve when patients cannot pay. The costs of these non-emergency visits to hospitals for SCHIP children and other low-income and uninsured, who have no other way of obtaining health care, are passed along in increased costs to patients who do pay and/or are insured under private or state health benefit plans. There is no effect on eligibility for Denali KidCare if the SCHIP allotment is fully expended. If costs exceed available SCHIP funds, claims are simply reimbursed at the lower, regular Medicaid rate, resulting in reduced federal revenues.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 212
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU: Behavioral Health
 Component: Behavioral Hlth Medicaid Svcs

ID (File name) SB212-DHSS-BHMS-1-19-08
 Title MEDICAL ASSISTANCE ELIGIBILITY
 Sponsor DAVIS
 Requester SENATE HESS

Component No. 2660

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation		Information				
	Required						
OPERATING EXPENDITURES	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	249.6		269.1	292.2	317.3	344.6	374.3
Miscellaneous							
TOTAL OPERATING	249.6	0.0	269.1	292.2	317.3	344.6	374.3
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (0)							

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts	154.5		157.4	169.6	183.6	199.4	216.6
1003 GF Match	95.1		111.7	122.6	133.7	145.2	157.7
1004 GF							
1037 GF/Mental Health							
Other (Specify Type-do not abbreviate)							
Other (Specify Type-do not abbreviate)							
TOTAL	249.6	0.0	269.1	292.2	317.3	344.6	374.3

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill reinstates the qualifying income standards for children and pregnant women receiving Medicaid benefits under the Denali KidCare (DKC) program to poverty guidelines used when the program was established (200 percent of the Federal Poverty Guideline (FPG) for Alaska).

Effective September 2003, the maximum qualifying household incomes for DKC Medicaid were reduced in statute to amounts equivalent to 175% of the FPG for

Continued on page 2

Prepared by: Bill Str ur
 Division: Health Care Services
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 907-269-7827
 Date/Time 01/19/2008
 Date 01/19/2008

ANALYSIS CONTINUATION

2003. By spring 2007, the statutory income limits were equivalent to 154% of the prevailing poverty guideline, representing almost a 50 percentage point drop from the poverty guideline used to qualify such individuals prior to September 2003. A bill implemented in summer 2007 (SB27) partially reversed the affects of the 2003 legislation, setting the income standard to 175% of the prevailing FPG. However, children and pregnant women with incomes between 176 and 200% of the prevailing FPG did not regain eligibility.

We assume that all persons regaining eligibility under SB27/2007 will enroll sometime during SFY2008 and be covered by the additional funding requested in the corresponding fiscal note. This fiscal note addresses only persons with incomes between 176 and 200% FPG that would regain eligibility under SB 212.

Between 2003 and 2006, the number of enrolled children with household incomes between 151% and 200% FPG dropped by 2,553 and the number of enrolled pregnant women with incomes between 134% and 200% dropped by 436. This fiscal analysis assumes that the additional enrollment due to this bill will be equal to about half that number of people (estimated as 218 pregnant women and 1277 children). We assume that most people affected by this bill will enroll by the end of SFY 2009 and that enrollment will resume normal growth (about 2% per year) thereafter.

Costs projections incorporate 8.6% annual growth (Long Term Forecast of Medicaid Enrollment and Spending in Alaska: 2005-2025, DHSS, updated for 2006). That growth rate allows for 5% medical inflation (Anchorage CPI, medical care component) and annual growth in the FPG.

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**STATE OF ALASKA
2008 LEGISLATIVE SESSION****ANALYSIS CONTINUATION**

The percentage of enrollees having Medicaid claims paid during the year is "participation" (recipients as a percentage of enrollment). We assume that participation will not change with implementation of this bill and will remain the same throughout the projection period. First year costs are based on our estimate for the number of new enrollees times the average cost per enrollee for the affected eligibility subtypes in 2007. Medicaid children in the income range addressed by this bill tend to have lower Medicaid costs than those from families with lower incomes, and those lower costs are reflected in our estimates.

Expenditures for the Behavioral Health Medicaid Services component were determined based on that component's share of expenses for the affected eligibility subtypes in 2007. Behavioral Health paid 14.1% of the costs for affected children in 2007.

Fund source calculations combine the percentages of costs reimbursed as IHS, Title XIX, or Title XXI during 2007 for the affected eligibility groups with our current estimates for the corresponding federal medical assistance percentages (FMAPs) between 2009 and 2014. Children affected by this legislation are included in the State Children's Health Insurance Program (SCHIP) so most of their Medicaid costs would normally be matched at the enhanced rate for Title XXI services. However, because Title XXI funding for SCHIP is no longer enough to cover all of that program's expenses, the formula for estimating federal reimbursement for this bill was adjusted to allow only three quarters of Title XXI matching in 2009, with the remaining quarter defaulting to the lower Title XIX rate. Between 2010 and 2014, we estimate that only 2 quarters of expenses for children affected by this bill will be reimbursed at the enhanced match rate.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 212
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU Public Assistance
 Component Public Assistance Field Svcs

ID (File name) SB212-DHSS-PAFS-1-19-08
 Title MEDICAL ASSISTANCE ELIGIBILITY
 Sponsor DAVIS
 Requester SENATE HESS

Component No. 236

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation		Information					
	Required		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	62.8		62.8	62.8	62.8	62.8	62.8	62.8
Travel								
Contractual	8.8		8.8	8.8	8.8	8.8	8.8	8.8
Supplies								
Equipment	2.2							
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	73.8	0.0	71.6	71.6	71.6	71.6	71.6	71.6
CAPITAL EXPENDITURES								
CHANGE IN REVENUES (0)								

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts	34.4	33.3	33.3	33.3	33.3	33.3
1003 GF Match	30.3	29.4	29.4	29.4	29.4	29.4
1004 GF	8.1	7.9	7.9	7.9	7.9	7.9
1037 GF/Mental Health						
Other (Interagency Receipts)	1.0	1.0	1.0	1.0	1.0	1.0
Other (Specify Type-do not abbreviate)						
TOTAL	73.8	0.0	71.6	71.6	71.6	71.6

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 212 changes AS 47.07.020(b) to reset the upper income limit for Denali KidCare (DKC) pregnant women and uninsured children under the Title XXI State Children's Health Insurance Program (SCHIP) to 200% of the federal poverty guideline (FPG) for Alaska. Currently, the qualifying income limit for these children and pregnant women is set in statute at 175% of the current FPG. This fiscal note represents the additional administrative costs needed to support the increased workload resulting from more pregnant women and children applying for medical assistance.

Prepared by: Ellie Fitzjarrald, Director
 Division: Public Assistance
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 907-465-5847
 Date/Time 01/18/2008
 Date 01/19/2008

FISCAL NOTE

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

BILL NO: SB 212

ANALYSIS CONTINUATION

The eligibility decision includes verifying information and determining whether a pregnant woman or child qualifies for DKC based on the household's circumstances and monthly income at the time of application, acting on changes reported during the period of eligibility, and re-examining a household's eligibility every six months.

We assume that 218 pregnant women and 1277 children will enroll in Medicaid if the qualifying income limit is revised to 200% FPG, and that implementation will begin July 1, 2008. We estimate one additional Eligibility Technician I (Range 13) position will be needed to manage this additional work in FY 09. This fiscal note requests one position, however, the addition of this position increases the existing need for supervisory and administrative support to ensure the delivery of quality customer service and that accurate eligibility determinations are made. A request for additional support for DKC has been included in the Governor's FY09 budget request.

Total Administrative Costs for ET I:

Personal Services: One Eligibility Technician I Range 13 at a cost of \$62.8, including benefits, for 12 months.

Contractual: Annual cost for office space, phones, and supplies will be \$8.8.

Additional Cost of FY09:

Equipment/Supply: A one time cost of \$2.2 for a desktop computer, software, printer, and work station will be needed for the new position.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 212
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU Health Care Services
 Component Medicaid Services

ID(File name) SB212-DHSS-MS-1-19-08
 Title MEDICAL ASSISTANCE ELIGIBILITY
 Sponsor DAVIS
 Requester SENATE HESS

Component No. 2077

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation		Information					
	Required		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims		2,274.3	2,469.9	2,682.4	2,913.0	3,163.6	3,435.6	
Miscellaneous								
TOTAL OPERATING		2,274.3	0.0	2,469.9	2,682.4	2,913.0	3,163.6	3,435.6

CAPITAL EXPENDITURES							
CHANGE IN REVENUES (0)							

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts	1,504.2	1,581.3	1,706.9	1,848.8	2,007.8	2,180.5
1003 GF Match	770.1	888.6	975.5	1,064.2	1,155.8	1,255.1
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	2,274.3	0.0	2,469.9	2,682.4	2,913.0	3,435.6

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill reinstates the qualifying income standards for children and pregnant women receiving Medicaid benefits under the Denali KidCare (DKC) program to poverty guidelines used when the program was established (200 percent of the Federal Poverty Guideline (FPG) for Alaska).

Effective September 2003, the maximum qualifying household incomes for DKC Medicaid were reduced in statute to amounts equivalent to 175% of the FPG for (Continued on Page 2)

Prepared by: Bill Streur
 Division Deputy Commissioner
 Approved by: Karleen Jackson, Commissioner
 Agency Department of Health and Social Services

Phone 907-269-7827
 Date/Time 01/18/2008
 Date 01/19/2008

**STATE OF ALASKA
2008 LEGISLATIVE SESSION****ANALYSIS CONTINUATION**

2003. By spring 2007, the statutory limits were equivalent to 154% of the prevailing poverty guideline, representing almost a 50 percentage point drop from the poverty guideline used to qualify such individuals prior to September 2003. A bill implemented in summer 2007 (SB27) partially reversed the affects of the 2003 legislation, setting the income standard to 175% of the prevailing FPG. However, children and pregnant women with incomes between 176 and 200% of the prevailing FPG did not regain eligibility.

We assume that all persons regaining eligibility under SB27/2007 will enroll sometime during SFY2008 and be covered by the additional funding requested in the corresponding fiscal note. This fiscal note addresses only persons with incomes between 176 and 200% FPG that would regain eligibility under SB 212.

Between 2003 and 2006, the number of enrolled children with household incomes between 151% and 200% FPG dropped by 2,553 and the number of enrolled pregnant women with incomes between 134% and 200% dropped by 436. This fiscal analysis assumes that the additional enrollment due to this bill will be equal to about half that number of people (estimated as 218 pregnant women and 1277 children). We assume that most people affected by this bill will enroll by the end of SFY 2009 and that enrollment will resume normal growth (about 2% per year) thereafter.

Costs projections incorporate 8.6% annual growth (Long Term Forecast of Medicaid Enrollment and Spending in Alaska: 2005-2025, DHSS, updated for 2006). That growth rate allows for 5% medical inflation (Anchorage CPI, medical care component) and annual growth in the FPG.

ANALYSIS CONTINUATION

The percentage of enrollees having Medicaid claims paid during the year is "participation" (recipients as a percentage of enrollment). We assume that participation will not change with implementation of this bill and will remain the same throughout the projection period. First year costs are based on our estimate for the number of new enrollees times the average cost per enrollee for the affected eligibility subtypes in 2007. Medicaid children in the income range addressed by this bill tend to have lower Medicaid costs than those from families with lower incomes, and those lower costs are reflected in our estimates.

Expenditures for the Health Care Services Medicaid component were determined based on that component's share of expenses for the affected eligibility subtypes in 2007. Health Care Services Medicaid paid 99.9% of the costs for affected pregnant women and 85.8% of the costs for affected children in 2007.

Fund source calculations combine the percentages of costs reimbursed as IHS, Title XIX, or Title XXI during 2007 for the affected eligibility groups with our current estimates for the corresponding federal medical assistance percentages (FMAPs) between 2009 and 2014. Children affected by this legislation are included in the State Children's Health Insurance Program (SCHIP) so most of their Medicaid costs would normally be matched at the enhanced rate for Title XXI services. However, because Title XXI funding for SCHIP is no longer enough to cover all of that program's expenses, the formula for estimating federal reimbursement for this bill was adjusted to allow only three quarters of Title XXI matching in 2009, with the remaining quarter defaulting to the lower Title XIX rate. Between 2010 and 2014, we estimate that only 2 quarters of expenses for children affected by this bill will be reimbursed at the enhanced match rate.

Don Burrell

From: Patricia-Michael Grandinetti [mikepat@pci.net]

Sent: Tuesday, January 22, 2008 7:30 PM

To: Sen. Bettye Davis

Subject: SB 212

Senator Davis –

I know that you are a great supporter of Denali Kid Care! I just wanted to let you know that I support this bill and hope that it will pass through your committee quickly.

Thanks,
Patti Hong, RN
5654 Chilkoot Ct G201
Anchorage AK 99504

1/22/2008

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

*Advisory Board on Alcoholism and Drug Abuse
Alaska Mental Health Board*

Sarah Palin, GOVERNOR

*P.O. BOX 110608
JUNEAU, AK 99811-0608
PHONE: (907) 465-8920
FAX: 465-4410*

January 23, 2008

RE: SB 212 – Eligibility for Denali KidCare
Testimony to the Senate HESS Committee

The Alaska Mental Health Board and the Advisory Board on Alcoholism and Drug Abuse strongly support SB 212 and urge its passage from committee.

- **SB 212 will make health insurance accessible to more children in Alaska.** Alaska has the third lowest DKC eligibility rate in the nation. Combined with a 31% decline in the number of children covered by private health insurance in the last decade, Alaska is taking a costly risk with the health and behavioral health of its children and the well-being of families.
- **DKC covers the majority of children's behavioral health care.** Providing kids with prevention and early intervention behavioral health services are critical to their long-term mental health and the well-being of their families. In addition, access to these services will help control the mounting costs of inpatient psychiatric care.
- **DKC is a good bargain for the State of Alaska.** The federal government covers 70% of the cost of DKC. Also, those families who can afford it will make a meaningful financial contribution towards their children's health coverage.
- **DKC saves the State of Alaska money in the long run.** Children without health care get less preventative care, have much higher health risks and are four times more likely to use expensive emergency room care. Research shows that immunizations, annual visits to a doctor, dental care and screenings for vision, hearing and developmental disabilities are all long-term money savers for the health care system as a whole.
- **DKC saves all Alaskans money.** In 2004, Anchorage hospitals provided almost \$89 million in uncompensated care. These costs are passed on to Alaskan business and individuals in higher insurance premiums and out of pocket health care costs.

Don Burrell

From: Sundi Hondl [sundi@excel-pt.com]
Sent: Monday, January 21, 2008 12:24 PM
To: Sen. Bettye Davis
Subject: SB 212

RECEIVED
JAN 22 2008

Dear Senator Davis,

I am writing to ask for your support of SB 212 regarding Denali Kid Care and it's restoration back to the 200% of federal poverty level guidelines.

31% more kids are out of private health insurance, which may lead to less health screenings, preventative health care, and promotion of more serious long term problems. Having your health care needs met at an emergency room is very expensive to the state, businesses and to those who work but are uninsured families.

It will save our state money in the long term and prevent further serious problems if health problems are treated or caught earlier.

Providence health systems provided 89 million dollars of uncompensated care, which will be passed on in higher hospitalization rates to those who are insured. It doesn't seem like a good cycle to be in, or to smaller businesses who will end up paying out more for those they do insure.

Thank you for your consideration on this.
Sincerely,

Sundi Hondl, PT, OCS
Alaska PT Association Chapter President

1/21/2008



January 23, 2008

The Honorable Bettye Davis, Chair
Senate Health, Education and Social Services Committee
Alaska State Capitol, Room 30
Juneau, AK 99801-1182

RE: SB 212 (Davis)--Support

Dear Chair Davis:

On behalf of the members of AARP in Alaska, we encourage your colleagues on the Senate Health, Education and Social Services Committee to support SB 212, authored by you.

AARP is the world's largest organization of grandparents. We are concerned about health insurance coverage for everyone's grandchildren.

SB 212 will return the Denali KidCare program to the former eligibility level of 200% FPL. We think this is an excellent proposal and should provide comprehensive and preventive health coverage for many more young Alaskans and pregnant women.

AARP members understand how important health insurance is to them; we support the efforts of this bill to provide coverage to other Alaskans who need it.

AARP requests an "AYE" vote on SB 212.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Senator Joe Thomas
Senator John Cowdery
Senator Kim Elton
Senator Fred Dyson

Explanation of FY2009 Budget Changes

Health Care Services	2008	2009 Gov	08 to 09 Change
General Funds	233,293.1	262,946.4	29,653.3
Federal Funds	473,732.9	468,738.9	-4,994.0
Other Funds	23,318.2	24,418.2	1,100.0
Total	730,344.2	756,403.5	25,759.3

**Totals include Adult Preventative Dental Medicaid Services RDU. Fund source breakdown for FY2008 is \$1,543.17 GF/\$7,323.9 Fed/\$1,425.0 Other; and for FY2009 \$3,518.7 GFM/\$5,348.3 Fed/\$1,400.0 Other.*

Health Care Services Medicaid

FY09 Medicaid SCHIP Allotment Shortfall: \$2,000.0 Total \$1,000.0 Federal, \$1,000.0 GF/Match

This request replaces lost federal revenues resulting from a decrease in the amount of federal funds available for the State Children's Health Insurance Program (SCHIP), a part of Alaska's Medicaid program operated through Denali KidCare. This increment is necessary to maintain the current level of health care provided to these children and supports the department's mission to manage health care for Alaskans in need.

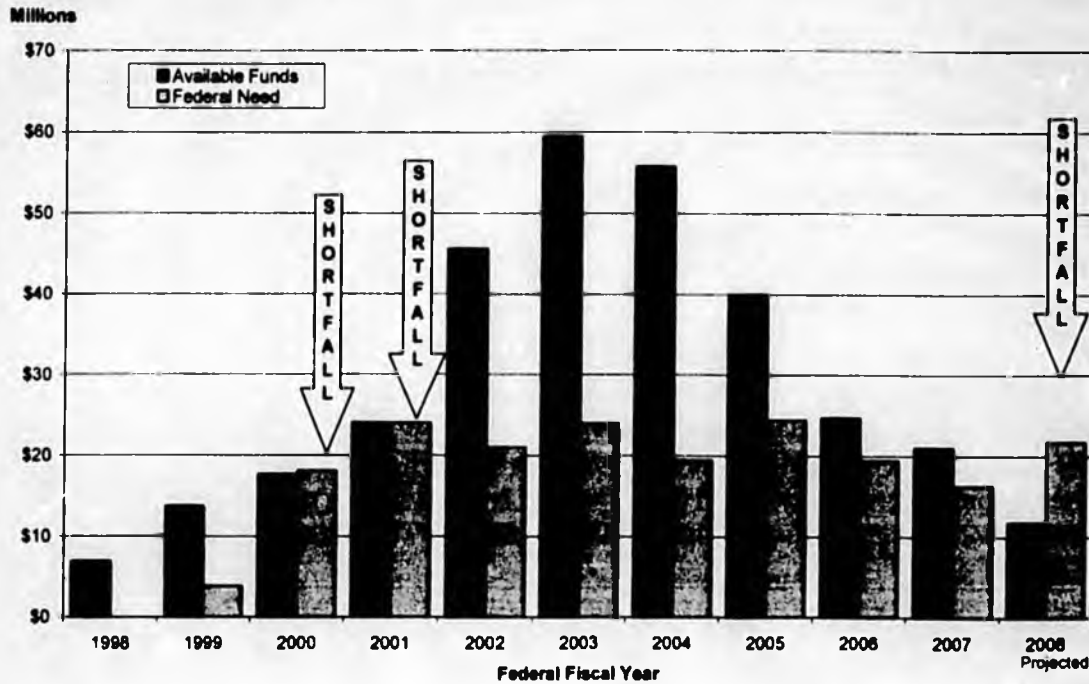
SCHIP helps reach uninsured children whose families earn too much to qualify for regular Medicaid but not enough to afford private coverage. Each month, SCHIP provides health coverage for about 9,000 uninsured children under age 19. Without this funding, low-income children now enrolled in Denali KidCare could lose their SCHIP health coverage and become uninsured.

The federal and state governments jointly fund SCHIP. The amount of federal funding depends on the federal SCHIP allotment which has not grown to keep pace with SCHIP expenditures. The federal medical assistance percentage, or FMAP, determines the amount of state matching funds. The state receives a higher, enhanced FMAP for SCHIP than for regular Medicaid; however, this enhanced reimbursement is capped at the SCHIP allotment. If costs exceed available SCHIP funds, claims are reimbursed at the lower, regular FMAP, resulting in reduced federal revenues. Alaska will have only 43 percent of the federal SCHIP funding needed to cover program expenditures in 2009, exhausting its SCHIP funds in the second quarter. When it reverts to regular Medicaid, the difference in federal reimbursement rates means that Health Care Services Medicaid Services component will need an additional \$1,000.0 GF in 2009.

Alaska's annual allotment has fluctuated between \$7 million and \$11 million. Since Alaska's annual allotment represents only about 30 percent of our costs, we have relied heavily on unspent funds from other states which were redistributed to Alaska to maintain access to the enhanced FMAP. As more and more states have increased their SCHIP programs, there is less and less redistributed funding available and we do not anticipate any further redistributions.



Denali KidCare M-SCHIP Federal Funds Available and Federal Need



FY09 Projected Medicaid Formula Growth: \$41,381.6 \$25,587.7 Federal, \$14,793.9 GF/Match
 For FY09, Health Care Services' Medicaid costs are projected to grow 6 percent over the FY08 authorized amount of \$689,694.3. This increment request is necessary to maintain the current level of long-term health services in Medicaid. The Medicaid Services component funds acute health care services such as hospitals, physicians, pharmacy, and dental and other Medicaid services such as premium assistance and supplemental hospital payments.

In FY07 Health Care Services contracted approximately 6 percent from the previous fiscal year. Growth in FY08 is expected to be 9-percent higher than FY07. The requested FY09 growth increment, 6 percent, is based on the FY08 projection and the FY09 baseline forecast from the short term forecasting model.

Most of the increase can be attributed to hospital services which are expected to grow at approximately 11 percent between FY07 and FY08 and 6 percent between FY08 and FY09. Hospital and physician services were both affected by rate rebasing in FY08. Transportation and Pharmacy also contributed to the overall growth with growth rates between 6 percent and 7 percent.

The fund source projection is based on the actual amount of federal revenue collected in SFY07 in this component, 68.2 percent, and assumes that the proportion of expenditures eligible for each type of federal reimbursement remains the same. It also assumes that the SFY09 average federal medical assistance percentage remains at 53.76 percent for regular Medicaid and 67.63 percent for enhanced FMAP.

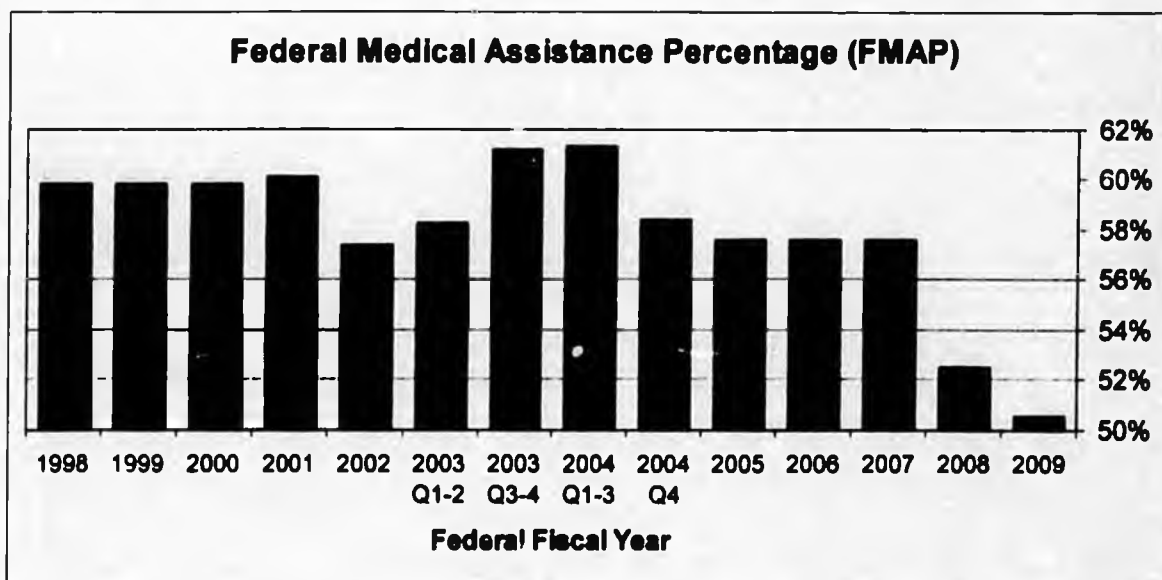
FFY09 Federal Medical Assistance Percentage (FMAP) Rate Change for Medicaid: (\$14,308.5 Federal), \$14,308.5 GF/Match

This request replaces lost federal revenues resulting from a 1.95-percent decrease in the annual rate the federal government reimburses the state for Medicaid benefits that will take effect on October 1, 2008.

The federal and state governments jointly fund Medicaid. The federal fund reimbursement rate is set by the Centers for Medicare and Medicaid and is outside the control of the state government. One in five Alaskans is enrolled in Medicaid at some time each year. Without the increment the state would be forced to reduce eligibility or services currently provided to low income children, pregnant women, individuals with disabilities, and the elderly. By approving this change record, the department will be able to continue to meet its mission of managing health care for Alaskans in need.

The amount of federal funds the state receives for its Medicaid program depends on a complex array of reimbursement rates, some of which change each October 1st with the start of a new federal fiscal year. The bulk of the federal funding for Medicaid benefits comes from claims reimbursed at the federal medical assistance percentage or FMAP. The FMAP rate is based on the state's national rank of per capita personal income but can be no less than 50 percent. Also affected are the State Children's Health Insurance Program (SCHIP) and the Breast and Cervical Cancer program (BCC) which are part of Alaska's Medicaid program. Eligible claims for SCHIP and BCC are reimbursed at an enhanced FMAP rate which reduces the state share of costs by 30 percent over the regular FMAP.

The regular FMAP is projected to drop from 52.48 percent to 50.53 percent in FFY09 and the enhanced FMAP from 66.74 percent to 65.37 percent. The regular FMAP for SFY09 will average 51.02 percent across two federal fiscal years (52.48 percent from July–September 2008 and 50.53 percent from October 2008–June 2009). The enhanced FMAP for SFY09 will average 65.71 percent (66.74 percent from July–September 2008 and 65.37 percent from October 2008–June 2009).



Approximately 67 percent of the Medicaid Services component's claims are reimbursed at the regular FMAP and another 6 percent at the enhanced FMAP (the remaining 27 percent is Indian Health Service, family planning, or non-reimbursable and is not affected by the change in FMAP). Based on current estimated expenditures for Medicaid, the FFY09 change in FMAP will require an estimated \$14,308.5 increase in GF to replace the lost federal funds and maintain services at the current level.

SB

231



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January 17, 2008

The Honorable Betty Davis
Chair Senate Health, Education and Social Services Committee
Alaska State Legislature
Juneau, Alaska

Re: An Act relating to the Alaska housing trust and to the Alaska Council on the Homeless

Dear Chair Davis:

This bill was to be referred to the Senate HESS Committee.

This bill will create a housing trust fund within the Alaska Housing Finance Corporation (AHFC) to address the problems of homelessness in the State of Alaska. It will increase AHFC's flexibility in addressing long term solutions to homelessness.

This bill will also codify the role of the Governor's Council on the Homeless, which has been operating under Administrative Order.

Homelessness is one of the most important social issues facing Alaska. The Alaska constitution requires the State to protect the public's safety, including ensuring that all Alaskans have a safe and decent place to live. Housing alone is not enough. People who are homeless, or at risk of being homeless, frequently need supportive services to be self-reliant. There are high personal and public financial costs associated with homelessness and those at-risk of being homeless. Placing the housing trust within AHFC expands the services of the State without expanding government's size. Creation of a housing trust is a proven model to address homelessness.

I respectfully request that this bill be scheduled for a hearing at your earliest convenience, upon referral. I urge your prompt and favorable action on this measure.

If you need assistance or information, please do not hesitate to contact Bryan Butcher at 330-8445.

Sincerely,

A handwritten signature in black ink that reads "Daniel R. Fauske".

Daniel R. Fauske
CEO/Executive Director



"HOUSING FOR ALASKANS"



Senate Committee on Health, Education & Social Services

Sen. Betye Davis, Chair
Sen. John Cowdery
Sen. Joe Thomas



Sen. Kim Elton
Sen. Fred Dyson

Butrovich Room 205
465-3822

Memorandum

Senate Bill 231 Committee Substitute

The following are the changes recommended and made by the Senate H.E.S.S. committee. These changes make up the Committee Substitute for SB 231.

Page 3, lines 16 & 17: financing . . . "and at least one number who is a consumer of affordable housing."

Page 3, line 23 & 24: changed from "serve two year terms" to "serve three year terms".

Page 4, line 22: the following was added after "reducing homelessness", "reduce homelessness and improve employment and vocational training opportunities for the homeless."

25-GS2006C

Cook

2/1/08

CS FOR SENATE BILL NO. 231()**IN THE LEGISLATURE OF THE STATE OF ALASKA****TWENTY-FIFTH LEGISLATURE - SECOND SESSION****BY****Offered:****Referred:****Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR****A BILL****FOR AN ACT ENTITLED**

1 **"An Act relating to the Alaska housing trust fund and to the Alaska Council on the**
2 **Homeless; and providing for an effective date."**

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

4 *** Section 1. AS 18.56 is amended by adding new sections to read:**

5 **Article 6A. Alaska Housing Trust Fund; Alaska Council on the Homeless.**

6 **Sec. 18.56.875. Alaska housing trust fund. (a) There is created in the**
7 **corporation an Alaska housing trust fund. Subject to the receipt of appropriations,**
8 **gifts, bequests, grants, and contributions of money or other assets from an individual,**
9 **foundation, governmental entity, or other person, the corporation shall make money**
10 **available to reduce the incidence of homelessness in the state. The corporation shall**
11 **use the assets of the fund to assist in the creation and retention of an adequate supply**
12 **of affordable housing in the state for individuals at or below 80 percent of the**
13 **median income of the economic or geographic area in which they reside. The**
14 **corporation shall provide a preference for individuals and families at or below 30**

1 percent of the median income for the economic or geographic area in which they
2 reside. The corporation shall use median income adjusted for household size as
3 reported annually by the United States Department of Housing and Urban
4 Development.

5 (b) In addition to other powers granted in AS 18.56.090 and 18.56.875 -
6 18.56.890, the corporation may

7 (1) participate in the development of buildings or units that, by their
8 use, address the purpose of the fund but that, by their operation, appear
9 nonresidential in nature;

10 (2) provide financial assistance to prevent homelessness, including
11 prevention of foreclosures and evictions;

12 (3) provide financial assistance to support housing retention services
13 or facilitate transition from dependency on low-cost housing; and

14 (4) participate with appropriate sponsoring agencies or groups in
15 demonstration housing projects that address the purpose of the fund.

16 (c) Costs of administration of the fund may be paid from the fund.

17 (d) Development projects financed, in whole or in part, by the fund must
18 have affordability periods during which the rent and sale price of the buildings or
19 units within buildings and the income of the occupants are restricted in a manner that
20 maintains the affordability of the development project over time.

21 (e) To receive financial assistance from the corporation for the purpose set
22 out in (b) of this section, a building or unit must be operated by a public or private
23 nonprofit corporation designated as tax exempt under 26 U.S.C. 501(c)(3) or (4)
24 (Internal Revenue Code) or by a municipal or governmental organization that is tax
25 exempt under other provisions of 26 U.S.C. (Internal Revenue Code).

26 (f) The corporation may adopt regulations in accordance with AS 18.56.088
27 to implement AS 18.56.875 - 18.56.890.

28 **Sec. 18.56.880. Advisory council created.** (a) The Alaska Council on the
29 Homeless is created in the corporation for the purpose of advising the corporation
30 concerning the administration of the fund. The council is composed of 13 members
31 as follows:

- 1 (1) the executive director of the corporation;
- 2 (2) the chief executive officer of the Alaska Mental Health Trust
- 3 Authority established by AS 47.30.011;
- 4 (3) the commissioner of corrections;
- 5 (4) the commissioner of health and social services;
- 6 (5) the commissioner of public safety;
- 7 (6) the commissioner of education and early development;
- 8 (7) the commissioner of military and veterans' affairs;
- 9 (8) six public members appointed by the governor, as follows:
- 10 (A) a representative of regional Native housing authorities
- 11 created under AS 18.55.996;
- 12 (a) a representative of municipal government;
- 13 (C) an individual who qualifies for affordable housing and
- 14 occupies or has occupied affordable housing;
- 15 (D) three members who collectively have experience or
- 16 expertise working with housing development, financing, and consumers of
- 17 affordable housing.
- 18 (b) If a member described in (a)(1) - (7) of this section is unable to attend a
- 19 meeting of the council, the member may, by an instrument filed with the council,
- 20 designate a deputy or assistant to act in the member's place at the meeting. For all
- 21 purposes of AS 18.56.875 - 18.56.890, the designee is a member of the council at the
- 22 meeting.
- 23 (c) The members of the council described in (a)(8) of this section serve
- 24 three-year terms.
- 25 (d) If a vacancy of a member of the council described in (a)(8) of this section
- 26 occurs, the governor shall make an appointment for the unexpired part of the term.
- 27 The appointment under this subsection takes effect immediately.
- 28 (e) The members described in (a)(8) of this section do not receive
- 29 compensation but are entitled to per diem and travel expenses authorized for boards
- 30 and commissions under AS 39.20.180.
- 31 (f) The governor shall appoint the members under (a)(8) of this section to

1 give the council a reasonable geographic balance among regions of the state.

2 (g) The council shall elect a chair from the membership of the council. A
3 majority of the council constitutes a quorum to transact business.

4 (h) The council shall make recommendations to the corporation regarding

5 (1) the budget for expenditures from the fund;

6 (2) housing needs and priorities, and an action plan for expenditures
7 from the fund to address those needs and priorities;

8 (3) policies and procedures for expenditures from the fund;

9 (4) methods to evaluate and monitor activities financed by the fund;

10 (5) methods for reporting to the public and elected or other officials
11 regarding the activities financed by the fund;

12 (6) methods to coordinate the expenditure of money from the fund
13 with other available sources of financing for housing; and

14 (7) the availability of additional sources of money to support housing
15 activities financed by the fund.

16 **Sec. 18.56.885. Reporting requirements.** (a) The corporation shall prepare
17 and file an annual report with the governor and the legislature. The report must
18 include

19 (1) the activities of the fund;

20 (2) the effect of the fund on homelessness in the state; and

21 (3) recommendations on how state resources, in addition to the fund,
22 may be used to reduce homelessness and to improve employment and vocational
23 training opportunities for the homeless.

24 (b) The report shall be filed not later than the 10th day after the convening of
25 each regular session of the legislature.

26 **Sec. 18.56.890. Definitions.** In AS 18.56.875 - 18.56.890, unless the context
27 requires otherwise,

28 (1) "affordability period" means the period during which housing
29 must be sold or rented at no more than affordable prices or costs;

30 (2) "affordable" means the housing costs of an owner or renter do not
31 exceed 30 percent of the owner's or renter's household income;

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(3) "council" means the Alaska Council on the Homeless created in AS 18.56.880;

(4) "fund" means the Alaska housing trust fund established in AS 18.56.875.

* Sec. 2. This Act takes effect July 1, 2008.



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Anchorage, AK 99504
907-338-6100

Mailing Address:
PO Box 101020
Anchorage, AK 99510

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<http://www.ahfc.state.ak.us>

SPONSOR STATEMENT

Senate Bill 231

“An Act relating to the Alaska housing trust fund and to the Alaska Council on the Homeless; and providing for an effective date.”

SB 231 will create a housing trust fund within the Alaska Housing Finance Corporation (AHFC) to address the problems of homelessness in the State of Alaska. It will increase AHFC's flexibility in addressing long term solutions to homelessness. SB 231 will also codify the role of the Governor's Council on the Homeless, which has been operating under Administrative Order. This bill is the culmination of many years of work by several statewide advocacy groups and one of the main recommendations of the Governor's Council on the Homeless, a cabinet level advisory group.

Homelessness is one of the most important social issues facing Alaska.

- 3,500 Alaskans are homeless on any given night, including 1,600 people in families with children.
- 4,000 Alaskan households are on the waiting list for public housing programs – most are families with children.
- 20,000 low-income Alaska households spend more than half their income on housing, placing them at risk of homelessness.

The development of housing alone is not enough to provide permanent solutions to homelessness. People who are homeless, or at risk of being homeless, frequently need supportive services to be successful, such as: treatment, crisis intervention, tenant education, financial literacy, job counseling, and life-skills training.

There are high personal and financial costs associated with the homeless and families at-risk of being homeless.

- Personal costs to individuals and families include a higher risk of crime victimization, increased medical and behavioral health needs, and lower student achievement.
- Financial costs to local governments and the State include increased use of emergency services, medical and behavioral health services, public safety and the courts.

Placing a housing trust within AHFC expands the services of the State without expanding government's size. SB324 will give AHFC and its partners the flexibility to address homelessness in Alaska. Housing trusts are a proven nationwide model.

- There are 600 housing trust funds operating nationwide.



- **They generate more than \$1.6 billion a year to support critical housing needs and affordable housing across the U.S.**
- **On average, each \$1 spent by a housing trust fund leverages \$7 in other funds.**

The Governor's proposed FY09 capital budget includes a \$10 million request for the establishment of the housing trust fund. This \$10 million is made up of funds from four different sources: \$2.5 million each from the AHFC dividend, Mental Health Trust Authority receipts, state general funds and contributions from other private sources.



SECTIONAL ANALYSIS
Senate Bill 231

“An Act relating to the Alaska housing trust fund and to the Alaska Council on the Homeless; and providing for an effective date.”

Section 1: Amends AS 18.56 by adding new sections that:

- a. Establishes the Alaska housing trust fund and its funding priorities.
- b. Increases AHFC's authority to participate in projects that meet the intent of the fund.
- c. Allows for administrative costs to be paid from the fund.
- d. Establishes long term affordability goals for projects funded through the trust fund.
- e. Establishes eligible organizations for funding.
- f. Allows for the adoption of regulations.
- g. Establishes the Alaska Council on the Homeless as an advisory council to AHFC.
- h. Outlines the Councils' membership.
- i. Establishes AHFC's reporting requirements for the trust fund.
- j. Defines specific terms.

Section 2: Effective date is July 1, 2008.



Alaska Council on the Homeless

WHEREAS, the Alaska Council on the Homeless is charged with developing strategies designed to address the needs of homeless Alaskans; and

WHEREAS, approximately 3,500 people are homeless on any given night, including 1,600 people in families with children,¹ and more than 3,000 children were homeless or inadequately housed at some time during the 2005-2006 school year,² and

WHEREAS, approximately 4,000 households are waiting for public housing programs, mostly with children³ and approximately 20,000 low-income households spend over half their income on housing, placing them at risk of homelessness;⁴ and

WHEREAS, current housing programs are poorly connected to supportive services necessary to end the cycle of homelessness, and the lion's share of housing assistance is provided by federal programs that do not adequately focus on Alaska's homeless problem; and

WHEREAS, approximately \$45,000 is spent on intervention services on each homeless person in Alaska over a 20 month period;⁵ and

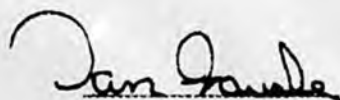
WHEREAS, more than 30 states have created housing trust funds, with consistent success in decreasing homelessness, which on average have leveraged \$9.25 in additional funding for each dollar invested; and

WHEREAS, an Alaska Housing Trust would emphasize prevention of homelessness in addition to addressing the needs of those who are already homeless; and

WHEREAS, an Alaska Housing Trust would be a strong partnership between public and private agencies and organizations; and

THEREFORE, BE IT RESOLVED THAT the Alaska Council on the Homeless supports the creation of an Alaska Housing Trust.

ADOPTED THIS 8th DAY OF February, 2007



Dan Fauske
Chairperson

¹ AHFC, Statewide Homeless Survey: Winter 2006. The survey uses the HUD definition, which focuses on people in shelters. It is a point-in-time count.

² Preliminary number from M. Gaber/Alaska Department of Education, Homeless Education Coordinator (personal communication to S. Schubert 9/25/06). The DOE definition also includes children in: substandard housing, shared housing, and non-traditional spaces such as motels, campgrounds, and cars. DOE's number is cumulative for the school year.

³ AHFC, Statewide Homeless Survey: Winter 2006. The survey uses the HUD definition, which focuses on people in shelters. It is a point-in-time count.

⁴ MOA Housing and Community Development Consolidated Plan, 2003-2007, State 5-Year HUD Plan, 2006-10

⁵ Segal, B. Center for Alcohol & Addiction Studies, UAA. Summary Progress Report: Innovative Services for Alaska's Homeless Persons with Mental Illness. 7/03



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Alaska Council on the Homeless

Members SB231

Dan Fauske, CEO/Executive Director
Alaska Housing Finance Corporation

Joseph Schmidt, Commissioner
Department of Corrections

Karleen Jackson, Commissioner
Department of Health and Social Services

Jeff Jessec, Executive Director
Alaska Mental Health Trust Authority

Barbara Thompson, Acting-Commissioner
Department of Education and Early Development

Walt Monegan, Commissioner
Department of Public Safety

Major General Craig Campbell, Adjutant General/Commissioner
Department of Military and Veterans Affairs

Public Member Representing Regional Housing Authority

Public Member Representing Local Government

Four Public Members Representing Affordable Housing Industry



"HOUSING FOR ALASKANS"





Sarah Palin
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 1st, 2007

ADMINISTRATIVE ORDER NO. 236

I, Sarah Palin, Governor of the State of Alaska, under the authority of art. III, secs. 1 and 24, of the Alaska Constitution, and in accordance with AS 44.19.145(c), establish the Alaska Council on the Homeless in the Alaska Housing Finance Corporation.

BACKGROUND AND PURPOSE

Homelessness is one of the most challenging domestic issues facing the United States. Alaska is no exception. Alaska's Faith-Based and Community Initiatives Task Force found housing to be the most commonly identified challenge facing those in need. The Alaska Council on the Homeless (council) was initially established by Administrative Order No. 214 in April 2004 to develop a statewide action plan addressing homelessness in Alaska.

The plan, *Keeping Alaskans Out of the Cold*, was completed and submitted in October 2005. Included in its recommendations was the appointment of a steering committee to assist the governor and the legislature to develop an affordable housing trust. The steering committee completed its work in 2006 and the current council has recommended that the Alaska Housing Trust Fund (fund) be created within the Alaska Housing Finance Corporation (AHFC) under AS 18.56. The purpose of this Administrative Order is to add additional members to the council and to expand the council's duties.

MEMBERSHIP

The council consists of members appointed by the governor to serve at the pleasure of the governor. Continuing members of the original council are: one representative each from the Alaska Housing Finance Corporation, Alaska Mental Health Trust Authority, Department of Health and Social Services, Department of Education and Early Development, Department of Public Safety, and Department of Corrections serving on the effective date of this Order. New members are: one representative of regional Native housing authorities, one representative of municipal government, and four additional members with experience and expertise in housing development or as consumers of affordable housing.

The council may invite to its meetings non-voting representatives from federal and local government agencies, the business community, providers of services to the homeless, philanthropic agencies, faith-based organizations, homeless advocacy organizations, homeless persons, and community leaders. The council may elect a chair and other officers as determined necessary.

DUTIES OF THE COUNCIL

The council's duties set out in Administrative Order No. 214 are amended by adding new duties as follows:

1. Assist with the development of the fund.
2. Upon establishment of the fund, annually evaluate housing needs and priorities to establish a statewide homeless action plan and recommend to the AHFC Board of Directors the allocation of money in the fund to implement the plan; other duties specific to the fund include monitoring implementation of the fund budget, recommending methods for evaluating and monitoring fund activities, recommending methodology for reporting to public and elected officials, coordinating the fund with other available financing sources, seeking additional money to support fund activities, and ensuring that projects supported by the fund are sustainable.
3. Monitor and review implementation of the statewide homeless action plan and annually report to the governor the council's findings and recommendations regarding implementation of the plan.
4. Annually report to the governor on how state resources, in addition to the fund, may be used to end homelessness.

ADMINISTRATIVE SUPPORT

The AHFC shall provide administrative support for the council. In accordance with law, the AHFC may enter into intergovernmental agreements necessary to accomplish the purposes of this Order.

GENERAL PROVISIONS

The following general provisions apply to the activities of the council:

1. Council members do not receive compensation as a member of the council. Per diem and travel expenses for state and federal members of the council are the responsibility of the state or federal agency the member represents.
2. To reduce costs, the council may use teleconferencing or other electronic means to the extent practicable in order to gain the widest public participation at minimum cost.
3. The council shall establish procedures for voting and meetings of the council.
4. Meetings of the council shall be conducted, and notice of the meetings provided, in accordance with AS 44.62.310 and 44.62.320 (Open Meetings of Governmental Bodies).

This Order takes effect immediately. This Order supplements Administrative Order No.

214 on this matter.

DATED at Juneau, Alaska, this 1st day of May, 2007.

/s/Sarah Palin
Governor

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Administrative Orders 201-present | Contact the Governor | Webmaster | State of Alaska



**ALASKA
HOUSING
TRUST**

January 25, 2008

The Honorable Bettye Davis
Alaska Senate
State Capitol, Room 30
Juneau, AK 99801-1182

Dear Senator Davis:

On behalf of the over 70 groups that comprise the coalition in support of the Alaska Housing Trust, I would like to thank you for hearing SB 231. This important bill will give Alaska a needed tool to combat a growing problem in our state: homelessness.

The Alaska Housing Trust Initiative began in 2006 as a ground swell from service providers and affordable housing organizations to address a gap in the way that low income housing is built and to create stable housing with supportive services to help people transition into self-sufficiency.

The problem of homelessness is getting worse. Here are a few startling statistics:

- 3,500 Alaskans are homeless on any given night, including 1,600 people in families with children.
- 4,000 Alaskan households are on the waiting list for public housing programs – most are families with children.
- 20,000 low-income Alaska households spend more than half their income on housing, placing them at risk of homelessness.
- Families with children are the fastest growing segment of Alaska's homeless population.

The impacts of homelessness are not just limited to a lack of housing. Homeless people have trouble accessing services to help them get back on their feet, it is difficult to find or hold onto a job. Children suffer academically and often move from school to school.

There are high personal and public costs associated with being homeless or living on the edge of homelessness. Personal costs to individuals and families include greater family stress, lower student achievement, a higher risk of becoming a victim of crime, and increased medical and behavioral health needs. Costs to local governments and the State include increased use of emergency services, medical and behavioral health services, public safety and the courts.

The Housing Trust model is a tool that can help address some of the issues that cause homelessness and help homeless individuals get the services they need to get and maintain stable housing.

Opportunity begins with a home

3745 Community Park Loop, Suite 200, Anchorage, Alaska 99508

Tel: 907.334.2535 Fax: 907.269.7966 Email: kim@akhousingtrust.org www.akhousingtrust.org

We have attached a regional breakdown of rents and wages demonstrating how long a person working at minimum wage would have to work to afford housing in their community. Clearly, many Alaskans are struggling to stay in housing and the pace of wages cannot keep up with the rising cost of housing.

The Housing Trust model has been successful in over 33 states and in hundreds of communities. Supportive housing is one of the least expensive ways of addressing the issues that so many homeless people face. It cost thousands less per year than incarceration, hospitalization or institutionalization.

On behalf of the Coalition, we respectfully submit these materials and look forward to working together to create the Alaska Housing Trust.

Sincerely,



Jeff Jessee
Chair, Housing Trust Steering Committee
CEO, Alaska Mental Health Trust Authority

Opportunity begins with a home

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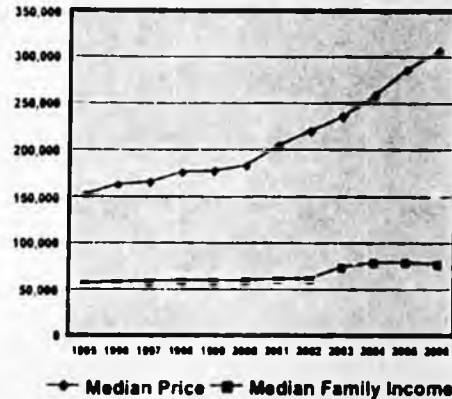
In Anchorage, housing prices have moved out of reach for ordinary people.



Working Alaskans in Anchorage cannot afford to buy a house.

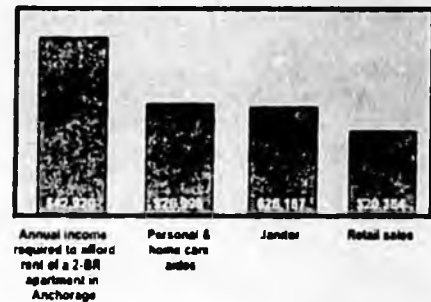
In the past ten years, the cost of a single family home in Anchorage has increased by over 100%, while median family income has increased by 38%.

Anchorage: Price of Homes vs. Median Family Income



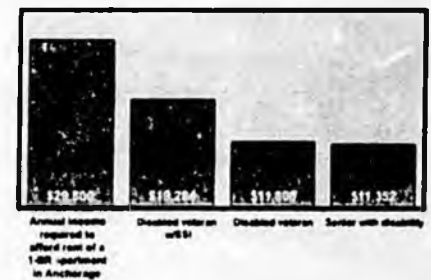
Working Alaskans in Anchorage cannot afford rent.

A person living in Anchorage must earn \$17.71 per hour to afford the average fair market rent for a two-bedroom apartment of \$942.00 monthly. A person earning minimum wage must work 99 hours to afford this rent.



Seniors, veterans, and disabled Alaskans are at risk of homelessness.

People living on fixed incomes, like seniors, people with disabilities, and veterans, cannot afford to rent a fair market rate, one-bedroom apartment in Anchorage.



1,702

The number of (K-12) school-age children in Anchorage who were homeless at one time in the 2005-2006 school year.¹

633

The number of children in preschool in Anchorage who were homeless at one time in the 2005-2006 school year.²

20,000

The number of low-income Alaskans spending over 50% of their income on housing.³

16%

The percentage of homeless people in Alaska who are victims of domestic violence.⁴

9%

The percentage of homeless people in Alaska who are veterans.⁵



¹ "Homeless Counts by District & School Year," Alaska Department of Education and Early Development

² "Homeless Counts by District & School Year," Alaska Department of Education and Early Development

³ MOA Housing and Community Development Consolidated Plan, 2003-07, State 5-year HCD Plan, 2006-10

⁴ AHFC's Statewide Homeless Survey, Winter 2006

⁵ AHFC's Statewide Homeless Survey, Winter 2006

Data on rent, purchase price, and income collected from Alaska Housing Finance Corporation, U.S. Census Bureau, and Alaska Department of Labor and Workforce Development.

ALASKA HOUSING TRUST

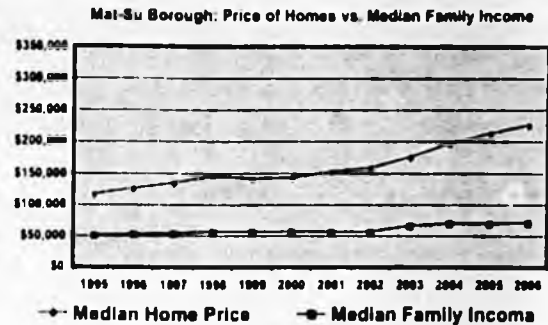


In the Mat-Su Borough, housing prices have moved out of reach for ordinary people.



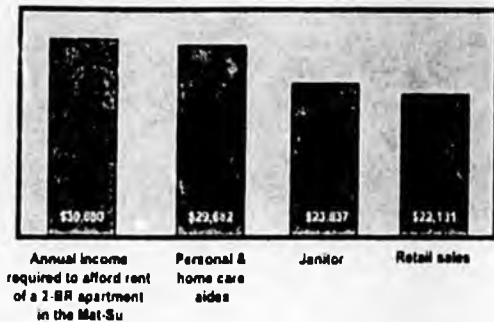
Working Alaskans in the Mat-Su cannot afford to buy a house.

In the past ten years, the cost of a single family home in the Mat-Su Borough has increased by over 95% while median family income has increased by 38%.



Working Alaskans in the Mat-Su cannot afford rent.

A person living in Mat-Su must earn \$14.98 per hour to afford the average fair market rent for a two-bedroom apartment of \$797.00 monthly. A person earning minimum wage must work 84 hours to afford this rent.



Seniors, veterans, and disabled Alaskans in the Mat-Su are at risk of homelessness.

People living on fixed incomes like seniors and people with disabilities cannot afford to rent a fair market rate, one-bedroom apartment in the Mat-Su.



530

The number of schoolchildren (K-12) in the Mat-Su Borough who were homeless at one time in the 2005-2006 school year.¹

137

The number of children in preschool in the Mat-Su Borough who were homeless at one time in the 2005-2006 school year.²

20,000

The number of low-income Alaskans spending over 50% of their income on housing.³

16%

The percentage of homeless people in Alaska who are victims of domestic violence.⁴

9%

The percentage of homeless people in Alaska who are veterans.⁵



¹ "Homeless Counts by District & School Year," Alaska Department of Education and Early Development.
² "Homeless Counts by District & School Year," Alaska Department of Education and Early Development.
³ MOA Housing and Community Development Consolidated Plan, 2003-07; State 5 year HCD Plan, 2006-10
⁴ AHFC's Statewide Homeless Survey, Winter 2006.
⁵ AHFC's Statewide Homeless Survey, Winter 2006.
 Data on rent, purchase price, and income collected from Alaska Housing Finance Corporation, U.S. Census Bureau, and Alaska Department of Labor and Workforce Development.

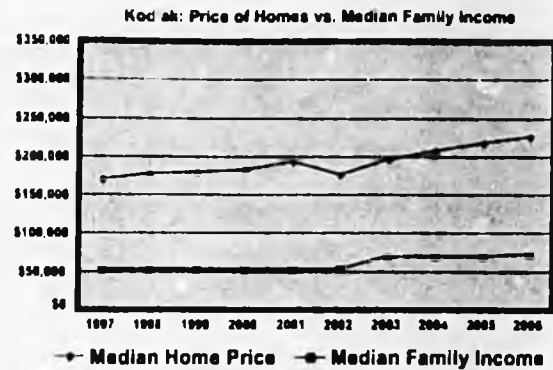
ALASKA HOUSING TRUST 

In Kodiak, housing prices have moved out of reach for ordinary people.



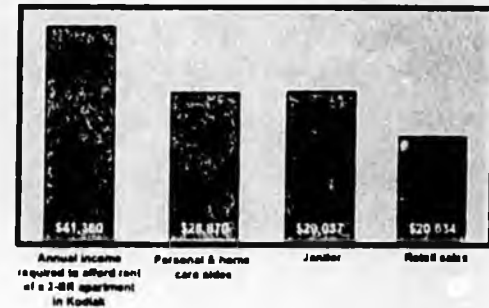
Working Alaskans in Kodiak cannot afford to buy a house.

In the past ten years, the price of a single family home in Kodiak has increased by \$55,401 while the median family income has increased by \$20,400.



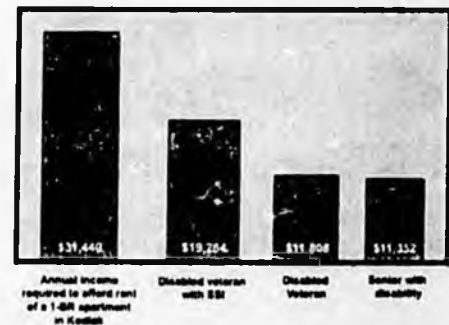
Working Alaskans in Kodiak cannot afford rent.

A person living in Kodiak must earn \$19.21 per hour to afford the average fair market rent for a two-bedroom apartment of \$1034.00 monthly. A person earning minimum wage must work 107 hours to afford this rent.



Seniors, veterans, and disabled Alaskans in Kodiak are at risk of homelessness.

People living on fixed incomes, like seniors, people with disabilities, and veterans, cannot afford to rent a fair market rate, one-bedroom apartment in Kodiak.



7
The number of schoolchildren (K-12) in Kodiak who were homeless at one time in the 2005-2006 school year.¹

13
The number of children in preschool in Kodiak who were homeless at one time in the 2005-2006 school year.²

20,000
The number of low-income Alaskans spending over 50% of their income on housing.³

16%
The percentage of homeless people in Alaska who are victims of domestic violence.⁴

9%
The percentage of homeless people in Alaska who are veterans.⁵



¹ "Homeless Counts by District & School Year," Alaska Department of Education and Early Development.
² "Homeless Counts by District & School Year," Alaska Department of Education and Early Development.
³ MOA Housing and Community Development Consolidated Plan, 2003-07; State 5 year HCD Plan, 2006-10.
⁴ AHFC's Statewide Homeless Survey, Winter 2006.
⁵ AHFC's Statewide Homeless Survey, Winter 2006.
 Data on rent, purchase price, and income collected from Alaska Housing Finance Corporation, U.S. Census Bureau, and Alaska Department of Labor and Workforce Development.

ALASKA HOUSING TRUST

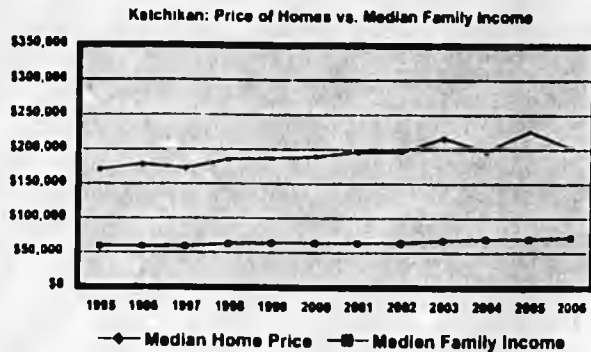


In Ketchikan, housing prices have moved out of reach for ordinary people.



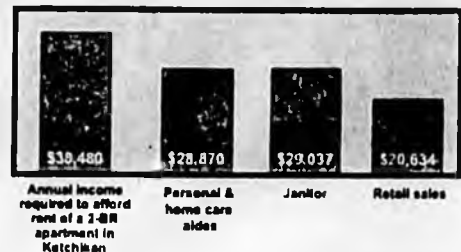
Working Alaskans in Ketchikan cannot afford to buy a house.

In the past ten years, the cost of a single family home in Ketchikan has increased by \$31,223 while median family income has increased by only \$12,800.



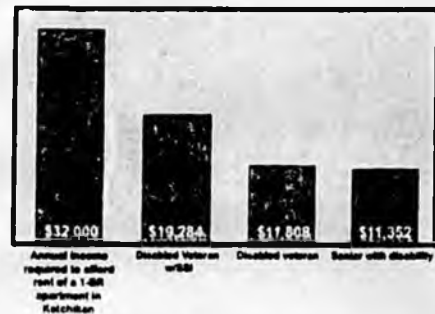
Working Alaskans in Ketchikan cannot afford to rent.

A person living in Ketchikan must earn \$17.88 per hour to afford the fair market rent for a two-bedroom apartment of \$962.00 monthly. A person earning minimum wage must work 100 hours to afford this rent.



Seniors, veterans, and disabled Alaskans in Ketchikan are at risk of homelessness.

People living on fixed incomes, like seniors, people with disabilities, and veterans, cannot afford to rent at fair market rate, one-bedroom apartment in Ketchikan.



38

The number of schoolchildren (K-12) in Ketchikan who were homeless at one time in the 2005-2006 school year.¹

20,000

The number of low-income Alaskans spending over 50% of their income on housing.²

16%

The percentage of homeless people in Alaska who are victims of domestic violence.³

9%

The percentage of homeless people in Alaska who are veterans.⁴



¹ "Homeless Counts by District & School Year," Alaska Department of Education and Early Development

² MOA Housing and Community Development Consolidated Plan, 2003-07, State 5-year HCD Plan, 2006-10

³ AHFC's Statewide Homeless Survey; Winter 2006

⁴ AHFC's Statewide Homeless Survey; Winter 2006

Data on rent, purchase price, and income collected from Alaska Housing Finance Corporation, U.S. Census Bureau, and Alaska Department of Labor and Workforce Development

ALASKA HOUSING TRUST

