

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2575

Many of these prisoners would be in for crimes such as operating a motor vehicle under the influence, petty larceny -- misdemeanors and cases for which the Court has partially suspended the sentences. There is minimal security here. There is only one officer on duty in the security area.

In response to questioning by Mr. Duncan, Mr. Branton said that they do send people who will be in the system for longer terms to Juneau. However, he noted that they do not really have a maximum security arrangement. The exercise yard at SERCI has only a single fence around it. They have a request in their capital plan for double fencing. Their exercise yard has very limited use at present because of only having the single fence. The capital request includes fencing and a parameter road to maximize security. (SERCI)

Mr. Brown was concerned about the elimination of the establishment of a halfway house in Fairbanks. The budget book states that elimination of the halfway house will produce "undesirable overcrowding at the Fairbanks Correctional Center" and goes on to describe the belief that this coupled with reduced security would show "reckless disregard for the basic human safety of the offender". He asked Mr. Branton about this and Mr. Branton said that it is true, there could be real problems. Asked about the alternatives, Mr. Branton said that what they will probably do if they become seriously overloaded is to move the prisoners who would have been at the halfway house to the Adult Camp at Palmer, which has maintained a fairly stable number of prisoners. (NCRI)

Mr. Brown asked Mr. Branton if he thinks judges take into account the overcrowding of the correctional facilities in giving suspended sentences, and Mr. Branton said no, except perhaps in juvenile cases. Mr. Brown appeared to disagree.

Mr. Jones spoke up at this time and said that he does not think the judges take into account overcrowding even in cases with juveniles, proof of which is their budget deficit in this area. The courts have in fact ignored the fact that there was no room in the juvenile facilities and that they had used all their money, even after the department talked with them about it.

Mr. Parr said that he would assume they have made certain predictions of pipeline impact and he asked how the impact relates to the increases they are anticipating and what they anticipate in terms of the Pipeline. Mr. Branton said that they have tried to establish the impact of the Pipeline and they find it almost impossible. They tried to establish it by talking to people as they came into the facilities and asking whether they were in Alaska because of the Pipeline. He said that they had been unable to get any handle on this question. They are seeing a Pipeline Impact on Adult Confinement

a large number of people who heretofore have been unknown to the system. Whether these are Alaskans in trouble for the first time or whether they are new citizens is hard to know. They are getting a number of people new to them, and that is about all they can say. He said that he feels it must be brought about partly because of the Pipeline. Where they really expect to see the greatest impact in this is in their juvenile programs, as the members of families of the Pipeline workers begin to come into the area to be close by for the R&R periods. With no father figure present regularly in such a large number of homes, they are anticipating increases in their juvenile caseload and parole.

Mr. Naughton asked if they are experiencing any increases in the native population in their facilities. Mr. Branton said that they have not taken samples to find out. He doesn't have any feeling that there has been an increase, however. He said there at least has not been a sufficient enough increase for it to have been brought to his attention.

Adult  
Confinement

Mr. Parr inquired about the recidivism rate and whether it was lower among those who have been on probation rather than being incarcerated. He asked if there was information on this available to judges. Mr. Branton said that it is available to them, yes. In fact, this type of information is given to them when a probation officer prepares the pre-sentence report to the judge. They have had more success with prisoners on probation and parole.

Probation  
& Parole

Mr. Branton stated that they are finding evidence of a more serious and different type of crime profile in Alaska. They are beginning to be more like down south. They are beginning to see more sophisticated crime types. Mr. Parr asked, then, if they anticipate they will be needing more money for correctional facilities (as opposed to probation and parole) and Mr. Branton said yes, to a point. However, he said that there is a limit as to how much can be put into correctional institutions because of the financial factor. He suggested a policy of taking a look at a person every couple years and thinking about doing some classification and getting these people back on the street. He felt there are ways, chiefly through probation and parole, of avoiding building new facilities.

Adult  
Confinement

Mr. Guy asked about the funding of inmate workers. Mr. Branton said that this (under Grants and Gratuities) is funding to provide some minimal pay for individuals who work inside the institution -- kitchen workers, laundry workers, maintenance people. They receive \$1 per day for this type of activity while they are incarcerated.

Mr. Guy asked about the prisoners out of state. Mr. Branton said that currently they have 24 adult prisoners in residence with the

Federal Bureau of Prisoners. This is low now because they have just finished their semi-annual screening process when they go down and send some of the prisoners back to the state. During the next four or five months it will slowly build up again. (Out of State)

In response to further questioning by Mr. Guy, Mr. Branton said that the agreement they have with the Federal Bureau of Prisoners is that they charge the state on a bed-per-day rate based on their actual operating costs. Mr. Guy asked what the actual funding for this contract is, and Mr. Branton said that they set aside the actual amount of the contract, and then as the year goes on they begin to get a handle on whether there will be surplus monies available in the account or not. The Federal Bureau of Prisoners costs vary from institution to institution and may run from \$45 per day in Springfield (special medical care) to as low as \$12 or \$14.

Mr. Parr said that he understands that they have local jail contracts, and that these are in areas where there are no state facilities jails so the state rents from the local communities. He noted that in the prior year they had planned for 41 beds and their actual was 36. This year they planned for 42, and he wondered how that projection is holding. Mr. Branton said that the average for two quarters was 39. He expected that they would probably be just about right. Mr. Parr asked if those contracts are primarily in the bush. Mr. Branton said that the nomenclature makes it sound as if perhaps the bush facilities are not such good facilities. That is not true. Some of them are very nice. Mr. Parr said that he understands some are still pretty poor, and Mr. Branton said that that is true -- some are very modern, and some are atrocious. Mr. Parr asked how the costs compare per person. Mr. Branton said that the costs average is about the same. The level of service in the poorer facilities may be considerably less, however.

Mr. Brown said that he understands that apparently there are a lot of state prisoners in the Anchorage City Jail. He wondered about this. Mr. Branton explained that the Anchorage City Jail is leased by the state and it is operated as a state jail. Mr. Brown asked if the city has a jail. Mr. Branton said that the state has a contract whereby they provide prisoner care for Anchorage. They recently increased the fee to various local governments for which they provide prisoner care. They are projecting for calendar year 1975 \$65,000 from the City of Anchorage. In response to questioning, he said that they have few city prisoners. The City of Anchorage has abolished almost all of their local ordinances and almost all violations are prosecuted under state statute. Adult Confinement

He mentioned that recently there was a Supreme Court decision

the effect that being drunk on a state roadway was a state crime under the Uniform Alcohol Act. He testified that most of the arrests now are being made under some state statute.

Mr. Guy asked about the feeding of patients. Mr. Branton said that they are fed three times a day, and are given a minimum of 1100 calories per day. He said that it is a good, varied diet of balanced meals. Although some people have commented that the food service is expensive, it has actually a lower per man-day cost than any of the other state operated institutions, such as API, Harborview, and the Pioneer Homes. He explained that food service becomes a very important part of the inmate's day. In fact, he stated that poor food services is mentioned as a cause of prison unrest and even perhaps violence.

Mr. Naughton asked if in the event that the present state employee salary negotiations are so high that the total for personal services could not be funded and a 10% personal services reduction had to be made, when action would they take. Mr. Branton said that their contingency plan would be first to curtail some of their central office staff, and next any administrative staff that could be spared. Then it would be toward supervisors of field service people. He commented, however, that they don't meet basic custody staff requirements already in some of their institutions, for example, the Ketchikan State Jail. Mr. Gruening asked if the jail in Ketchikan is a state jail, and Mr. Branton said yes, that all of the jails that were federal jails became state jails.

In response to questioning again about the Third Avenue Jail in Anchorage, Mr. Branton said that that was constructed with a capacity of 65. They are running a halfway house in the bottom of the facility. There are 59 prisoners total in the facility. As a halfway house they cannot have as many people as if they were operating a custody facility. This is creating problems as the facilities become overloaded.

Mr. Guy asked about violence among inmates. Mr. Branton said that in the state jails as far as they know they have never had instances of homicide among inmates. They have had cases like that with Alaska prisoners in the federal prisons, but not in any of the state facilities. Mr. Guy asked about violence to staff, and Mr. Branton said that they have had some altercation but never homicide.

Mr. Naughton raised the question of the McLaughlin Youth Center. Mr. Branton said that the legislature authorized a capital expansion program at McLaughlin which allowed construction of separate cottages. Their budget request for this year is for some additional staffing to staff these cottages. The actual increase in capacity of the facility is minimal because the

Juvenile  
Confine-  
ment and  
Juvenile  
Rehab.

(McLaughlin  
Youth Center)  
3/6/75

extra cottages don't give much more space -- what they provide is a more flexible situation. He mentioned that previously the residential treatment and the detention juveniles were all together which was difficult. They are asking for custody staff to provide coverage of these cottages around the clock.

Mr. Naughton asked what the style of operation in the cottages will be. Mr. Jones said that there will be three shifts of staffing on an eight-hour day. There will be a supervisor, youth counselor, and one person working under the counselor. During one shift there will be a psychological counselor and that will be a swingshift position. The residents will be enrolled in regular school programs during the day. The actual cottage operation will be a program of classifying individuals with similar behavior patterns to each cottage so that they are not dealing with passive-aggressive and hostile children in the same cottage. They will be trying to have homogenous groups. The classification process is one designed in California and is called an eyelevel program. They have spent approximately a year training their staff in development of these classification techniques and studying the various treatment programs. This system has proven effective. With eyelevel classification individuals will be housed in compatible groups in each cottage and they expect that this treatment modality with eyelevel classification will be effective.

Mr. Naughton asked if they have checked this out. Mr. Branton said that there are a lot of documents available on this program.

In response to questioning about the male-female ratio at the institution, Mr. Jones said that there are now 51 males and 12 females. The ratio is about 4 or 5 to 1. They have one cottage that is female and the rest are male.

Mr. Naughton wondered about how well this program will work in Alaska, since our problems are not the same as those in California, and he particularly wondered if it would be a good system for native juveniles. Mr. Branton said that they do not know how well it will work since they are just starting. They are doing an evaluation. They just opened these cottages in January and so will not have the information to complete an evaluation until next year. It is an expensive program, he admitted, and said that they are aware that if they are going to get funded again next year they will have to show that the program is worth it.

Mr. Parr asked if it is a trend for juveniles coming into the system to have been committing more serious crimes. Mr. Jones said that they are getting more serious crimes. They have been pouring a lot of money into the juvenile area. He said that he thinks that what Corrections people have been finding out all

3/6/75

over the nation is that there is an increase in the numbers of juvenile offenses and they feel that if they can "put them straight" at an early age they will be able to prevent some of the problems that follow in adulthood. Mr. Parr noted the reference in the budget book to increased sophistication of crimes by juveniles. He also mentioned the attacks on staff that were referenced. Mr. Jones attested that there are increasingly sophisticated and dangerous crimes. This is why they are emphasizing getting to offenders early. They feel that by emphasizing the probation and parole route, they have a better chance with these juveniles. By the time they have gotten to an institution, they are pretty tough. Alcantra, he mentioned, is now operated by Family and Childrens Services. He repeated that by the time the juveniles have been institutionally placed they are pretty tough. They have about one serious injury a month on the staff. He said that he doesn't know why. They do not have so many children entering on status crimes now. (Status crimes, he explained, are those crimes like running away which are based on the child's status as a juvenile. An adult would not be charged as a runaway.) They have eliminated status crimes and are now dealing with a different element of juveniles. The kids in the institutions now are pretty hard core, he answered in response to a question by Mr. Parr. He said that they have found it necessary in the last few weeks to convert part of the physical plant to a security type of residential care so although they have a cottage program (He is still talking about McLaughlin in this discussion) for the first time in Alaska, they also have a maximum security arrangement for juveniles. They have two juveniles in that area now who otherwise would be outside of the state.

Mr. Brown thought that if they do have these repeated violent attacks on staff members in the juvenile facilities, they should now be able to develop some profile of who is the hard core, violent type of individual. Mr. Branton said no, that they have not found any particular type. In response to further questioning by Mr. Brown, Mr. Branton said that they are not necessarily urban rather than rural youth. In response to continued question by Mr. Brown, Mr. Jones said that he does not know what they are finding out, but from his own experience in previous studies they were unable to say that the violent person comes from any particular group. He said that police records may indicate that the most "acting out" age is junior high school. He said that he thinks now in fact that delinquent acts are committed by younger kids -- ages 14 and 15. This is a very explosive age.

Mr. Gruening asked what the age groups at McLaughlin are, and Mr. Branton said that they are not segregated by age. They prefer 13 years or older, up to 18. On rare occasion they

may have someone over 18 or someone under 13, but that is not very common. Basically their people are ages 14 to 18.

Mr. Gruening asked if there is any breakdown as to any one dominant age group. Mr. Branton said that they have never done a breakdown by age, but he would say that probably 16 is the largest age group.

Mr. Branton commented that very seldom does a child end up in McLaughlin as the result of a first contact with a policy agency. In response to questioning he explained that if a child goes through the courts, a regional classification committee will do a case review and a probation officer would present the child's case and as a result of that action, the court would make a determination where the individual should be placed. If it is determined that s/he should go to McLaughlin s/he would be placed in detention on arrival there. A treatment plan would be arrived at by the combination of court, probation officer, and records of the classification committee. With that input they would hope to be able to improve the behavior of the offender. They do not necessarily segregate by crime type. In response to questioning he said that it is possible that someone who shot a parent might be in the same cottage as someone who was guilty of a theft or burglary. In many cases, crime type is not a significant factor.

Mr. Gruening asked if they have statistics on "breaks". Mr. Branton said yes, they use that as one of their quarterly measurements. They keep a record of assaults on staff and other residents, also.. Mr. Branton, in response to further questioning about altercation by the client on other staff or juveniles, said that the offender would be segregated for a time in administrative or segregated confinement. They usually contact the court to see if the court wishes to prosecute in situations like this. (That is, the DA's office would be prosecuting.) They very seldom choose to do so, however.

In response to questioning by Mr. Gruening, Mr. Branton said that indications are that there are more kids in trouble and they are more sophisticated. They are beginning to get juveniles coming in and asking to see their attorneys. More and more juvenile court proceedings are beginning to parallel adult court proceedings. In addition, these youth are taking more risks.

Mr. Gruening asked what their plan of action will be. Mr. Branton said that one of the things they can do, by having a detention program -- a special detention unit -- is make things more uncomfortable for the individual. S/he can be removed from the cottage situation temporarily. Mr. Gruening asked Mr. Branton if he thought that the cottage program will lead to a decrease in attempted runaways. Mr. Branton said no, that he thinks it

will increase. There is less physical plan restraint. Mr. Gruening wondered about this lessening of security. Mr. Branton reminded him that they have implemented the detention program. He said that he thought a combination of the two will result in a better program. Mr. Gruening asked if by that he means a decrease in runaways, and Mr. Branton said not. He did not predict that. He said that it is a new program aare and is as yet unmeasured. However, although he did not predict a decrease in runaways, he did predict a decrease in repeats. However, until they can measure the program, they don't really know how successful it will be.

In response to questioning by Mr. Guy, Mr. Branton said that they are not keeping family data.

[Mr. Naughton left the meeting.]

Mr. Branton, speaking of Probation and Parole services, said Probation and Parole that insofar as they can, they utilize probation and parole officers to provide services. He said that a probation officer with as few as five persons can save the state his/her salary because the cost of putting people in institutions is so high. He requested the committee to look carefully at the area of probation and parole and keep in mind that if their functional strength in this area is not kept up, then the institutions will begin filling up more and more -- which can only mean an increase in cost to the state and the institutions falling farther and farther behind in their ability to provide adequate services for the client.s. It is a vicious circle.

The statement was made that there were 1806 the month of January under Probation and Parole in this state and at the same time there were about 600 people in institutions in various categories. Mr. Branton said emphasized that if the probation office cannot keep up with the demands in terms of persons, that the state will be in the position of not only paying the cost of care in the institutions, which is very high, but in addition the cost of constructing additional facilities.

Mr. Brown commented, with reference to Probation and Parole officers, that he thought most people are not aware that in addition to their direct-client functions, they are responsible for preparing pre-sentencing reports for the superior court, which is a lengthy and time consuming task.

Mr. Branton agreed. He stated that the new positions requested that were established by RP this year, although they were funded out of monies set aside for Pipeline Impact, are not to meet additional caseload but to take care of additional functions they are required to take care of now in Probation and Parole

by Court Rule.

Mr. Haugen was distressed over the fact that the legislature spends a great deal of time going over budgets, and finally puts out a budget with expenditures outlined, and then the departments change it all around anyway, with the help of revised programs, or at the direction of the judiciary. Why, he implored, have a finance committee at all if this is to be the result. Mr. Branton said that the Court is the one that directed the office to carry this additional workload. Mr. Haugen said yes, but then it was their decision to submit an RP.

Mr. Jones said that the House Judiciary Committee last year were having hearings on a bill making mandatory pre-sentencing a requirement of state law. The Court Administrator told the committee rather than pass the law, they could just change the Supreme Court rule #32. Someone had said yes, but if they can change the rule one way, they can change it back, so there were some second thoughts about going this route. Actually, the Court was accomodating the legislative committee in order to see that mandatory pre-sentencing reports were provided and in so doing, they had to go after some Pipeline money.

Mr. Clemens of Budget and Management said that during Free Conference Committee there was, as he understood it, some discussion on the addition of money for this additional function. However, they have been able to document the intent from the minutes of the committee. The category had already been closed out when the amendment came to include this, so they put it into the Pipeline portion.

Mr. Brown attested to the importance of pre-sentence reports, and said that it is requisite that the judges have adequate pre-sentencing reports. He commented that he has never seen an accurate pre-sentence report. The problem is definitely not going to be solved by cutting money and cutting staff. He said that as it is now, the officers often do not really even have the time to talk with the defendent more than a few minutes before beginning to write these reports. He made a plea for more adequate funding in this area, indicating that he could not stress its importance enough.

Mr. Guy asked about probation arrangements between Alaska and other states. Mr. Branton said that there is a reciprocal arrangement whereby Alaskans outside the state go to the Probation office in that state and vice-versa. There was question about why there would be non-residents in Alaska -- would they come job hunting or what. Mr. Branton said that they would have to have jobs already lined up before coming up. Presently there are

a total of 148 parolees from other states in Alaska -- 138 adults and 10 juveniles. There are 186 parolees from Alaska in other states -- 157 adults and 29 juveniles.

In response to continued questioning by Mr. Guy, Mr. Jones said they do make sure that there are jobs lined up, what kind of living situation there will be, what kind of people they will be in association with. Before this interstate placement is carried out, a plan must be accepted that outlines all these factors. Mr. Naughton asked where the bulk of the 148 people in Alaska are from, and Mr. Jones said Oregon and Washington.

Mr. Malone thanked the witnesses. After brief discussion on scheduling, the meeting adjourned at 5:12 p.m.

ADJOURNE

# STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

*Staff*  
JAY S. HAMMOND, Governor

POUCH H - JUNEAU 99801

Document# H F-6

OPENING STATEMENT  
ON  
ADMINISTRATION OF JUSTICE  
by Frederick McGinnis, Deputy Commissioner  
Department of Health and Social Services

March 6, 1975

Mr. Chairman and Members of the House Finance Committee:

The Department of Health and Social Services is responsible for the operation of 30% of the Alaska Administration of Justice System Budget. The major share of this participation is through the Division of Corrections. In addition, the Parole Board and Violent Crimes Compensation Board are administered through this Department.

The total increase for our Department in this budget category from the appropriated 75 program to the Governor's Budget for 76 is \$4,921,900. Of this amount \$1,416,700 is for salary increases already in effect for which funds were appropriated in the General Government Budget Category by the last Legislature. Therefore, this amount is merely a transfer in rather than a true increase.

The remaining \$3,505,200 increase is primarily for the Division of Corrections. Not all of this is a one year increase however.

The Governor has recommended supplemental appropriations totalling \$792,300 to fully fund the current year program.

The major increases are caused by increased costs due to paying full cost of care both in-state and out-of-state through contracts, completion of new capital improvements which must be staffed and paid for through rental payments with AASHA, and the operation of the Anchorage State Jail as a 65 bed halfway house which was started this year with 35 beds through an approved revised program.

We believe this budget is essentially a maintenance level budget and believe further that the very small number of reductions that were made by the Governor's Budget Review Committee proves that to be so.

JOINT HOUSE AND SENATE FINANCE COMMITTEES  
Friday, March 7, 1975  
9:10 a. m.

CAPITAL SITE SELECTION COMMITTEE HEARING

The following members of the House and Senate Finance  
Committees were present:

PRESENT

Senator Ray	Representative Duncan
Senator Chance	Representative Naughton
Representative Malone	Representative Haugen
Representative Guy	

The following people were also in attendance:

Willie Hensley, Chairman, Capital Site Selection  
Committee  
Leonard D. Lane, Executive Director, Capital Site  
Selection Committee  
Edwin B. Crittendety, Consultant, CCC/HOK  
Anne Kriken, CCC/HOK

The Chairman of the Capital Site Selection Committee, Mr. Willie Hensley, made his statement before the joint Finance Committees. He first addressed the initiative itself. The Capital Site Selection Committee is unique in being bodily created by the electorate. This created problems on how to approach responsibilities. There were no initial funds provided by the initiative. Therefore, a meeting was called by the Lt. Governor's Office to get together and as a result of that meeting, funds were obtained out of the Governor's Contingency Fund. To date, the Site Committee has held four meetings. These meetings were mostly to feel their way into the initiative to determine their latitude to function. There are nine members of the Committee. The Commissioner of Natural Resources was just appointed as the ninth member. The selection of the Chairman was by the Committee members.

CAPITAL  
SITE SEL-  
ECTION  
COMMITTEE

The initiative states that they are to select no more than three sites. There is also a provision that none of the sites be within 30 miles of Anchorage or Fairbanks. It requires that the land selected not be less than 100 square miles to be owned by the State or obtained by the State at no cost. They are to have hearings within 18 months of December 11, 1974 on three potential sites to invite questions from the public and to present facts. The voters are to vote November, 1976 on the site selections. There is no provision in the initiative once the information gathering and presentations to the public are made, which allows

continuation for planning of necessary State public facilities. It is presumed this will follow the vote in 1976.

The Committee has established an office at 840 K Street in Anchorage. They have elected an Executive Director. After receiving 18 proposals for consulting work, mainly joint ventures, they have selected AIDCT.

Their budget is broken into two areas. Prior to the end of this fiscal year to meet limitations they will have to make commitments to have work done as soon as possible. Three sites must be selected by December of this year. The Committee in their initial meetings looked at the initiative with a narrow prospective. It appears the Committee should be doing more than required in the narrow reading of the initiative. They feel in fact that they will be constructing the new Capital. There is no more public participation than the right to plan the new city. The Committee needs to know exactly what the people of the State have in mind in terms of the new Capital. The Committee must have this in mind during the site selection process. It means more than just looking at soils functions, the water, climate, wildlife, etc. There is going to be socioeconomic impact in the areas, obviously, if the site is near a community. Consequently, the budget reflects a comprehensive look on factors that effect all of the facets of a large community.

Hearings on the three sites will be held. Unless we have the funding to do added studies, all we could talk about at the hearings would be natural appearance. They need a cost analysis of ultimate construction at each of the three locations. We should have a good estimate of actual construction costs for the people at the hearings. We should have some study methods of financing this new capital construction that the State could look at for some options. The Committee feels socioeconomic impacts should be looked at.

At this point he turned the testimony over to Mr. Leonard D. Lane, the Committee's Executive Director. Mr. Lane explained a flow chart to the Committee which gave tasks and time limits for the accomplishment of each one. (See Attachment) Starting from the the back of the chart he explained that by December 11 of this year the selection was to be made. He stated they will need funding in FY 75 and FY 76 to do this job. They are not at the stage where CCC/HOK develops line items, detailed program for budget. They will shortly begin final evaluation of letting contracts for preliminary engineering and transportation facilities. The acceptability of transportation is critical to the selection process. There must be a public information program, hearings on what the Committee has done. They need not only hearings and work shops throughout

the state, but also the use of public media. They want programs to know capital city and capital definition. Once this is done, the first step would be to design and set up public hearings. They need to know public opinion. They need to develop site alternatives. To date 15 possible site locations have been submitted to them for consideration and by Monday, March 10, they expect more sites to be submitted for consideration that would bring the total of possible sites up to 24.

Site Criteria - there are two things to look at in natural criteria. One is the type of soil, water hydrology, etc. They will take data available from State Land Bank to look at where they are at in terms of natural data. The other thing is location in relation to transportation needs. They need to know what the Government expects; will this be a centralized State government? a regional government? They need to take a look at the aesthetic values. The land status will have to be considered - is the land State land and patented or in the process of being patented. They will look at the sites given them and will start eliminating some of the sites. This job must be done by the 15th of April.

At this point they will go back and determine new data requirements such as the State's 6-year capital construction plan. They will have to look at what building will need to be done throughout the site. This will be determined from new data requirements. They are only allowing one summer to go out and do field work. In the field work they will be looking at urban patterns, land status, and development and cost at this point. There will be another set of costs for education, health care, pollution (in other words, public services).

Code Data - this will be done by CCC/HOK. At this point they will be past June 30. There will be photographs as of June 30. We can begin to compile a use plan. This is where the 100,000 acres is considered. They will refine and test requirements at each site.

At this point there will only be four to six sites. There will be tertiary screening of natural resources. They will have aerial photographs. In August they will project the cost and between September 1 and September 15 they will come up with recommendations on the three sites. They will have until December 11 to prepare their final reports. The public hearings will have begun back in April. They will have input from these hearings together with input from each of the State agencies as to their concerns. In August the three or four sites selected will go back out to the public and from that final input they will come down to three sites.

Plans for land use will be 2-pronged: technical and major public input. The input will be combined by September 1. They were not provided funding for the level of research that is needed. Between July 1 and December 11 they will need a large amount of money.

In answer to a question made by Rep. Malone, Mr. Lane stated the initiative states lands now owned by the State or available at no cost. People have been contacting them about sites that could be made available to the State at no cost. Can they expand the number of sites. This is a legal question.

Sen. Ray asked when the map would be available. Mr. Lane replied that on Monday, March 10, they will receive the map. Duplicates will be made within a few days. A week from Monday the map should be available to the general public.

Rep. Naughton asked in the end result, when you are down to voting, what estimated cost can you give. The response was that they were budgeting some funds for some analysis of probable costs of sites. They will have to make some assumptions of course. There should be some data available.

Rep. Haugen asked Mr. Lane what their Committee was trying to do to minimize the consulting group and to go to data available. There are dozens of specialists with the Federal and State Governments and with the University of Alaska. The information needs refinement and these people probably know the field in Alaska, so you wouldn't have to cover the same ground again. It was answered that there are contracts with the University of Alaska.

Sen. Ray pointed out to the Committee that if they were on a normal time frame for completion of the project, say three to five years, the budget request would not be so excessive.

Sen. Ray expressed his concern with representation in the public hearings. The Committee will be going out to get public input as to what the people want in the form of a Capital. Since the largest population center is Anchorage, by numbers, they will have the largest input. Perhaps the Committee, rather than ask what type of capital the public wants should provide four or five choices the public could choose from.

Mr. Hensley answered that the Committee does not know that Anchorage wants a capital in their midst. The hearings will determine this and other questions. He further stated that we do not know what the future will hold on this issue. We are only doing our best to fill the initiative's requirements.

The actual construction and design work is in the future.

Sen. Ray asked Mr. Hensley if it was his belief that the City of Anchorage could be the capital site, excluding the 30 mile provision. Mr. Hensley replied that there wasn't any 100 square mile acreage in Anchorage. Sen. Ray expressed his desire that the Selection Committee present four or five different capitals to the public. It was his opinion that Southeast should not be dictated to by Anchorage.

Mr. Lane remarked that if the Committee provided four or five sites that it would be limiting. He feels that the Committee should go all over the State, regional, special interests, etc. by August to obtain a number of concepts. Then they should go back out to the public to gather the final reaction.

In response to Sen. Ray's concern on the financing of the construction of the new site, Mr. Hensley said that he understands there are limitations on what the legislature could do. They are pretty much limited to look at three sites outside of Fairbanks. It is up to the voters and the referendum for cost is a factor.

Sen. Ray asked if there was a site under consideration in the Mt. McKinley area. Mr. Lane responded yes, you could see the mountain if the clouds are not there.

Rep. Naughton asked if this budget request was reduced and and the process outlined was slowed down by a year, what would your consultants in construction estimate as the cost. Mr. Lane said he would address the legal part first. According to the initiative you cannot delay the process. If you reduce the budget below the level the Committee is asking, the job just would not do justice to the people in the future. In answer to the construction cost, a rough estimate would be an increase of about 12%.

Rep. Duncan stated that earlier in the presentation some of the basic requirements for the new Capital were mentioned, education, health care, etc. Our concern now is will the basic requirements for the people living in the capital be decided by the general public. Mr. Lane answered that the State law requires that certain services be provided. They are not talking of eliminating any of those services at the site.

Sen. Ray mentioned that there was an attempt to amend the initiative in the Senate. He did not know if the Committee was aware of it. It was thought that the thrust of the original initiative was ambiguous. It doesn't make the complete route. Mr. Hensley answered that he presumed the intent of the

amendments were more or less to clarify the original initiative. For instance, are we part of the executive branch of the government or part of the legislative branch. It does not specify who handles the paper work for the Committee. Sen. Ray asked, you do not find the amendment objectionable? Mr. Hensley replied that he did not.

Rep. Guy asked if there were any plans for use of the major airlines in Alaska. Rerouting of airline routes will have to be revamped. Mr. Lane answered there is a reduced cost of studies here; the Selection Committee is already being provided assistance by the airlines.

Sen. Ray announced, at this time, because of pressing other business, perhaps we can skip the budget presentation and make time available for the Capital Site Selection Committee to meet with the Finance Committees individually.

Mr. Hensley told the Finance Committees that a Supplement has not yet been submitted in bill form to the Governor's office. Sen. Ray suggested that perhaps the proper way to have this drafted would be through the Rules Committee.

The meeting was adjourned at 10 a.m.

ADJOURN

Note: A copy of the Capital Site Selection Committee's Summary Budget for Fiscal Years 1975 and 1976 is attached for information.

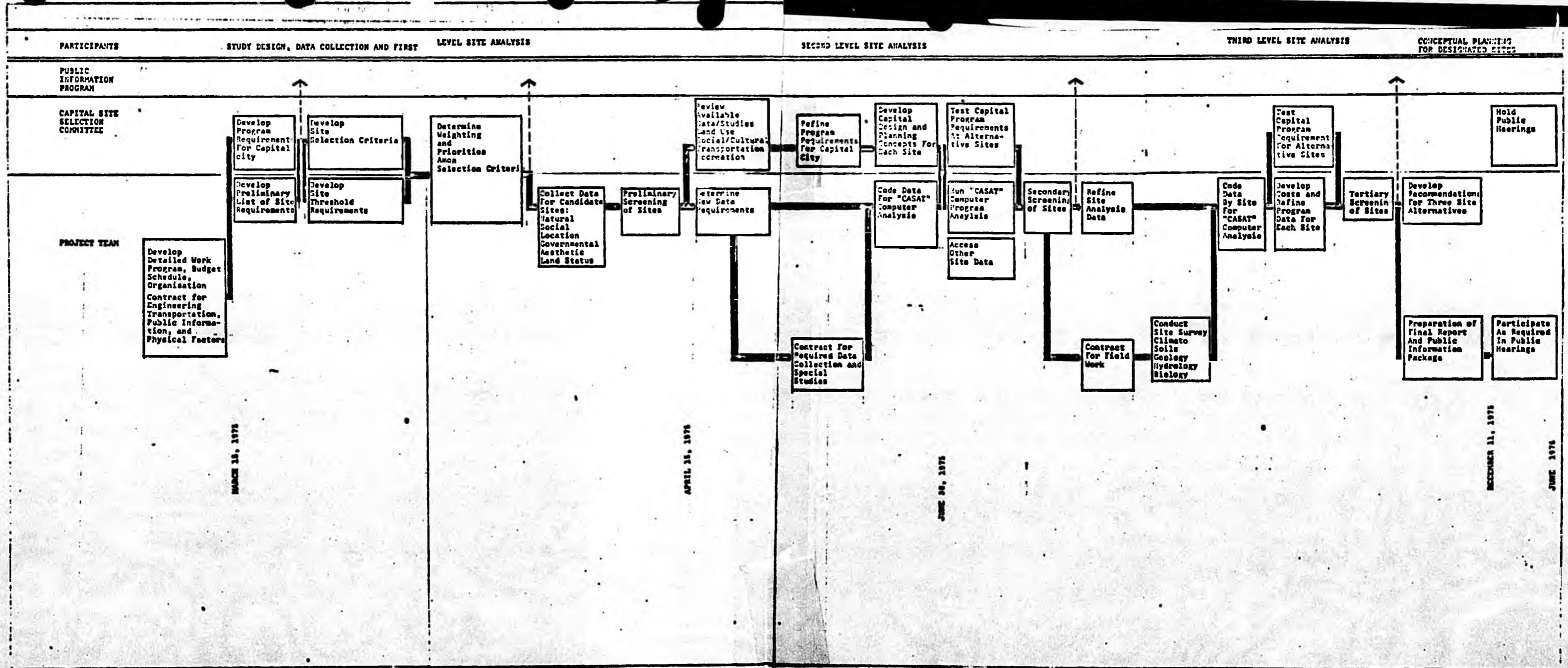
Note: Copies of the budget are in the Red Budget Books.

**CAPITAL SITE SELECTION COMMITTEE**

**Summary Budget for Fiscal Years 1975 and 1976**

Support Cost:	Year Ending June 30,		TOTAL
	1975	1976	
<b>Staff:</b>			
Executive Director	\$ 21,240	\$ 42,480	\$ 63,720
Administrative Assistant	11,800	35,400	47,200
Public Information Officer	7,833	29,500	37,333
Secretary	7,952	15,904	23,856
Clerk Typist	4,507	13,520	18,027
<b>Total Staff Costs</b>	<b>53,332</b>	<b>136,804</b>	<b>190,136</b>
<b>Legal and accounting fees</b>	<b>15,750</b>	<b>17,000</b>	<b>32,750</b>
<b>Office rent, telephone, office supplies, etc.</b>	<b>19,876</b>	<b>32,752</b>	<b>52,628</b>
<b>Printing and advertising</b>	<b>8,000</b>	<b>10,000</b>	<b>18,000</b>
<b>Travel</b>	<b>4,261</b>	<b>10,312</b>	<b>14,573</b>
<b>Miscellaneous</b>	<b>6,000</b>	<b>12,000</b>	<b>18,000</b>
<b>Capital outlay for office equipment and furniture</b>	<b>11,326</b>		<b>11,326</b>
<b>TOTAL SUPPORT COSTS</b>	<b>\$118,545</b>	<b>\$218,868</b>	<b>\$337,413</b>
<b>Substantive Costs:</b>			
Committee meetings costs	\$ 52,058	\$ 45,474	\$ 97,532
Public hearings costs	24,089	28,089	52,178
Site inspection costs	10,760	10,760	21,520
Public information brochures, rendering, sketches & reports	15,000	50,000	65,000
Miscellaneous	6,000	12,000	18,000
<b>TOTAL SUBSTANTIVE COSTS</b>	<b>\$107,907</b>	<b>\$146,323</b>	<b>\$254,230</b>
<b>Consultant contracts:</b>			
CCC/HOK prime consultant	\$290,835	\$340,084	\$630,919
Civil engineering/geotechnical field work	141,492	141,492	282,984

Consultant Contracts: (continued)	Years Ending June 30		TOTAL
	1975	1976	
Transportation and accessibility study	\$ 52,390	\$ 32,741	\$ 85,131
Public opinion survey & research study	23,693	14,707	38,400
Aerial photography contract		20,000	20,000
U.S. Geological Survey contract	1,000	1,000	2,000
University of Alaska contracts:			
Arctic Information & Data Center Technical Support and Assistance		20,985	20,985
Geophysical Institute ERTS Data	10,000	10,000	20,000
<b>TOTAL CONSULTANTS CONTRACTS</b>	<b>\$519,410</b>	<b>\$581,009</b>	<b>\$1,100,419</b>
<b>TOTAL COSTS:</b>	<b>\$745,862</b>	<b>\$946,200</b>	<b>\$1,692,062</b>
<b>Appropriation requested:</b>			
Total costs above:	\$745,862	\$946,200	\$1,692,062
Less funds already appropriated	<u>250,000</u>	<u>        </u>	<u>        </u>
Additional appropriation required	\$495,862	\$946,200	\$1,442,062
Rounded to:	\$496,000	\$946,000	\$1,442,100



This is a continuation of the March 8, 1975, 9:17 a.m. meeting which is in the Bill Minutes book.

Social Services category staff review with Milt Barker, Fiscal Analyst.

SOCIAL SERVICES

The Chairman commented that federal requirements have changed on restriction on use of Social Services funds; the attempt is to give the States more latitude in budget preparation. He said representatives from Region X would be here Tuesday. He understood that federal guidelines are changed so states can set up programs they need instead of blindly following the federal requirements.

Mr. Barker, on Ceiling Money, said this money is a block grant available for social services, which formerly had to be spent in certain named areas. Now the State can decide how to spend the whole amount; however they are not taking advantage of this and are spending pretty much as in years past.

Public Law 93-647 is the law that frees the money for the State to use it as it likes. In the past the State could spend money for current or former recipients of welfare; someone who is categorically eligible. Now there is only one required service which is Family Planning, and the State has to find five different services of its own choosing. The income ceilings are higher; 80% of the median State income, or 100% of the national median, if lower; for a family of four the Alaska median is \$12,758, so the national median of \$12,041 is used. Services can be provided for people up to 115% of the median if a fee is charged.

Federal Funding

Five broad goals delineate the scope of programs that could be set up under Title XX. (See General Information P.L. 93-647 - Title XX of the Social Security Act "Social Services Amendments of 1974" in the Subject file). Mr. Barker stated that 50% of federal funds, which are 75% matching, make up 35.7% of the total budget that must go toward current recipients. The \$4 million federal funds have to be matched with 1/3 or 1.333 State money. Except for Family Planning which is matched 90/10. Following a line of questioning begun by Mr. Guy, it was found that the State plan for Title XX goes into effect October 1, 1975, but the State plan has not been written; it calls for Legislative guidelines, but the Legislature has not been asked for their views. Mr. Barker said the most critical guideline is how the money is allocated, and suggested that the Committee might want to discuss with the agency people what social services they wanted to provide. Mr. Haugen commented that the HESS Committee should take care of that. Mr. Parr said he would be in the Fairbanks area for hearings and could find out what the impact is on the Aged, Blind and Handicapped from the "grass roots."

Mr. Naughton mentioned that Family Planning was not shown; Mr. Barker said the money is not under ceiling money, but is still federal money; the State can spend as much as it wants of that. He said the Health budget also has Family Planning Services.

Family Planning

SOCIAL SERVICES

Mr. Barker stated that there was an annual appropriation of \$2.5 billion and there will be no new funds available, until all states reach their ceiling. Presently only three states spent all their funds and they will have to continue to meet their needs out of the General Fund if necessary. Mr. Barker pointed out changes in the law relating to Locating Absent Parents. This is for parents absent from Alaskan families and also families in the U. S. if their parent is thought to be in Alaska. Mr. Cowper said there is a new method of tracing people through their Social Security numbers. Mr. Barker commented that this probably will cost more to administer than any results obtained.

Absent Parent

Chairman Malone noted that the total budget is \$90.5 million requested for FY 76 as compared to \$81 million in FY 75. Mr. Barker described the major reasons for the \$4.5 million dollar increase in the General Fund. \$2.2 million is increase in the Pioneer Homes; \$800,000 in Eligibility pay raises and new positions; institutional care, foster and day care have had rate increases and additional children for an increase of \$1.2 million. AFDC is up \$1.4 million in General funds; Adult Public Assistance is down about \$1 million; Longevity bonuses are up about \$1 million dollars in General Funds. There are pay raises throughout the budget. Other than pay raises \$4.7 million dollars in General Fund increases are pretty much offset by a similar amount in General Fund decreases.

General Budget Info. Eligibility

The federal funds have decreased primarily because of pipeline funds granted for manpower programs last year which are not being received this year. Federal receipts are down because \$4 million of Title XX money is out of the General Fund and budgeted as a separate item so that the Legislature will realize they have a decrease of this money. Other funds are up about \$10 million mostly because Title XX money is included under other funds; CETA funds of \$66,000 are federal funds being passed on to other agencies so interagency receipts makes the budget look larger by that amount. There will be expenditures of probably around \$80 million.

Total personal services is up about \$500,000; They are requesting 65 new positions: 39 in the Pioneer Homes, 12 in Eligibility. Travel is down a few thousand; contractual services down about \$1.5 million. Grants are up about \$6 million: AFDC, Longevity Bonuses, CETA monies are being passed around. He told Mr. Guy that Longevity bonuses were taxable by the federal government, but not by the State.

Chairman Malone pointed out that there was a supplemental appropriation of \$420,000 for the Longevity bonuses; Mr. Barker replied that the amount had probably been underfunded in the last two years. The agency projections as well as our own projections were not fully funded because it was a way to hold the budget down. It's not really an inability to project. This year looks pretty accurate. Currently the recipients must make monthly requests for bonuses. There is a bill in by Sen. Kertula to change that to every two months. They do not want to pay the bonus to anyone except people in Alaska.

HB 252

Mr. Barker said the Longevity Bonus program costs around \$27 million for the coming fiscal year and will continue to grow until it expires in 2021. It will make a big jump when the people who came up during World War II are covered. The program covers anybody who came here before 1959. In response to Mr. Parr he said some revenue sharing money was spent last year; they do not show it as federal revenue sharing funds, just as General Funds--it goes into the General Fund with a few restrictions. The grant program method is used because it is an easy accounting method.

SOCIAL SERVICES

Longevity Bonus

Last year the Board of Child Advocacy was cut out of the budget by both houses, but it was put back in; it was originally to be funded by Title IV and VI money, but the Ceiling Money came along before it got going. In the absence of federal funding, the State used General Funds. The budget funds one person and a secretary and a Board that works as a lobbying group. They are to be the lead agency for children's code of the State. Mr. Parr reported that they took everything out of the code that pertained to children and will expand it to fill in the gaps.

Child Advocacy Board

The Pioneer Home Advisory Board was a one time appropriation not funded in the regular budget last year. They made a request to Free Conference which failed to fund them. It is unsure if anyone has an obligation to fund them; it is a voluntary group to insure minority hire, so is funded on a voluntary basis.

Pioneer Home Advisory Board

Donated Commodities: They don't always have a full complement of food stuffs available. Mr. Barker said they charge a percentage fee on the foods to pay for part of the distribution cost.

Donated Commodities

Mr. Barker reported that there were two new Pioneer Homes nearing completion in Anchorage and Katzebue. There is only enough budget for Katzebue to provide maintenance and keep the building intact until the Department decides what to do with it or someone tells them what to do with it. They are concerned about operating costs. Phase I will house six people, Phase II will expand operations to twenty people.

Pioneer Homes Katzebue

Mr. Parr pointed out that there was no money for Anchorage and it is to be complete in September, 1975. Mr. Barker said Phase I being completed will have 46 beds. He suggested this might just be an effort by the administration to make their budget look smaller because they know that the Legislature will fund a necessary amount. Phase II construction will expand the number of beds.

Anchorage

Other homes have undergone expansion and renovations, and the individual budgets are up in the number of positions and funding to accommodate additional guests.

Central Office: Formerly the Pioneer Homes were under the Department of Administration; a few years ago it was determined that it might be possible to receive federal reimbursement under Social Services if the Homes were put in the Department of Health and Social Services--Ceiling money might be available. The appropriation continued to be made to the Department of Administration to pass it on to H&SS to operate the program.

Central Office

There was no success receiving reimbursement so they are now being placed back into the Department of Administration budget. There is no longer an interagency contract; now it is just the administration of the Homes.

Central  
Office

Regarding the Ketchikan Pioneer Home, Mr. Parr asked if there were any figures of potential population who might live there. Mr. Barker replied that 1 out of twelve who would be eligible want to live in a Home. Using this as an estimate they still need bed space after the Ketchikan Home.

Ketchikan  
Pioneer  
Home

Mr. Barker said there were memoranda and studies floating around wondering about the possibility of federal funding for the Pioneer Homes under medicaid or medicare; residency might be a problem as well as the attitude of guests who might not welcome that sort of thing. Two homes used to be certified for Medicare but dropped it when it became synonymous with Medicaid certification. It could be possible to certify them again but the program might have to be liberalized for federal funding. Mr. Parr pointed out that he doubted they could get federal funds because the residency requirement discriminates which is not permitted when federal funds are used.

The meeting recessed at 12:00 noon.

RECESS

AFTER RECESS

1:35 p.m.

Present at this time were Representatives Malone, Cowper, Haugen, and Guy, along with with Rep. Parr and Mr. Barker, Fiscal Analyst for the Social Services budget. PRESENT

Chairman Malone called the meeting back to order and requested Mr. Barker to continue with his briefing on the Social Services category.

Mr. Barker said that there are a couple small minority training programs of the Manpower type not administered by the Department of Labor. They are run by the Department of Administration. Like Title XX, this is a public law called Comprehensive Employment and Training Act (CETA), and this provides federal funds, block grant, no match required, which the state is able to allocate as desirable for manpower programs. There is one full-time position locating positions and placing minority employees for OJT. There are twenty training slots. They are funded for nine months because of turnover.

SOCIAL SERVICES

DEPT OF ADMIN.

Minority Programs

Mr. Cowper asked who are minorities under this, and Mr. Barker did not know but said that he would find out. Mr. Guy asked how much the employees makes, and Mr. Haugen read from the budget information which says they had a \$737 monthly salary, which is pay range 6. Mr. Barker said that these are usually low level positions.

Vocational Rehabilitation. Mr. Barker said that this program is primarily federally funded and that it provides for training of and rehabilitation for disabled workers. Then they try to place them on jobs. DEPT OF EDUC. Voc. Rehab.

Mr. Parr noted that there is a staff position in Tacoma and he wondered what that was for. He asked if it is a liaison position to which Mr. Barker replied yes. Mr. Haugen said that there is a rehabilitation center in Tacoma, he understands. Mr. Barker said that there are some new positions in this budget. These are for the disability determination unit which determines if a person is eligible for social security disability services or aid to the disabled. Other than that there are no new positions. However, he referred the committee to page 33 of the short form (Services to Clients). This is all paying for retraining of medical to services and the dollars here are down somewhat even after transferring some funds to disability determination. Since this program has attempted to focus on the severely disabled and since medical facilities are up 24% in cost this year, it is probable Services Client

that this agency may be able to serve significantly fewer clients so it is possible that some of the counselors and placements people funded under Counseling and Placement ought to be deleted and more funds be put into rehabilitation to keep the caseload the same. The director says that they are going to try some innovations in dealing with some of the more expensive rehabilitation programs and so he thinks they will continue to need the same number of counselors. There are a couple vacancies right now and he indicated if he is not able to service as many people next year he will try to transfer some of the funds. Counseling & Placement

Under Specialized Facilities, Mr. Barker explained that there are grants given to various agencies to help out disabled people. Some goes to ARCA children's Workshop in Anchorage. In 1974 they gave \$54,000 to the University of Alaska to install elevators and ramps so people on crutches and in wheelchairs could get along easier. He said that he believes there is a state or federal law requiring public buildings to have that sort of thing now. When a state building is constructed, it is supposed to be reviewed by Vocational Rehabilitation to make sure is acceptable to disabled people, but he said that he is not sure that that is being done regularly. Spec. Facilitie

The BRU for Minor Medical no longer exists. It was for which was replaced by CETA. Mr. Guy asked if this is now under CETA. Mr. Barker said that under the general program they can provide medical services for any qualified applicant. Mr. Parr said that it is his understanding that this is for things like prosthetic devices. Minor Medical

Disability Determination. This is all federal funds. They have actually been doing this before but it was integrated into their other BRU's. Mr. Parr asked if Disability Determination comes out of the \$4 million ceiling. Mr. Barker said no. None of that is in this program. These are mostly social security funds provided under the Disability title. Disabilit Determin.

Employment of the Handicapped. Mr. Barker said that the former Governor's Hire the Handicapped committee is now an advisory board to Vocational Rehabilitation. This was formerly under the Department of Labor and was supposed to encourage employers to hire the handicapped. New Vocational Rehabilitation requirements necessitate this function being performed by an advisory board. Mr. Parr asked if the Department of Education furnishes support for this group. Mr. Barker said that he would suppose so, since the Department of Labor used to provide support. Employ. of the Handicapped

Youth Employment Service This is another small manpower program. It is oriented towards getting jobs for kids in school. It provides a job center in the school administered by the Department Youth Employ Svcs.

3/8/75

of Education. This could conceivably be funded with CETA money and could be administered by the Department of Labor. Mr. Guy asked what the 8 selected communities involved are. Mr. Barker said that they are Kenai, Palmer, Juneau, Kodiak, and Soldotna, during summers; and Fairbanks, Anchorage, and Ketchikan, year-round.

MDTA/CETA. This was formerly MDTA money and now is CETA. The program is basically the same. The money comes into the Department of Labor and by Inter-Agency receipts is transferred to Education, and Education uses it to fund training for people in classroom programs in the universities and various other "less than class" programs. Some of these are run with unions. The programs at Hutchison Center were brought up. Mr. Cowper said that this Center is used for a vocational school, and there has been some hassle about the way it is being run. Mr. Parr said that they teach aircraft mechanics, welding, automechanics, high school and adult education, other vocational type classes and some community college classes. Mr. Barker said that when coming to the Department of Labor budget, it appears that they also take some of the CETA money and contract with the unions and some of the other agencies with whom Education contracts, to provide this training. He thought there was possibly some duplication of effort in this area. Mr. Parr said that CETA replaced the old PEP program to some extent, and he asked if that wasn't run under the Governor's Office. Mr. Barker said yes, but it is now under Labor. He said that Anchorage is also a Prime Sponsor under MDTA/CETA, equivalent to the state. The state has CETA manpower money for everything except Anchorage, so the Department of Education gets some money from Anchorage to train people and also some Alyeska training monies for Alaska native training programs.

MDTA  
CETA

Mr. Haugen asked if that is a charge against the Pipeline and Mr. Barker said it probably will be, since it appears they will be trying to charge everything they possibly can against it. Mr. Haugen expressed deep concern about this.

Grants. State CETA money is under Inter-Agency Receipts and Anchorage CETA money is under Program receipt in the funding for Grants, Mr. Barker said. In response to questioning, he said that \$100,000 of this will be used for the Skill Center. He said that they feel they have to provide training in various areas and locations of the state and cannot take a large amount for the Skill Center which has mostly a general fund budget this year.

Grants

Pipeline Grants. This is the Alyeska money. \$35,000 of this goes over to the Administration component of MDTA/CETA. The rest goes for training. \$80,000 of this goes for training at the Skill Center.

Pipeline  
Grants

Skill Center. The Skill Center is located in Seward. It serves 200 students at any one time -- 500 to 600 trainees during the year, both male and female. It is rather like a job corps center but the federal government is not willing to fund it as such because they don't feel the need is sufficient here. The Skill Center BRU used to have a large amount of money from BIA and Vocational Rehabilitation. Funding shown now is largely out of general fund. The state has decided to keep it operating to capacity. Mr. Parr asked if they furnish room and board to the trainees, and Mr. Barker said yes. General fund pays that. Mr. Parr thought cost per student was high, and Mr. Barker said it is \$3,000 per student per year. Mr. Guy asked what kind of accommodations they have. Mr. Barker said that they have mobil-modular units, and each has room for 60 people. They also rent from the Van Gilder Hotel for housing for female students. He mentioned that there is a supplemental this year to get out of that lease at the hotel and to buy modular units. Mr. Haugen asked if they support families, also. Mr. Barker said that they do provide an allowance. Mr. Haugen looked at the \$840,000 grants for last year. Mr. Barker said that that included what they received for allowance, room and board from BIA and Vocational Rehabilitation. \$100,000 of that was actually paid back to the Skill Center and expenditures was actually only what is shown in codes 100-600, plus maybe \$100,000 for allowances. The year before the actual expenditure was about \$1.3 million, and it was probably close to that for 1975. It is a very confusing way to write a budget and they have not done that this year, so it is much more straightforward.

Skill  
Center

AFDC. This is 50% federal and 50% state. President Ford wanted to decrease the federal share to 40% but Mr. Barker said that the people in Washington say there is no chance that Congress will allow that. Grant levels were increased last year. Mr. Barker distributed a hand-out (see Category files) showing the caseloads for the past few years. In response to questioning by Mr. Parr, Mr. Barker said that the cases average three persons per case. There has been a steady decline from over 3 a couple years ago to a little under three now. There are a few issues floating around as to compliance between Region X and the Department. There is a compliance issue and a court case which may increase or decrease this budget somewhat. The compliance issue may require legislative action to change the breakdown for grants. Currently the grant level for a child under 12 is something less than what a child of 12 or 13 receives and the "Feds" are making an issue saying that they cannot have a categorical breakdown like that. If the state is going to comply there should be a change in the law to do that. The department has indicated that they are going to have some legislation on that. The difference is that it is \$250 in one case and \$300 in the other, for a mother and child. Mr. Haugen asked if this gets done to relating it to that poverty guideline level. Mr. Barker said that the department is supposed to make a report to the legislature each year as to what would

H&SS

Assist.  
Payments  
AFDC

be required to keep AFDC grants in keeping with inflation. The increase last year brought grants somewhat above the poverty line as defined by OEO at that time, and now by Department of Labor.

Old Age Assistance. This budget will increase substantially if something isn't done about the longevity bonus being treated as income. The waiver goes out of effect January 1, 1976. Right now the federal government does not count the longevity bonus as income in determining grants under Old Age Assistance. The state has a waiver allowing them not to count it. As of January, 1976, that waiver is null and void and there will not be another waiver forthcoming. The Congressional delegation is aware of this. They are trying to change the law. In response to questioning, Mr. Barker said that if the waiver runs out, the budget will increase. It won't be so much for this coming fiscal year. The budget is going up about 30% for a full year, so it will be about 15% for this year. He explained that the money here is entirely general fund. The federal government provides basic payment under SSI to for old age assistance, aid to the blind, aid to the disabled, and then the state makes additional payments to bring recipients up to what was figured under the 50-50 match. Since the federal SSI does not pay the full 50%, the state has to pick up the extra for that. In response to questioning by Mr. Parr, Mr. Barker referred the committee to a chart in the handout which shows a sharp drop in caseload. This happened when the SSI came into effect and was because a large number of people who are in nursing homes were entirely covered by the federal payment. Their grant levels were equal to or less than the federal payment and so they were taken off the state rolls. Another reason for the decrease is that the state now has some experience with this and so caseloads are lower. In response to continued questioning, Mr. Barker said that most people over 65 get social security, including most people eligible for the Old Age Assistance, so when Social Security checks increase, the Assistance amount goes down, or they became ineligible for Assistance.

Old Age  
Assistance

Mr. Malone asked if the state has allowed for inflationary increases for AFDC and Mr. Barker said no, no inflationary increase has been provided. The Department is required to make a report to the legislature and actually the legislature would have to change the law. Mr. Malone asked if the same thing is done for Old Age Assistance. Mr. Barker said no. He mentioned a bill that has been introduced which would require the state to pass along the Social Security increases to recipients. Those are tied to cost of living, so in effect this would place the Old Age Assistance payments also on a cost of living basis. Mr. Malone commented it would depend on how much of a person's income was coming from Social Security.

Old Age

Aid to the Blind. Mr. Barker said that they have a chart that shows that caseload (in packet with other backup). The reason it is down some last year is because projections last year were off quite a bit. These were Senator Ray's projections, actually. The House projections were much closer to what actually happened. Mr. Guy asked how many blind people are in the state. Mr. Barker said right now the caseload is 80. They are projecting 90 for FY 76.

Aid to  
the Blind

Aid to Disabled. This showed a substantial drop when SSI went effect. Again, a cause for this was the nursing home caseload, as per Old Age Assistance. Also, federal government eligibility criteria for Aid to Disabled are stricter than the state's and some of these people were disqualified by the federal government and not being requalified, they may not even qualify for the state program. When the state found out SSI was coming, they went out and had a campaign to register people for Aid to Disabled and so consequently there were a number that on closer review didn't meet the state qualifications, either. That's another reason the caseload has fallen off. Mr. Parr asked if people who would also be under Vocational Rehabilitation or are the people too disabled for any kind of vocational rehabilitation. Mr. Barker said that there is some overlap. The ones in nursing homes are too disabled to go back to work. A good deal of this population is in nursing homes. Some of these, however, are people who is sure are in training. He said that there are people getting Aid to Disabled and subststence allowances under Vocational Rehabilitation. He said that there has been a failure by departments ot coordinate these payments and there were people who were getting both, in excess of what should be allowed under either program. The recent audit indicates that they have corrected this situation. However, he said that in talking with managers involved, they are not even aware of the situation, so he said that he is not sure if it is still goin on. Mr. Parr said that he raised the question because he didn't think it was good if a person who is permanently disabled would get less money than someone who could be rehabilitated. Mr. Barker said that it would be a small portion of the entire caseload, but there have been some of those cases in the past, and he said that he would suspect there still are. In response to questioning by Mr. Malone, Mr. Barker said that supplemental Social Security increases play a role here in the caseload decrease because a fair portion of the disabled do receive Social Security disability payments. Others may be rceiving Workmen's Compensation or something else. These have increased and so some people may be removed from the Aid to Disabled rolls because they may no longer be eligible. Also, people reach 65 and then get the Old Age Assistance. Mr. Malone asked what the income standard for Aid to Disabled is, and Mr. Barker said \$250 per couple per month, or \$185 per individual.

Aid to  
Disabled

**General Relief.** This is payment for emergency situation. Payment does not go to the individual who needs the services. It goes directly to the vendor of that service. Rent, for example, would be paid directly to the landlord, or a payment would be made directly to the electric company. It is simply a program limited to one month of assistance and is only for non-natives. Actually, the Department does make payments for natives under a BIA contract which has always been in existence, but they are being budgeted this year for the first time for certain expenses for natives and then are reimbursed by BIA. Most emergency relief for natives is paid by BIA. The budget actually hasn't gone up at all this year, Mr. Barker said. The additional shown is because of the BIA money being added in. They did drop the part of the program under which they received some federal reimbursable monies because the federal program required uniform participation and if the state included natives in the reimbursement under the federal program, there will be a much greater caseload and additional cost to the state. General Relief

**Program Services.** These social services which are not provide by state employees but are purchased on contract by the state. They are social services provided currently to assistance recipients for the most part, and in some cases former or potential recipients. That is the area that perhaps the legislature ought to review -- what ought to be done under Title XX with an eye to what kind of plan of social services they want for the state. Program Services

**Homemaker Services.** The budget here is down substantially this year. Budget and Management says the reason is that they are budgeted this year based on actual expenditures projected for 1975. The reason they expect less than was appropriated for 1975 is that a surplus has built up in the Homemaker Corporation, which at one time was as much as \$150,000. The state has reimbursed the corporation at a higher level then the staff was paid. Administrative expenses remained pretty consistent so they developed a surplus. Now the state payments are reduced so they are "eating" into that surplus and it is now around \$40 or \$50,000. The total budget is in contractual services for staff, and and they are doing an audit right now to determine what the payment rate will be. Mr. Parr asked where the corporation operates from, and Mr. Barker said Juneau. There was question as to what extent it operates elsewhere in the state. Homemaker Services

**Foster Care.** This is for children in foster homes. There are various rates around the state for various ages of children. This gets federal funds. This is not part of the ceiling money. Foster Homes

**Institutional Care.** Mr. Barker distributed a handout on this. He said that these institutions for the most part come under the full cost of care regulations. Those regulations require the state to make payment based on actual cost for the prior year. Inst. Care

That payment is on a per-child basis, so that the fewer children they have the higher the payment. The handout shows some institutions have very low occupancy rates. The main point is that these rates fluctuate from year to year, so it may be that a high rate paid for one year based on the year before may mean that there will be overpayment, or vice versa. Mr. Barker said that some people think that this is not a good way to purchase these types of services. Mr. Malone asked what other proposals have come up for setting a rate. Mr. Barker said that he hasn't seen any proposals. The state agrees to pay full cost -- based on last year's experience of cost and number of clients. The state could set a flat rate; it could arrange for the leasing of some of these institutions; there are probably a number of alternative ways to even out some of these fluctuations. One problem he thinks is that there is no certificate of need for these institutions and although there is need for some specialized institutions -- for adolescent girls, for instance -- in other areas there are plenty of services available, so the idea of having a certificate of need has been suggested. This would be make the full cost of care concept operate much better, assuming caseloads were fairly consistent. He said that they do have a number of recommendations from the department regarding this. Last year they present to the Free Conference Committee a request for additional funds and also suggested several things the department would do if they did not receive those funds, and so the department is now implementing those suggestions. If there is a fluctuation, some of these institutions are licensed for a fairly small number of people and will then be underpaid. Mr. Guy asked what emergency shelter costs are for, and Mr. Barker said those are for runaways, and other children at receiving homes where it is anticipated that the child will not stay for very long but will be placed in a foster home or institution or sent back home.

Day Care. This Day Care budget is to provide day care for current recipients of AFDC. This has ceiling money in it. On one has decided to allocate more of the state's ceiling money toward day care. Under current Social Services day care, the state could be providing day care to additional people under welfare day care -- they could be providing it for former and potential recipients. He said he did not know if there has been a low priority placed on day care in the past. However, the Senate just passed a bill that appropriates money to Community and Regional Affairs for day care for those people whose incomes are above level of eligibility for assistance. The only other place there is day care budgeted, Mr. Barker continued, is under WIN. This provides 90 days of day care for mothers working under WIN placements. This is basically for AFDC recipients. In response to questioning by Mr. Malone about the Senate bill (CSSB 120 am), Mr. Barker said that there was legislative intent accompanying the bill to the effect that the money is to provide day care for those people whose incomes

Day  
Care

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are more than those whose incomes would qualify them for public assistance (i.e. more than \$300 per month for mother and one child). In response to further questioning by Mr. Malone, Mr. Barker said that as he understands it, they estimate that this will fund day care for all AFDC recipients not otherwise provided for. Health and Social Services requested an additional amount of money this year, but that was to provide day care services for the same people who would receive day care under CSSB 120 am. Mr. Cowper asked if there is any prohibition on the federal money in this area which would prevent people from paying at least partially for these services, perhaps on some kind of sliding scale. Mr. Barker said that he was not sure, but that it would be a question to ask the Title XX people. Mr. Haugen asked if this allows two-income families to put kids in day care if they fall within a certain family income. Mr. Malone said that this program would just be for people who are not above the poverty level. Mr. Barker said that actually it is above the subsistence level, which at least last year was above the poverty level. This program is only for AFDC recipients.

Adoptions. This is a subsidized adoption program for handicapped and hard-to-place children. \$267 a month is the highest foster care rate, and that is the rate making an allowance for handicapped children. They are using that estimate and are figuring on some children for full year and some for part of the year. Adoption

Protective Services. This pays for all the other services identified in this budget only these are for special categories of children, mostly who have been abused. If someone gets hold of a child who has suffered abuse and puts the child in a foster home, this budget pays for it. Protective Services

Other Services. By law part of Health and Social Services must pay travel for hearings on custody of children, court-ordered travel. It is down this year because the Family and Children's Services Advisory Board was transferred to Social Services. There are some testing fees for children in custody. Other Services

Meeting recessed at 2:58.

RECESS

AFTER RECESS

3:05 p.m.

Chairman Malone called the meeting back to order and they committee resumed its overview of the Social Services budget category.

Alcantra. This has a capacity of 40. Average population for the past couple years has been 24. It fits into the same category as the institutions under full cost of care. The thinking last year was that if this institution could be eliminated, the others Alcantra

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could be filled up and the rates would go down. However, this did not occur, and Alcantra is still with the state. There was thought that the state needed one state institution to keep from being blackmailed by the other institutions as to actual cost of care. Mr. Barker said that apparently the fear is that they will attempt to subvert full cost of care rates. However, he felt that if people are worried about the costs under institutions, that those costs should be attacked directly. Mr. Cowper asked where the facility is located and Mr. Barker said near Palmer. Mr. Cowper figured that they are paying a cost of around \$28,000 per kid per year. Mr. Malone drily remarked that if the state was concerned about blackmail from other institutions, they are not setting a very good example. Mr. Cowper asked what can be done with these kids if Alcantra is shut down. Mr. Barker said that a lot of these boys are boys who have come from all the other institutions, which have not been able to deal with them. He said that he was up there and visited, and it's hard to say. Some of these other institutions do handle correctional children. They say that the children at Alcantra have emotional problems, and the child care institutions can't handle them and the correctional institutions would be too rough on them. He spoke of other institutions and said he didn't think the environment was really any worse. He felt these kids could be handled by other institutions.

Debt Service. This is increased due to increased ASHA rent for the gymnasium, school building. The dormitories aren't too nice, but they are building a new one as part a previous appropriation. What they will be building is a cottage that will house 11 boys, at a cost of \$350,000. On the census question, they say they rarely have over 35 boys. Ms. Eleanor McLaughlin feels that 35 is the maximum number desirable. Debt Service

Social Services. The Department requested a whole raft of new personnel for social work, but the Administration did not allow all of them. Somewhere further on in one of the administrative BRU's there is a request for \$200,000 for a study of the Division of Family and Children's Services and partly Social Services is a problem area because no one can measure or tell you what they are doing. Consequently, the Governor's reason for not allowing any new positions is because there was no way to evaluate whether they are needed or not. Mr. Haugen asked if they hadn't appropriated funds for quality control last year. Mr. Barker said that quality control really deals with how many assistance cases are being approved and whether they are actually eligible or are getting too much. This is different. Mr. Haugen grumbled that he thought this was too much for a study. Mr. Barker said that he thinks the department should be able to account for what they are doing regardless of whether that is approved, but they have not done so. Social Services

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Social Work. The Social Work budget was a large portion of the ceiling funds. There are several new positions shown because they took clerical support, formerly budgeted under Administration of Family and Children's Services, and transferred everyone who could be identified as working for Social Services into this BRU, so they could get 75% match for them and make it easier to account to the Feds for reimbursement of Social Services money. They are aligning program with the actual responsibilities of the personnel. For that reason, the entire Eligibility Determination unit on page 97 of the short form was deleted, and it has not been put into Eligibility Determination for Public Assistance, which shows up later in the budget. This budget was ostensibly to perform eligibility determination for social services. However, it is not clear to him, Mr. Barker said, that there was ever very much eligibility determination done for Social Services. He does not think it was ever really done -- it seems to have been very haphazard and lax. Mr. Haugen asked if it will be possible to get information on how many eligibility workers they had beginning in 1972. Mr. Barker said that he has that information, and will come to it a little later, when they come to Eligibility. There was still more to cover in Social Services, however.

Social  
Work

Pipeline Social Services. Social Worker in Valdez was deleted. They had a position budgeted, but were unable to fill it; they were unable to find housing. They do have one in Fairbanks.

Pipeline  
Social  
Svcs.

Social Work. Mr. Malone, reverting to the Social Work budget, asked if they have 101 people -- 92 authorized and 9 added. Mr. Barker said that they actually have 110 now, he thought, because the 9 added positions were the transfers. He said that he thought that all of these transfers have taken place, so what they have now is 110 positions. The revisions don't fully reflect the transfers. Mr. Malone asked if there are two RP's involved. Mr. Barker said that there are several, but basically two -- some taking positions out of this budget and into quality control, and some that transfer administrative and clerical personnel into this budget.

Social  
Work

Eligibility. This is for salaries for people who determine the eligibility for all the assistance programs, including food stamps. The state does not pay for food stamps. The person pays for part and the Feds pay for the rest. The state pays the eligibility worker, however. Food stamp cases have been decreasing. There is a seasonal fluctuation. Last year they increased the money and the Department said food stamp cases would double, but they have continued to decline somewhat. Mr. Barker was not sure why. Mr. Haugen said that in his town the superintendents in the canneries need people to work and can't get them. He wondered if the food stamp people could put pressure on their clients so that if they refused a job they couldn't get food stamps. Mr.

Eligibility

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Barker said that he thinks they do have to register with the Department of Labor, but he said that he is not sure they have to take any job offered so if a person didn't want to work he thought they could get by without doing so. In response to Mr. Haugen's earlier question about the number of eligibility workers in 1972, Mr. Barker said that he thought it was 11. Mr. Barker referred the members to page 100 of the short form, which shows the error rates for eligibility determination. There are two areas of quality control -- one is AFDC (10% for overpayment and 9% for ineligibility) and food stamps (24% basis of issuance, 19.1% ineligibility). They have used this quality control to be able to pinpoint some of the reasons for overpayment for eligibility. One thing he mentioned is that when SSI took over Assistance for Adults, Blind, Disabled, over 65, it left a few of the cases with too much income to be eligible for federal payment but not enough to be ineligible for state payment, so they come to the state for an eligibility determination. The state could have federal government person do this eligibility determination even though it is over the federal income allowance. This could take a little bit off the workload of these people. It is not significant. The Department says it is 16%. That is what it was before SSI and Mr. Barker said that he doesn't understand why it is still the same. However, they would be able to shift a little bit of this work to the federal government. But, there is some question as to whether the state wants payments that it is funding going out in the name of the federal government.

Eligibility determination. The Governor allowed 12 new positions here. There were some transfers. The clerical help working on eligibility was transferred out of Administration and some eligibility workers were transferred in from Social Services. They have gone through calculations justifying how many people they need. Mr. Barker said that the legislature could go through this carefully, because the caseload has not increased and, in fact, has probably decreased -- Food Stamps are down and AFDC and others are about the same. He said that he is not satisfied that they need the new positions. He talked with the Anchorage eligibility office people last fall, and they felt everything wasn't as smooth as it could be but they felt they had adequate positions to accomplish the work. Mr. Malone asked what kind of steps they take to check a person's eligibility. Mr. Barker said that formerly a person came in, signed an affidavit stating that various facts were true (i.e. income, number of children) and the the application was approved. Now the procedure has been changed to eliminate the opportunities for misinformation, and it is apparently having some effect. A person has to bring in documents showing wages, numbers of children in the family, etc. They must document the various factors that go into the determination of their eligibility. This is causing some people not to apply. That may have been the reason for the downward drop in the AFDC caseload for a while when they first went to the certification

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method. Now there perhaps is more to be done. They were given new positions last year to go out into the field and check on the sources as much as possible. They actually are not able to do this very much. Whether or not that is an easier way to spend money, Mr. Barker was not sure. Mr. Malone said that they check on income, assets, people in household, what they own, what its worth. Mr. Haugen talked about there being a problem with the complexity of the form. Mr. Malone said that there comes a certain point when the cost of the eligibility worker exceeds his/her wages. Mr. Barker said that they have a study that the Department did last year consisting of what improvements they expected in quality control. He said that the conclusion was that they can't go much further than the minimal set up before they would end up spending more than they can afford to lose. Actually, the error rate rate is down to 9 and 10 percent which is really fairly low. Federal standards are 5% overpayment and 3% for ineligibility. Most welfare administrators feel that that is impossible. Clients fail to report, for example, a child's growing older and no longer being eligible. Mr. Malone asked how the Feds find out the error rate. Mr. Barker said that the state takes samples for the Feds. They review the cases, determine the number of errors made. There is a minimal sample size and from that basis it is projected for the whole population. If it is above the federal standards at the end of this year, the federal government will begin assessing penalties. Each six months they have to come closer and closer to that standard or they will be assessed penalties. Mr. Cowper commented that the system isn't really geared up for Alaska.

SSI Conversion. This is some money the state got from the federal SSI government to put the state's caseload on computer tape for them Conver- to take over Adult Public Assistance.

Administration (F&CS) Central Office. This is where the \$200,000 Admin for the study is. This is to try to improve the operation of the (F&CS) division. There is also a large contract with the Department of Central Law which they indicate they have had in prior years. They say Office they have pulled a little money from everywhere to fund this and now they are pulling it all together. Mr. Haugen asked what they need the Department of Law for. Mr. Barker said that they do have some minor legal needs, but he is not aware of any suits now in this department. They also may want legal help in drafting legisla- tion. With reference to the management study, Mr. Rhode said that he understands there is to be a study to define what the larger study will do, and that this is going to study management in other areas but not in administration. There seemed to be some questionable methods of operation here and Mr. Rhode was requested to examine the matter of these studies further. Mr. Parr asked if there has been any study as to the ratio of money for operations versus money to recipients. Mr. Barker said that he had not done such a study and did not know if the Department had.

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Field Services Support. Some positions here were transferred to Social Services and Eligibility. Field Svcs. Sup.

Staff Development. This is mostly federal funds. They try to train eligibility workers so they don't make so many errors. This is Social Services staff training. The universities get most of this money. They contract with the University of Alaska, Anchorage Community College, and AMU to do this training. Mr. Rhode asked if there has been any serious thought about welfare reform -- going to some other kind of system; for example, using income tax information. Mr. Barker said no, there is no activity toward welfare reform. Most of the people qualifying for assistance don't pay any income tax. They would be filing if they were working but many of them are not working. There was discussion about the practice of deducting earnings from welfare payments service as a deterrent to working. AFDC allows the first \$30 to be disregarded and 1/3 of what is left after that, so there is some incentive to work in that program. Staff Development

WIN/AFDC WIN . This is 90% federal and 10% general fund. The program is split between Health and Social Services and the Department of Labor. Labor provides the job placement and Health and Social Services provides day care, transportation, and social services. The Governor has allowed a few new positions. WIN/AFDC WIN

Mr. Guy referred to page 184 of the short form, under the Department of Labor, WIN program. He noted that it states all AFDC recipients are required to register for work or training unless exempt (i.e. AFDC mother with child less than 6 years of age). He asked what the 100% subsidy for non-profit employers is. Mr. Barker said that if they use the money to pay the employer for the salary of the WIN person (for example City of Anchorage or the state). Mr. Malone asked how many people they do that with. Mr. Barker said that he has some information on file about what they did in FY 74, and there may be something in the budget book on Form 3 ( Form 3 indicates 2361 WIN registrants in the prior year and 1525 projected for the current year). Unsubsidized job placements for the first several months of 1974 were: January, 31; February, 18; March, 35; April, 72; May, 58; June, 66. He said that they have worked up a sheet indicating the number of people they got off AFDC during 8 months of a fiscal year and how many dollars they felt they saved. They don't really follow up on these clients, however, to see how long they remain on the job. They don't want to seem like a "big brother" following them around. Since this program is 90% federally funded, people do assume that it pays off in state dollars, since assistance is 50% state dollars instead of 10%. Mr. Barker mentioned that the last sentence under the text for WIN in the Health and Social Services portion of the budget notes that they may not be receiving as much federal funding as they have budgeted for, because DEPT OF LABOR WIN H&SS WIN

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the Feds putting the allocation of WIN funds on a performance basis. People say that in Alaska, because there are a lot of people without skills, WIN is more of a training program than a placement program. Now performance is being based on success in placement, and Alaska has done less well than most states on this, so the funds may be less. Mr. Malone asked if he had any idea of the amount of reduction.

He said that people are hoping that the Congressional delegation will be able to convince the federal people to rescind some of their actions on this so that Alaska will receive its money. In response to questioning by Mr. Haugen about the program, Mr. Barker said that this is for people who never really held a job before -- the hard core unemployed. A lot of the people in this state would be natives. They try to teach people and acquaint them with the 8 to 5 routine so that they can get by. Mr. Haugen remarked that if the shortfall does happen, he supposes they will be coming in with a supplemental next year. Mr. Barker said that he would think so, but he said that he thinks they feel they may get it for this year but it is still up in the air about next year. Mr. Malone commented that this is something to keep an eye on.

Office of Aging. This is mostly federal funds. There are two Office of programs. Title III approves all kinds of social services for Aging the elderly. This title is going to expire. Title VII provides for meals. This is to provide on hot meal a day. This is all operated under grants. One of these programs is the one in Juneau at the Gastineau Hotel. Mr. Malone asked where they get the food. Mr. Barker said that he does not know. Maybe some of it is from surplus commodities, as Mr. Haugen suggested, but at least some of it is bought. Mr. Parr commented that it is a good program in the Fairbanks area.

Alcoholism. Mr. Parr noted that according to the information Alcoholism that has been distributed, roughly 1/3 of the ceiling money is going to Alcoholism. These are grants to various agencies that have various kinds of alcoholism services -- detoxification centers, halfway houses, and such. Mr. Malone referred to the statement that 9.2% of all Alaskans over the age of 20 are alcoholics. He wondered about the basis of that remark. Mr. Barker said that that is based on the Jellinek formula. Apparently there are a variety of factors, including incidence of cirrhosis of the liver, Korsakov's syndrome, and other alcohol-related diseases, applied to come up with the percentage of alcoholism. In response to questioning by Mr. Parr, Mr. Barker said that this BRU is just for grants to community programs. Mr. Parr pointed out that there is an outfit called the National Association for Prevention of Alcoholism and they are in Alaska with a federal grant of \$1,600,000

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to work against alcoholism. This is a non-profit organization. He said that he asked them why they got the grant instead of the state and he was told that they didn't think the state had applied. Mr. Barker said that the Department did get over \$3 million for prevention and education and split that with the native corporations. Mr. Rhode asked if they have done any comparison with the success rate of AA. Mr. Barker said that he doesn't think they can say what their success rate is. He said that they seem to be pretty much "revolving door" kinds of operations. He thought he might be able to get some information on success ratios for the halfway houses. He said, though, that from the discussions he has heard he doesn't think anyone comes close to matching AA, but everyone is not satisfied with that approach. It has been said that AA does not produce non-alcoholics, but is, rather, a matter of behavioral modification.

Grants. Mr. Guy asked who are the recipients of these grants. Mr. Barker said that there are a number of places. Communities make requests and they are reviewed by this office. This year 16 out of 28 applications were approved. Mr. Barker also mentioned, in response to Mr. Guy, that the department got a \$650,000 grant from the triple A agency which has responsibility for alcoholism, drug abuse and mental health. Grants

Drug Abuse. This is largely general fund. Grants. Page 126 of the short form shows programs throughout the state that received grants. Mr. Barker mentioned the importance of federal funds for Administration as well as for Grants. He noted that some people have suggested combining alcoholism and drug abuse and some want to add mental health, too. Mr. Parr noted the information on cost per client for Alaska Family House in Anchorage. It's recorded as \$6,230.76 per client and he wondered if anyone has done an analysis of what they are doing. Mr. Barker said that he hasn't looked into that. He pointed out that last year the legislature appropriated money to purchase the facility and yet they continue to show a high budget. Mr. Haugen said that he understands they are really successful. Mr. Cowper asked about the Nome Walk-in Center, and Mr. Barker said no. Mr. Cowper asked him to find out what they are doing. Drug Abuse

Administration (DHSS) Office of the Commissioner. The Governor allowed a program budget analyst. This is kind of along the lines of the \$200,000 study to try and get the department straightened out. There is also another program analyst later on in the budget. (The other program analyst is in Financial Management.) Admin. (DHSS) Office of Comm.

Director/Regional Offices. This office manages resolution of civil rights matters and works to insure that state and federal requirements are properly considered in the department's Policy and Procedure Manual. There is a new position of a civil rights Direct. Reg. Off.

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coordinator. Mr. Barker was asked what this position will do. He said that he understands they are having more grievances over civil rights matters, so this person is to handle those and also do some affirmative action and see to it that minorities are placed in jobs in the department and are promoted. Mr. Malone asked if that isn't the job of various program directors. He asked if they are supposed to know the law and follow it. Mr. Cowper said that as he understands it, this position has got to be established in order to keep eligibility for federal funds. Mr. Barker said that that is what the Department says that the Feds tell them. He said that his theory is that the directors are the ones with the responsibility and if they don't do it, then they should be out. Part of the problem is getting rid of them. Maybe there is enough work in grievance procedures to justify this position. Mr. Malone said that there is no federal regulation requiring this sort of person in the program. According to the budget they have to comply with Title VI and VII of the Civil Rights Act of 1964 and they say that without this person they will have less than full compliance. Mr. Barker said that if the position is not funded and it is absolutely necessary he is sure the Department would appoint someone as civil rights coordinator. They are consequently making reclassifications. Mr. Malone said that he felt the person would not do any good anyway. People who are running the various programs are the ones who need to know the law and follow it. A lot of the agencies have trouble following the civil rights laws and he said that he thinks it should be the general policy of the state to take these people, straighten them out about what the laws are, and make them "fly right".

Personnel. There are a couple more people here. The justification has to do with the number of people. Mr. Rhode commented that he understands there are a large number of contracts for personnel and not all of the people hired appear on the state register and a lot of the positions filled are for budget analysts and other unfunded positions. Mr. Barker said that they have last year's contracts and can look at those to see if the department has been using contract positions to subvert legislative intent. Most of their contracts are for medical personnel -- psychiatrists and such.

Supply. All of the positions here were formerly budgeted for elsewhere, but are now broken out and budgeted in one place. Supply

Graphic Arts/Library. This was previously "lumped" together with other components and is now separate. Responsibility is for production of pamphlets, posters, exhibits, displays, film library, and audio-visual materials. Graphic Arts/Library

QC/Collection Agency. Responsibility here is for collection of monies owed the department, audits on third party provider agencies, quality control reviews, investigation of suspected fraud. Q/C Collection

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Mr. Malone asked how many new positions there are here. Mr. Barker said there are 6. Mr. Malone asked if the Governor increased this over the Department's request. Mr. Barker said that he was not sure about those figures and said that he would look into it. There was one transfer from another budget, but whether or not that was in the agency request he didn't know.

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Second Injury Fund. Mr. Barker said that this is part of the Second Workmen's Compensation Act and provides for retraining of disabled Injury workers. It also serves to encourage employers to hire the handi- Fund capped. They transferred \$90,000 to Vocational Rehabilitation for training. Vocational Rehabilitation budget serves the clients and he said that he thought the \$90,000 is a small portion of what is spent by Voc Rehab compared to the number of persons getting rehabilitation training on the basis of on-the-job accidents.

Employment Security. This budget is basically for the employment Empl. centers the state operates on federal money. Security Pipeline. Mr. Barker's comment here is that the Department's Pipeline budget is so poor that they can't tell anything except the amount Emp.Sec. of money they want to have approved. Part of the problem is that they don't know far enough ahead of time how much federal money they will be receiving. They haven't even got a line item breakdown for the Pipeline budget. They hope to get the amount of federal money they have budgeted. Last year they got considerably less than they hoped for (Authorization of \$6 million plus, and actual receipts of under \$3 million) Mr. Naughton commented that he has not seen any action in that area. They haven't even drafted any regulations appropriate to local hire as they were required by statute. Mr. Rhode said that one reason for that is perhaps the raft of legal problems pertaining to the question of local hire.

Employment Services. This is the regular budget for these employment centers mentioned above. Last year they had 39,000 applications, 21,000 jobs, and 15,000 people were placed. Employ. Centers

Unemployment insurance. Here they pay the benefits. This is provided out of the trust fund. Unempl. Ins.

Food Stamps. This is the budget especially for placing people who are on food stamps. Mr. Barker said that he is not sure why they break it out this way, but it is money for helping to place food stamp recipients on jobs. Food Stamps

Computer placement. This provides a job bank system. An applicant system is currently being developed. This will be statewide. Comp. Placement Mr. Malone asked if this information is confidential. Mr. Barker said that he did not know. Mr. Malone said if not he would like a copy of the computer printout.

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Administration (ES). This is funded by charges on all other Admin. (ES) divisions involved in the program, and is federal and general funded. A percentage goes to Administration for their services to the Department of Labor. Again, Mr. Barker commented out there is nothing line-itemed out so it is difficult to really understand what is being done.

Alyeska Training. A total of \$2 million over the past three Alyeska Training fiscal years is what they were obligated for for training to Alaska natives for work on the Pipeline. This goes to the Department of Education who contracts for the training.

CETA. The state can do what it wants. What the legislature can CETA do with the money is a good question. Supposedly the Manpower Planning Council allocates that money. It was formerly under the Governor's Manpower Planning Council. They prepare a plan for manpower programs in the state. They have different amounts budgeted on page 173 of the short form, with \$4 million in miscellaneous. The rest goes to the NYC program, some to Education, some to Employment Security. They want some positions to administer the money, too, and the old Manpower Planning, now called Governor's Grant, indicates that they have the responsibility of monitoring the CETA program and other state operated federal manpower programs. They have 11 people. Mr. Barker questioned whether they really need four people just to receive the federal monies. Title II under CETA is the old PEP program, and is essentially the same program under CETA authority. As for Pipeline CETA money, there was money before but there is nothing this year.

Hitchhike. This is funded by the Department of Defense. It provides contracts with the Alaska National Guard to perform Hitchhike manpower services in the native villages of their residence. Administrative and clerical personnel are provided in the Department of Labor.

Grants. Job Corps. This budget is for people who place trainees Grants in job corps centers outside Alaska. In FY 74, they trained 368 and placed 109. Job Corps

National Alliance of Businessmen. This is for job training in NAB activities. This is not being funded any more.

Labor Market Information. This is self-explanatory. Labor Market Service Contracts. Under this BRU they let OJT contracts for Service Contracts people and provide institutional training; they also provide placement services. Mr. Barker had some question as to whether this is duplication with Department of Education.

Office of the Commissioner. Governor approved the position of Comm's Off

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Administrative Officer III. Mr. Barker commented that maybe now they will be able to enforce local hire.

Veterans Service Council. These are grants that go to VFW and American Legion, primarily. This is for disabled American veterans, also. The program provides salaries for service officers and secretarial help.

Vet's  
Service  
Council

Economic Opportunity. These people represent the interests of the low income persons before various government agencies.

Economic  
Opport.

Senior Citizens Tax Exemption. People over 65 don't have to pay property tax and the state pays the amount of the tax that would have been paid to the communities so the communities don't suffer any loss of tax revenues.

NYC. This provides jobs for disadvantaged youth in and out of school (out of school meaning dropouts), and for some people past school age. Mr. Malone wondered why the Personal Services showed 9 full-time and 7.7 temporary, when this is a program providing hire for so many. Mr. Barker said he guessed that the youth employed don't show under the Personal Services position numbers. Mr. Malone referred to the budget and noted that they had 550 in school, 100 out of school, 4000 in the summer, and 450 with Mainstream.

NYC

Meeting adjourned at 5:15 p.m.

ADJOURNED

3/8/75

HOUSE FINANCE COMMITTEE

Monday, March 10, 1975

9:02 a.m.

Committee members present: Chairman Malone, Messrs. Duncan, Naughton, Guy, Haugen, and Cowper.

Committee members absent: Ms. Itta, Ms. Buchholdt, and Mr. Gruening.

PRESENT

Others attending the meeting:

Edmund N. Orbeck, Commissioner, Dept. of Labor  
Leland T. Dalby, Director, Employment Security Div.  
Roger A. Harman, Comptroller, Employment Security Div.  
Tom Haas, Financial Officer, Dept. of Labor  
Louis Ridle, Director, CETA  
Mike Orlove, Budget Analyst, Dept. of Administration  
Kent Dawson, Director, Budget and Management

SOCIAL  
SERVICES

Mr. Dalby first spoke about Employment Security Division, saying that it was 100% federally funded with the specific goal of finding jobs for people, people for jobs. The FY 76 anticipated budget was roughly \$12 million; however the federal budget timing does not coincide with State budget preparation. The figures shown were based on the best estimate they could get at the time.

DEPT. OF  
LABOR

Employment  
Security  
Division

There are two major functions: Placement and referral activities; and Unemployment Insurance benefits.

In response to questions from the Chair, he said the State had negotiated a contract with Alyeska to do the training that Alyeska agreed to do within their pipeline permit. The contract was negotiated to avoid duplication of effort. Alyeska will reimburse up to \$250,000 a quarter for those persons that Alyeska refers to the State for training; this is about \$3.50 per trainee hour. The actual cost is about \$10.00 per hour, the union picking up the extra cost over \$3.50 per hour. Mr. Ridle said there were ten different unions at the moment with possibly five more in the next two or three months. Alyeska projects the need, contacts the unions who look at the men on the bench, then the Department negotiates a contract with the union for training if the men are now available. He further told the Chairman that the amount had previously been \$2.75 an hour and was raised because the program was getting more complicated. Approximately 200 people had been trained under the union contracts. He agreed to provide copies of the contracts with the unions and Alyeska to the Committee.

Pipeline  
Training

(Mr. Cowper left the meeting).

Mr. Dalby, in answer to Mr. Haugen, said he assumed that the \$750,000 provided by Alyeska would be a charge against pipeline revenues. He thought any cost incurred by the primary contractor would be charged back. Mr. Ridle remarked that it had never occurred to him that it would be a charge back.

3/10/75

Mr. Ridle related that in the early 1970's they sat down with Alyeska and made long range projections on the employment impact. They looked at it from the standpoint of people in Alaska. This past December they went to Washington and asked for a \$20 million package for training and other activities and ended up with \$3.3 million of training money. At the same time they were negotiating with Alyeska to do their training to avoid overlapping. The more federal money they could get, the better. Alyeska stipulated that they would spend so much money on training Alaska natives. This should be a charge back to the State; Alyeska is meeting an obligation between Alyeska, AFN and the Department of Interior and they are merely a vehicle. Over three years it will be \$2 million which is a substantial amount.

Mr. Dalby informed the Committee that their entire budget is placed on the official records but not the authorization which they anticipate receiving and spending during that fiscal year. They are restricted by federal regulation to an expenditure level that they receive from Manpower Administration; they can receive upwards of \$4 million--these dollars are restricted by law and they cannot spend more. What this money will be spent on is first reviewed by the Manpower Planning group who puts together a plan for the ensuing year, then the Manpower Service Council is asked for review and approval.

He further stated that Title VI calls for emergency programs like PEP; it has limitations on it, like not more than \$10,000 per individual per year. The dollars are contracted for by local entities. Mr. Ridle added that it was primarily a re-hire program with no classroom; on the job training. There are some difficult problems; the lowest clerk cannot be hired for \$10,000. They have asked local entities to share the costs over \$10,000. There has been a special waiver asked for to take care of Alaska and Hawaii where wages are considerably higher. There are benefits if a person can get by on \$10,000 a year.

(Mr. Cowper re-entered the meeting).

Mr. Malone asked about placing of people on the food stamp program on jobs; Mr. Dalby said that Health and Social Services administers the food stamp distribution and has a register of every food stamp recipient in order to refer them to jobs as soon as possible. There are funds through the Department of Agriculture for job referral and placement.

Mr. Haugen commented that the Employment office in Petersburg which served Wrangell, Petersburg and Kake was closed down last year. Mr. Dalby explained that one of the measurements placed on the agency is cost effectiveness; when an Employment Office costs too much to run it affects funding. They have to close it because of funds received from Manpower Administration. The Manpower Administration lays out a set of goals: So many total placements in the total activities of the year. When an office is not efficient they find it hard to justify its existence.

Mr. Naughton asked about the process of setting goals, and Mr. Dalby replied that last years activities are looked at plus an increase in "so-called" efficiency is figured in. They ask them to deliver more goods for less money. He told Mr. Naughton that even if they had greater then 100% realization of goals, they did not get an increase in their budget. He reported that all states were being penalized on their receiving of funds, and Alaska was the only state in the nation that did exceed their goals. Last year, Mr. Dalby told the Committee they did not ask for additional funds, but absorbed 62% of the salary increases by making adjustments in their effort and budget of about \$150,000.

Mr. Naughton requested a list of the eighteen members on the State Manpower Services Council.

(Mr. Duncan left the meeting).

On the subject of Title I of CETA, Mr. Naughton asked what was being done with the \$1 million this year; Mr. Ridle said it was taking care of training needs outside pipeline impact; that there was a lot of joint effort in thirteen village programs. Mr. Naughton explained that Main Stream is work to villages--all federal money that is used for wages. Mr. Dalby reported that they had a difficult time getting Alyeska money through Budget and Audit Committee and they were two or three months late.

CETA

There was discussion of Alyeska contributions and Mr. Cowper expressed the feeling that it was very important to have the the administration prepare a breakdown of all contributions that feed into the State Budget. Mr. Haugen suggested a letter could be written to the Commissioner and the information obtained all at once.

In answer to Mr. Malone's questions about the Manpower Services Council, Mr. Dalby said there were 18 members from industry and from various agencies who had manpower programs. They are the advisory council to manpower planning group within the agency. They review all manpower programs that the planning group presents to them to see if they really fit the needs of Alaska. There is quite a bit of deliberation to make sure the dollars are well spent. The Council is a federal requirement; they are in an advisory capacity and weild a heavy stick as to manpower programs in the State. The Commissioner is the Chairman of it.

Mr. Ridle said there are Titles I, II, III, and VI of the CETA Act. The Manpower Planning Council services all the State except for the Anchorage Borough, and they favor three programs: (1) \$620,100 for a classroom program; (2) other work experience programs \$556,000; (3) On-the-job-training \$600,000; plus other activities of "service to clients". For \$2.425 million, they will serve 131 classroom trainees; 320 OJT; 1,392 youth program. They are fairly well on schedule for the current year. For \$3.3 million of pipeline money they will serve 950 individuals. The difference is in the kinds of activities. It will be spent on two categories: Classroom training and OJT which costs more.

Mr. Ridle outlined in detail the program within the Department and the complexity involved with all the different agencies. He agreed to supply the Chairman with a copy of their Program Operating Plan (POP) and also a summary statement describing operations of the Department.

They are developing a people bank and a job bank and matching them with coordinated effort with the many agencies, such as the BIA, AFN, Veterans' Administration, OVR, Department of Education. Information is fed in from outlying districts and back, with every agency paying its own tab.

A difficult problem is knowing when jobs are available and trying to deliver a person to the job. They try to get ten days notice or as near as possible from the contractors or subcontractors. He described the use of "A", "B" and "C" lists that the unions maintain. They want to develop their own list, so that when the "C" list is begun, the two lists can be drawn on equally. The Chairman requested a document on how the Manpower utilization works.

The meeting was recessed at 10:10 a.m.

RECESS

AFTER RECESS

10:25 a.m.

(Mr. Duncan re-entered the meeting; Mr. Cowper was absent).

Referring to the entries on page 175 of the Operating Budget, Mr. Dalby related the problems experienced in getting authorization to spend money after it was obtained. He said the figures of \$1,000 and \$4,000 are in anticipation of monies that will be available and these entries will enable them to spend the money without delay as they have had in the past.

Mr. Dalby reported that separate accounting of the Pipeline Employment Security was required though they had attempted for two years to combine the two accounting situations. The activities cannot be separated per se. By 1977 they will have the two combined and will have a pure base budget.

Employment Security Pipeline

(Mr. Cowper re-entered the meeting).

Responding to questions on the payment of benefits and the operation of the trust fund, Mr. Harman explained the employer and employee contributions which flow into a trust fund that is controlled by the U. S. Government. The contributions are collected by each state which has a balance in its fund. Each year, based on strict guidelines, budgets are prepared and allocations made. It is a bank paying system, with the Department either allowing or disallowing payment.

Unemploy. Insurance

Mr. Harman further stated that initially, because of the pipeline, the fund would go up; with the gear down of the pipeline, statistics indicate they will go through a depletion period, but he did not think it would put them into a deficit. The extended benefits that the Chairman referred to, were fine now, but three years from now they might need a change. A person from Oklahoma or Arkansas could live very well on the \$120 a week benefit from Alaska.

As of January 1, 1975 the balance of the fund was about \$45 million, and will probably rise to \$70 million by three years from now. Mr. Dalby added that they might come to the point that there would exist within the federal requirements a situation to somewhat deplete the fund unless legislation comes about to counteract this. The average benefit is \$256/week in Alaska; \$138/week in other states; \$98/week in Puerto Rico. They are keeping track of legislation to be able to address the situation in the future so the fund will retain its integrity. They do earn interest on the account, but the amount shows on the federal books while their books only show the balance and the money they take out.

Mr. Harmon continued, saying that the clearing accounts set up for allowance and benefit payments are in a constant state of flux. The Juneau account is anywhere between \$30,000 to \$100,000 depending on the level of training activity. The federal government does not allow them to have the money more than five days in advance. The bank provides the service for free which greatly facilitates, but the bank gets upset if they don't have enough money and the federal government gets upset if they have too much. There were 8,900 claims filed two weeks ago, as an idea of the magnitude of the program.

Regarding Pipeline-CETA, Mr. Dalby said \$1.6 million will be furnished for pipeline impact training on a dollar for dollar share by the State. The whole purpose in CETA Title I or pipeline impact is to hire Alaskans. These training programs are considered very important; using a top figure of 5,000 Alaskans being employed in April, some \$220 million in payroll would be left in the State, and applying a turn around of 1.2 or 1.4 would yield quite a sum based on net take home pay.

Mr. Dalby told Mr. Guy they anticipated for FY 75 to place 823 trainees in the On-The-Job-Training program at a cost of about \$1 million, which represents roughly \$1,358 for training costs. Fourteen types of jobs will be directly pipeline oriented. Their records to date indicate about 84% success in this program. In response to further questions from Mr. Malone, he said the type of subsidy provided is to pay part of the employees pay. The amount depends on the type of job and rate of pay. They subsidize for a 90 day period. Mr. Harmon added that the federal concept is that an employee has to pay so much to train a new employee; the subsidy is concerned with the extra time it might take to train someone who needs more initial training. A contract is negotiated with an employee for a given period of time for a given amount of subsidy. They make it an incentive to have the person hired.

(Mr. Duncan left the meeting).

Mr. Dalby said he would provide a list of how many State and local government, public service employees are receiving 100% subsidy. He said there were public service employee programs in several areas. Mr. Harmon commented that they had a multitude of contracts and over 30 programs. After discussion it was decided that a list of the contracts would be supplied the Committee.

Unemploy.  
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3/10/75

# **CORRECTION**

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

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Unemploy.  
Insurance

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Pipeline-  
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3/10/75

Responding to Mr. Haugen's inquiry about the Hitchhike Program, Mr. Dalby said it was a unique one and one of the most successful programs in the rural area. It was a recruitment type program worked in conjunction with the National Guard. However, the Department of Defence had come to the end of the line in refunding the State for their effort. He will ask the Legislature for help; it is one of the most inexpensive programs, and the contract goes until the end of FY 75. They will still try to obtain federal funds too.

(Mr. Cowper left the meeting).

Mr. Malone was told that the figures for how many people had been placed or trained under the Hitchhike Program were in Military Affairs, who had a contract to provide the services. Mr. Harmon told the Chairman that monitoring of programs was built within the contract along with the services that will be provided to the people in local areas. They are to maintain the facility at the various villages where they have Military Affairs so that individuals may be referred to the proper systems. Mr. Haugen remarked that a lot of people who were trained, went back to their villages where they could not use their skill. Mr. Dalby replied that over the years some of the training programs were somewhat untimely; jobs were not available when training was complete. They have entered a different time period now and have a 94% completion rate on pipeline related jobs where there used to be 60%. Mr. Guy remarked on the job opportunities lost because of the distances to villages and lack of communications and finances. Mr. Dalby said they have an up-dated Job Application Retrieval system; they have put information into computers that they never had before, and can get such a quick response as compared to the old long process of manually searching the files. He told Mr. Naughton that the JARS is a computer in Juneau; the terminals in Fairbanks, Juneau and Anchorage are on the AJIS line. Mr. Dalby further said they could tell a cook in Kodiak who was looking for a job that there were ten openings in Fairbanks; they have a Dictionary of Occupational Titles that has 30,000 listings.

He described the procedure from the taking of an application to the locating of a job, saying this system was devised by Alaskans for Alaskans. It is now being used as a model program for the entire nation, and historically every system had been imported. He admitted to Mr. Naughton there were probably loops somewhere but it is the best thing going today.

Mr. Guy asked about an election conducted in the Commissioner's Office, and Mr. Harmon replied it was the municipal election and monitoring the general government supervisory units; that there was no funding for that, it was a chore added on that no one thought would take much time.

Mr. Dalby said a strike would definitely affect their performance; every day they lose would cost about \$6,000 in overtime a day to make up, in the Benefit Section alone. In answer to Mr. Naughton's question, he said they had absorbed a tremendous impact last year; and this year they had planned for it. The only thing that would hurt would be the length of time of a

strike; they cannot get promise for strike payments, but they should be able to manage within the dollars given to them for a pay increase.

Mr. Harmon commented that this was his third year in hearings before the Legislature and this was the first time anyone had spent enough time to know what programs there were and he was flattered that the Committee had taken the time to listen and ask questions.

The Chairman hastened to tell them he wasn't sure flattery would get them any place and that the subcommittees would probably have more questions for them.

The meeting was recessed at 11:37 a.m.

RECESS

3/10/75

AFTER RECESS

3:08 p.m.

All members were present with the exception of Reps. Gruening, PRESENT  
Itta and Naughton. Also present were Commissioner Williamson  
of the Department of Health and Social Services, and a multitude  
of staff from that department, including Don Kemp, Assistant  
Program Administrator of Assistance Payments; Ray Pagenkopf,  
Administrator of Assistance Payment Programs; Cathy Lloyd, Deputy  
Director of Administration; M. R. Charney, Financial Management  
Officer; Roger C. Lange, Administrator of Quality Control/Collec-  
tions; Freda Borchek, Assistant Director of Family and Children's  
Services; Bill Mailer, Program Administrator of Social Services;  
Ada Gleason, Assistant Program Administrator of Social Services;  
Mary Beth Hilburn, coordinator of Drug Abuse; Eric Hansen; and  
other members of H&SS and legislative staff. Also, Michael Orlove, B/M.  
Chairman Malone called the meeting back to order, and the committee  
began hearing testimony on the Social Services category, Dept. of  
Health and Social Services. Commissioner Williamson opened  
with a general statement about the budget (appended to these  
minutes). As he read through the statement, Mr. Williamson  
elaborated on some of the points. On the subject of Pioneers'  
Home Administration being transferred out of H&SS, he mentioned  
that there is a bill in which would include Pioneers' Homes and  
Longevity Bonuses and would continue the administrative assignment  
to the Department of Health and Social Services. On Assistance  
Payments, where there is one of the larger increases in the budget,  
Mr. Williamson said that the child support enforcement unit is  
being added because of a federal law. In some states this has  
had a very beneficial effect in terms of reduction of money being  
used for AFDC families. The state might have to spend some money  
to get the unit in operation, but it is mandatory. Right now  
they are determining the real position needs. He said that in  
Idaho this has been very effective, with a terrific decrease in  
cost for payments and at the same time releasing a lot of people  
from the welfare rolls. This could happen in Alaska. With  
respect to full cost of care institutions, mentioned in (2) on  
page 2 of his statement, Mr. Williamson said that there seems to  
be a need in the program for controlling the licensing to prevent  
proliferation of institutions unless their existence is based on  
a true need as expressed by the communities. Right now the  
procedure allows everyone to receive a license. (This is referring  
to institutions in the private sector.) He spoke of there being  
around 280 children in 27 institutions, several of which have a  
fairly low percentage of occupancy. Of course, they want facilities  
ready when the need arises, but on the other hand, a proliferation  
of facilities with only minimal occupancy can only mean additional  
expense to the state under the full cost of care concept. Thus  
he thought the legislature might want to look at the idea of requiring

SOCIAL  
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certification prior to licensing. He commented with reference to (4) on page 3 that there was no money in the budget last year for the reimbursable service agreement with the Department of Law and so they had to take money from elsewhere in the Department.

Mr. Haugen inquired about used of federal monies to support senior citizens' programs. Ms. Lloyd said that she doesn't think there are any federal funds for the Pioneers' Homes. Mr. Haugen said that he thinks there is implication that pending legislation on aging will involve federal funding. He said that that is a real danger, because if the federal monies are used there can be no residency requirement which would certainly enlarge the scope and cost of the Pioneers' Homes.

DEPT OF  
ADMIN  
Pioneers'  
Homes

Mr. Haugen asked about the \$200,000 management study proposed for next year. Last year the legislature appropriated quite a bit for an audit function to improve quality control and he had some real doubts about all these expensive measures to improve department efficiency and accountability. Ms. Lloyd said that there was a new BRU made up from positions taken from other BRU's but it cost no extra dollars. There was also a resolution asking for a data study last year, but no dollars were appropriated so the department could not do that. Mr. Orlove said that the request by the legislature to do the data study was reviewed by the department and it was felt that they did not have a good handle on their social services delivery system in order to computerize it. Therefore they have now contracted with Touche Ross to prepare for that. Mr. Haugen asked what the status of that report is. Ms. Borchek said that she thinks it was completed about two weeks ago. Mr. Orlove said that this is in the current fiscal year. The \$200,000 will be used to help implement some of the first study. Mr. Haugen asked for more information about the attorneys and how they are funded. Ms. Lloyd said that these are lawyers representing the state in things like child custody matters. They are half federally funded. Ms. Buchholdt asked for a brief description of the Quality Control and Fraud Investigation and also how they are going to implement the enforcement of child support throughout the state. Mr. Williamson said that essentially they propose to do the latter by the hiring and training of a number of individuals in various tracking techniques to investigate the location of fathers and to find the fathers. This is for implementation of Title XX, and the first workshop on this is to be in San Francisco this month for Alaska and people from other states to become familiar with the program. It is a mandatory program, as he stated before. This is 25% federal match and there is a 5% penalty for states who fail to have an effective program. Determination of eligibility for funds for child support programs are based on the following: there is established a separate unit for administration; child support payments must be paid to the state; child support collec-

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tion services must be available to non-AFDC families; the state must cooperate with other states in establishing paternity and getting child support; they must maintain a record of all collections for a reporting system; they must comply with all regulations and standards. He said that the requirements may be stringent, but he really thinks it will help in getting people off the rolls. As to the Quality Control question, he asked Mr. Lange, Administrator of that program, to answer to that.

Mr. Lange said that Quality Control is a federally mandated program for AFDC, Food Stamps, and it will be mandatory for Medicaid beginning July 1. The staff in this program pulls case records on a statistical sample basis to determine whether a recipient is eligible and is getting benefits in the correct amount. They verify applicant information that may have a bearing on eligibility. Once the results of this statistical sample come in, in AFDC there are fiscal sanctions mandatory if the error rates aren't down to 3% for eligibility and 5% for overpayment by July 1. The current error rate is 6.3% for eligibility cases and considerably higher for overpayment. They are over the limitation for overpayment. This came about because on July 1 their maximums to recipients doubled for the first step. Mr. Malone asked if he considered those standards realistic. Mr. Lange said that they are arbitrary and were set by the federal government. He is not convinced that ultimately Alaska will reach those error rates, although they are approaching them. In the past, their eligibility rate was 12.6% and overpayment, 14.5%. He said that a problem is that many of the errors are generated because applicants fail to report all of their income. That is the largest source of error. Directly answering Mr. Malone's question, Mr. Lange said no, he does not think the error rates are realistic. Ms. Buchholdt said that she was interested in home visits and asked if they anticipate more home visits to verify facts. Mr. Lange said within Q/C staff, no, but in the eligibility request unit he believed they stated a need in their department request but that had to be taken out because of budgetary restrictions. The current eligibility staff in district offices does not allow for home visits by eligibility workers. The Q/C people go out and make visits because they only pull 180 to 200 cases in a six month period, so the current staff does have time to go out. The staff within the eligibility unit does not have this time. Ms. Buchholdt said that the most critical point here is the home visits because that is where the information can be verified. She suggested placing more emphasis on home visits. Mr. Lange said that about a year ago the state did go to the verification system for eligibility; prior to that it was a self-declaration, and eligibility workers would take information at face value without requiring a lot of documentation and verification. Now they must bring in justification of income, rent receipts, etc.

In Longevity Bonuses, Mr. Guy noted that in FY 74 the monthly

Longevity  
Bonuses

average was 4,955 checks as compared to an anticipated 5,078. He asked the reasons for this growth. Ms. Lloyd explained that the Longevity Bonus program is under Department of Administration, not Health and Social Services. Mr. Orlove said that there has been an increase of approximately 50 persons per month for the Longevity Bonus program.

Mr. Guy asked for a clearer structural or organizational picture of the child support unit. Mr. Williamson said that they do not have such a unit now. There will be a new BRU, and they don't really have a feel for the position. Ms. Borchek said that they can provide a briefing memo, but they don't have any regulations yet. Ms. Lloyd added that they are in the process of preparing regulations now. Mr. Orlove said that the Region X people concerned with Title XX are in Juneau to brief the legislature.

Mr. Duncan asked about the Pioneers' Home transfer. Ms. Lloyd said that when they had Pioneers' Homes in the Social Services category, it had a combination of two types of funding -- interagency receipts and federal receipts. That is now transferred out. She began to recite percentages of social services provided by the different departments, but Mr. Malone explained that the committee is not really interested in a comparison of percentages with other departments but wants to know what the Department of Health and Social Services is doing itself for social services.

Ms. Borchek began the presentation for Family and Children's Services by reading an overview (See Social Services category file) of the programs. The various program directors were present to go over the BRU's.

Assistance Payments. Mr. Pagenkopf went over the summary of his program (pages 4 and 5 of the Overview Presentation in category file). He said that there is one problem not reflected in the budget for 1976. When the legal maximums were changed last July, HEW took exception to the way the law was passed and they have said that the state is out of compliance. The primary issue has to do with payment for children in the home of a relative, at \$300. HEW thought this was unreasonable. The reasoning behind this was to keep children out of foster care and in the homes of their relatives. Mr. Malone asked what the total number of people receiving assistance payments under AFDC is and Mr. Pagenkopf said around 11,200.

Aid to Blind and Aid to the Disabled are considered separately, since July 1, 1971, Mr. Pagenkopf pointed out. He went on to say that prior to the federal SSI going into effect, Old Age Assistance, Aid to the Blind and Aid to the Disabled were administered by the state with 50-50 federal match. As of January, the Feds administer their portion directly

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Payments

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AFDC

Aid to  
Blind  
Disabled  
Old Age

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and the state administers its supplementary amount directly. The Longevity Bonus mentioned earlier has been tied up very tightly in the old age portion of Aid to Blind and Disabled. Federal law says this must be considered as income. The state has been successful over the past three years in getting a waiver. The first year there was no problem because the state was administering the payments. The Feds didn't start figuring welfare on the basis of the waiver until last year, so the state was picking up the extra. (In other words, the Feds now owe the state money because the state paid that extra). That was during the first part of last year. The present waiver extends through December. After that there will be no waiver unless the Congressional delegation is able to get a permanent waiver. This budget does not take into consideration that they might not be given a permanent waiver. Mr. Haugen said that that means if they don't get the waiver they will be coming in for a supplemental next year, and Mr. Orelove said that that is correct. Mr. Pagenkopf pointed out the drop in cases and said that that is primarily nursing home cases for which the state isn't putting in money any more. They have been picked up by SSI, and the state does not supplement those. He said that the figures represented in the Governor's budget are after they have had some experience with both caseloads and payments so they think their money payment averages are solid. Mr. Duncan said that he is confused on this program. Back in 1972-73, the average payment was \$141 for Old Age Assistance. Then it went to \$96 and now is down to \$57.11. He wanted to know if the people are still getting the same amount of money, or if the total amount has decreased. Mr. Pagenkopf said that the total amount of money they receive is the same -- or it should be. If it is not, it would be an error. They are receiving the same number of dollars -- it is just from different sources. Mr. Duncan noted that the general fund match has stayed the same, and he asked if the state is tied into the amount that they see. He asked if the state were to raise its payments, what would happen. Mr. Pagenkopf said that the state can raise the payments to any level they want and there will be no increase or decrease in the federal payments. Whatever increase would result would be that times the number of clients. Mr. Duncan asked Mr. Pagenkopf if he knew about the Senate bill introduced on Old Age Assistance. Mr. Pagenkopf said yes, it would raise the assistance from \$250 to \$350. Mr. Haugen said that would be \$100 in state dollars. Mr. Malone said that there is a standard of assistance, and that is what the \$250 is. Whatever portion the Feds pay, the state doesn't pay. Now the state is paying an average of \$57.11 per. Mr. Pagenkopf said that individual cases will vary. Aid to the Blind, Aid to the Disabled, and Old Age Assistance at the federal level are no longer three separate programs but one. He noted that the assistance standard and the legal maximum in current state law do not have to be the same. Mr. Haugen asked if the additional \$100 in the bill referred to above would be

on top of the SSI, and Mr. Pagenkopf said yes. He said that the SSI takes advantage of income first, so the state doesn't get the advantage of what income a client may have. Mr. Pagenkopf said that in order to get the waiver, they had to conduct some studies, and they are in the process of doing that now. They hope to use this when the Congressional delegation tries to get the waiver on a permanent basis. In the last Congress a bill passed both House and Senate and in both versions the Longevity Bonus was permanently waived, but it got taken out in the Free Conference Committee.

On General Relief, Mr. Pagenkopf said that this is a primarily state funded program used to meet the basic needs of people who do not normally qualify for categorical assistance. One major change over the previous year's budget is that for several years they have had a contract with BIA. Normally this was run through Budget and Audit Committee. They are now showing it in the budget. Ms. Lloyd interjected that this money was put on in 1975 by revised program, so these are not actually new funds. Going back to AFDC, Mr. Guy asked what the number quoted for average monthly number of checks was, and Mr. Pagenkopf said 11,200. Mr. Guy explained that his reason for asking was that the BRU states 11,750. Mr. Orelove explained that that is what they projected as the caseload for FY 76. This allows for growth in the caseload. Referring to the overview by Ms. Borchek, Mr. Guy asked for clarification on the statement "During the current year it was necessary to transfer some positions between BRU's in order to satisfy the requirements of the cost allocation plan." He wanted to know about the "requirements of the cost allocation plan". Ms. Lloyd said that they get their federal reimbursement on a cash basis. It goes for maintenance, 50%, and social services, 75%. They have to have an audit trail so they have put in the BRU in such a manner that they can pull right from the computer runs. It is an effort to avoid audit exceptions. Before this they have had to hand pull in order to do the reports.

Ms. Borchek introduced Mr. Mailer, Program Director of Social Services. Mr. Mailer read the overview of Program Services on pages 9 and 10 of the overview package. When he finished, Ms. Buchholdt referred to item number 6, Adoptions. She said that she had talked with the Catholic Charity Adoptions Program people, who say that they are going a good part of the job of the state and yet are unable to obtain state funds to run their program. She wanted to know the reason for this. Mr. Mailer said that the Catholic Charity has applied to the Division for a license to operate an adoptive placement program and do adoptive studies for persons mainly referred to them through the church. The state has picked up some of their cases, but only the state can take custody of a child. He said that this agency does deal with those pregnant mothers and adoptive children who come to them, and cannot help that they often go to this private organization. They

give no subsidy to the Catholic churches. They are a private organization. He said that he doesn't think they have ever made a request for subsidy, either. Ms. Buchholdt said that the reason she asks if that they feel they are doing a good deal of the work that the state should be doing. Mr. Mailer said that he hasn't heard this from them. He said that he thinks when they originally came requesting a license they felt it was important that they handle some of their own cases because many of the people do not want to apply through a public agency.

Mr. Guy asked what title day care is under, and Mr. Mailer said Day Care IVA. It comes under the revenue sharing ceiling. Part of the \$4 million that may be hard to get is for this. Homemaker Services also comes under the ceiling. Homemaker Services

Ms. Ada Gleason, Assistant Program Administrator of Social Services, read the overview for Social Services -- page 8 of the overview package -- which included a statement on Social Services Pipeline. Mr. Haugen asked if there is any money in the Pipeline Social Services from federal sources. Ms. Gleason said that the budget would be 75% federal money for 1976. For 1975 it was from state Pipeline Services Impact money. Mr. Orlove commented that the Pipeline Impact money was general fund money. Mr. Haugen asked if there was any charge against the severance tax, and Mr. Orlove said no. Ms. Lloyd said that Program Services is the program part of the budget and Social Services is the people part. Mr. Duncan said that there are bills putting child care in the Department of Community and Regional Affairs. He asked if that would have an impact on this budget. Ms. Lloyd said that she believed the fiscal note on the bill spoke to the increase. Mr. Williamson said that the problem for H&SS is licensing. They would continue to do the licensing for institutions under CRA, but are not budgetarily equipped to do so. Mr. Duncan asked if they are doing any of that now. Mr. Williamson said that they are but the bill was intended to increase day care facilities. Social Services and Pipeline Soc. Svs HB 291

[Dr. Beirne entered the meeting.]

Ms. Lloyd said that the licensing services that would be extra because of this bill are not included in this budget. Ms. Borchek said that she doesn't believe they would earn federal participation for the staff members required to take on the licensing responsibilities. Mr. Duncan said that he had wondered if this might have come in as a decrease, and the Commissioner said no, they would expect an increase because their workload would increase. Ms. Lloyd said that the children under the CRA day care program would not be children who could qualify under federal participation and so the positions to take care of these programs would have to be state funded. All the program people chorused their agreement that their budget would have to be increased to make up for the workload. On Foster Care, Mr. Guy asked how the program is working. He noted that the stated objective is to get 90% of the children into homes within a year. Mr. Mailer said that that is their Foster Care

objective. He said that he thinks a child remaining in institutional care for longer than a year is probably misplaced in an institution. He said that they do carry them longer than a year for various reasons, but they try not to and hope that they can place them or return them to their homes. Mr. Guy asked if they had figures on how many were returned last year, and Mr. Mailer said no. Ms. Gleason said that this is one of the kinds of data that the social services system would be able to provide. They currently would have to hand count to get that information. Mr. Malone asked how many clients they have in this social services category. Ms. Gleason said that they would have to handcount and the system they have is not accurate. All that they could provide is an estimate. Mr. Malone asked what the estimate would be. Ms. Gleason said that there might be 15,000 clients in the social services system. That is an estimate, she emphasized. They do not have a computerized system to provide them with accurate information. Mr. Malone requested that the committee be provided with some kind of information on what kind of numbers and what classifications of people are involved.

Mr. Kemp, Assistant Program Administrator of Assistance Payments, Eligibl. gave an overview of the Eligibility program. He said that the adjusted figure for FY 75 was considerably higher than the figure originally appropriated. There was one large revised program which increased the total amount available.

Ms. Borchek gave the overview of Administration and Support -- pages 2 and 3 of the overview package. She commented that when any of the programs have requests to furnish data, they simply cannot provide it. They do have a study going now to enable them to better study the caseload to give some basis for justifying budgetary needs. Ms. Buchholdt asked if they have access to the state's computer system. Ms. Borchek said yes, as far as it is available -- which, she pointed out, does not seem to be very frequently as it is running about 24 hours per day at full capacity now. Material run through the computer system now has to be prioritized, and something like a statistical count is given a low priority. Ms. Buchholdt asked if they don't have analysts who would be able to do the needed work in house rather than their contracting out. Ms. Borchek said that right now they do have one position in Family and Children's Services for data. They do not have budget analysts. Mr. Orlove said that what they are trying to do is give the agency some analytic ability to do some of these things in house, because currently they do not have this ability. There are requests for such positions in the FY 76 budget. He said that maybe the \$200,000 will get the system going and the state could pick up the in house capability. Mr. Guy asked if this study is the same as the social action data processing system or is it another system for following up on the study. Ms. Gleason said that the social action data processing system is currently a social services information system which

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they are in the process of developing. This is a statistical system only and the study of which they are speaking is to get in and analyze the services Alaskans need. Right now they only respond to those who come to the agency. They don't know about those who don't. They do not know what should be high in priority for the state. They have no system to analyze how effective the services are. They have no way of knowing whether they are "missing the boat" with their services or not. Ms. Borchek said that under Title XX they will be required to have a revised state plan on an annual basis. Without the study they are not prepared to make decisions involved in such a plan. Mr. Malone asked, since they had brought up Title XX, where the plan that they are required to have 90 days before submission for the purpose of comment. Ms. Borchek said that they are currently working on it. Mr. Mailer said that the federal regulations have not come out yet, and they will have to build their plan on that and policy determinations of the Feds. The administrative plan is due in Region X on July 15, but they could start as late as August 15 with the 90 days and still implement the plan by the October 1 implementation date. Mr. Guy asked what they mean under their specific objectives by "Provide unique identification for each case to avoid duplication of services". Ms. Borchek said that that is again date processing lingo. This is so that they can identify clients by type of services so they can get a count and so that it will be unduplicated. This was enable them to accurately state the total services provided. It would be systematized whereby they would get firm figures. Referring also to their list of specific objectives, Mr. Malone asked what their accuracy in coding of vendor indices is now. Ms. Borchek said that she didn't know, but it is greatly improved from before. Last year they were quite high in errors. They have been putting a lot of temporary staff on the job here and it has improved.

Ms. Borchek spoke also to Staff Development, page 12. Here there are educational stipends, training sessions, technical training. Staff Trainin  
The University of Alaska and AMU provides some training on contract for division staff. Dr. Beirne wondered what type of training is provided by the contracts with the U of A and AMU. Also, if AMU phases out, she wondered what plans they have to make up for that. She was answered that if AMU phases out, then the other universities will assume the training that had been contracted to AMU. The types of workshops they have under contract include basic elements of training in family therapy and crises intervention, interviewing techniques, clerical techniques, and adoption proceedings. She wondered if they had any methods for testing whether or not this training has improved the effectiveness of the division or not. She was told that the only real indication they have had is in the Quality Control area, where their error rate dropped about 30% the first year of the training effort. This only speaks to the eligibility training, but their effectiveness measures for social services are not developed yet. Dr. Beirne said in the training

of the eligibility workers, is there reason to believe that these people are being worked into the system more rapidly. Mr. Hansen said that the movement of clients through the system is more of a Social Services function. Staff Development is concerned more with making rapid and accurate determination of eligibility and the level of assistance. From that point, Social Services takes over and the WIN program is an example of that. Ms. Buchholdt asked how many people are involved in the Staff Development Program -- how many people are enrolled. Mr. Hansen said that all of the division employees are involved in the training throughout the year. That's about 300 people. Ms. Buchholdt asked if they are all involved in training in different areas, and Mr. Hansen said yes. She asked if there is a headcount for the different areas, and Mr. Hansen said that there are 80 in Eligibility training, another 80 (approximately) in Social Services training....Pioneers Home staff is not included statewide in this program. They do have a pilot project underway at the Sitka Pioneers' Home this year. Mr. Guy asked if these division employees are the same people eligible to receive the courses free of charge. He was answered that that the courses for the division employees are provided through the University of Alaska contract. Mr. Malone, going back to Ms. Buchholdt's question, asked how many people actually go through the Staff Development program -- how many actually receive training. He was told that Staff Development is mandated by law to provide all divisional employees training. Their intent for this fiscal year (1975) was that every person who needs training as identified by that person's immediate supervisor would be afforded the opportunity of that training -- so in essence, anyone could be trained. He figured there were about 300 people. Ms. Buchholdt asked what about those people who don't want training. She was answered that from that standpoint, if the immediate supervisor determines that a person can perform the job adequately without training then they would not be required to attend. However, in most cases they have had very few people who have not requested training or have not attended a training program. It has been very well received. Dr. Beirne asked if they are using any management by objective criteria. She said that they have to have performance criteria to determine if they are benefiting from the program or not. The answer was no, not at this time at least in the University workshops. The government workshops are management by objective programs.

Ms. Gleason read the overview for the WIN program -- page 6 of the overview. Mr. Malone asked what the status of the federal funding for the current year is. Ms. Gleason said that they have received approximately 50% of the federal funds they estimated they would receive. They have heard rumors of a possible supplemental appropriation from Congress. In the meantime they have reduced their effort, lowered expenditures, held vacancies, and in Juneau and Fairbanks used CETA contracts.

WIN

They are trying to free up enough money to keep WIN operating for the remainder of this year. Dr. Beirne said that she is interested in knowing what sort of recidivism rate they have on WIN parents who have gone through training. Ms. Gleason said they are not required by the federal government to keep statistics on failures -- what they keep are records of successes. In the past 12 months 54% of those who entered the WIN program were placed in unsubsidized jobs. Of those in jobs, 79% held them for more than three months. Dr. Beirne asked, then, of the other 46% of the people, how many returned to the welfare rolls. Ms. Gleason said not all of them. WIN has dropout rates for several reasons. Sometimes the clients remarry before completing the training or job placement, for instance. Dr. Beirne asked if there is any way of knowing if some could not afford to take a job because they couldn't go off welfare and still pay for child care.. Ms. Gleason said that income is such that it takes a substantial salary to remove them from AFDC once they are on it, and with the exemption of \$30 plus 1/3 of the salary, she would say very few people have said they couldn't afford to go to work. Mr. Guy asked about WIN operations in smaller communities. Ms. Gleason said that the operations have basically closed in smaller communities because of a change in federal regulations for the program. They have been told to close those programs or the Feds will cease funding. Mr. Malone asked about the numbers of people registering and numbers participating in WIN programs. Ms. Gleason said that in FY 74 they had 4,394 registered. She did not have the last 12 months figure on registrants, but she said it was a similar number. The number of participants was 895 for the last 12 months. Mr. Malone asked, then, if it is about half of that number who are placed, and Ms. Gleason said yes. In response to questioning by Mr. Guy, again on the subject of closing of the programs in the smaller community, Ms. Gleason said that it is division policy that if a person wishes to volunteer for the program, the department will help that person relocate in a area where there is a WIN program. Ms. Lloyd interjected that it is an urban-oriented program. Ms. Buchholdt asked what they would do to try to help a person from a rural area in relocating in one of the urban areas, realizing the cost of moving, finding a place to live, etcetera, since the cost of all that would be far beyond most of the people. Ms. Gleason said that they would try to help her move with funding in the Department of Labor. Ms. Buchholdt asked how they justify the living costs a person would have to pay. Ms. Gleason said that it is the recipient's individual decision. They have to have indications that the person would be able to succeed if they did come from a rural community into the city and they have to have a definite plan for training and placement before they will place them in the WIN program.

Gail Roust gave a presentation on the Office of Aging. She explained that this office administers federal grants

Office of  
Aging

designed for senior citizens. Title VII programs are nutrition programs, designed for more urban areas. Alaska has been granted an exception to the regulations, which state that each community program must serve 100 meals a day. The Alaska minimum is 50 meals a day. This is definitely not intended for rural Alaska. Title III is for supportive services for older people -- transportation, escort, information and referral -- anything that can be considered social services for older people. These are the senior citizens' center services. The increases are basically inflationary and they are asking an increase of one clerk typist. Ms. Buchholdt asked about the nutrition program. The overall population center of the state is, of course, Anchorage and then Fairbanks. She referred to Ms. Roust's comment that the smaller villages are definitely not included in this program, and she said that it seems to her that because of Alaska being so spread out and there being older citizens all over the state, that something should be done for them. Ms. Roust said that her office is very concerned about that, but unfortunately Title VII is not for those places and so they are trying to fill in with Title III monies where they can. They are aware of Point Hope (which Ms. Buchholdt mentioned has 26 senior citizens who would like to go to a Pioneers Home except that they don't want to leave their home) and other places with a high density of older people. Their Title III funding is stretched to the very limit just keeping the programs they have going, without adding any new ones. At the end of each year they examine their existing programs very carefully to be sure that they merit refunding. As for the Title VII requirements, she said that even in the larger communities they are having difficulty serving 50 meals a day. She said that they are trying to do the best they can with Title VII programs, filling in with Title III as much as possible. She mentioned that they have gotten around the Title VII requirement somewhat in part of southeastern by combining several communities to come up with 50 meals a day. Mr. Malone noted that the biggest portion of this budget goes out under various grants and contracts. He asked where they go, specifically, which communities and what types of programs.

Meeting recessed at 5:25 p.m.

RECESS

AFTER RECESS  
5:36 p.m.

Chairman Malone called the meeting back to order. There were additional Health and Social Services staff members present at this time.

Mr. Bob Coles, Coordinator of the Office of Alcoholism & Barbara Miklos, Assistant Coordinator, were present to testify on the Alcoholism budget. Mr. Coles, being new to the job, deferred to Ms. Miklos who briefly outlined the program. She said that this office coordinates programs statewide. It provides no direct services but administers grants to communities. The budget is a maintenance budget. The only difference is a federally funded

Alcoholism

prevention coordinator at \$25,000. Mr. Haugen asked if that person will be a permanent state employee next year, and Ms. Miklos said not unless the state decides to pick the position up. Mr. Orlove said that currently the budget before the committee is the one the Governor has submitted, but they are currently considering amending this based on the state plan and other developments. It may take some additional personnel to do the program evaluation and to set up standards. They should have some information on this in about a week. The current staff in the office would not be able to do this. Ms. Buchholdt requested that they obtain information on the 22 grants if it is available. She wanted to know how many people are involved, the success ratios, and overall costs. Ms. Miklos said as far as numbers of people, they have a data base form for the projects to use and the program counselors take down the information needed and also mark what stages of alcoholism a person is in. Three months from the time this is taken the agency will get a computer print-out and can follow up on the person and see if there has been any change. They have numbers as to how many people each agency has seen, but they do not yet have the difference between the first visit and 90 days later. Ms. Buchholdt asked if they have programs for families. Ms. Miklos said that mostly depends on the individual community programs. Most of them are involved in family counselling, too. Ms. Buchholdt asked as a matter of curiosity if they have observed any changes in the Bethel area. Ms. Miklos said that from what she has been told there is a change. Mr. Coles said that one of the probation officers said that there has been a 50% reduction in the incidence of juvenile criminal matters. Mr. Guy asked about the determination of grants to communities. Ms. Miklos said that she can't speak for the past. This year the priorities would be to fund existing programs. As far as a formula throughout the state, there isn't any. The whole concept is that the communities have to come in with a grant application. The state does not arbitrarily decide where to put programs. She repeated that she would expect the priority to be for existing programs. Mr. Guy referred to a letter of February 26 referring to mini-grants of \$1,600,000. He asked what the minimum for those is. Ms. Miklos said approximately \$10,000 to each community. \$9300 is the lowest she has seen. However, these are not part of the budget. These are direct grants from the National Institute to the Alaska Native Commission on Drug and Alcohol Abuse. In response to questioning by Mr. Malone, Mr. Orelove said that financial audits of the programs are done by Quality Control. Ms. Lloyd added that program audits are done by Family and Children's Services. Mr. Malone said that he was asking because in at least a couple places positions are being added to find out what the programs are. Mr. Orelove said that currently they have people who are going out to compare performance with what is set up in the contract. They are not satisfied that contracts they have made are what they really want. They don't have standards set up on a statewide basis nor

do they know how each individual program fits into the statewide plan at this time. Mr. Coles said that they are also required by law to provide technical assistance to programs and he would think that would include helping them to get ready to meet the standards. He said that he thinks one of the main complaints they have had is that the office has not been able to provide the technical assistance to communities in setting up their programs. Mr. Malone asked how they came up with the figure of 15,000 alcoholics in Alaska. Ms. Miklos said that that comes from a study done by a private corporation in 1973 based on a formula called the Jellinek formula. They went into the communities, set up the formula, and did this statewide. Ms. Lloyd said that under the first block grant they contracted out a needs assessment. This study came from the needs assessment. Mr. Malone requested that he be furnished with a list of the contractors. Dr. Beirne said that as she understands it, most of the monies flowing through the state are going into urban areas and the rural areas are being picked up through the federal government. Ms. Miklos said that she doesn't think that is so. Where the federal government is doing most is with the smaller programs, that is true. However, the state has a large program in Bethel compared with their programs in Anchorage and Fairbanks, and so she did not feel it was accurate to say the state's emphasis was on the urban areas. She said that the state's emphasis is not necessarily on the urban areas, but admitted that it is not in little villages, either. Dr. Beirne asked when talking about \$2,300,000, how much is federal money and how much is general fund. Ms. Miklos said that about \$200,000 is federal. As for grants-in-aid under Title IV and VI, about \$800,000 is state and \$278,000 is local program receipts from the communities operating programs. In response to questioning by Mr. Guy, Ms. Miklos said that there are five statewide organizations they are funding besides the actual community projects, and she believed all five were in Anchorage. Mr. Malone asked that with the list of contractors he requested that the type of program each is operating be explained. Dr. Beirne asked if they primarily contract with each borough that has health departments or what. Ms. Miklos said that they have had contracts with cities and boroughs and private, non-profit corporations.

Mary Beth Hilburn, coordinator the Office of Drug Abuse spoke on Drug Abuse that program. She said that that program provides similar services to those performed for Alcoholism. They have a monitoring and evaluation function and evaluate each of their programs twice a year. They first try to provide technical assistance to bring programs up to standards and to provide advice and recommendations. The second evaluation is used as a basis to decide if refunding is advisable or feasible. They are also adopting standards. They will be having statewide hearings on these. Presently they fund 18 programs -- 10 treatment and 8 information and education. There are 284 people in treatment throughout the state. Last year they

treated 634 people, and 139 were released as drug-free. Right now they are reviewing grants for this year and they are presently reviewing grants for this year. They have \$1,621,416.95 in grants. She said that she would provide a list of the people getting the grants. Mr. Guy asked how the greatest portion of the drugs come into the state, and Ms. Hilburn said probably through the U.S. Mails. They have pretty firm ideas on how they come into the state. For instance, home canning is used to pack drugs. Right now they have firm information from Anchorage that two bricks of pure heroin are in Anchorage right now. There is also a lot of cocaine. Any time a drug sample comes in they run a check and try to keep their sources of information open, but they are dealing with an illegal substance and so they have to take information as it comes in. Dr. Beirne asked how they become aware of quantities of drugs in local areas. Ms. Hilburn said that the open clinic is the first line of defence. She said that they don't ask for enough information to help the police out. They are in treatment and rehabilitation, not enforcement. They figure that enforcement is the task of other agencies.. They are also aware of a lot of drugs on the Pipeline -- and she commented that there is easy access there. She said that she thinks there will be a residual problem after the Pipeline money is gone. There will be a terrific treatment need at that time.

Administration and Support for the Department involves basically two things, Ms. Lloyd said, moving right along. Those are the Office of the Commissioner and the Division of Administrative Services. Mr. Malone asked about the Graphic Arts/Library program. Ms. Lloyd said that that section does the graphic art for the entire department. The department puts out many pamphlets, posters, bulletins, etcetera, in connection with health programs. They also have a film library used in various communities and in the school systems. This is where the films on alcoholism and drug abuse are. Mr. Malone asked about the civil rights coordinator in the Director/Regional Office. Ms. Lloyd said that the new mood of the federal government is to hold back as many dollars as possible. The department now finds that they have heavy civil rights participation from the federal government coming into all their projects. Unless they have a process set up whereby civil rights complains can be made, they can lose their federal funding. They have no other choice. Mr. Malone asked how many persons in the state the department provides services to. Ms. Lloyd said that she did not know. Mr. Malone said that what he was getting at is that he seriously doubts whether with 1100 or 1200 people in the department, and a tremendous number of clients being served, that one person there is going to be able to do anything. He said that he thinks they need an aggressive action program to educate the people already in the department on civil rights. He asked what other measures have been taken. Ms. Lloyd said that they have already

Admin. & Support (DH&SS)

Graphic Arts

Director/Regional Off.

set up a civil rights program in the Director's Office and so they have already complied with the Act as far as regulations go. They could use more personnel. Mr. Malone said that what he thinks is needed is for the department people to be educated. Ms. Hilburn said that as they receive programs they go in and tell them about their obligations and require that they comply by passing that information on. Ms. Lloyd said that they do have an affirmative action plan. Mr. Malone pointed out the in Personnel, on the short form there is some program and audit information that speaks to a personell payroll function of the Department of Administration. There are 17 people requested in the budget there. He wondered if there is some overlap occurring, and asked why it is necessary to have have a sizeable section for what seems to be payroll. Ms. Lloyd said that they have approximately 1722 persons employed in the Department of Health and Social Services. Under the new collective bargaining system, there are penalties for late payroll, short payroll, etc. This is staff for the Department of Health and Social Services. Mr. Orelove explained that the Department of Administration is the payroll function. This is more a personnel function in H&SS. Mr. Malone asked what these people do -- do they process personnel actions, and Mr. Orelove said yes. Mr. Guy asked if this office has anything to do with comprehensive health planning, and Ms. Lloyd said no, that they have their own Comprehensive Health Office, which is under the Health category.

Mr. Lange spoke on the Quality Control Collection Agency. He said Q/C that the agency has four basic functions: quality control, fraud Collec. investigation, fiscal audit, and collection. Earlier in the Agency meeting he had discussed activities of the Q/C staff. He said that the addition of Medicaid made a major change in the 76 budget. Fraud investigation, he explained, will be to investigate all reported cases of suspected fraud statewide. He said that cases will be turned over to the DA's Office requesting prosecution, or cases will be closed for lack of evidence, or in cases not involving a great deal of money they will be working out restitution plans. As for the fiscal audit function, Mr. Lange said that the fiscal auditor can go in and audit the provider agencies -- most of these are contracts. S/he audits against the terms of the grants or contracts and also audits full cost of care institutions to see that the expenditures are within the parameters of the law. This has proven to be quite cost effective, and they have already successfully recovered \$72,000. The collections unit is responsible for recovery of monies owed the Department for a wide variety of reasons, and which normal efforts for recovery have been unsuccessful. Dr. Beirne asked how many personnel they have. Mr. Lange said that the authorized staff is 17. Dr. Beirne asked how many various agencies and programs they do quality control on. Mr. Lange said the Food Stamp Program and AFDC. Beginning July one of this calendar year they will also be doing quality control for Medicaid, on which the Feds are also imposing fiscal sanctions for error

rates that are too high. This is still in the developmental stage at the federal level. This is the reason for the additional four quality control reviewers in the FY 76 budget. Of their current staff only five are authorized in Quality Control. Dr. Beirne asked who does Quality Control on institution. Mr. Lange said that he would like to better explain the Q/C function. This is really an audit function of the recipient case files. They take the monthly recipient payroll, as it is called, and select cases at intervals. The Q/C staff goes in, examines the case files and data, then goes out to other information sources to justify the information, and then makes a determination of whether or not the recipient is eligible for benefits and if they are, that they are getting the correct amount and there is no underpayment or overpayment. What is happening in child care is that they are making fiscal audits. This does not touch on program functions, which would be quality of services. Of the audits performed in the last six months, the recommendations were for reduction of rates in 7 and increases in 2. Other agencies are still objecting to some of their findings. This just deals with fiscal matters, he repeated. On Form 9 of the budget request, he said that he anticipates requesting program auditors for this section in the FY 77 budget. At the present time the office does not have the capability to really go into program audits. The present staff has done some. Ms. Holm has done some program audits in the area of child care. Dr. Beirne asked then if there is no specific group doing program auditing like there is for fiscal auditing, and Mr. Lange said yes. There are no persons designated for program auditing at present. Mr. Barker asked since the state is over its allowable overpayment error rate, are the Feds going to withhold federal match for AFDC. Mr. Lange said that under the formula developed by them it appears the state will suffer a \$63,000 fiscal sanction. The Feds do not always agree with the state's findings, and they are now negotiating with them about seven of the overpayment variances. A major problem is in treatment of income by the eligibility staff of Family and Children's Services. The eligibility workers have been treating income as they have been historically for several years. Q/C staff has just said that they disagree with the methodology of determination in effect. This will have to be resolved at a higher level than his office, he said, or than the department. It will have to be a decision between the Region X commissioner and the H&SS commissioner.

In the absence of Ms. McLaughlin, Mr. Mailer read a statement on Alcantra -- page 6 of the overview package. Mr. Malone asked how many boys there are at Alcantra. Mr. Mailer said 24 at present. Ms. Buchholdt asked how many people work at Alcantra, commenting that at one time last summer there were 19 boys and 19 personnel. She did not know how this could be justified. Mr. Mailer said that he thinks they have 19 staff members necessary because there are three shifts; this is 24-hour

Alcantra

around-the-clock care. Dr. Beirne noted their operating cost of \$554,900 and asked if that includes debt retirement. Mr. Mailer said no, that is pure operating costs. Dr. Beirne said that their information says the average number of boys is 24. She asked if usually the number isn't about 18 and recently has been 17. Another question she had is if there is no quality control, how is one to know if this is necessary. Mr. Mailer said that at present the department contracts with the Child Development League of America. Dr. Beirne said that the cost here is almost twice the budget of any place else. She wanted to know what it is so high. She was told that they have requested a fiscal audit in Alcantra in the next three months. Dr. Beirne said that there was another item she wanted to bring up. That is that \$350,000 was not specifically put into the budget for Alcantra. There was a sum of money for a child care facility, but the decision to put that money into Alcantra was someone else's decision, not the legislature's. She very much questioned the high figures at Alcantra. Mr. Lange said that if the figures furnished him on average occupancy are correct, the average occupancy for the month of January was 22 1/2. Occupancy for other months have been: September, 11.7; October - no figures; November, 15.3; December, 19.0; January, 22.5; and they do not have the February figures. Occupancy almost doubled from September to January. Dr. Beirne asked if the new facility can only house 11, then where do the rest of the occupants go. Mr. Mailer said that they will have to use existing facilities which are pretty inadequate. Dr. Beirne said that her estimate is that this overall cost is close to \$20,000 per boy. Mr. Malone said that if debt service is included, the cost is closer to \$30,000 per boy. In response to questioning by Ms. Buchholdt on the use of the Jessie Lee homes, Mr. Mailer said that they do use other residential facilities in Anchorage and other areas. It depends to a great deal on what type of service is needed. Dr. Beirne said that she has talked to people at McLaughlin, and they have indicated that places do not exist to meet the needs. Dr. Beirne's expressed her frustration that despite repeated remarks like this, the programs and agencies involved do not seem to get together to determine what the needs really are and work from that basis. Mr. Mailer said that the information he has received is that Alcantra meets a need for the children who are there. Dr. Beirne remarked -- yes, if they stay. (McLaughlin says that they have a high recidivism back to McLaughlin.) Mr. Malone asked what the total amount owed ASHA is. Mr. Orelove did not know but said that he would find out. Dr. Beirne commented that the full amount of the cost for Alcantra is not evidenced in this budget because the teachers at the school are SOS teachers, funded under SOS. This makes the total cost of the program still higher.

Mr. Malone asked Commissioner Williamson, as the year goes by General and the legislature gets a better idea of what the total resources of the state are, particularly in terms of general fund monies,

and if this amount does not equal the amount of the budget request, what reductions would he elect to make in the Social Services budget. Mr. Williamson said that he would not want to prioritize at this time but said that he will look at the budget and programs, keeping that in mind so that he can report back if it becomes necessary.

Mr. Malone said that the state has \$4 million in ceiling funds under Title XX for FY 76. He had a sheet before him that shows basically in spite of the fact that the Title XX Act provides more flexibility in programs, the state plans to use hardly any of that in the FY 76 budget request. Ms. Borchek said that at the time the list of projects was prepared they were not aware of Title XX requirements and still are not aware of what is going to be expected of the state because the federal regulations have not been set. Ms. Lloyd said that at the time of preparation of this budget, Title XX was not considered. It wasn't in existence in October when the budget was prepared. Ms. Borchek said that they do not have much latitude to do much anyway, because they are ceiling monies. Mr. Malone felt that they could look at priorities differently, and suggested that they look at other things. Mr. Williamson said that he felt that they could come back to the committee with a prioritization and maybe some suggestions for things they could effect reductions in without serious repercussions. He said they are willing to stick their necks out in terms of evaluation of WIN programs, various other support programs, to determine what is more effective as welfare. With something to measure against he felt they could get a better idea of where budget reductions should be made if necessary. Mr. Malone returned to the subject of Title XX and its additional flexibility, and spoke of his dismay that the state does not examine this flexibility and so use it. Mr. Williamson said that it has been difficult for him to understand this budget in all its aspects in such a short period of time. Mr. Malone admitted that a big budget can be pretty hard, but he said that it seems to him if the policy every year is do to what was done last year without looking at alternatives. Mr. Mailer said that Title XX will not be in effect until October 1. The programs in this budget are mandated programs. Title XX will mandate only one program -- Family Planning in AFDC. They are going to have to operate present programs under present regulations until October 1. Also, when this budget was built it was with the old regulations in mind, not new regulations. He said that he would suppose that at some period of time they will indicate what services are needed in the state plan and may have to rearrange some of their funding accordingly. Ms. Lloyd said that she is sure if they see that they can maximize their dollars in another manner under Title XX, once they get the regulations they will go through a review process and ask for a change. Mr. Malone commented that for the past several years in Alaska needs have been different

but not conflicting because there has been a surplus of funds. Now the situation is different, and so programs and objectives have to be measured more carefully than ever, and programs are coming into conflict for the same money. Determination of priorities will have to be done, based on a variety of factors including objectives, cost, success, etcetera, at least for the state portion of the budget.

Mr. Williamson said that he was aware of that and repeated that he will go through their budget and try to determine a set of priorities.

Meeting adjourned at 6:40 p.m.

ADJOURNED

# STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

Pouch H01, Juneau 99811

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## OPENING STATEMENT

by Francis S.L. Williamson, Commissioner  
Department of Health and Social Services

March 10, 1975

3:00 p.m.

Mr. Chairman and Members of the House Finance Committee:

Although the Department of Health and Social Services plays a prominent role in delivering social services to the citizens of Alaska, it by no means plays the dominant role. The Department budget for this category totals \$36,434,100 or only 40.3% of the social services total. This percentage is down somewhat from the current and previous years primarily due to the large influx of federal funds for CETA to the Department of Labor, the transfer back of the Pioneers' Homes program to the Department of Administration, and the rapid growth of the Longevity Bonus program, also administered by the Department of Administration.

Two significant items affect the Department's budget when comparing it with last year's appropriation. The total difference when comparing the printed figures is an increase of \$2,238,800. However, included in this