

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2635

given to members of HESS, the Speaker of the House, the President of the Senate and others. The manual contains the joint task force report from staff members of AMU and the University who have been working on this for two months. It constitutes the working of a budget for the assimilation of AMU.

Mr. Pestinger told the Committee that there was going to be a lot of cost involved in the transition of programs and they need to identify programs to determine that there is no overlapping. Looking at the figures given by the University they are considering AMU as it exists right now cost-wise. Possibly one-third of this cost would be duplication in programs in the transition. We are talking about salaries and administrative materials. The housing, bookstore, and food will be taken care of. These services generate revenue. Then you have grants servicing AMU.

If the University comes forth with the transition of AMU costs they should indicate that there are no duplications. In view of the cost of the buildings and in terms of the cost of the programs, they cannot afford not to transfer. None of this is illustrated in the pamphlet.

Page 6 of their statement (copy included for the minutes) was read to the committee giving the order of their priorities as numbered. These priorities come before the Pacific Rim Center.

Sen. Butrovich asked who developed these numbers. Mr. Isenson answered that the numbers are the University's. They are just dealing with programs. The Committee is not investigating the realities of the program. The dollar figures came from the University. In some cases the figures will be cut by the budget review process. It was mentioned that there may be a difference in the Pacific Rim figure. The final budget will be coming in a few days.

Mr. Isenson spoke to the Committee on the Library and Media Services. This is the largest amount of money. The figure is not given in the budget in one lump sum which is \$1,125,366. This amount is distributed to a number of places in the budget. He read a prepared statement (a copy is attached for the record).

Senator Rader asked Mr. Isenson whether the library got through the budget review committee. Mr. Isenson answered that a lot of it was cut.

Sen. Hohman asked how much of the library was cut. It was

It was explained that the Committee's figures total \$1,059,000 and that the Governor's budget totals \$1,125,000. This includes some staffing and building up of media services and the library. The Committee came in with the Regent's request. This was a maintenance level program plus the expansion of the library, etc. The Budget Review Committee then revised it. Then the Hammond budget came in and cut it more. These figures here are the Regent's request. The Finance Committee's analysts have the Governor's request. The cuts made are primarily on library and athletics.

Mr. Isenson went on to discuss Media Services. This is the one relatively efficient vehicle the University has for servicing people who cannot come to the campus. It serves the South Central Region and the bush. The program is limited because of money. The objective of this program is to give courses to people who cannot come to the University but who are interested in college level courses. This is both the community college level and the senior college level. They are developing a Native foundation grant for drafting as applied in rural Alaska in villages. There are many things that can be adopted. This is not a full-blown professional production capability but rather it is designed particularly for the university. This could be one of the most efficient uses of educational monies we could make.

The meeting recessed at 10 a.m.

RECESS

AFTER THE RECESS
1:00 a.m.

Committee members present: Senator Rader and Senator Hohman. Others in attendance: R. Samuel Pestinger, U. S. Attorney, Rep. Univ. of Alaska; Chuck Wingrove, Graduate Student, W. of A.A.; Ed Isenson, Filmmaker, Member UAA Citizens Adv. Comm.

The budget for the University was discussed and the meeting adjourned to a budget hearing on Development at 1:30 p.m.

ADJOURN

4/2/75

STATEMENT OF R. SAMUEL PESTINGER, CHAIRMAN, UNIVERSITY OF ALASKA, ANCHORAGE,
CITIZENS ADVISORY COMMITTEE

TO

FINANCE COMMITTEE OF THE ALASKA STATE HOUSE OF REPRESENTATIVES AND SENATE
and
HEALTH & SOCIAL SERVICES COMMITTEE OF THE ALASKA STATE HOUSE OF REPRESENTATIVES
AND SENATE

APRIL 2, 1975
JUNEAU, ALASKA

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE
MADAME CHAIRMAN

My name is R. Samuel Pestinger. I am the chairman of the University of Alaska, Anchorage, Citizens Advisory Committee; and in my professional capacity I am one of the United States Attorneys for Alaska. I am here today to bring you an official statement from the Advisory Committee concerning the request of the University of Alaska, Anchorage, for funding for nine new programs for fiscal 1976.

The Citizens Advisory Committee was established by the President of the University under authority granted by the Board of Regents. Its objective is to identify the common interests of the community and the University and advise the administration as to those interests and make recommendations with respect to the planning, programming, and budgeting activities of the regional provost in his efforts to try to respond to the needs of the community. I am dedicated to the work of the Advisory Committee because it is my conviction that our university must, by necessity, play a unique and essential role in the development of our state.

My statement consists of the following items:

1. The statement of the Southcentral Regional Provost, Dr. Lewis E. Haines, to the Advisory Committee concerning the relationship between the new program items of the UAA and the AMU programs which will transfer into the University of Alaska system should a sale take place.
2. A brief description of each of the new programs requested by the University of Alaska, Anchorage.
3. The Advisory Committee's priority listing of the items.
4. Background research on selected new programs.

This body of information was developed through the interaction of the citizens of Anchorage, the Anchorage area legislators, and the University of Alaska administration and instructional faculty.

In the summer of 1974, the Citizens Advisory Committee's subcommittee on budget began a thorough study of the new programs being requested by the University of Alaska, Anchorage. The subcommittee, composed of the present Chief of Staff, U. S. Army, Alaska, Colonel William Coghill, Anchorage realtor, Donald Hoff, and Dr. Darrell S. Kester, former chairman of the Advisory Committee, met with the Deans of the community college and the senior college, the respective division heads who will be managing the programs, the instructors who will be working in the programs, the regional business manager, and the regional provost, and last--but certainly not least--talked to students at random as they moved about the Anchorage campus. The subcommittee reported its findings to the full Committee at its November meeting, and it was the unanimous opinion of the membership that constructive efforts should be made to support these important new programs.

Consequently, on January 7, 1975, the Committee invited the Anchorage Area legislators to meet with them for the purpose of exchanging information gathered in the study process. At that meeting, individual members of the Advisory Committee reported on the results of their individual

research. The programs covered, and the Committee member making the presentation, are as follows:

Library and Media Services: Mr. Ed Isenson, who is active in Alaska as a reporter, editor, columnist, and film producer for magazines, newspapers, radio, and television. Mr. Isenson is here with me today.

Paramedics: Dr. Richard Witt, a practicing physician in the Anchorage Area, and representative of the Alaska Medical Assn. on the Advisory Committee.

Diesel Mechanics Training: Mr. John Sanders, Alaska manager for Standard Oil Company of California. Mr. Sanders has a B.S. in electrical engineering and an M.B.A. in business administration.

Drafting & Engineering Technicians Training: Mary Sweet, former counselor and manpower specialist with the Alaska Department of Labor and currently State probation officer.

Public Service Programs: Dr. William Marsh, director of program development for the Anchorage Borough School District and former director of academic affairs for the community colleges of the State of Florida.

The Adult Literacy Lab (ALL): Donald Hoff, currently an Anchorage realtor and formerly a Federal Grants administrator for the Greater Anchorage Borough.

The Pacific Rim Center: Charles Wingrove, former Anchorage legislator and now a full-time graduate student at the senior college of the UAA. (Mr. Wingrove was ill at the time of the meeting and asked Colonel William Coghill to make his presentation for him.) Mr. Wingrove is here with me today.

Printing & Graphic Arts: R. Samuel Pestinger, chairman of the Advisory Committee.

Athletics & Physical Education: Mr. Rudolph Burney, who is associated with the Public Service Careers program in Anchorage.

These are the new items we are asking you to consider today.

In the course of our meeting with the Anchorage area legislators, we were asked to explore the relationship between these programs and the programs that would be most likely to transfer in to the University system should the sale of AMU take place. Let me read to you the statement the Advisory Committee received from the regional provost in response to our request:

STATEMENT OF LEWIS E. HAINES, PROVOST, SOUTHCENTRAL REGION, UNIVERSITY OF ALASKA
TO THE
UNIVERSITY OF ALASKA, ANCHORAGE, CITIZENS ADVISORY COMMITTEE

MARCH 26, 1975

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I appreciate this opportunity to respond to your questions on the relationship of those AMU programs which will be transferred into the University of Alaska system, should a sale occur, to the new programs which the University of Alaska, Anchorage, for which funding is being requested from the legislature.

I have reviewed the matter with the Deans of the community college and the senior college; and it is their opinion--and mine--that no relationship exists between the AMU programs and the new programs being requested by the University of Alaska, Anchorage. University programs, particularly for the community college, are quite specific; i.e., the paramedic program, drafting engineering, printing and graphics, etc. These would not seem to compare with the programs being proposed for transfer in from AMU:

- ... The Remote Site Program, which currently parallels with our regional programs;
- ... The Cooperative Education Program, which parallels the present co-op program run by the community college;
- ... The University Year In Action Program, which is operated on "soft money" and which will be picked up by a separate contract;
- ... The Freshman Exploratory Program, an alternate program of general education for freshman students, which is not related to any program proposed by the University of Alaska, Anchorage;

... The Four-Year Nursing Program, which would be in addition to the two-year nursing program now offered by the community college; and

... the rest of the liberal arts programs will be integrated within the UAA's programs.

There are no AMU programs which relate to what we are proposing. Justification for these new programs has already been spelled out, but is our concern that the legislature is made aware that in no way will funding AMU programs meet the needs of the Anchorage community as spelled out by the UAA proposed programs.

I will be glad to answer any questions you might have.

Thank you.

Next, I would like to give you a very brief--perhaps "capsule commentary" best describes it--sketch of each program and the money requested for its implementation. Because the area legislators asked that we put them in some kind of priority, we elected to use priority *categories* as a measure of urgency rather than a numerical rating system. Therefore, to respond to both requests at once, I will outline each program by priority category as established by a vote of our membership on January 29, 1975.

*Advisory Committee
condensed*

TOP PRIORITY

- 1 Adult Literacy Lab: to continue to develop resource materials for adult basic education classes throughout Alaska. \$112,000

*U of A
figures.*

VERY HIGH PRIORITY

- 2 Library & Media Services: for additional volumes, and electronic learning materials for public service programs. \$1,125,400
- 9 Pacific Rim Center: for the exchange of information on commerce, transportation, culture, and languages with Hawaii and the nations of the Pacific Rim in Asia and North and South America, with a computer terminal for access by University students and faculty. \$170,618
- 5 Athletics & Physical Education: to operate the seven-sport program approved by the Board of Regents on December 12, 1974. \$100,000 and to staff the health-physical education programs in conjunction with the new P.E. facility funded in the 1974 bond issue: \$51,600
- 4 Public Service Programs: to develop community service projects requested by the community and self-supporting community interest programs not presently available. \$ 51,300
- 3 Paramedics: to enable the transfer of the Greater Anchorage Area Borough training program to the University of Alaska, Anchorage to provide the training urgently needed for people who have the responsibility for stabilizing the condition of individuals requiring emergency treatment. \$ 66,300

HIGH PRIORITY

- 6 Diesel Mechanics Training: to meet the acute and ever-increasing need for diesel mechanics in Alaska. Currently, there is no program open to the general public. \$ 46,500

7 Drafting & Engineering Technicians: to meet increasing industry demands for personnel and upgrading of personnel in these fields. \$ 76,500

8 Printing & Graphic Arts: to enable the Anchorage Community College to offer a program so the graduates of the Anchorage Area high schools can complete their education in this area; to provide training and education to adults in the Anchorage area for an ever-increasing employer demand; and to enable the UAA to produce its own brochures, fliers, forms, letterheads. \$76,600

It should be noted that, while no formal presentation was made on the two items for furnishings and equipment for the biology lab and the labs and facilities in the education; math, science & engineering; psychology; business; and humanities divisions, the Advisory Committee members expressed strong support for these requests.

And, finally, to assist you in evaluating these programs, the information and data gathered by the various Committee members in the preparation of their reports is included in your background folder. You already have, of course, the University's budget submission for fiscal 1976, which describes these programs in finer detail than I have in this statement.

It is the hope of the University of Alaska, Anchorage, Citizens Advisory Committee--indeed the Committee strongly urges--that you approve these new program requests as presented. Surely there can be no wiser nor more prudent use of our dollar resources than to invest them in our most valuable resource--our youth, who are, after all, the future of our state.

Thank you.

LIBRARY & MEDIA SERVICES

BY ED ISENSON

I believe many of you know me as a writer and a film maker. These occupations give me a particular perspective on the University's library because it is one of my principle sources of research materials in Anchorage. So I am a user of libraries and particularly this library.

A library is the heart of a university. It supports and complements most courses of study. In short, an adequate library is vital to the university. It is also important to the community. However, on nearly any quantitative scale you wish to use, the UAA library is found lacking. It will no doubt take years to put the library in the rank it ought to be, but I believe it is responsible to proceed toward that goal as rapidly as possible.

When we compare library services with other state-supported Pacific Northwest universities, UAA comes out at the bottom of the list in nearly every field of comparison:

In staff: The Fairbanks campus ranks tops with one professional

Library staff person for every 183 full-time students.

This library has one professional for every 532 students.

----- A similar situation exists with regard to clerks:

Fairbanks has a ratio of one clerk to 100 students.

Anchorage has one to 311 students.

When we look at volumes we get a more pointed illustration of the demension of the problem. Again, Fairbanks ranks tops among the seven state-supported institutions we surveyed with 152 volumes per full-time student. This library is again at the bottom with 32 volumes per student.

Of course, the Fairbanks library has been built up over some 40 years. Nevertheless, if we are to build a university here worthy of this community, it is essential that we proceed to develop the library as rapidly as possible. We

UNIVERSITY OF ALASKA LIBRARIES AND MEDIA SERVICES
FY 1975 OPERATING BUDGETS
FY DIRECT APPROPRIATIONS
and 1974 BOND MONEY

FAIRBANKS CAMPUS

Total Budgets, Rasmusen
Library, Bio-Med Library,
and Media Services

Total FY 1975 Operating Budgets \$1,195,400

Total Salaries & Wages 675,536

Operating Capital (includes books, periodicals,
media, software, & equipment 328,002

Other Funds Available, 1975

Direct Appropriations, 1975 300,000

Fall 1974 Bond Issue 200,000

Staff

Professional 15

Classified 28

ANCHORAGE CAMPUS

Total Budgets, Consortium Library,
Media Services, and Learning
Resources Center

\$555,783*

341,030*

122,300

-0-

275,000

9**

12***

* Excludes 2.5 positions of University switchboard operators on library payroll, since this is not normally a library operation.

** Excludes an AMU professional who will soon terminate

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Students Served

f.t.e. Fall 1975

2,200

3,726

4/2/75

-139-

CORRECTION

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

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are not doing that now. This fiscal year, the operating capital budget for the Anchorage library was just about half of the operating capital budgets for the Fairbanks campus libraries...and the Anchorage library does not have 40 years of collecting to fall back on. Similarly, the total operating budget this year for Fairbanks is double the Anchorage budget, however the Anchorage library serves 80 percent more students and a significantly larger community.

I'd like to turn to the Media services now. As a producer of audio-visual materials from 16mm films through video tapes, filmstrips and audio tapes, I have a great appreciation and, I hope, understanding of what the Media Services people are seeking to accomplish. Possibly Media Services is unfortunate university jargon, but don't let that confuse the issue. First off, the division is responsible for collecting and circulating audio-visual teaching materials--films and so on. In this area it operates as a library and a very important library at that, in this age of film and television. Here I must say that the UAA audio-visual collection is embarrassingly small. Last year no significant amount of money could be spent to acquire new materials. This is simply not fair to UAA students.

Media services is now seeking to provide the raw materials for external teaching programs. This is sometimes called a university without walls. The aim is to establish degree programs in areas where it would be thoroughly impossible to provide instructors on a regular basis. These courses would be taught on video tape, film, audio tape and with other advanced teaching aids. However, the key to this type of a program...a program ideally suited to Alaska's situation...is production capabilities. This is being requested. The obvious benefits of being able to teach courses in the bush or in our smaller communities seem quite apparent to me. The UAA library serves about 70 percent of the state's population. Its requests are not vast. The potential benefits are.

UNIVERSITY OF ALASKA LIBRARIES AND MEDIA SERVICES
FY 1975 OPERATING BUDGETS
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-139-

SENATE FINANCE COMMITTEE

April 3, 1975

9:05 A.M.

All members with the exception of Senator Poland.

Present

Sen. Ray called the meeting to order.

Sen. Butrovich moved and asked unanimous consent to report SENATE BILL NO. 163 (An Act making a special appropriation to the Department of Health & Social Services, laboratories; and providing for an effective date) from committee with an amendment and individual recommendations. His suggested amendment would be to change the figure \$80,700 on line 10 to \$70,000. The committee discussed funding, and Sen. Butrovich noted the actual physical moving expenses for the laboratory was estimated at \$5,500, with the balance ear-marked for alterations to the new space to conform with laboratory requirements. It was the feeling of the committee that \$70,000 was an adequate amount, and a majority voted to report the amended SB 163 from committee with a "do pass" recommendation.

SB 163

SENATE BILL NO. 311 (An Act relating to Alaska International Airports Revenue Bonds, Series E; and providing for an effective date) was brought before the committee. Sen. Ray noted the state had sold bonds prior to the decision not to build a runway, and funds from the bond sale would be invested to pay the interest due. Sen. Ray moved SB 311 reported from committee with a "do pass" recommendation. No objection, so ordered.

SB 311

Sen. Rader moved and asked unanimous consent to report SENATE BILL NO. 304 (An Act making a special appropriation to the Department of Revenue, computerized corporate income tax data base; and providing for an effective date) from committee with a "do pass" recommendation. No objection, so ordered.

SB 304

Sen. Hohman moved and asked unanimous consent to report SENATE BILL NO. 65 (An Act making a special appropriation to the Department of Labor, employment security division; and providing for an effective date) from committee with a "do pass" recommendation. No objection, so ordered.

SB 65

Sen. Hohman moved and asked unanimous consent to report HOUSE BILL NO. 146 (An Act making a special appropriation to the Department of Natural Resources, Alaska Royalty Oil & Gas Development Advisory Board; and providing for an effective date) from committee with a "do pass" recommendation. No objection, so ordered.

HB 146

4/3/75

Sen. Poland joined the meeting at 9:30 A.M. and signed the committee reports for the above bills.

The committee discussed COMMITTEE SUBSTITUTE SENATE BILL NO. 146 (Weekly rate and amounts payable for workmen's compensation) which had been held for Friday, April 4, calendar due to the need for fiscal information. Sen. Butrovich was getting the fiscal information showing impact on the state if CSSB 146 was passed. CSSB 146

The meeting adjourned at 9:35 A.M.

Adjourn

SENATE FINANCE COMMITTEE
Friday, April 4, 1975
9:25 a.m.

Members of the Committee present were: Senator Rader, Senator Hohman, Senator Butrovich, Senator Ray, Senator Chance, and Senator Poland.

PRESENT

Sen. Butrovich announced that he would be asking Sen. Croft, President of the Senate, to refer SENATE BILL NO. 146 (An Act relating to weekly rate and amounts payable for workmen's compensation) to the Senate Finance Committee. There would be an increase of cost to the State of about \$200,000. He mentioned that a letter would be addressed to Sen. Ray giving an explanation. It will give a 5-year summary of what has happened premium-wise and loss-wise. In premiums there were \$678,000, and in losses, \$585,000. This is a spread of losses and premiums.

SB-146

Sen. Rader asked if the loss spread was a high average when compared with other states. Sen. Butrovich answered yes. Sen. Rader asked if the spread is too much to administer; doesn't the insurance people pay the cost of administration?

Sen. Butrovich said that John George is the insurance man who has given the statistics. There is a premium projection this year of \$980,000. This is based on payroll. The losses will not be known until September.

Sen. Poland brought up for consideration SENATE CONCURRENT RESOLUTION NO. 27 (Requesting a competitive lease sale of tracts in the Beaufort Island region). She noted that there wasn't any fiscal material.

SCR-27

Sen. Butrovich moved that SCR-27 be passed out of Committee with individual recommendations. The motion passed.

Motion

The meeting adjourned at 9:35 a.m.

ADJOURN

SENATE FINANCE COMMITTEE

April 7, 1975

9:10 a.m.

Senators Ray, Poland, Rader, Chance, Hohman, Butrovich were present.

PRESENT

Also present was Kathy Schenker, lobbyist representing the Alaska Native Arts and Crafts Co Op.

Senator Ray called the meeting to order and announced that the committee would consider Senate Bill 266.

SB 266 "An Act transferring those functions of the Department of Revenue relating to motor vehicles to the Department of Public Safety; and providing for an effective date."

SB 266

Senator Ray stated that he can see no financial implications in this bill. Senator Butrovich thought that this function used to be within the Department of Public Safety at one time. Senator Ray said he thought this might have been so a long time ago.

Senator Hohman moved and asked unanimous consent that SB 266 be reported out of the committee with a "do pass" recommendation. There being no objection, it was so ordered.

Responding to Senator Butrovich's question, Senator Ray stated that neither department head has approached him to voice any objection to this bill.

Senator Chance arrived at the meeting.

The next bill to be considered by the committee was Senate Bill 226.

SB 226

SB 226 Supplemental appropriation of \$430,000 to the Department of Public Works, allocated to the Division of Communications for television translator systems and to the Division of Aviation for cost overruns on the Ketchikan Airport.

Senator Rader said he will provide Mr. Fennel with information on this appropriation so it can be considered at a later time, possibly tomorrow.

The next bill to be taken up by the committee was Senate Bill 279.

SB 279 "An Act relating to competitive bids"

SB 279

Senator Ray noted that the State Affairs Committee has submitted a committee substitute to this bill that he doesn't particularly like in that it changes Section 1 to state that "a bid shall be awarded to an Alaska bidder if his bid is not more than ten per cent higher than the lowest non-resident bidder's;" This is a change from the 5% set forth in the original bill.

Senator Poland remarked that Commissioner of Administration Warwick had proposed to change sub-section (2) of Section 1 to provide for sealed bids if the amount exceeded \$2,500 (a change from \$3,000 in the original bill.)

SB 279

Answering Senator Chance's question, Senator Ray explained that the rationale behind the bill is that it costs 5% more to do business in Alaska. The bill was designed to help to guy who lives in Alaska and maintains his business here; however, it is a fallacy because in many cases the person is just an agent here for an outside firm.

Senator Rader was opposed to the bill for the same reason. He did not think the bill accomplishes what it was designed to.

Referring to sub-section (2) of Section 1 of the bill, Senator Ray suggested that the bill might be altered to state something to the effect that in bids not to exceed a certain amount the extra differential be provided, so that it would apply only to small bids.

No action was taken on SB 279 or the committee substitute.

Senator Ray then called attention to Senate Bill 310

SB 310

SB 310 "An Act relating to leaves of absence for auxiliary members of armed forces."

Senator Ray was reluctant to take any action on this bill without knowing what the financial implications would be. Mr. Fennel advised that the Civil Air Patrol wants to testify on this bill, and they could be ready by tomorrow. No action was taken on SB 310.

The next bill proposed for consideration was CS for House Bill No. 10

CSHB 10

"An Act relating to the compensation of election officers."

This bill would raise the pay of election board members from \$3.50 per hour to \$4.50 per hour. Senator Ray noted that this would cost about \$100,000. He referred to bill to Senator Butrovich for review.

Senate Bill 268 was brought forward for consideration by the committee

SB 268

SB 268 "An Act transferring the Alcoholic Beverage Control Board from the Department of Revenue to the Department of Public Safety;"

Senator Ray explained that although the ABC Board is within the Department of Revenue, it was an "in but not of" situation, i.e., the department merely provided an office and clerical support so applicants could pick up forms, etc.; for instance, in places such as Juneau where there is no ABC officer.

Senator Rader was concerned about the ABC Board being located within the Department of Public Safety. He said it would be similar to having the Governor hire our staff. He felt there should be a separation between the enforcement agency and the board. He said people might get the idea that they are not having an impartial hearing before the board if it was located within the Department of Public Safety.

SB 268

Senator Ray also felt that it was not a good idea for the Department of Public Safety to provide the administrative services for the board.

No action was taken on Senate Bill 268.

Next bill called before the committee by the Chairman was House Bill 304

HB 304

HB 304 "An Act relating to borrowing in anticipation of
 revenues;"

This bill adds a provision to AS 43.08.040 stating that no note shall be sold at less than par and accured interest or at an interest rate exceeding five per cent a year. (new material underscored)

Senator Rader thought this bill should be reported out. He remarked that one can't sell bond anticipation notes for 5% today.

Senator Rader moved and asked unanimous consent that HB 304 be reported out of committee with a "do pass" recommendation. There being no objection, it was so ordered.

Senator Ray then called attention to the schedule for NRMEC Sub-committee hearings.

The meeting recessed at 9:45 a.m.

SENATE FINANCE COMMITTEE
Tuesday, April 8, 1975
9:07 a.m.

Members of the Committee present: Sen. Butrovich, Senator Rader, Senator Hohman, Senator Poland, Senator Ray, Senator Sackett, Senator Chance. The following people were also in attendance: Edward H. Keller, Civil Air Patrol, Kathy Schenker, Alaska Native Arts & Crafts Co-op.

PRESENT

Sen. Sackett brought up for discussion SENATE BILL NO. 226 (An Act making a supplemental appropriation to the Dept. of Public Works; and providing for an effective date). He mentioned that the \$2,000 translator was for the airport at Cooper landing. This is in the Seward area.

SB-226

Sen. Rader asked if this was a duplication of the \$30,000 mentioned in SB 236. John Fennel answered that it is part of the \$230,000.

Sen. Chance asked what part of the supplemental the \$30,000 is related to, KAKM? Sen. Ray mentioned that what they need is five ultra high frequency translators. These average about \$600,700, one for \$316,800 and one \$416,700. These are paid for by present communications funding. After further discussion they put the bill aside until further information is received.

Edward H. Keller spoke to the Committee concerning SENATE BILL NO. 310. Major Burney Bennett is the sponsor of this bill. He wished to explain the intent of the amendment introduced by the Governor. The underlined portion of the amendment was referred to. This is to allow the Civil Air Patrol and the Coast Guard under direct military control to receive military leave instead of annual leave. Over half of the Southeast Alaska Civil Air Patrol is comprised of State employees. On extended missions, some of the crew members wanted to use up vacation time. Most employers outside of the State allow employees to take paid time off. The State is faced with annual leave in this area. At the worst the impact is not more than \$5,000 a year on the personnel budget. The Bill limits to 16 hours a year to any one person. Whether or not it was under military control can be easily checked.

SB-310

Sen. Chance was under the impression that there was a law stating that if a person was called to active duty, they would not be penalized on the job. Mr. Keller answered that in a number of cases the employer asks the employee to fill out an annual leave slip. If he was only called

4/8/75

to duty for an hour or so sometimes it is considered only administrative time off; however if the supervisor follows the rule, it is annual leave.

Senator Ray recommended an amendment to Subsection B striking out 5 days and entering entire leave of absence and without loss of pay.

It was asked if they are on active duty, why not say that time off is time of active duty. Sen. Ray answered that there are three types of duty: you have training duty, direct military control, and active duty.

After further discussion Sen. Ray asked the opinion of the Committee. Sen. Chance said all right. Sen. Hohman said no. Sen. Sackett didn't think the Bill read right. Sen. Butrovich couldn't carry it. Sen. Poland was with John Sackett. Sen. Ray assigned the bill to Sen. Butrovich to look into.

Sen. Ray assigned SB-279 to Sen. Sackett.

The meeting adjourned at 9:45 a.m.

BILL
ASSIGN-
MENTS
SB-310
SB-279

ADJOURN

SENATE FINANCE COMMITTEE
Wednesday, April 9, 1975
9:05 a.m.

Present: All members

PRESENT

Also present: Murray Anderson, Executive Director for The Association for Retarded Citizens of Anchorage, Inc.; Bob Graham, Specialist for Exceptional Children, Bethel; Bob Swain, Governmental Affairs Chairman, Alaska State Association for Retarded Citizens; and Annie Mary Whalen, Ketchikan Association for Retarded Citizens.

Chairman Ray called the meeting to order. Two bills were under consideration:

- | | | |
|--------|--|--------|
| SB 188 | amending AS 47.20.010 relating to mentally retarded persons by changing the act to allow for assistance to exceptional <u>persons</u> rather than limiting it to children. | SB 188 |
| SB 285 | supplemental appropriation of \$40,500 to Dept. of Health & Social Services for operating expenses for the sheltered and work activities center of the Alaska Retarded Citizens Assoc. | SB 285 |

First to testify before the committee was Murray Anderson, Executive Director for The Association for Retarded Citizens of Anchorage, Inc., who read a prepared statement urging funding (\$40,500) for their Sheltered Workshop Extended Sheltered Employment program and the Work Activities Center. (See bill file for a copy of this statement).

(Senator Poland arrived at the meeting at 9:10 a.m.)

Mr. Anderson's written statement explained that the Title 4A funding that had been used in the past under a contract with the Department of Health & Social Services had ceased as of July 1, 1974, and since that time they had entered into a "block fund contract" with the Office of Vocational Rehabilitation which served 30 individuals in the workshop program. The remainder of the handicapped individuals (approx. 13) were without funding. In the Work Activities Center, 10 clients with limited potential were served by a grant through the Anchorage Borough Health Department; however, 13-14 of these people were without funding.

The statement continued to state that the Department of Health & Social Services was approached to find other sources of funding for the program. The rehabilitation cost per client as determined by the Office of Vocational Rehabilitation for those in the sheltered workshop is \$377.00 or a total of \$58,000 for 13. The rehabilitation cost for the Work Activities Center, using guidelines of the Department of Health & Social Services' auditor, will be \$250/client or \$40,500 per year.

Mr. Swanson's statement stated that by the end of April they will be unable to meet the payroll for the clients and staff.

Chairman Ray commented that the committee should take into consideration the fiscal note that indicates that the additional increase in funding attendant to SB 285 would amount to approximately a \$250,000 increase.

A short discussion followed concerning the philosophy of the sheltered workshop program, i.e., to keep handicapped people working rather than in institutions.

Senator Ray asked Budget Analyst Milt Barker whether it was not true that there are matching federal funds for this type program but the Department of Health & Social Services is using that money for different programs, such as child care, etc., and it is a question of priorities within the department. Mr. Barker replied that in FY '74 they were using Title IV and XVI funds to provide a contract to ARCA for these services and now because of a ceiling on the funds the department is allocating the funds for other programs.

Bob Swain, Governmental Affairs Chairman, Alaska State Association for Retarded Citizens, testified on behalf of funding for sheltered workshops. Mr. Swain was strongly in favor of giving people work in sheltered workshops as opposed to institutionalizing them. He testified that it costs \$1600 per month per person to keep someone in API, as compared to \$377 per month per person for the workshop program and \$250 per month for the activity center. Mr. Swain voiced some criticism of administrators in Health and Social Services, feeling that they don't listen to the "consumers", i.e. people who are using the programs. He felt that there are many people who are in institutions who needn't be, and added that any weekend activities are limited because institutions must pay time-and-a-half to employees such as bus drivers and other institution personnel who are union employees.

Mr. Swain also told the committee that at the Harborview facility in Valdez nurses are being pulled away from the mentally retarded to serve regular patients in the Valdez Hospital, all free of charge to the City of Valdez.

Referring to Mr. Swain's comparison of costs for API care and sheltered workshop costs, Senator Ray remarked that it should be borne in mind that the API cost is for total care for 24 hours and that if you took the workshop program cost and tripled it to equate the number of hours spent in each respective place, the cost would be about the same.

Mr. Swain mentioned that care at Hope Cottage is \$800 per month, and that includes the cost of a sheltered workshop, and that foster home care is less than that.

In answer to Senator Hohman's question as to what the State pays for the sheltered workshop for the ten people there, Mr. Swain replied that the lady who runs the halfway house in Anchorage receives \$250 per month for each person attending.

Senator Rader asked what the source of this funding is, and Mr. Swain replied that it is supplemental security income--the federal government pays \$160 and the State pays the rest. This is known as aid to the disabled.

Senator Ray said he wanted it understood that the \$40,500 supplemental appropriation representing the shortfall is not really anybody's fault--it was probably a misunderstanding between ARCA and the Department of Vocational Rehabilitation and Family and Children Services--it was an actual bookkeeping mistake, and he didn't think there would be any problem about the appropriation for that. However, he is concerned about enlarging the program, since there are fiscal implications to that.

Bob Graham, Specialist for Exceptional Children, Bethel, testified in behalf of both SB 188 and 285. He cited many of the problems that the mentally retarded and disabled were having in Bethel because of lack of a sheltered workshop. He said there is no after school program, no place to work, too much leisure time, lack of employment and teachers to give special help to disabled students.

Since it was close to 10:00, Chairman Ray recessed the meeting and stated that the people present could conclude their testimony after the Senate session this morning.

RECESS

AFTER RECESS

The meeting reconvened at 11:00

Present: Senators Chance, Butrovich, Hohman, Sackett and Poland

Senator Chance called the meeting to order and asked if there was anyone who wished to testify.

Annie Mary Whalen, Ketchikan, said she was speaking as a concerned citizen in support of both senate bills. She told the committee about a mentally retarded person who had run away from API and hadn't been seen since, something she felt never would have happened if he was receiving correct supervision. Ms. Whalen told about some of the activities in Ketchikan for mentally retarded persons, such as the contract they have with the Ketchikan Pulp mill to manufacture "cants". However, the school is overcrowded, for instance, there are 18 students of all ages in one room, and the law says there should be only seven students. Ms. Whalen favored workshop programs instead of institutionalization, saying that there are many people in institutions who need not be there if there were workshop programs.

Mr. Swain at this point asked that legislative intent be expressed so that the administration will channel the money where they feel it is needed so it can benefit the developmentally disabled in the State.

As a suggestion, Senator Chance wondered if it might be possible to ascertain some definition of "mental age" rather than changing the word "children" to "persons" in SB 188. Mr. Swain listed a number of reasons why this would not be feasible, his basic argument being that they don't really have the tools to determine what "mental age" is. One of the remarks he made was that about 70% in API and Valdez are Native and they are not there because they are retarded but because they are the victims of culturally-biased I.Q. tests and language barriers.

Senator Chance asked Mr. Anderson to explain how the contracts with the workshops worked. Do the firms pay the money directly to the workshops? Is the money used for wages?

Mr. Anderson replied that the money pays the wages of the client, all production costs. The cost that is chargeable to rehabilitation is that cost that is in excess of what normal production would be. Mr. Anderson emphasized that they must keep a strict accounting of rehabilitation and construction costs since this

is a requirement of the Department of Labor. In other words, they cannot underbid or use unfair prices to get the contracts they do, but must show what it costs to rehabilitate a person. He noted that after a person has been in the program for a while, the rehabilitation costs go down and the return goes up.

In answer to Senator Chance's question, Mr. Anderson stated that SSI funds take care of the living expenses and the sheltered workshop program provides for the salaries paid. He said each person is graded as to his production capacity, and the average productivity in the activity center is 25%, and 61% of normal in the workshop.

Senator Chance questioned Mr. Anderson as to the total budget needs for the workshop programs. He anticipated \$45,000 for the Anchorage area, \$24,000 for Fairbanks, \$15-20,000 for Bethel, \$27,000 for Ketchikan and \$20,000 for Juneau.

Mr. Anderson emphasized the fact that in Anchorage they are an established workshop and are just looking for continuation of their program; however, the needs of the rural areas are tremendous, as they don't have anything.

Senator Chance then referred to the fiscal note for SB 285 and read the analysis which indicated that the expanded program would require additional staff. She asked if all this additional expense was really needed. Mr. Swain's reply to this was that this year "they" decided they needed administrative regulations. Before it was handled by parent groups applying by a letter; now the administration wants administrative regulations, which in his opinion would create a lot of administrative red tape.

Senator Chance wondered if it would be better not to amend SB 188 to change "children" to "persons", but rather to set up a separate contract fund for sheltered workshops and leave it at that. Senator Butrovich thought it would be better handled by adopting the legislation to include adults and then include a letter of intent outlining the priorities of the committee.

Senator Poland remarked that she has visited the Harborview facility and she feels that there a lot of children there who needn't be if they had a workshop. In addition, there are many parents who could cope with their disabled children if there was a workshop facility, as this would give them some relief.

After a couple of remarks as to whether Johnson-O'Malley funds could be used for sheltered workshops, Senator Chance adjourned the meeting at 11:45 a.m. . ADJOURNMENT

SENATE FINANCE COMMITTEE

March 3, 1975

9:05 a.m.

All members except Senator Rader.

PRESENT

In addition, Frederick P. McGinnis, Commissioner of the Department of Health and Social Services, and the following members of his staff were present: Charles M. McLean, Assistant Director, Division of Mental Health; Jerry L. Schraeder, M.D., Director, Division of Mental Health; Carl Jack, Director, Health Affairs Division, Alaska Federation of Natives, Inc.; Dr. D.K. Freedman, Director, Alaska Division of Public Health; Kathy Lloyd, Deputy Director, Administrative Services; Larry Sullivan, Director, Division of Medical Assistance; M. R. Charney, Financial Management Officer; Frances Fleek, Administrative Officer, Division of Public Health; Frank Pauls, Chief, Section of Labs, Division of Public Health; Sid Heidersdorf, Assistant Chief, Environmental Health, Division of Public Health. Mr. Kent Dawson, Director of Budget and Management, was also present.

Chairman Ray called the meeting to order, and stated that the Health Category of the Budget was up for discussion. He noted that Senator Sackett was Chairman of this Subcommittee. Chairman Ray then asked Commissioner McGinnis to begin his presentation.

HEALTH

DEPT. OF
HEALTH &
SOCIAL
SERVICES

Commissioner McGinnis read a brief overview of the Health Budget which he felt gave a general background for the individual budget request units. The total budget changes \$12.7 million over the current fiscal year, \$8 million of which is State General Fund. He cited the following three reasons for the increase: 1) salary increases; 2) increases in the Division of Medical Assistance in the Medicaid budget and General Relief Medical budget; and 3) increases in the Mental Health Program. These three increases account for well over 95% of the budgetary increases. Remaining increases are essentially maintenance requirements to administer the program throughout the State.

The Commissioner then introduced Dr. Schraeder, Director of the Division of Mental Health.

Dr. Schraeder, beginning with the Alaska Psychiatric Institution, explained that API is in a transitional period and there have been ongoing changes attempting to develop more of a community based program which would utilize API for those kinds of services which the community can't provide. It is a difficult transitional period because API is changing in some respects while carrying on the same services in other respects. In effect, they have begun to develop more specialized services. For example, they have relocated and changed some of the wards around, like the adolescent ward. This is really a category of patient requiring specialized care. In the last two or three years, a variety of approaches to standards have been developed. They are attempt-

Alaska
Psychia-
tric In-
stitute

ing to set programs up which are acceptable to the Director of Education. They just underwent an accreditation review of the mental retardation unit of API last week, and they don't yet know the results. This will have a lot of ramifications for the program because in order to receive Title XIX reimbursement, they have to be accredited.

Dr. Schraeder went on to say that if they were providing an accredited program, then depending on the number of patients eligible, they could claim this reimbursement. In addition, they have taken an area of the facilities which was formerly used for classrooms and developed a new design which will soon be going to bid for remodeling. This particular area will be a psychiatric security unit. We are now sending 11 patients to California for this type of care because there is nowhere to keep them in Alaska. They are in the process of sending another person there, so we will soon have 12 patients in the California Institution. Dr. Schraeder said that the unit they will be building will house 18.

Dr. Schraeder pointed out that in addition to those people found "Not Guilty by Reason of Insanity" there is another segment needing to be housed in such a unit, and those are the people who the courts are requesting evaluation and diagnosis for.

Senator Ray asked how much it cost per person to send such a patient to the California institute, and Dr. Schraeder told him it was \$900 a month. Senator Ray stated that by dividing 18 into the total requested for this unit, it would actually be costing \$18,855 per person per year in Alaska. Dr. Schraeder said that part of that money would be for the program. He explained that during the course of the year, he thought the staff would probably provide services to many more than the patients they were talking about.

Dr. Schraeder mentioned that while some of those people would be long-term patients, that "the name of the game" is that there is large turn-over.

Senator Ray asked where these people who needed evaluation and diagnosis were kept now, and was told that at present some go to API, but that it really wasn't secure enough, and they have several instances where these people got away. Most of these people are kept in jail. The judges and correctional people agree to that with general reluctance.

Dr. Schraeder said that part of the basis for the need is that they can not assume they can keep sending patients to California indefinitely. They don't have a contract with them. He explained that approximately two years ago California agreed to keep a small number of patients while Alaska developed its own facility. Thus, it is only an interim arrangement.

Dr. Schraeder added that at the same time they had made inquiries in California, they had contacted every other State except Hawaii to see if they could take care of one of our patients. California was the only one willing to do this. Commissioner McGinnis said that he hoped to be able to keep this arrangement in California even after we had our own psychiatric security unit, but only for our really dangerous people.

Senator Chance asked approximately how many people would be held in this new unit over a 12 month period. Dr. Schraeder thought that half of the beds would turn over at least every month or so. This meant they would be talking about 50 to 80 patients at least.

Commissioner McGinnis stressed that he thought the defense of "Not Guilty by Reason of Insanity" was used too often, and he suggested an amendment to the law which would demand a panel of psychologists, five to seven individuals who would judge and individual in a pre-sentence type of report. This would eliminate pitting one psychiatrist against another before a judge.

Dr. Schraeder said that most of the patients admitted to this new unit would be found to be responsible for their behavior and would be returned to the court for correctional disposition. He said that one out of every 6 or 10 persons would be found by the courts to be Guilty by Reason of Insanity.

Senator Sackett asked whether any of this security division was operating at present, and was told no, but that they hope it will be sometime this summer.

Senator Sackett questioned the overrun in the initial appropriation bond issue. Dr. Schraeder explained they had asked for more money because they had wanted to remodel and have a 30 bed unit, but there wasn't sufficient money to do so. The projection for 30 beds would have provided adequate security for five years. With 18 beds, they expect to be in a position to fill the need for three years.

Dr. Schraeder went on to speak about a significant item in the Budget request that came in late. This is \$25,000 for residents. He said they had the opportunity to attract residents for a period of 6 months from other programs throughout the United States. Because in Alaska we care for a large number of native patients, there is a cross cultural learning experience available here that is hard to find in other areas. Dr. Schraeder said they have had correspondence with a number of residencies and if we were able to pay for travel etc., we could get these people to come here for 6 months. This is one way to increase manpower at a reasonable cost. After being here for a while, many will be tempted to come back to Alaska.

Senator Sackett asked whether there was any Federal match, and Dr. Schraeder said no.

Senator Poland asked whether any of these residents were through the WAMI program. Dr. Schraeder said that these would not be, although he said they did have some residents and medical students through WAMI, but these were essentially for brief periods of time, and they don't get much in terms of tradeoff. He reminded the Committee that many programs throughout the country will allow residents to have three to six month contracts.

Senator Sackett asked whether this request for \$25,000 was included in the budget. Dr. Schraeder said this was in addition to the Governor's allowance. Kathy Lloyd said that it was in the original departmental request on page 626 of the budget document.

The Commissioner believed the Residency Program to be worthwhile, but didn't believe they could come before the Committee and ask that the total budget the Governor allowed be exceeded. Their official position has to be to make adjustments within the original department request.

Dr. Schraeder next spoke regarding the Harborview Memorial Hospital located in Valdez. This is actually a combined facility with 144 beds for the mentally retarded and a separate wing with an independent general hospital of 15 beds. Dr. Schraeder said they have been negotiating with the City of Valdez to enable the City to resume responsibility for operation of their general hospital program. They have now reached the stage where they have agreed upon the housekeeping matters and they are in the process of writing a contract. Last September the City received \$400,000 to subsidize their unit for the first calendar year, so they do have start-up money. The State expects them to be operational sometime in April. Certain positions have been requested in the budget to enable the Harborview facility to respond to increased demands on laundry and cooking facilities because the State will continue to operate those two portions of the operation.

Harbor-
view
Memorial
Hospital

Senator Ray asked whether staff ate in the cafeteria. Dr. Schraeder said they paid for their meals. This is reflected in the General Fund revenues. Page 706 of the budget shows \$15,000 for food receipts.

Dr. Schraeder went on to say that the basis for requesting additional help in laundry and cooking areas is to meet increased services necessary for trade-off with the general hospital.

Senator Chance asked the turnover rate in personnel. Dr. Schraeder said they have lost a lot of people because of the pipeline. Generally the staff there is pretty stable, much more so than API. However there is a severe housing problem this year, and it is hard to recruit because there is no place for the recruits to live.

Senator Chance asked whether they had made an accreditation review at Harborview at the same time they conducted one at API, and was told no. Dr. Schraeder added that it hasn't happened officially, but they are very close to being certified for Title XIX, they are working at getting "up to snuff" so they can request certification. They are working on the physical plan. By FY 77, they have to have certain staff--there have been deficiencies in the quality of the program. In order to bring their patient care and evaluation up to the proper level, they borrowed some of their Public Health positions to work with the staff in Valdez.

The meeting recessed at 9:55 a.m.

RECESS

AFTER RECESS
11:05 a.m.

All members of the Committee were present except Senators Butrovich PRESENT and Rader.

Department of Health and Social Services staff were still present. Kent Dawson, Division of Budget and Management, was also present.

Chairman Ray called the meeting back to order and said they would continue with discussion of the Health budget category.

HEALTH

Senator Sackett noticed they had requested an increase in personnel for the Harborview Hospital. He asked why those people were needed. Dr. Schraeder replied they would be necessary in order to get Title XIX funds, and that both were additional nursing care staff. By FY 77, with the 144 bed facility, they have to have those two additional people in order to meet Title XIX standards. The Governor cut them out because the Department recommended they could be delayed for a year. Dr. Schraeder added that when they consider the present difficulty of bringing people into Valdez and housing them, there was a strong possibility that even if given those positions at this time, they might not be able to fill them.

Harbor-
view
Hospi-
tal

Dr. Schraeder justified the four positions that were allowed by saying the Physical Therapist was needed to improve the physical program for the retarded people. The two laundry workers and the cook were needed because of the increased services for the general hospital unit. They anticipate paying for these out of receipts, so there is a counter-item for this expense.

Senator Poland was interested in the arrangement between the City and the State in this combined facility. Dr. Schraeder explained that presumably those 15 beds in the general hospital unit were the City's property. However, there is a question of title to the building, land, etc. In the beginning, there were two separate facilities, but after the earthquake, the Federal government said they should build one facility to house both functions. They are still working on the contract, and the agreement is complicated.

Mr. McLean, Assistant Director of Mental Health, said that the contract would call for payment for food and laundry services, etc. Heat, light, and power will be charged out on a square footage usage.

The Commissioner added that if the State needed services from them, they would pay them the appropriate rate. Services back and forth would be paid for.

Dr. Schraeder said that all medical care needs for the retarded would not be met by the general hospital unit. Only serious cases will be transferred to the general unit for care, and many of those will be eligible for Title XIX monies.

Senator Poland wondered whether the city of Valdez would get shared revenue for those 15 hospital beds, and Senator Ray said no.

Dr. Schraeder thought he should mention that at the present time the FY 76 budget reflects Title XIX reimbursement for a major portion of funding of the facility. As of this date, this has not been finalized, and although he is sure it will be, it leaves them in a situation where, if it were to fall through, this particular item would be short funded.

Senator Sackett asked if there was any reason why it should fall through this year, and the Director said no.

Senator Sackett asked that they proceed to Contract Institutions. Dr. Schraeder said that institutional and residential care was purchased for a large group of mentally retarded persons through a variety of divisions in the Dept. of Health and Social Services. There has been an effort to pull the management of these programs together under the Division of Mental Health. That is why there is an increase here. The Division agreed to accept these programs starting last September. He mentioned that they had just been informed that Hope Cottage had to be notified that the Division of Mental Health is responsible for their programs at the present time. They have also just learned that the Division of Family and Childrens' Services has continued to place clients in Hope Cottage. The seven new clients will cost approximately \$65,000 based on next year's projected expenditure. This means they will be short funded \$65,000 for care of those individuals in FY 76.

Contract
Institutions

Dr. Schraeder said they would be conducting a statewide program review on the 12th of March. Part of the difficulty they have encountered is that even though they have the responsibility for the programs, they have not traditionally been responsible for placement of clients. This is an administrative problem which they plan to correct this month.

Senator Ray asked about "Hope Cottage D". Dr. Schraeder said that in the past Hope Cottage has just been a 24 hour a day institutional type of care. This "D" is an approach to developing small group homes. This allows for more ambulatory mentally retarded clients to have as normal a life as possible. He felt that if they didn't develop this type of program in institutions, then they would have this type of person wandering around the streets in danger of being institutionalized, which is more expensive.

Senator Sackett asked when the rates for the cottages would be increased again, and the Commissioner said that each July 1, the rates are reviewed. They are on a full cost of care formula.

Dr. Schraeder said that the Division of Mental Health is trying to develop a more comprehensive statutory basis for mental health and mentally retarded people. Right now there are a number of different programs which are in competition for the same monies.

Senator Sackett asked that they go on to discuss the Psychiatric Security Unit. Psychiatric Security Unit

Dr. Schraeder stated that the Psychiatric Security Unit would be under the direct authority of the Superintendent at API. The facility will be located in a remodeled wing of the Alaska Psychiatric Institute.

Senator Sackett noted that their budget request showed funding starting in October. He wanted to know how much more expensive it would be over a 12 month period, and Dr. Schraeder told him it would cost 25% more.

Senator Ray found they were asking \$6,000 for professional fees and services under contractual services. He asked whether that couldn't be done by regular physicians and regular procedures used at API. Dr. Schraeder referred to page 760 of the Budget Document. He said they have specialized services for all of these people, and they have two physicians on a part time basis to take care of the medical needs of the patients. Thus, when one of their patients has a medical problem that requires the expert care of a specialist, they need a certain amount for that in the budget.

Senator Sackett moved on to State Operated Mental Health Centers.

Community
Mental
Health
Center

Dr. Schraeder said that for a number of years the Division of Mental Health has attempted to provide direct services in the community, but the program has not been very effective. Itinerant services were not effective and they lacked sufficient administration. During the past year, following legislative intent which stated that the Division of Mental Health move from the State Operated Mental Health program to Community Mental Health Centers, they have taken preliminary steps along those lines. The City of Anchorage has spent several months on initial negotiations and finally decided to develop a Community Mental Health Center Advisory Board; they are projecting they will assume responsibility for that Program on July 1.

Dr. Schraeder said they planned to retain certain regional personnel for administrative purposes, so they were not planning to turn over all of the \$607.5 or all of the people.

Dr. Schraeder continued, saying that some of these areas could apply for Federal Community Health Centers, but that experience shows that unless they have technical support to get the job done, they don't apply. For this reason, they plan to retain one of these staff members in each region. They can't just delegate administrative responsibility to the programs themselves.

Senator Sackett asked how fast they were moving towards these regional centers, and the Commissioner said they would be moving as fast as they can transfer them to the Community based programs with contract money and some support from the State.

Senator Sackett asked how much of the money would be contracted to Anchorage, and Dr. Schraeder said about 75% of it.

The meeting recessed at 11:50 a.m.

RECESS

AFTER RECESS

1:35 p.m.

Subcommittee Chairman Sackett called the meeting back to order. He said they would continue discussion of the Health Budget Category, specifically, Community Mental Health Centers.

Dr. Schraeder said that in order to turn over these programs to the community, it is necessary for the community to be ready to accept the responsibility of the program. He said they were looking towards passage of a Community Mental Health Service enabling Act. Senator Chance had introduced such a measure in the Senate this session. Dr. Schraeder said that the administration supports the Bill.

Senator Sackett felt that it was necessary to have some assurance that the local entities are willing to contract for these mental health centers. Dr. Schraeder said there was no real expression of interest from Fairbanks, but there has been an indication of interest in Juneau.

Dr. Schraeder said that if the Community Mental Health Bill passed, the communities would be able to apply for funding through that. Then, their request would appear (in the future) through Community Mental Health Centers BRU. He added that it wasn't as if they were taking something away from these local communities because they haven't anything now.

The Commissioner pointed out that the Eagle River Borough was one area where they might have a problem because they have been getting services from Anchorage.

Senator Sackett asked that they go on to discuss Administration and Support. Adminis-
tration &
Support

Dr. Schraeder explained that this BRU has existed for the benefit of Kodiak and Ketchikan because both of these communities have developed federally funded community health services. Normally there has been a decrease in federal funding. However, this year, it has increased to allow development of community operated mental health centers in other areas of the State.

In effect, Dr. Schraeder said, he felt this is the BRU which will carry on while the others disappear.

Senator Sackett asked about the federal decrease, and Dr. Schraeder said it was 15% this last time. He explained that the decrease has occurred every year or two in small increments for six years, and each time the State has picked up the difference. The State has picked up 75% of the non-federally funded portion, and this is the reason they have suggested a match of 25-75% in the proposed Act.

Senator Sackett asked how much of the increases were General Fund. Dr. Schraeder thought the increases in this section were entirely General Fund. Funding represents the match necessary to complete the Community Health Centers Grant. Technically they end up with a program that is 50% State funded, but that takes into consideration the present arrangement.

Senator Sackett went on to Mental Health Administration.

Mental
Health
Adminis-
tration

Dr. Schraeder said that presently this is the part of the system that operates the rest of the programs and gets the fiscal and program information necessary to do that. They also provide technical assistance and program monitoring services to the rest of the operation. They requested a number of new positions. They need a Coordinator for Children's Mental Health Services. Part of the basis for requesting that position is that half of the people in the State are children, and Mental Health Services for children have not been developed. This will enable them to get into the picture in that way.

He said that a number of other people are also necessary. They are now in the process of determining their ability to collect information and use it. Last year they converted a position in their office to a Research Analyst. That person is working to develop their information capability.

Dr. Schraeder said that they have never had comprehensive planning for the clients they serve. As a result of not having thorough evaluation and diagnosis procedures there are probably more people institutionalized and away from their homes than is really necessary.

Dr. Schraeder referred to page 817 of the Red Budget Book which shows their computation of a reorganization of the Division of Mental Health with the various functions of the positions.

Dr. Schraeder said there is 88% turnover in the Mental Health Aid category. This concept of staffing is out of date, and they need to develop a new approach. With an 88% turnover, they are constantly having to train new people. Because of this problem, they are asking for a Special Projects Aid Officer. He said that page 837 of the Budget book lists the positions they requested in order of priority. This was their 7th priority.

Senator Sackett had heard talk about combining Mental Health with Drug Abuse and Alcoholism. The Commissioner said there was an individual doing a study now, and there was a meeting going on in Anchorage of 120 individuals from different organizations giving their input on this matter. What will be determined remains to be seen. His guess is that Centers for Addiction will be created. Then, the relationship to their Mental Health Clinics will have to be clarified. The Department has an open mind until the Study is completed. The Commissioner believed things could be done better than they have been in the past.

At this time the Committee went into discussion of the Division of Public Health. Dr. Freedman, Director of the Division, was present to testify.

Division of
Public
Health

Dr. Freedman said there were several areas within Environmental Health that they were concerned with. Because of the formulation of the new Eagle River/Chugiak Borough, there will be a problem on June 1. As of that date the Greater Anchorage Area Borough Health Department will no longer provide health services in that area. That new Borough is entitled to look to the State for general public health services. The problem is that the Division of Public Health has not budgeted for additional staff for that area. Until now, the State has been paying Anchorage \$70,000 a year to provide services, and so there is a real dilemma. Another problem that is conceivable has to do with the decision the State has made to decentralize public health services to the fullest extent possible in a gradual way.

Environmental Health

Dr. Freedman went on to say that Anchorage is the only Borough that has undertaken to develop its own independent Health Department. They did that initially with a considerable grant from the State. This means that other boroughs could well be turning to the State, as have Regional Health Corporations and other groups asking for State funds to carry out local or regional level health functions. There is no clear cut statute or formula on which to base allotment of funds. He said that a study of the technicalities of Revenue Sharing is badly needed.

Dr. Freedman also pointed out a few major things which effect people and cost of care. This has to do with the fact that there have been many new developments recently that enable them to prevent many diseases through simple immunization. They also hold the possibility of discovering a number of other diseases earlier on and preventing some completely at a great savings to the public as well as the individual.

Senator Hohman asked about a Streptococcus Surveillance Program. Dr. Freedman said they had been unable to put this into the budget when planning it because of the Governor's limit. It was a large sum which couldn't have been added without cutting other programs. In fact, he said there was a meeting that night in Anchorage with AFN and the Corporations to talk about that particular budget and they plan hopefully to get it into next year's budget. He thought the request would be for a quarter million dollars.

Mr. Frank Pauls said that the cost for FY 76 would be \$230,000, and by FY 79 that would be up to \$350,000.

Senator Hohman asked if there was any way of projecting the expense of not implementing this sort of program, and Mr. Freedman said yes, although they have not determined it that way as of yet.

Dr. Freedman felt that given a couple of days they could come up with such an estimate.

Senator Hohman asked whether streptococcus diseases were greater in the bush than in the urban centers, and Mr. Pauls said yes. One reason is that in the rural areas these diseases go untreated, and there is rapid spread.

The meeting adjourned at 2:30 p.m.

ADJOURN

SENATE FINANCE COMMITTEE
Tuesday, March 4, 1975
8:10 a.m.

The following members of the Finance Committee were present:

PRESENT

Senator Sackett	Senator Butrovich (arrived
Senator Hohman	at 8:30 a.m.)
Senator Chance	Senator Ray (arrived approx.
Senator Poland	at 9:00 a.m.)

Other people in attendance were as follows:

Francis Fleek, Administrative Officer, Div. of Public Health
Donald K. Freedman, Director, Division of Public Health
Cathy Lloyd, Deputy Director, Administrative Services
M. R. Charney, Financial Mgmt. Officer, Department of Health and Social Services
Ronald Lind, Deputy Director Budget & Management, Department of Administration
Sid Heidsdorf, Ass't. Chief, Environmental Health, Division of Public Health
Jerry L. Madden, State Comp. Health Planning
Deborah Staach, Research Analyst, Medical Assistance
Milt Noren, Administrative Officer, Medical Assistance
Larry Sullivan, Director, Medical Assistance
Lois M. Jund, Deputy Director, Division of Public Health
Frank P. Pauls, Chief, Section of Labs., Division of Public Health
David A. Spence, Chief of Section of Family Health

Dr. Freedman, Director, Division of Public Health was introduced to the Committee to make comments on the budget.

HEALTH
Div. of
Pub. Health

He continued with comments made the day before on Federal cuts from Block 314D funds. His Division was advised only a few months ago that these cuts would become effective during the last quarter of their budget. The cuts would amount to an equivalent of \$60,000 or more for the State of Alaska for the balance of the fiscal year. Next year the entire amount will be eliminated. This was done by a rescission order of the U. S. President. Since that time, there has been pressure applied on the Congress to vote against the rescission. This would go to the President and the President could reorder a rescission. For this reason, we do not know if we can get Federal funds during the last quarter. Next year the total amount needed from July 1 is \$337,000; this will be reduced to a minimum. In terms of positions, this means 14 existing

Environment-
al Health

positions. There would be a reduction in the environmental program and the school program. In Public Health in Juneau and Fairbanks, there would be a 10% reduction in T.B. and the Child Study Section would be removed.

At this point he introduced Ms. Crawford, Chief of Nursing, to brief the Committee on the Section of Nursing. A copy of her comments are attached to the minutes for the record.

Div. of
Nursing

She explained further that the major changes in the rural coverage 17.7 funding was to allow for increased coverage as far as travel to villages, etc. were concerned. There were some changes in the transferring of 5 positions. These transfers were developed to promote better utilization of staff. They have problems in stabilizing the village health program. They hope these changes will help in upgrading the training of aides. They transferred the Tok position to Nome. This was done because the villages were being transferred to the Nome Nurse. They couldn't maintain this in Tok because of the housing problems. There is a local person there but the position is being handled out of Fairbanks.

In answer to a question on the requested new position for Administrative Clerk, she stated this position is to handle some of the administrative work in Bethel. They do not have the support that other regions have. They spend a great deal of time doing administrative work.

Senator Hohman asked how many new positions were requested. The reply was only one position, Administrative Clerk I.

Senator Sackett asked why there wasn't a request for more in rural Alaska in terms of public nurses. For example on page 3 there was a request for only one support nurse versus page 5 for more nurses.

Ms. Crawford referred to Prince of Wales. They are to provide services to both the logging areas and the rural areas. Though many of the positions fit in General Budget, they would probably be serving rural areas. The requested increases would also be serving rural areas. She stated that the component of nursing is confusing.

Senator Sackett asked would the Governor allow or disallow positions 5 through 8. The answer was that 5 through 8 would be allowed.

Senator Sackett noted that they disallowed all nurses, but allowed public health aides. He asked if that was part of the Divisions priority. Ms. Crawford responded that they were high on the priority because there is Federal funding involved.

Senator Sackett noted that all but Family Planning aides would be federally funded. He asked if they would be continued on Federal funding for at least a couple of years. The response was yes.

Senator Sackett asked in personnel, in terms of nurses in other places they would disallow, how critical is the need for nurses? Is this expanded program new position?

Ms. Crawford stated they had one nurse in Homer. Two nurses covering Prince of Wales. One covers logging camps, the other nurse takes care of Metlakatla, Craig, and Klawock. This is really too much area to cover by two nurses.

Senator Hohman questioned in the priority ratings for nurses, are these just for general service area nursing. Ms. Crawford responded that they would not be within the service area priority but would be established within all components. The Committee was asked to refer to page 9 of Subform No. 2

Senator Hohman asked how many new positions were requested. The answer was there were eleven new positions requested in the Department's request.

Home Health Service

Home
Health
Service

These are programs operating in Fairbanks and Juneau. After several years experience with providing home care services, the case-load supports the Section of Nursing's obtaining certification as a Home Health Agency in order to collect funds from Medicare and Medicaid. They are working with other Departments in Juneau on this. Their staffing is limited. They have one nurse part time; they have assigned one other nurse, and their staff also participated.

Senator Sackett question why \$13,400 was disallowed. It was explained that there was some confusion. There is another program in Juneau other than this home care program. This program would provide homemaker and home health aid. This is Mrs. Culls program. The other program is more of a professional service. It provides aid in such areas as physical therapy. Senator Sackett asked on which page the request was detailed. The information is given on page 30 in Form 6, the top paragraph.

It was further stated that the object of the program was to allow patients to leave the hospital sooner or eliminate the need for hospitalization. The care could be provided in the home.

Nursing Administration

Nursing
Administra-
tion

Senator Sackett stated that the Clerk Typist II was disallowed and the last three positions were allowed. He asked why the last three were allowed over the first one.

The reply was that the last two positions were just overtime, actually there was only one position allowed and that is the Administrative Assistant.

Senator Sackett asked if this was their priority. The answer was yes.

Senator Sackett stated that on the disallowance of the 24th position, there was no request made from the Division of Mental Health. Presumably they would have to make do with their present staff, correct? The answer was yes. He asked further why there was a request for Administrative Supervisor.

The reply to the last question was that a lot of time was spent in dealing with patients under emotional stress. The field staff needs assistance. They need training and support. They would like to see a position that would be supportive to the nursing staff.

Early Screening

Early
Screening

The increase is for additional contractual money. The request is in terms with their GAAB contract. This is a reimbursable agreement with the Division of Medical Services to carry out this program. The 20.1 is for the GAAB program. We contract with GAAB to carry out the program.

Nursing Related to Pipeline

Nursing
Related to
Pipeline

This remains at the same level of funding except for the salary increases received in FY 75. Also the replacement of a trailer in Valdez. They do have additional information since the budget was made up. There is an increase of new families in Valdez and Glennallen.

Senator Sackett asked how many positions are in Valdez. The response was that there is one position in Valdez and one in Glennallen.

Ms. Crawford said she was concerned about Fairbanks. They are feeling the increased impact. They have 15 positions there including the clerical. That is the reason for the Administrative Assistant request. Presently, the nurses are involved in administrative duties. Family Planning is also anticipating increased services.

Communicable Disease Control

Div. of
Communicable
Disease
Control

They have combined this component for the sake of efficiency and effectiveness. Prevention and Control used to be separated into different units. This program has been under greater pressure the last few years. The number of epidemics are increasing; epidemics of diseases that they did not used to find such as Gonhorrea. One of the most important things is the epidemiologist position. In the past they have been dependent on the Communicable Disease Center in Georgia for this service. They send a new man out of medical school. They need this position full time because there is a number of diseases that occur and this specialist can follow through over a number of years. An example of such a disease would be cancer.

Senator Sackett asked about the Federal funding for this position. The funding is still there. The problem is that the number applicants who would accept an offer to come into the program have diminished. There are not enough students in the program to supply EIS officers. We check with the center every year, and they say they have fewer people. The doctors draft is over and there is no longer a pool of men for service.

TB Control

TB Control

Senator Sackett referred to page 16. There seems to be no major changes. He asked what an Inhalation Theropist was.

It is a person trained in helping people who have obstructions in their lungs. They teach these people techniques such as tapping on their chests in order to clear the obstructions.

Venereal Disease Control

VD Control

They stated that they had no special comments to make unless the Committee was seeking information on the size of problem on the amount of Federal funds cut. The amount of the cut is \$55,900. \$5,000 of this is Federal funds. Roughly \$47,000 is in Venereal Disease and the rest is in Immunization.

Senator Sackett observed that they had made a recommendation to have this placed in General Fund monies. The response was \$55,000 was allowed in the Governor's budget.

Immunization

Immunization

There was a cut of \$7,000-\$8,000 of Federal funds and that addition was approved in the Governor's budget for a total of \$65,000 approximately. 15.3 restored by General Funds.

Senator Sackett asked them to explain the reason for their reductions. The response was that the public nurse position has not been filled for a number of years because the Federal Government is a little unreliable in funding it. So they sacrificed the position. They tightened up the rest of the program the best they could.

Communicable Disease - Pipeline

Communicable Disease - Pipeline

Senator Sackett noted that in TB they requested \$2,000 and then deleted it. Was this for equipment? The response was that this was for an X-ray unit.

Senator Sackett asked what the intent of the unit was. The reply was that whenever there was a case of TB or a suspected case, they would go into the camp and X-ray the men.

In response to another question, they answered that the disease control position in Valdez was indicated because of problems there due to limitations and restrictions imposed. They need to select a VD specialist in Valdez or Fairbanks. They would choose Fairbanks and hope the specialist can travel.

Environmental Health

Div. of Environmental Health
General Sanitation

This is responsible for a statewide program in sanitation. It is concerned with the quality and purity of food and drugs in the State. This is many times confused with the Department of Environmental Conservation. The Environmental Health program protects man from his environment and the Environmental Conservation program protects the environment from man. The budget is mainly the one approved by the Governor's budget. The increases are mostly in contractual services. They were hit particularly hard in the rentals of buildings from ASHA, \$110,000. The approved amount was \$80,000. This year they are asking for substantial increases for the Tok and Ketchikan buildings. This increase was not anticipated. The cost for each building should be about \$1,000 more this year. The rest of the increases are a result of salary increases and from inflation.

In Southeast, they have three field sanitarians and three field advisors. They need facilities for the Skagway and Yakutat area. They have a man in Ketchikan who also handles Wrangell. There is one man in Sitka who also handles the logging sites. There is one position in the northern area for the pipeline.

Seafood Sanitation

Seafood Sanitation

There are no new positions requested. This is a large industry in Alaska. There are seafood sanitarians located in Juneau,

Kodiak, Anchorage, Valdez, two in Soldotna.

Senator Sackett asked if they pulled these positions out of the sanitarian budget. The response was no. A good sanitarian can inspect the seafood production area.

General Sanitation - Pipeline

General
Sanitation
Pipeline

The \$88,000 is for positions which were approved concerning the revised program this year. This is for next year to support the positions. It's a continuation of the RP.

Senator Sackett asked how they obtained these positions, were they approved in the pipeline impact budget. The reply was that the revised program came through Legislative Budget and Audit. It came out of pipeline impact money for environmental conservation.

Health Program Support

Health
Program
Support

Dr. Freedman said they had to look at each of the programs with an eye for evaluation of cost effectiveness. Priority is based on need, and some of the programs become less important than others, and they must be able to certify that and prove why one may be more important.

He said they would push a Hypertension Control Program because studies have shown that people with high blood pressure suffer from stress and other complications. The question is whether the State has an obligation to seek funds or request transfer of funds to start up a way of finding people with high blood pressure. A very high percentage of the people with high blood pressure don't know they have it. Diagnosis is fairly easy, and although implementing a program is somewhat costly, there would be a savings in treatment costs and lives in the future.

The Health Program Support unit is one which pulled together several important programs including analysis of program costs and effectiveness. Programs include grants to the Health Education, Health Information System, Health Studies, Medical Social Service, Nutrition, Registry of Human Impairments, and Grants to the Greater Anchorage Area Borough.

Senator Sackett asked whether they were required by law to do that for GAAB, and Senator Ray informed him that it was just a contractual arrangement mutually agreeable to the State and the Anchorage Borough.

GAAB

Dr. Freedman said they stood in a certain amount of jeopardy in that area because now any other borough that wants to vote health powers and receive a portion equal to what Anchorage has, could request it. There is no real plan on the books, and Dr. Freedman said they would like to have a study to look at the entire complications involved.

The Committee also had some questions regarding Registry of Human Impairments. Dr. Freedman explained that the Registry was statutorily established several years ago in order to have some method for knowing types of disabilities that exist in the State, and why they exist in certain parts of the State more than others. With this information, they can follow through on types of treatment that patients require.

Senator Chance mentioned another separate registry which was being done for tumors. Dr. Freedman noted that federal people have been "dangling" a considerable amount of National Cancer Institute Funds which we would be eligible for if we had a State Cancer Control Program. His people have been trying to show they were interested and concerned enough to put money into such a program. He said it was particularly trying and disappointing when they come up with many cases of advanced cancer which could have been prevented by adequate screening earlier on.

Senator Chance asked for a copy of the data report on the first registry. Dr. Freedman agreed to send one to her.

Dr. Freedman went on to the Health Studies Unit. He said that the expertise to break information down and make it useful is something that they don't have. This type of unit would have this expertise.

Health
Studies

Dr. Freedman then spoke about the Nutrition program. He pointed out that we have had a public health nutritionist for quite a few years who handles an amazing amount of work. They are getting involved in health education on nutrition in schools. It is impossible for her to cover the entire State. Currently, staff limitations with one nutritionist result in nutrition education and training being provided for only 6 of the 44 public health nursing districts in the state. The additional nutritionist position proposed will address these programs and problems and permit application for external funding to improve the monitoring system.

Nutrition

Going on to the Certification and Licensing Program, Dr. noted that there are four components to the program: 1) certification of facilities as eligible for Title XVIII (Medicare Program) through operating instructions given by the Social Security Administration, Bureau of Health Insurance; 2) Certification of Skilled Nursing and Intermediate Care Facilities to the Division of Medical Assistance, Department of H&SS, as eligible for Title XIX (Medicaid) participation; 3) Licensing of hospitals and related Health Facilities per State law; and 4) Certification to the Department of Community and Regional Affairs of hospitals and certain Health Facilities eligible for Revenue Sharing.

Certification
& Licensing

The Meeting recessed at 9:45 a.m.

RECESS

AFTER RECESS

2:10 p.m.

Subcommittee Chairman Sackett called the meeting back to order, and said they would continue with discussion of the Health Budget category.

HEALTH

David A. Spence, Chief of the Family Health Section, was present to testify. He began by saying that they have been anticipating a certain reduction of federal support for Family Planning. This has happened for the past several years, and this year they had advance warning that there would be a 21% reduction from expected maintenance level for FY 76. He added that this took inflation into account. This will mean a reduction in some aspects of the Family Planning activities unless they can somehow get additional funds to put into the program.

Division of
Child & Family
Health

Family
Planning

Senator Sackett noted they would have to make such a request for a change through Budget and Management.

Senator Sackett said that Shared Revenue increased \$20,000 from last year to this. He wanted to know where the money was actually going. Frances Fleek said that funds that were going to the Greater Anchorage Area Borough Community Action group were put into the Family Planning Budget to increase the Anchorage Borough grant.

Senator Sackett asked that they proceed to Maternal and Child Health. Dr. Spence said that they didn't have any problems with this budget because the Governor had allowed their request.

Maternal and
Child Health

Senator Sackett asked about the Crippled Children budget, and Dr. Spence said the Governor had allowed for a maintenance program, and they felt they could live with this.

Crippled
Children

Senator Sackett moved on to the Communicative Disorders budget request unit. He asked why the Governor allowed them a Speech Pathologist. Dr. Spence explained there were speech pathologists in private practice working throughout the State in the schools. In their program, which is state-wide, they have a definite need to go into the area of speech pathology. There are a great number of children and young adults in the State suffering from speech difficulties. The \$12,000 in the budget is for half of the salary of the Speech Pathologist, and they have plans for other agencies to pick up the other half.

Communicative
Disorders

Senator Sackett went on to discuss the Child Study Center.

Child Study
Center

Dr. Spence said that their program has been largely federally supported for the past 13 to 15 years by a special federal grant through Maternal and Child Health. There is just one Child Study Center in the State and that is located in Anchorage. In recent years, especially with the passage of the Special Education law requiring special education for age 3 and up regardless of the severity of the handicap, they have come to realize there is a great need to have this type of Child Study Center

located throughout the State. The evaluations are necessary, and travel is expensive. It is also difficult to make intelligent and meaningful recommendations for a child when the people are not familiar with the resources available in the different areas. Their initial approach is to fund two additional child study centers--one in Fairbanks and one in Juneau. This was disallowed by the Governor.

Senator Sackett requested that they write to the Subcommittee of the Finance Committee giving them all of the justification for these Child Study Centers. Dr. Spence said he would be happy to do so.

Dr. Spence went on to say that in terms of a maintenance program, the workload on Anchorage could probably be deferred to other centers. However, they are not talking of a maintenance program, but an increased program because maintenance would not be sufficient with the new Special Education Law. Follow up studies are also needed. Active follow up has not been done in the past, and is sorely needed. In conclusion, he said he saw the workload in Anchorage remaining the same, or rising because of increased need.

Senator Sackett then asked what the Centers did, and Dr. Spence said they were interdisciplinary team efforts involving medical, psychological, educational, and social services. It is a situation where each of the professional disciplines evaluates a child individually, and then together in a staff meeting to discuss the problem and see what further decisions were needed and then formulate a plan of action which is then transferred to the child's school, social worker, or doctor, and parents.

Dr. Freedman said that the evaluation included determining whether a child was brain damaged or not. Problems could be emotional, psychosomatic, etc.

The Commissioner wondered, inasmuch as a document was to be prepared to indicate additional justification, whether they would like to include a look at the child study center in Anchorage. If these funds were to be cut, it could bring the one in Anchorage into jeopardy.

Dr. Spence mentioned they were relying on 314D money availability to pay the Director of the Child Study Center in Anchorage and had been doing so for the past several years.

At this time they went into discussion of the Laboratories Division. Dr. Frank P. Pauls, Chief, Section of Laboratories, was present to testify. The first area of discussion was Regional Laboratories.

Laboratories

Regional
Laboratories

Dr. Pauls felt that the overview was well stated in the organ budget book. He said there was a possibility of loss of 314D money for FY 76. He said that there was \$20,000 in the budget in anticipation of that money. This was for the Northern Regional Laboratory. He said they have gradually been phasing this money out, and their FY 77 budget would have phased it out completely.

Dr. Pauls stated that the budget as presented is a maintenance budget; the overall increase is only 6% over FY 75. He pointed out that their

laboratories were being faced with a load increase of about 19%. There are also inflation increases in the purchase of commodities.

Dr. Pauls said they had asked for the assumption of the Rabies virology lab in Fairbanks to give the State the capacity for diagnostic services. The facility there was being phased out, and an arrangement was made to contract for one year. There was some State support to assume the Lab. At the end of FY 75, the Virologist and lab assistant and Clerk Typist would be taken over by the State. In October of FY 74, RP 75-155, was approved to cover those three positions. There is a \$30,000 grant in the FY 75 budget for contractual money. They picked up another \$43,000 from the Center for Disease Control, which is federal money. This allowed them to operate in FY 75.

Sen. Sackett asked them to go on to Administration. Dr. Pauls said there was very little increase here over last year. It consists primarily of a Chief and Clerk Typist.

Administration

Senator Sackett asked why the Governor had cut the budget. Dr. Pauls said the reason they have is that the State Court System indicated that they required the entire building where they were housed. The plan had been for Laboratories to move to the Regional Office Building, but there was insufficient space for the Lab, and they were requested to find other space. There is space available at AARC. This was anticipated for FY 76. However, they found that it would be possible to move earlier and possibly save the State money. For this reason they have requested a supplemental in FY 75 to meet the need prior to when it was planned. The amount of the supplemental is \$80,700. The balance is for items deleted in contractual services.

The reason the move is so expensive is because it requires dismantling a large lab which means disconnecting all plumbing and wiring, moving it all and reassembling it. It includes construction, electrical and mechanical work. The supplemental they were talking about is SB 163.

Dr. Spence asked to make a statement at this time so that the Senate Finance Committee could know what to expect in the future. Dr. Pauls and he had attended a meeting the night regarding rheumatic fever in the State. The Alaska Federation of Natives, Inc., the Center for Disease Control, and Public Health Service, are working together to find what is needed for control in this State. As a result of the meeting last night, they feel there is a definite role for the State, and they intend to sketch out an entire program and then come back to the Finance Committee to show what it would cost the State to work with these other agencies to get a program going in the State. It would require additional State dollars, but in the long run there would be a great savings.

Senator Sackett referred them to page 84 of the Orange budget book to Pipeline--Regional Laboratories.

Pipeline--
Regional
Laboratories

Dr. Pauls said the FY 76 budget would enable the laboratories to meet the increase in workload directly related to the pipeline. These needs include venereal disease control, communicable disease control and environmental health problems.

Senator Sackett asked why Alyeska didn't take care of the cost of syphilis serology specimens for their employees. Dr. Pauls said that this was the way the State kept track of VD. However, the Commissioner said the problem would only be if they failed to take the specimens. However, if Alyeska was obliged to do it, it would work. Otherwise there could easily be an outbreak.

Senator Sackett asked how often they took specimens on one individual, and Dr. Pauls said it was at the time of hire. Sen. Sackett felt Alyeska ought to be doing it themselves, and he said he would like to see this checked into further. He felt there was no reason why the State should have to pay for lab time when Alyeska could have it done as part of the first physical.

Dr. Pauls said the question was whether the State lab should charge back to other agencies for this.

The Commissioner said he would have it checked out and report back to the Committee.

Senator Sackett moved on to Comprehensive Health Planning. Jerry Madden was present to testify.

Comprehensive
Health
Planning

Mr. Madden said that the major changes in this budget were in the form of requested additional positions. He gave a brief overview of the functions of the three areas under CHP (health services and economics, health facilities development and emergency medical services).

MEDICAID was the next program to be discussed.

MEDICAID

In analyzing expenditures as they went through the first half of the fiscal year, they realized they were going to have a deficit, so they asked for a \$3.6 million supplemental. The FY 76 budget is based on the first half year of expenses. To that they added a 10% cost of living and 15% utilization.

Prior to April of FY 74, the Federal government put price controls on industry. When they went off, prices sky rocketed, and hospitalization went up. They don't know what is going to happen as of July 1. Unless they projected in the budget and have enough money in the budget, they won't be able to meet the costs of health care.

The Commissioner said that changes in costs were partly due to the national malpractice charges for physicians. It was his view that before the session is over, this matter should be addressed. Otherwise, there would be a fee crisis type of situation for certain health systems.

They went on to Medical Assistance. It was brought out that two positions are needed, both of which are currently under contract. These are a State Plan and Program Liaison Officer and an Administrative Assistant II. There is also an increase in contractual services. Their Data Processing Contract jumped from \$82,000 to \$97,000.

Medical Assist.

The meeting adjourned at 3:30 P.M.

ADJOURN

SENATE FINANCE COMMITTEE
Wednesday, March 5, 1975
8:00 a.m.

The following members of the Senate Finance Committee were present:

PRESENT

Senator Chance	Senator Ray
(arr. 9 a.m.)	Senator Sackett
Senator Hohman	

The following people were also in attendance:

M. R. Charney, Financial Management Off.,
Department of Health & Social Services
Cathy Lloyd, Deputy Director, Administrative
Services, Department of Health & Social Services
Vernon Perry, Director, Pioneer Homes
Commissioner Fred McGinnis, Department of Health
and Social Services
Ron Lind, Department of Administration
Ray. C. Pagenkopf, Department of Health and
Social Services
Don Kemp, Department of Health and Social
Social Services
Freda M. Borchcheck, Department of Health and Social
Services
G. L. Sheridan, Department of Health and Social
Services
Elinor McLaughlin, Department of Health and Social
Services (Alcantra)

Freda Borchcheck, Department of Health and Social Services was asked to give a brief overview on the Family and Children Services program. She gave a list of all the program categories. These programs are administered through 24 Division of Family and Children Services District Offices in the State. This program has Federal participation which might be revoked by the U. S. Department of Health, Education and Welfare as of July 1 because the State has decided not to comply with all of the program requirements. Principally they want the eligibility determination to be more comprehensively operated. There is a \$4 million maximum claim from the Government; \$10 million of this is in assistance payments. They have transferred a number of their positions in the FY 75 budget in order to satisfy the cost plan.

SOCIAL
SERVICES

Div. Assist
Payments
AFDC

Assistance Payments

Ray C. Pagenkopf, Department of Health and Social Services

Div. Assist
Payments

was asked to make his statement before the Committee. In the AFDC case load the legal maximum increased last year and the Department anticipates more case load and a greater cost than experienced last year. Part of the law passed last year was not accepted by the Federal Government. They are still arguing with them. The portion of the law that was unacceptable was the payment for children in the home of a non-relative. This means \$3,000 versus \$250 for a child under age of six. The Feds say it is an unreasonable classification. He passed out a profile on case loads in AFDC. The figure given is 11,750. If the case load doesn't bobble around much the figure would be adequate.

Senator Hohman for clarification said, when the legal maximum increased last year, part of the purpose of the change was to have extra money for children staying in a relative's home. For a parent and child age four, the legal maximum is \$250, the Federal Government says this is unreasonable, correct? The reply was that this was correct.

Senator Sackett asked how much this was costing the State in Federal funds. Mr. Pagenkopf answered, at the moment nothing because we are not paying.

Senator Sackett asked what was happening to the children? Mr. Pagenkopf answered that we are paying \$250 and \$300 required presently in the law and at the moment, getting a Federal match.

Senator Sackett asked what the average payment of AFDC was. Mr. Pagenkopf answered that it was calculated at \$8,894, but this was the October figure. Sen. Sackett wanted to know how they arrived at the total number of payments made. Mr. Pagenkopf replied that they tried to calculate the trends of case loads. These have been erratic over the last two years. They had made their projections before the legal maximums changed. There total is given on page 281.

Sen. Sackett asked what the average case load per month was last year. Mr. Pagenkopf responded that the last figure they have for a complete month is February and that figure was 1,155. Sen. Sackett asked what average they used in their formula the year before that. The response was that the average used for FY 75 was 12,650 and they had no information on FY 74. Sen. Sackett asked that this information be provided to the Committee.

Sen. Sackett then asked Mr. Pagenkopf to explain the court case and its effect on the budget.

Hypolite vs Carlson. This was a State of California Supreme Court case. The court ruled the home is where the child is rather than the other way around. The result was if a child is not in his own home and is not being supported by his parents, the technical requirements are being met even if the parents are not dead, but are incarcerated or incapacitated. The U. S. Supreme Court level denied this. We are anticipating 400 more children as a result of this. This is a relatively new decision and the cases are now just showing up.

Commissioner McGinnis mentioned that this was brought up when the AFDC budget was before the Free Conference Committee.

Old Age Assistance

Old Age
Assistance

Sen. Sackett noted that there were increases this year. Mr. Pagenkopf stated that the Old Age Assistance case load is presenting some unique problems. The case load has been fairly static for the past couple of years. At the beginning of 1974 the Alaska Longevity Bonus was considered income. We have had a waiver to consider this not as income. The average money payment with the Longevity Bonus as income is projected. The FY 76 budget is predicted on the Bonus Waiver which expires on the 31st of December this year. If the Social Security Act is not amended by the end of 1975, beginning January 1976 the Longevity money will again be considered as income from the Government and this budget will be way out of wack.

Cathy Lloyd mentioned further that if the money is considered income the effect would be that the money would go in one pocket and out another. The Congressional delegation is aware of this. This is under SSI when not being considered eligibility income. She mentioned the possibility of a joint resolution. Either the people are denied the extra money, or alternatively, the State would have to come up with more money in order to keep them where they are now.

Senator Sackett asked if they have a resolution. They do not.

Next, Senator Sackett asked why the Governor's formula was different. The reply was that it is based on later information. They reviewed it some months later. Cathy Lloyd stated that the Old Age Assistance budget for FY 76 was based on a 1,175 case load and monthly payments of \$49.89.

Longevity Bonus Project

Longevity
Bonus
Project

As part of the Federal Government giving us the waiver,

we have to do a study of the impact on longevity on the OEA program. The study will be over the 31st of December. This is currently being worked on right now.

In response to Sen. Sackett's question on the difference in the FY 74 budget figures from the current budget figures, Mr. Pagenkopf stated that in the calendar year of 1974 the Department didn't have the waiver until June or July. During the balance of the year they were trying to account for the calendar year plan. Sen. Sackett asked for more information on this in writing; he would like to know why they requested \$60,000 and \$70,000. Mr. Pagenkopf responded that the \$60,000 was put together in 1973. The final plan was worked out with Region 10 personnel and at that time, costs were considerably less.

Aid to the Blind

Aid to
the Blind

Sen. Sackett asked for the number of recipients and the average payments. The reply was they are basing it on 90 and getting \$64,000. Sen. Sackett remarked that the average payment of \$65.67 has gone up from the year before.

Sen. Sackett asked why they requested \$146,000. Mr. Pagenkopf replied that they did the estimates as best they could. The Federal program is only about five months old. Cathy Lloyd added that this doesn't reflect additional people not covered by the Feds. Sen. Sackett told them that they had extremely poor backup material for their figures. They also had poor methods of calculating what is going to occur.

Aid to Disabled

Aid to
Disabled

The Aid to Disabled program also is experiencing problems with the SSI; the change in SSI definition of what constitutes disability that the State used last year. We were directed to continue to use State Criteria. Some of the people are not in the SII program. Also, there has been two additional laws passed that has caused confusion. They can expect some rollback cases. The estimates for more money are reasonable.

Commissioner McGinnis said they are now touching on a problem that all Social Service Agencies face today and that is the constant change in Federal regulations and programs. Their Department is facing, in 1975, a whole new title of the Federal Funding and the regulations are not available. They have no guidelines for FY 75 and FY 76 for preparing their budget.

General Relief

General Relief

The only change is in the BIA contract which has been going on for several years. It is handled through the Legislative Budget and Audit review process. The process is incorporated in the current budget. Other than this, the program is unchanged.

Sen. Sackett asked what the reason was for the revocation of Federal funds. Mr. Pagenkopf replied that the State could not comply with the program. The program, Title 4(a) of the Social Security Act provides statewideness. They would have to cover what would be a part of the current BIA program and the cost would be way up.

Sen. Hohman said that a problem has been brought to his attention in Anchorage concerning shipment of bodies to the bush. In response the Department said that this particular matter was not so much a financial problem, except indirectly. According to regulations that have been on the books for the past 25 years or more, all bodies shipped into the bush have to be in a casket. The Natives do not wish to have a casket with all the trimmings; they wanted to continue their practice to make their own vehicles. Once the courts took over the body, the undertaker would hold it for weeks without releasing it. The families want the body for burial. However, someone had to be responsible for paying for the casket. In the Ziegler case, they went back to using the simple case the body came in. This is how they were trying to resolve this. The amount allowed for burials should be looked into. The cost has gone up. The problem was a problem of interpretation by the undertakers. The undertakers have come back to us in the last few weeks saying that the Zeigler case was no longer available. In the Ziegler case, it was stated that the shipping cases were designed to be germ proof, etc., but they were designed only for shipping. It is not a regular casket. In order to ship the body they had to interpret the case as a casket. In some cases, the bush people have buried the bodies in the shipping case, and it's the property of the undertaker. In those cases, we have had to reimburse the undertaker.

In response to a question from Sen. Sackett, Mr. Pagenkopf said for the GR the average number of recipients is 9,060.

At this point Commissioner McGinnis distributed a memorandum from his office regarding Child Support Provisions of Public Law 93647. He said he would like to discuss this Law with

members of the Committee before the conclusion of the budget sessions. This relates to Title XX. A copy of the memorandum is enclosed for the record.

Alaska Pioneers' Homes

Pioneers'
Homes

Mr. G. L. Sheridan, Department of Health and Social Services, was asked to address the Committee with his statement in support of the budget. A copy of his statement is included in the minutes for the record.

Sitka Pioneer Home

Sitka
Pioneer
Home

The Committee was asked to refer to page 14 of the Social Services budget analysis. The number of Sitka Public Service Aides is shown as six, they are actually asking for three Public Service Aides. It is reflected in the money requested; they are only actually asking for three positions.

It was further stated that a Public Service Aide could no longer provide the services which historically have been provided to the people in the homes, such as housekeeping aid. This is a result of recent labor bargaining. Sen. Sackett asked, the union will not allow this? The response was that there was no provision in the job classification for these responsibilities. The Home cannot ask an employee to provide such services as they have in the past.

Commissioner McGinnis stated that the Department had anticipated that Pioneer Homes would be a social center. However, Region 10 says that in reality they are specialized institutions. These are not broad-based institutions which would qualify for Federal money. The residence requirement is one reason. They are also concerned about the racial issue. There isn't a single minority person on the Board. There are minority people in the homes, but only a small number. If there was a test run, the homes would be in trouble in this area. So, in order to qualify for Social Security money, policy changes would be required. The Commissioner doubts the State would want to make these policy changes.

Cathy Lloyd pointed out that the Department would not actually loose the Federal money, it simply went into another budget. She further stated that they have four positions under Social Services that are Federally funded but were placed in Pioneer Homes.

Senator Sackett asked why they needed the Administrative Officer II. The answer was that every home is managed by an administrative officer. Actually this position is replacing

the Director position. The Director position is being transferred to the Juneau central office unit which is over the whole system. As the program is broadened, growth is becoming certain.

Fairbanks Pioneer Home

Fairbanks
Pioneer
Home

Reference was made to page 16, the first position, Public Service Aide, rather than four positions it should be two positions. This is a typing error, the funding remains the same. The number four is the original agency request, but the number two was the State's recommended number in the budget. The Housekeeping Supervisor and Nursing Aide positions indicate three nurses. They are actually asking for one nurse. This was based on expansion. There are two now, they need to increase their staff to increase their capacity.

Sen. Sackett asked about the Practical Nurse position. The response was that their position is the same as the other nurse positions just mentioned. However, this is the lowest priority.

In response to a question from Sen. Sackett it was stated that the ASHA rent payment of ASHA bond was starting to increase on the Fairbanks and Palmer homes. They are prorated.

Sen. Sackett asked them referring back to the loss of Federal funds and the transfer of four positions to explain it in more detail. Cathy Lloyd stated that the Department faces a very strict interpretation of legal and Civil Rights compliances. Under the interpretation of community social service, the pioneer homes do not meet the legal interpretation. Therefore, they use the budget in other programs in the Department; they cannot be used in this program. To keep the four positions, they put them in another program where the Federal regulations are met, then they place them in the Pioneer Homes.

Sen. Ray said he understood that the preliminary budget request was put to the previous Administration and it was revised. Was it also put to the new Administration? The answer was yes, however the Department had set their own priorities in these particular positions.

Sen. Sackett asked them to explain again about the Tri-Trades and what the employees can and cannot do. It was explained that previously this program was under one umbrella and there was no distinction in the duties of the employees involved. Everyone took a hand in providing services.

The program is now being tightened as far as the duties are concerned. They can no longer ask an employee in one job category to do a job not classified in their job description. The requests of positions here are in man months. They amount to 10 minutes or 20 minutes, not more than an hour. So I am requesting man months in Public Services. This would be devoted to those services that people are used to.

Senator Ray asked if this was brought on them by the State employees themselves. The response was that in the beginning they were flexing muscles with the new bargaining units. Sen. Chance asked why they didn't add these duties in writing to the present job descriptions. The response was that they would if the classification allowed it. These classifications are tied into each bargaining contract. Sen. Ray suggested that they could possibly look at the whole level of care and positions. Maybe there could be a reduction say in the number of food services people by the number of social service aides. The reply was that there was a time element involved. The blocks of time added up to months not years.

Sen. Butrovich understood that in Fairbanks many women volunteered hours in aiding institutions such as these. Isn't that the general practice in other areas? The reply was yes, but this is not done on a daily basis.

Palmer Pioneer Home

Palmer
Pioneer
Home

The budget request for Palmer Pioneer Home is for nine months. The will be completing the expansion at the end of September or October, 1975. Therefore these personal services are not for the full year. There are 31 full-time positions, some permanent part time and temporary positions.

In reply to a question, it was explained that an Occupation Therapist sets up an on-going program such as woodwork and crafts.

Senator Sackett asked with the new expansion, how many more beds would there be? The responses was from 61 to 87 beds.

Senator Sackett asked about the Anchorage and Kotzebue Pioneer Homes. Mr. Sheridan replied that Anchorage was scheduled to complete its first phase in September, 1975. The recent bond passage allowed for a second phase addition to the Home. In consideration of the construction process, and particularly with concern for the welfare of the guests, they have recommended that the first phase of the Home not be opened for business until the second phase is completed. This will probably be in September of 1976, and there will be 150 beds.

Anchorage
& Kotzebue
Pioneer
Homes

Mr. Sheridan said that Kotzebue's Home was also scheduled for completion in September of 1975. However they are extremely concerned with the high cost of operation. In their budget submission covering the period from September 1975 through July 1, the cost appears to be approximately \$24,000 per bed. Given that, the cost per guest is \$50,000 to \$60,000 per year. Their major concern there is that the cost is so high, that maybe they should look at alternatives in terms of useage of that facility. It may not be profitable to operate a pioneers home in Kotzebue. This is the Dept. of Administration's recommendation.

Mr. Sheridan gave the following comparison. In Kotzebue, the seven month figure per guest was \$19,100. That is \$90.87 per day as opposed to \$23.42 per day at Sitka, \$34.80 per day at Palmer, and \$30.00 per day at Fairbanks.

The meeting recessed at 9:55 a.m.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

Pouch H01, Juneau 99811

~~XXXXXXXXXXXX~~

Senate Finance Document #2

Briefing Memo regarding Child Support Provisions of Public Law 93-647.

Public Law 93-647 establishes a new Title XX of the Social Security Act for social services, a new Part D of Title IV of the Act for child support enforcement, and makes certain amendments to Title IV-A. Title XX is effective October 1, 1975. The child support provisions are effective as of July 1, 1975.

The child support provisions contain new financial incentives for operating an effective program of child support enforcement. Federal reimbursement will be provided at the 75 percent rate for administrative costs, 25 percent would be funded by State General Funds. A five percent penalty against Title IV-A reimbursement will be required for states that fail to have an effective child support program. The penalty is to be imposed commencing January 1, 1977.

As of this writing, the Department of Health, Education, and Welfare has not issued proposed regulations regarding Part D, Title IV of the Social Security Act. Until these regulations are issued in final form, it would be impossible to determine scope, cost, and governmental placement of this new unit. However, the Secretary of Health, Education, and Welfare shall establish minimum organizational and staffing requirements for state units engaged in carrying out such programs under approved plans. The Department has initiated preliminary planning.

In order to be eligible for funds under the new child support provisions as of July 1, 1975, states must have an approvable State Plan under Title IV-D of the Social Security Act. Major new requirements for such a plan include the following:

1. The state must establish or designate a single and separate organizational unit to administer the plan.
2. Child support payments collected pursuant to an assignment to the State (such assignment is made a condition of eligibility for Aid to Families with Dependent Children by section 402(a) (26) of the Act) must be paid to the state rather than to the family.
3. Child support collection and paternity determination services must be made available to non-Aid to Families with Dependent Children families.
4. The state must establish a service to locate absent parents.

5. The state must cooperate with other states in establishing paternity, locating absent parents, and securing compliance with court orders for support of AFDC children.
6. The state must maintain a full record of collections and disbursements and have a reporting system.
7. The state must distribute child support collections in the manner prescribed by section 457 of the Act.
8. The state must comply with requirements and standards that the Secretary of Health, Education, and Welfare may determine to be necessary for an effective child support program.

In addition to the requirements for a State Plan under Title IV-D, new State Plan requirements for Title IV-A have been added by P.L. 93-647 to make IV-A compatible with IV-D.

FY 76 Budget Presentation - Alaska Pioneers' Homes

Good afternoon/Morning. I'm Gary L. Sturdivant for the Alaska Pioneers' Homes. I'm very pleased to have this opportunity to submit to you the FY 76 Budget Request for the Alaska Pioneers' Homes.

Because the Budget Request for the Pioneers' Homes is rather extensive, I would like to take this opportunity to point out several considerations of importance.

The Maintenance Budget Request for the existing Pioneers' Homes reflects the ongoing monetary needs in the provision of services on a 24-hour, 7 day per week basis. Within the existing facilities minimal nursing care is provided which requires 24-hour staffing of nursing and maintenance personnel. Therefore, much of the budget needs for these facilities is attributed to personal services.

The Capital Improvement Program for The Pioneers' Homes has affected the operational needs considerably. The Sitka Home will expand from 105 beds to 160 beds in March, 1975, and the Palmer Home will expand from 61 to 87 beds in September, 1975.

Other than normal inflationary increases and necessary adjustments in the Fairbanks Home's requirements, personnel services when considering the Homes new present capacity of 119 beds, the major maintenance increases occur in the Palmer Home and somewhat less in the Sitka Home. Based on minimum staffing patterns in the existing facilities, the Palmer expansion will require 31 new full-time positions, 5 part-time positions, and 5 temporary positions. Other increases naturally occur in affected line items, such as commodities and contractual needs.

The Maintenance Request reflects a transfer of the Director of the Alaska Pioneers' Home from Sitka to the Central Office Unit in Juneau to provide the Homes with close coordination and supervision. The transfer will enable the Director to participate in the upcoming Capital Improvement details and program decisions which will be necessary. Because of this dramatic change in the system, the Sitka Home will require a new Pioneers' Home Manager position.

To continue to provide personal services and activities to the guests in the existing Pioneers' Homes, the Maintenance Request includes three Public Service Aide positions for the Sitka Home, two for the Fairbanks Home and one for the Palmer Home. Historically, personal services to the guests, such as letter writing and catalog ordering were done by other non-service related positions such as Housekeeping Aides and Food Service Workers. Many of these existing positions helped set up and aid in Bingo games, parties, movies and other activities. Unfortunately, the new bargaining unit's rigid job classifications have ruled out the use of such positions as just noted.

The maintenance request of 78.0 for maintaining the Kotzebue Pioneers' Home includes monies for Janitorial/Watchman services and heating fuels from December 1975 through July 1, 1976.

The Anchorage Pioneers' Home will not be completed until approximately September, 1976 (FY 77), therefore a FY 76 Maintenance Budget Request is not being submitted at this time.

The original total Change Request for the Pioneers' Homes was considered at 371.0. This provided for additional Public Service Aide positions in the Sitka Home; a Groundsman, a Clerk Typist II, 4 Practical Nurse I's, and two Public Service Aide positions for the Fairbanks Home; and an Occupational Therapist for the Palmer Pioneers' Home. It also included an Administrative Assistant I, an Administrative Assistant III, and an Accounting Technician I position for the new Central Office Unit in support of the Director of the Pioneers' Homes.

However, due to budgetary limitations, this request was reduced to 169.5, which provides monies for equipping the Palmer Pioneers' Home expansion, and for new equipment needs in both Sitka and Fairbanks Homes. Also in this request is included 3 Physical Therapist positions which are considered by most health authorities as being the single most effective beneficial asset to any elderly program. These positions will establish physiotherapy programs within the Homes under the direction of each Home physician which will be designed to stimulate the guest's physical and mental well-being and give them an incentive to be as active as possible in their aging years.

A Program Administrator and Clerk Typist position have been retained in the change request in support of the Director in the New Central Office Unit.

The total FY 76 Budget Request for the Alaska Pioneers' Homes is 5025.9

AFTER RECESS
11:10 A.M.

In addition to staff members present from the 9:00 A.M. meeting from the Department of Health & Social Services were William T. Mailer, Program Administrator, Social Services, and Roger Lang, Administrator, Quality Control.

Present

Sen. Ray called the meeting to order and turned the meeting over to Sen. Sackett, Chairman of the Sub-committee reviewing the budget for Social Services.

SOCIAL
SERVICES

Sen. Sackett referred to the budget request for the Kotzebue Pioneers Home, to which Mr. McGinnis said the Dept. of Administration should discuss future plans for this Home. Sen. Hohman noted construction costs did not compare with construction costs he had received for rural school development, and asked that they be checked. Mike Orlove, Division of Budget & Management, replied the figures in the budget request were operating expenses, not capital expenditures. A summary sheet of cost comparisons for Alaska Pioneers Homes was distributed (see summary following minutes). Sen. Sackett suggested an additional meeting on construction costs for the Kotzebue Pioneers Home, and asked the Division of Budget & Management to submit a detailed report.

Kotzebue
Pioneers
Home

Sen. Poland questioned the guest rates listed on the summary sheet, and asked if the \$2,350/guest/year was an average between nursing homes and non-nursing homes. Mr. Lind said it was.

The committee referred to Program Services, and Sen. Sackett asked if there were any major changes. Mr. Mailer replied there was approximately a 25% increase, with a 51% decrease in Homemaker Services. Two of the services included in the BRU come under revenue sharing, added Mr. Mailer, and because of a shortage of federal funds the department had to control Homemaker Services to stay within the ceiling. Sen. Sackett asked if there was reluctance on the part of the department to increase the program, to which Mr. Mailer replied they were unable to come up to the level of service required due to limited funding.

Program
Services

Homemaker Services: Mr. McGinnis said Title IV and VI money was over-appropriated in FY 75, to which Mr. Mailer added the department anticipated a \$350,000 expenditure in FY 76, tied to the federal cut-back. State general funds for FY 75 would be lapsed in the amount of \$30,000, according to Mr. Mailer. The department recognized the need for Homemaker Services since it reduced the cost of Institutional Care; however, Mr. Mailer said they could not request any more than \$230,000 for FY 76 due to the lack of available federal funds. Mr. McGinnis stated there were some constraints on

Homemaker
Services

the department regarding federal/state money. In Homemaker Services it was Mr. McGinnis' understanding that the legislature inadvertently appropriated more money than was available.

Mr. Barker, responding to a question from Sen. Hohman, said if federal funds were received, then state funds are not to be spent if they can be replaced with federal funds. Mr. Lind stated nothing would preclude the department from spending state funds if specific approval was requested from the Division of Budget & Management. The department did not request this; therefore, the FY 76 Governor's budget was based upon the total amount of money spent in FY 75, continued Mr. Lind, as they thought funds appropriated for FY 76 were the same as money spent in FY 75.

Replying to further questions, Mr. McGinnis said the department received about \$4 million in federal funds, allocated to day care, Alcantra, social services, alcoholism, administration and support, etc. Priority was allowed to the department to decide where to allocate funds. None of the funds from Title IV or VI go to institutional care, concluded Mr. McGinnis.

Referring back to Homemaker Services, Sen. Chance questioned the restrictions in the budget document, to which Mr. Barker replied there was no restriction on general funds. However, appropriations were to be reduced by a shortfall in federal funds, added Mr. Barker. Mr. McGinnis said if federal funds were not there, the department must reconsider the appropriation. He added it would not be their policy to lapse the money if it was possible to use.

Sen. Sackett noted the request for Foster Care, and Sen. Chance asked if the rate paid to the various parents was established by statute. Mr. Mailer said it was established by the department. Sen. Chance said the same rate was paid for children 0 to 12, then increased at age 13; it was felt possibly a third category should be determined for children aged 9 to 12. Mr. Lang agreed this had been brought to the department's attention at hearings with foster parents, and was under consideration by the department. Sen. Chance also noted an increased amount should be paid for handicapped children, since the demand for services would be much greater. Mr. Lang said this was department policy and he had never heard of anyone denied by the department; however, possibly some case workers were unaware that additional funds for handicapped children were available if requested.

Foster
Care

Sen. Sackett asked if the increase in foster care was related to the increase in the population, and questioned the exact number of children in foster homes. Mr. Mailer said a print-out on each of the children in payment status gives the department a much more realistic figure than ever before. Sen. Sackett requested additional back-up on the number of children in foster care.

Referring to Institutional Care, Mr. Mailer said the department had a better idea of the average number of children at any given point and also average cost per month. The estimate for FY 76 was an average of 140 children at \$1,100 per month. Sen. Sackett asked the figure for last year, to which Sen. Ray noted the request reflected a 28% increase over last year. Mr. McGinnis said the department would provide material explaining the increase from \$1,416,400 to \$1,898,800, and the department would address the problem of increasing or decreasing various programs in FY 76.

Inst.
Care

Sen. Sackett reviewed the figures for Day Care. Mr. Mailer reported day care had doubled in the last year, as an average of 280 children was used for FY 75 and 550 children for FY 76. An increase was requested for Other General Fund since day care came under the federal ceiling and there were not enough funds for the program.

Day
Care

Mr. McGinnis referred to the day care bills recently passed by the Senate, and noted the Department of Community & Regional Affairs would contract for eligibility at the local level to make funds available. The Department of Health & Social Services will expend funds for this new program as they will remain the licensing agent for homes. The new legislation generally expands the program and applies it to more eligibles than those under the Health & Social Services standards. Sen. Sackett asked if the program should be taken from the Department of Health & Social Services and put into Community & Regional Affairs. Mr. McGinnis replied he did not know what effect this would have on federal funding, and might jeopardize funds received from Title IV and VI (funds for AFDC families). Replying to further questions, Mr. McGinnis said he would check on the federal requirements. He added it did not seem a good policy to add this licensing requirement to a staff already over-committed, and if the Department of Health & Social Services remained the licensing agent for both programs he hoped the committee would give careful thought to the demonstrated need for personnel. It would not be a simple matter for the staff to pick up the extra load if the activity increased substantially. Sen. Chance requested a list of licensing personnel for day care centers. Sen. Hohman asked if it was anticipated there would be a shortage of qualified day care centers, to which Mr. McGinnis replied this was his understanding.

Sen. Sackett asked if the increase from last year to FY 76 was based upon an increase in AFDC, and if it was population oriented. Mr. Mailer said it was. Mr. McGinnis added he would be careful about making such a quick statement, and he would like to research the question. As the department approached the end of FY 75, it would be possible to give more accurate information. Charts and data would be prepared for the Senate Finance Committee by the department, and Sen. Sackett said the percentage increase approved would be predicated on this data.

The meeting recessed at 12 noon.

Recess

PIONEERS HOMES OPERATING BUDGET COMPARISON

	<u>Central Office</u>	<u>Sitka</u>	<u>Fairbanks</u>	<u>Palmer</u>	<u>Kotzebue</u>	<u>Anchorage</u>
FY 76 Budget	102.3	1,718.5	1,738.6	1,388.5	817.4*	1,736.4*
Add Central Office Allocation		25.5	25.5	25.5	25.5	20.5
Less Guest Receipts @ 2350/Guest/Year		376.0	279.7	204.5	56.4	352.5
Less ASHA			177.6	104.5		
TOTAL		1,368.0	1,306.8	1,105.0	786.5	1,404.4
Number of Guests		160	119	87	20	150
Cost Per Guest - Year		8.6	11.0	12.7	39.3	9.4
" " " - Month		.7	.9	1.1	3.3	.8
" " " - Day		23.42	30.09	34.80	107.74	25.65

* FY 76 operating expenditures for Kotzebue and Anchorage Homes are based on FY 74 actual expenditures for the Fairbanks Home with adjustments for geographic area cost of living differences and number of guests.

AFTER RECESS
2:10 p.m.

Subcommittee Chairman Sackett called the meeting back to order, and said they would continue discussion of the Social Services Category of the Budget.

SOCIAL
SERVICES

The following people from the Department of Health & Social Services were present to testify: Mr. William Mailer, Program Services; Ms. Elinore McLaughlin, Alcantra; Mr. Roger Lange, Quality Control; Mr. Don Kemp, Eligibility Determination; and the Food Stamp Program Coordinator. Mr. Mike Orlove was present from the Division of Budget and Management.

PRESENT

Senator Sackett said they would begin with the Adoption unit of Program Services. He asked Mr. Mailer for his comments. Mr. Mailer explained that the total increase in this was \$24,300 for subsidized adoption of handicapped children. This was about \$267 per month for 90 months. The first year they would probably not handle over 12 children. He added that the handicap could be either mental or physical.

Program
Services

Adoption

Senator Hohman asked whether the program continued until the age of majority, and Mr. Mailer said that it could. He said that the family has to report annually what his income changes would be and what is happening to the child.

Senator Hohman then asked about the \$267 per month, and Mr. Mailer said this was an estimate--they did not expect it to go past the highest that they pay in foster care.

Mr. Mailer went on to speak about the Protective Services unit. This provides foster family care, institutional care and day care for children who have been abused in their own homes. The program is expanding rapidly. This year through January 31, 400 abuse cases have been reported. The average in care in FY 75 was 17 persons; the anticipated need for FY 76 is 34 persons.

Protective
Services

Senator Sackett asked about statistics on reported cases, and Mr. Mailer supplied him with the following information:

1974, July	78 cases
August	70 cases
September	75 cases
October	60 cases
November	26 cases
December	41 cases
1975, January	50 cases

Senator Sackett asked about services rendered after a child is brought to the attention of the Department. Mr. Mailer said there was a unit in Anchorage that did nothing but child protection work. At present, the police department is taking children they feel are in danger either to emergency shelters or foster homes designated for this purpose. Senator Chance felt that outside of regular office hours, there is nobody to call on. For example, on weekends, nothing can be done until the Department comes back to work on Monday morning. She didn't feel the children and their families were receiving the services they should receive. Some general discussion followed.

Senator Sackett moved on to the unit entitled Other Services.

Other
Services

Mr. Mailer said this included court ordered travel, a statutory mandate. He added that they have always had a problem in getting special funds for children (for such things as summer school, or something a child needs to do or needs to have), therefore, this item was put in. The Advisory Board and Child Welfare League was removed from this unit and put into the Social Services BRU.

Senator Sackett asked why the court couldn't pay for cost of travel, and Mr. Mailer said that his program was required to pay it according to statute.

Senator Sackett requested that they hear testimony on Alcantra. Alcantra Ms. McLaughlin gave a brief overview of the institution and what it is doing. The FY 76 budget is in two sections: operation and ASHA rents.

Senator Sackett noted that the Governor had allowed no new positions. Ms. McLaughlin said that was true, and that they still lacked a custodian--this meant that 10,000 feet of carpet is being ruined because the boys are not able to work with the necessary chemicals.

Operations

Senator Sackett asked Mr. Orlove, Division of Budget and Management, why the position wasn't allowed. Mr. Orlove said there was no increase in occupancy, therefore, no increase in positions. Ms. McLaughlin pointed out that this was the fourth consecutive year that they have requested a custodian. Senator Sackett said the Subcommittee would attempt to get them their custodian.

Senator Sackett asked what the \$132.8 under Debt Service was for, and Ms. McLaughlin said this was to pay for the school building. Mr. Roger Lange explained that ASHA rents depend on the number of bonds retired in a particular fiscal year.

Debt
Service

Senator Chance requested a listing of the projects included in the October 7, 1970 ASHA Bond sale. (See attachment to these Minutes.)

Senator Sackett then asked Mr. Roger Lange to make his presentation on the Quality Control Collection Agency.

Quality
Control

Mr. Lange explained that this BRU was established July 1 of this fiscal year. It is the fiscal audit section for the Division of Administrative Services and the authority control section for the Division of Family and Children's Services. Presently, their office is to itemize payments made to ineligible recipients. The Major change comes about because of the Quality Control System Mandated by the MEDICAID Program, 1975.

Mr. Lange said they were requesting one additional investigator in Fairbanks. Currently, the investigation staff includes a Chief Investigator in Juneau and two field investigators. He felt there was a need for one in Fairbanks.

Senator Sackett told the Commissioner that yesterday he had said funds had been requested for a study in terms of breaking down the Department. Commissioner McGinnis said they had requested and strongly defended an amount of money to do a first rate major study of the whole Social Services System. This would be a follow up to the study now underway. He said the Legislature had passed a resolution asking them to look at computerization of functions. They thought the first thing to do was the study of the Family and Children's Services Division and some of its aspects, and that is underway now. That study does not reach the level and breadth that the Social Service Delivery System study would. The Commissioner said they had asked for \$250,000 to test every assumption in the State with the thought of looking at the present delivery system in all aspects. He felt it would take the better part of a year to do that.

Senator Chance observed that it was possible Quality Control would keep getting bigger and bigger because the System wasn't working, when they ought to go to the point of entry. The Commissioner agreed and thought maybe they should be looking at the eligibility of the eligibility workers.

Senator Sackett moved on to the Eligibility Program. Mr. Don Kemp, BRU manager, was present.

Eligibility

Mr. Kemp gave a brief overview of the Program.

In answer to a question from Senator Sackett, Mr. Mike Orlove said they gave them \$8,000 worth of additional equipment they hadn't asked for because of having to stay within the Governor's allowance.

Senator Sackett asked about the error reduction unit. Mr. Kemp replied they had requested that as a change item. It was one which they stated they needed, but there were not sufficient funds to include it in the Governor's request. It would be basically to allow for investigators throughout the State to do home visits on an on-going basis, only in special circumstances.

Senator Sackett asked whether they would prefer that system over having all of these new positions they are requesting. Mr. Kemp said that to a certain extent, if they had the capability to go into the homes, it would lessen their workload because they would have more information available, and it would be a preferable method. He said that both types of workers were needed to get the job done, but that error reduction would be preferred.

Senator Sackett asked about federal funding for this, and Mr. Kemp said it was 50%.

The meeting recessed at 3:30 p.m.

ATTACHMENT I

The ASHA Bond sale of October 7, 1970 contained the projects listed below with Column 1 indicating the original allocation of the costs based upon estimated project costs and Column 2 indicating the % allocation of costs based upon actual contract amounts.

	(1)	(2)
Anchorage Highway Complex	57.5%	54.19%
Petersburg Highway Shop	6.5%	5.71%
Alcantra Youth Camp*	14.4%	20.72%
Alcantra Water Facility*	-0-	.44%
Cordova Highway Shop	6.5%	7.20%
Ft. Yukon Combined Facility	11.5%	6.46%
Sand Point Fish and Game	<u>3.6%</u>	<u>5.28%</u>
TOTAL	100.0%	100.00%

AFTER RECESS
3:40 p.m.

Aida Gleason, Program Manager, Social Services explained that the major changes in this BRU were increases in staff. There were several position transfers. Other than this it is strictly a maintenance budget.

SOCIAL
SERVICES
Social
Services

Sen. Sackett asked on the transfers in and out of the BRU, how are these making the Department more efficient and when are they going to stop? Ms. Gleason replied that in the past the budget did not reflect their actual programs. It became difficult to build an accurate budget and difficult for them to claim Federal programs. They took the time this year to rearrange their programs to actually reflect the BRU components. Cathy Lloyd remarked further that this year the Department made the changes. There were two years of changes in the program budget factor. The first change affected the Family programs and that broke down. The second change was to reflect a better program structure. Now the third change for allocation purposes.

Sen. Sackett asked if this was the last year for changes. Cathy Lloyd said it was unless there were changes in the Federal regulations. If the Feds change their programs, we would have to change the allocations in order to make claims from the Federal programs.

The Committee was referred to page 95 of the Social Services Operating Budget. Ms. Gleason stated that this component considers social workers, Social Service Supervisors, and clerical support. It is the 110 positions.

Sen. Sackett asked what the need was for the new positions. Ms. Gleason answered that they had not be able to document the new positions accurately. They were waiting for the study described earlier by Commissioner McGinnis. Only after the study was received could they make determinations of the actual positions needed. However, the positions could be used now. They are operating in Anchorage without the needed clerical help. Sen. Sackett asked if this was top priority. She responded that the top priority was in the social services area, not clerical.

Reference was made to page 427 of the Departmental Budget. Ms. Gleason said they needed to replace the existing positions in Anchorage. The first ten positions would be to replace the temporary positions they are now using. They currently have temporary people doing these jobs. If they do not

receive the replacements, the services might have to be dropped.

Sen. Sackett informed them that he would like to receive an analysis of last year's request with this year's request. Also he wanted six months of the previous year's on a yearly basis.

Sen. Sackett asked what was the reason for the reduction in travel funds. Ms. Gleason replied in part, they transferred some travel funds into staff development BRU for training the social worker staff. Sen. Sackett asked them to analyze their travel and let him know exactly what the use of the funds would be.

The Committee was referred to page 99 of the Operating Budget concerning Pipeline social work. Sen. Sackett asked why the request was cut from \$91,000 to \$24,000. The response was that the social work position was for pipeline impact. Social work for Valdez was completed. Sen. Sackett asked how many positions were there last year? The answer was there were two positions, one for Valdez and one for Fairbanks. Sen. Sackett responded, they cut you back to one? The answer was yes, the reason for the cutback was that the housing situation in Valdez is such that the position was never filled.

Administration (F&CS) - Central Office

Adminis-
tration
(F&CS)

Senator Sackett mentioned that last year they were authorized \$452,500 and this year they were authorized \$718,000. There must be some changes because they requested only \$610,000. Freda Borchek responded the large increase is not for Administrative Support, this is a maintenance budget. The increased amount is \$200,000 which is for organizational planning. It will actually go into the entire Social Service program. This contract has been an on-going one, it has never been funded. In the past, the Department pulled funds from various programs for the funds. The number of positions actually go down in this BRU.

Sen. Sackett asked them to explain the transfers of positions in and out of the BRU. The response was that these are the positions Mrs. Gleason referred to previously and they are primarily clerical. Sen. Sackett noted that the turnover rate of employment was 72.5% in this BRU. In response to this remark it was stated that this Department seemed to be the hiring and training ground for other Departments.

Sen. Sackett referred to page 614 of the Departmental Budget, Form 7, where it mentioned the organization plan. He would