

**DEPARTMENT OF HEALTH & SOCIAL SERVICES**  
**FY2012 HOUSE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT**  
**February 25, 2011**

**SUBCOMMITTEE MEMBERS:**

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Rep. Reggie Joule, Chair	Rep. Cissna	Rep. Dick
Rep. Herron	Rep. Holmes	Rep. Keller
Rep. Millett		

**RECOMMENDATIONS:**

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The House Finance Budget Subcommittee for the Department of Health & Social Services submits a recommended operating budget for FY2012 to the House Finance Committee as follows:

Unrestricted General Funds (UGF)	\$ 1,008,588.7
Designated General Funds (DGF)	72,398.3
Other Funds	99,380.3
Federal Funds	1,271,536.8
<b>TOTAL</b>	<b>\$ 2,451,904.1</b>

**BUDGET ACTION:**

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The House Finance Budget Subcommittee for the Department of Health & Social Services held 11 meetings with the Department and analyzed all of the Governor's budget transactions. The following are budget action highlights:

- The Subcommittee recommends authorizing \$ 2,184.8 less general funds and the same number of full-time positions as the Governor's Amended FY2012 request.
- The Subcommittee recommends a total increase from the FY2012 Adjusted Base of \$71,998.4 UGF and \$3,750.8 DGF for a total General Fund change of \$75,749.2. The change from Adjusted Base in Other Funds is \$10,440.4 and from Federal Funds is \$113,988.1. The total change from the Adjusted Base is \$200,177.7 and seven full-time positions.

## Entitlement Programs

Because entitlement programs are eligibility driven and embedded in statute and regulation, the approach taken by the subcommittee was to approve all increments for the following entitlement programs.

**Medicaid Services** increments totaling approximately \$57.3 million in General Funds were approved. Major increments are highlighted below:

- Growth from FY11 to FY12: \$40.3 million UGF
- Annualize FY11 Growth: \$9.4 million GF
- Medicaid Home and Community Based Services Provider Rates: \$7 million UGF (and \$7 million FF)

The committee recognizes that if the FY11 enhanced federal FMAP rate is not extended, the general fund need is expected to increase by approximately \$129.4 million for FY12.

Increments for the **Adult Public Assistance Program** (1250.0 GF, 1000.0 FF), the **General Relief Assistance Program** (250.0 GF), and the **Permanent Fund Hold Harmless** (2700.0 PFD Fund), were approved. The need for the funding results from increased projections for the number of people receiving services compared to prior years.

## MHTAAR Increments

The committee also funded all MHTAAR increments in Behavioral Health, (3,485.0) Children's Services (318.0), Juvenile Justice (110.9), Public Health (395.0), and Senior and Disability Services (954.5), and the Commissioner's Office (115.0). Many of the MHTAAR projects had companion GF increment requests, all of which were funded, including the Bring the Kids Home increments (993.0 GF/MH). Some of the services funded include Tribal/Rural system development, Integrated Housing, Bridge Home program housing, Discharge Incentive grants, the Peer Navigator Program, Crisis Bed Stabilization, School-based services, Outpatient & Emergency Residential services, Foster Parent training and a clinician to work with the Head Start program.

### **Tobacco and Alcohol Prevention Funding**

The use of **Tobacco ED/CES** designated funding was approved in Public Health (950.0 Tob ED/CES) where programs support education, prevention and control. The program has made considerable progress in reducing the burden of tobacco use by implementing a sustained, comprehensive tobacco prevention and control program that includes a quit line, media, community programs and grants to schools and healthcare organizations. Since the inception of the program adult smoking rates have declined significantly and youth smoking rates have been cut in half.

The Subcommittee accepted increased funding for **alcohol/drug abuse programs** including increments for Sobering Center operations in Bethel (350.0 GF/MH) and Sleep-off Alternatives in Nome (100.0 MHTAAR).

### **Public Health**

The Subcommittee also approved increased funding for **Public Health nursing Grantees** (750.0 GF). Two of the three remaining grantees who provide public health nursing services have been subsidizing their programs with local funding. North Slope Borough subsidizes 56.9% of their public health nursing costs and the Municipality of Anchorage subsidizes 52.8%. No other area of the state has the same type of local contribution for public health nursing services.

The Nome/Bering Strait region has released its public health grant funding and the State will assume provision of all public health services for the region July 1, 2011. The committee approved an increment to assist the State in providing services to the area (225.0 GF). Staffing levels will be reduced but salaries will increase for the remaining positions.

Stabilization funds for the increasing caseload in the **Medical Examiner's (ME) Office** were also funded (500.0 GF). In FY 09 the ME's office handled 380 cases; in FY10, 750 cases. They project 838 cases for FY11, and 926 for FY12. By law the ME must investigate and certify all deaths that occur within the State of Alaska that are a result of violence, suspected violence, death due to accidental causes, deaths that occur during incarceration, deaths that are associated with conditions that pose a hazard to public safety or health and all unattended or unexplained deaths.

### **Other Budget Decisions**

Interagency receipt authority was approved for increments associated with the Domestic Violence and Sexual Assault Initiative (DSVA), including funding for:

- *Rural Community Pilot Project* (1400.0 I/A)
- *Wellness Warriors Initiative* (200.0 I/A),
- *Trauma Informed Training* (200.0 I/A).

These programs continue the State's investment in prevention measures. Base funding for ongoing operations at the Kodiak Child Advocacy Center (250.0 GF) was also approved, formerly under the DVSA Initiative, now in Office of Children's Services. The center mitigates the trauma suffered by child victims of severe abuse or neglect, and provides for the effective prosecution of crimes against children.

### **Governor's Budget Request Denials**

Increments were not accepted, reduced, or made one time increments for the Psychiatric Residency Program, Medical Assistance staffing, transfer of Public Nursing services, and several line item requests for Unrealizable Fund Sources for personal services increases.

**ATTACHED REPORTS:**

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The House Finance Budget Subcommittee for the Department of Health & Social Services adopts the attached reports:

**Subcommittee generated reports**

Budget Action Worksheet

**Legislative Finance Division Reports – House Structure**

1. Agency Totals – FY2012 Operating Budget
2. Appropriation/Allocation Summary (All Funds)
3. Appropriation/Allocation Summary (GF)
4. Transaction Comparison between ADJ Base and H Subcomm
5. Transaction Comparison between Gov Amd and H Subcomm
6. Wordage



**Representative Reggie Joule, Chair**  
**House Finance Budget Subcommittee for the Department of Health & Social Services**  
**February 25, 2011**