

**DEPARTMENT OF HEALTH & SOCIAL SERVICES OPERATING BUDGET
FY2013 HOUSE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT
February 29, 2012**

RECOMMENDATIONS:

The House Finance Budget Subcommittee for the Department of Health & Social Services submits a recommended operating budget for FY2013 to the House Finance Committee as follows:

Unrestricted General Funds (UGF)	\$ 1,216,639.2
Designated General Funds (DGF)	72,320.1
Other Funds	101,528.7
Federal Funds	1,229,196.5
TOTAL	\$2,619,614.5

BUDGET ACTION:

The House Finance Budget Subcommittee for the Department of Health & Social Services held 13 meetings with the Department, analyzing mission statements, core services and performance measures at both the department and division levels. The subcommittee also analyzed all of the Governor's budget transactions. The following are budget action highlights:

- The subcommittee recommends authorizing \$ 1,548.0 less general funds and the same number of full-time positions as the Governor's Amended FY2013 request.
- The subcommittee recommends a total increase from the FY2013 Adjusted Base of \$61,129.0 UGF and a decrease of \$235.0 DGF for a total General Fund change of \$60,894.0. The change from Adjusted Base in Other Funds is \$8,588.9 and from Federal Funds is \$87,455.2. The total change from the Adjusted Base is \$156,938.1.

Formula 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 programs:

Medicaid Services

increments totaling approximately \$45.3 million in General Funds were approved. Medicaid growth accounted for about \$45 million of this increase.

Because the enhanced FMAP rate was not extended after FY11, the FY13 budget contains \$129.4 million of GF to replace unavailable federal funds. This is identical to the amount included in the FY12 budget.

Increments for the **Alaska Temporary Assistance Program** (3,150.0 FF), **Adult Public Assistance Program** (5,665.5 GF, 409.5 I/A), the **Senior Benefits Payment Program** (604.8 GF) (HB16, year 2), and the **Permanent Fund Hold Harmless** (540.0 PFD Fund) were approved. The increments are due to caseload growth.

MHTAAR Increments

The subcommittee also funded all MHTAAR increments in Behavioral Health (3,335.0), Children's Services (393.0), Health Care Services (500.0), Juvenile Justice (263.8), Public Health (395.0), Senior and Disability Services (1,152.6), and the Commissioner's Office (115.0). Many of the MHTAAR projects had companion GF increment requests, most of which were partially funded, including *Bring the Kids Home* increments.

Some of the services funded for *Bring the Kids Home* include In-Home Intensive Support, School-Based Service Grants, Transitional Aged Youth, Peer Navigator Program, Outpatient & Emergency Residential services, Family Therapy Models, Strong Family Voice, Tribal/Rural system development, and Early Intervention for Young Children.

The subcommittee accepted funding for **alcohol/drug abuse programs** including the Alcohol Safety Action Program's Wellness Court in Anchorage (85.0 I/A) and for Sleep-off Alternatives in Nome (100.0 MHTAAR).

Governor's Initiative

Interagency receipt authority was approved for increments associated with the Governor's Domestic Violence and Sexual Assault Initiative, to continue the State's investment in prevention measures. They include:

- *Trauma Informed Training* (200.0 I/A)
- *Rural Community Pilot Project* (1,400.0 I/A)
- *Wellness Warriors Initiative* (200.0 I/A)

Suicide Prevention

Full funding was approved for School Based Suicide Prevention (450.0 GF/MH) recommended by the Advisory Board on Alcoholism and Drug Abuse and the Alaska Mental Health Board.

Juvenile Justice

McLaughlin Youth Center was approved for the addition of three new positions (300.0 GF), and Johnson Youth Center was approved for two new positions (200.0 GF). This brings the facilities up to minimum staffing levels for all units, all shifts.

Public Health

The Subcommittee also approved increased funding for **Public Health Nursing Grantees** (990.0 GF/ 110.0 FF). Three grantees who provide public health nursing services have subsidized their programs with local funding. No other area of the state has the same type of local contribution for public health nursing services.

Other Budget Decisions

Immunization for children and seniors was fully accepted in the epidemiology section of Public Health (630.0 GF/70.0 FF).

Funding for the Low Income Heating Assistance Program or LIHEAP will be handled in the language section of the appropriation bill.

The subcommittee made a 9.1 percent reduction to the Tobacco Education and Cessation Fund (ED/CES). The reduction is realized in Behavioral Health Administration (85.7 ED/CES), Public Health/Chronic Disease Prevention & Health Promotion (124.9 ED/CES), Public Health/Tobacco Prevention and Control (780.6 ED/CES), and Medicaid Services (8.8 ED/CES). At current revenue and expenditure estimates, there will be a \$2.7 million shortfall in the FY17 budget. Ten percent reductions were made to 18 GF or GF/MH increments. 13 in Behavioral Health, one in Children's Services, one in Public Health, and three in Senior and Disability Services. These increments were identified as new or expanding programs.

One increment in Children's Services for *Foster Parent & Parent Recruitment & Training* was zeroed out.

One increment in Health Care Services for *Rate Settings and Acuity Measurement Systems* was changed to OTI.

The Governor's amendments were funded except for a ten percent reduction in the increment for *Public Health Women, Children & Family Health, Newborn Screening*.

The following Legislative Finance reports are attached:

1. Agency Totals – FY13 Operating Budget – House Structure
2. Appropriation/Allocation Summary (GF) – House Structure
3. Appropriation/Allocation Summary (all funds) – House Structure
4. Transaction Comparison (Adj. Base and House Subcom)
5. Transaction Comparison (Gov. Amd and House Subcom)
6. Wordage Report – FY13 Operating Budget – House Structure
7. Subcommittee Worksheet – final version

Respectfully Submitted,



Representative Reggie Joule, Chair
House Finance Subcommittee Chairman
Department of Health & Social Services