

ALASKA STATE SENATE

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SENATE FINANCE / HEALTH & SOCIAL SERVICES SUB-COMMITTEE
SUB-COMMITTEE MEMBERS: SENATOR COGHILL, SENATOR MCGUIRE, SENATOR GARDNER

NARRATIVE CLOSE-OUT REPORT

March 17, 2014

RECOMMENDATIONS:

The Senate Finance Budget Subcommittee for the Department of Health & Social Services submits a recommended operating budget for FY2015 to the Senate Finance Committee as follows:

| | |
|----------------------------------|----------------------|
| Unrestricted General Funds (UGF) | \$1,249,876.8 |
| Designated General Funds (DGF) | 73,289.5 |
| Other Funds | 89,499.3 |
| Federal Funds | 1,250,483.9 |
| | ----- |
| TOTAL | \$2,663,149.5 |

BUDGET ACTION:

The Senate Finance Budget Subcommittee for the Department of Health & Social Services held 8 meetings with the Department and analyzed all of the Governor's budget transactions. Following are budget highlights.

Governor's Amended Budget Request:

- Accepted the Governor's Amended Budget Request except for these items:

- Transfer \$7,816.9 of Tobacco Prevention and Control funds from the Tobacco Prevention and Control Allocation to the Chronic Disease Prev/Hlth Promo. The Sub-Committee wants the funding to stay in its own allocation where the purpose of the funds remains clear and it is not intermingled with funds for other purposes.
- The decrement of (\$1,600.0) of Tobacco Prevention and Control funds was denied. This is too large of a reduction given the balance of the Fund; instead a reduction of (\$400.0) was made. During the interim much work was done by Legislative Finance, Department staff, and staff of the Cancer Society to reconcile the balance of the Fund and determine options for how to reduce the expenditures to a level supported by receipt collections and carryover of the Fund balance. It was determined that \$400.0 could be reduced this year; and another reduction (smaller) could be made every other year for the next three years to step down the program.
- A funding source change from Statutory Designated to GF/Program Receipts in the Epidemiology allocation was denied. They have collected the Statutory Designated receipts the last few years according to the Legislative Finance Short Form books, so it does not appear to be necessary.
- An increment of \$7,962.0 in the Health Care Medicaid Services allocation was denied. This is very similar to one requested, and denied, last year for the “woodwork effect”. An increment for \$18,126.1 in Medicaid in another allocation was accepted, and the sub-committee does not believe both are needed.
- Sub-Committee Additions, Reductions and Changes:
 - A reduction of (\$1,400.0) was made in the CAPI Grants for Inter-Agency Receipts funding that is being put into the Department of Public Safety instead. This funding comes from the Governor for his DVSA Initiative.
 - \$450.0 in GF/MH and \$75.0 in MHTAAR was added to keep the Complex Behavior Collaborative going. The data shows that this has been very successful providing better services to Alaskans, and also saves money.
 - \$1,394.1 of GF was put in the base, and an additional \$103.5 of GF was added as a one-time item to implement the first year of the OCS Workload Study. 10 positions were also added, although the funding is enough for 15 positions. The department can transfer existing PCNs within the department to make up the difference.
 - \$1,000.0 of GF was added to increase Tribal Assistance.

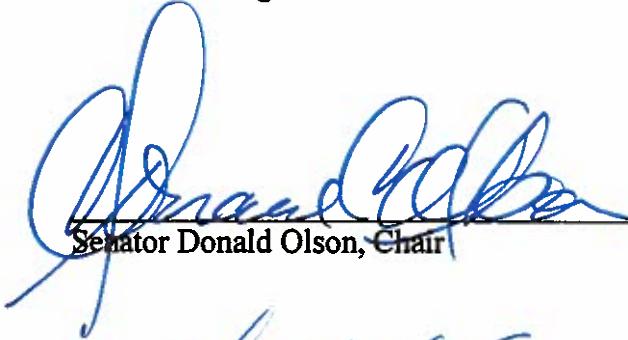
- (\$1,200.0) of GF was reduced for the SHARP program. This is a new program designed to incentivize getting certain practitioners in the rural areas of the State. However, the department has so far not awarded the grants as the legislation and funding was intended, given that more than half of the awards were to providers in urban areas of the State. This still leaves a little more than \$1,600.0 in the program.
- \$500.0 was added to the School Nursing/School Health program. Given that many schools around the State have had to reduce or eliminate their nurse(s), the sub-committee wanted to assist in supporting the schools' nurses.
- (\$360.0) of GF was reduced for the Chlamydia Campaign. Funds were added for three years for this effort. Given the economic climate, this reduction ends the campaign one year early.
- (\$193.7) was reduced for non-Hyde amendment abortions performed during the last year.

Conditional language is also contained in this budget submission allowing the department to move funding between appropriations and allocations - up to \$50 million. While unusual, given the many unknowns about this budget - such as how much will actually be authorized and available when the final state budget is passed; and given the sensitive and necessary services provided to Alaskans by this budget - we felt it was critical to give the department maximum flexibility with this budget, especially with a goal of minimizing the need for supplemental funding next year. This language was also included last year.

ATTACHED REPORTS:

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

- Budget Action Worksheet
- Agency Totals – FY2015 Operating Budget
- Appropriation/Allocation Summary (All Funds)
- Appropriation/Allocation Summary (GF)
- Transaction Comparison between ADJ Base and S Subcomm
- Transaction Comparison between Gov Amd and S Subcomm
- Transaction Comparison between S Subcomm and H Subcomm
- Wordage

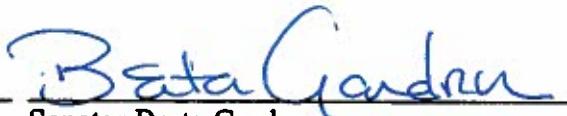


Senator Donald Olson, Chair

Senator Lesil McGuire



Senator John Coghill



Senator Berta Gardner