

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 40(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/8/19

Referred: Today's Calendar

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act making appropriations for the operating and capital expenses of the state's**
2 **integrated comprehensive mental health program; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2019 and ending June 30, 2020, unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated reduction set out in this section may be allocated among the appropriations made in this section to that department, agency, or branch.

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
	* * * * *	* * * * *		
	* * * * * Department of Administration * * * * *			
	* * * * *	* * * * *		
Legal and Advocacy Services		2,443,700	2,159,300	284,400
Office of Public Advocacy	2,064,100			
Public Defender Agency	379,600			
	* * * * *	* * * * *		
	* * * * * Department of Corrections * * * * *			
	* * * * *	* * * * *		
Community Residential Centers		1,000,000	1,000,000	
Community Residential	1,000,000			
Centers				
Health and Rehabilitation Services		9,489,500	9,091,000	398,500
Behavioral Health Care	6,863,600			
Substance Abuse Treatment	2,625,900			
Program				
	* * * * *	* * * * *		
	* * * * * Department of Education and Early Development * * * * *			
	* * * * *	* * * * *		
Education Support and Administrative		427,800	377,800	50,000
Services				
Student and School	427,800			
Achievement				

		Appropriation	General	Other
		Allocations	Funds	Funds
		* * * * *	* * * * *	
	* * * * *	Department of Health and Social Services		
		* * * * *	* * * * *	
6	Alaska Psychiatric Institute		6,895,200	6,895,200
7	Alaska Psychiatric	6,895,200		
8	Institute			
9	Behavioral Health		73,728,600	72,331,100
10	Behavioral Health Treatment	50,889,900		
11	and Recovery Grants			
12	Alcohol Safety Action	1,486,500		
13	Program (ASAP)			
14	Behavioral Health	9,300,400		
15	Administration			
16	Behavioral Health	5,440,300		
17	Prevention and Early			
18	Intervention Grants			
19	Designated Evaluation and	2,794,800		
20	Treatment			
21	Alaska Mental Health Board	902,900		
22	and Advisory Board on			
23	Alcohol and Drug Abuse			
24	Suicide Prevention Council	652,500		
25	Residential Child Care	2,261,300		
26	Children's Services		2,191,900	2,191,900
27	Children's Services	69,500		
28	Management			
29	Front Line Social Workers	148,500		
30	Family Preservation	726,000		
31	Foster Care Augmented Rate	500,000		
32	Foster Care Special Need	747,900		
33	Health Care Services		143,700	135,800
				7,900

		Appropriation	General	Other
		Allocations	Funds	Funds
1				
2				
3	Residential Licensing	135,800		
4	Medical Assistance	7,900		
5	Administration			
6	Juvenile Justice		1,304,600	163,300
7	McLaughlin Youth Center	767,900		
8	Fairbanks Youth Facility	120,900		
9	Bethel Youth Facility	66,500		
10	Probation Services	512,600		
11	Public Assistance		13,200	
12	Public Assistance	13,200		
13	Administration			
14	Public Health		4,118,300	240,000
15	Nursing	98,200		
16	Women, Children and Family	805,800		
17	Health			
18	Public Health	2,634,700		
19	Administrative Services			
20	Emergency Programs	779,600		
21	Bureau of Vital Statistics	40,000		
22	Senior and Disabilities Services		12,057,200	892,100
23	Senior and Disabilities	1,180,600		
24	Community Based Grants			
25	Early Intervention/Infant	7,424,500		
26	Learning Programs			
27	Senior and Disabilities	3,115,000		
28	Services Administration			
29	General Relief/Temporary	740,300		
30	Assisted Living			
31	Commission on Aging	130,400		
32	Governor's Council on	358,500		
33	Disabilities and Special			

		Appropriation	General	Other
		Allocations	Items	Funds
Education				
Departmental Support Services			553,100	553,100
Commissioner's Office	203,100			
HSS State Facilities Rent	350,000			
Medicaid Services		85,280,800	82,155,800	3,125,000
It is the intent of the legislature that long-term care facilities be exempt from Medicaid provider rate reductions.				
It is the intent of the legislature that the Department of Health and Social Services honor the terms, conditions, and rate schedules set out in the already-signed "Small Facility Medicaid Payment Rate Agreements" with all facilities.				
No money appropriated in this appropriation may be expended for an abortion that is not a mandatory service required under AS 47.07.030(a). The money appropriated for Health and Social Services may be expended only for mandatory services required under Title XIX of the Social Security Act and for optional services offered by the state under the state plan for medical assistance that has been approved by the United States Department of Health and Human Services.				
Medicaid Services	85,280,800			
It is the intent of the legislature that the department work with the statewide professional hospital association to develop strategies and methodologies for implementation of hospital diagnosis related groups, acuity-based skilled nursing facility rates, rate reductions, and timely filing provisions to mitigate unintended consequences.				
The department shall submit quarterly progress reports on cost containment efforts to the co-chairs of the House and Senate Finance Committees and the Legislative Finance Division.				
It is the intent of the legislature to exempt hospitals with the dual federal designation of Sole Community Hospital and Rural Referral Center in addition to Critical Access Hospitals from the 5% Medicaid rate reduction.				
	*****		*****	
	***** Department of Labor and Workforce Development *****			
	*****		*****	
Commissioner and Administrative		75,000		75,000
Services				

		Appropriation	General	Other
		Allocations	Funds	Funds
1				
2				
3	Labor Market Information	75,000		
4		* * * * *	* * * * *	
5		* * * * * Department of Law * * * * *		
6		* * * * *	* * * * *	
7	Civil Division		100,100	100,100
8	Human Services	100,100		
9		* * * * *	* * * * *	
10		* * * * * Department of Natural Resources * * * * *		
11		* * * * *	* * * * *	
12	Administration & Support Services		4,504,500	4,504,500
13	Mental Health Trust Lands	4,504,500		
14	Administration			
15		* * * * *	* * * * *	
16		* * * * * Department of Public Safety * * * * *		
17		* * * * *	* * * * *	
18	Council on Domestic Violence and		2,000,000	2,000,000
19	Sexual Assault			
20	Council on Domestic	2,000,000		
21	Violence and Sexual Assault			
22		* * * * *	* * * * *	
23		* * * * * Department of Revenue * * * * *		
24		* * * * *	* * * * *	
25	Alaska Mental Health Trust Authority		5,105,000	969,700
26	Mental Health Trust	4,635,300		4,135,300
27	Operations			
28	Long Term Care Ombudsman	469,700		
29	Office			
30		* * * * *	* * * * *	
31		* * * * * University of Alaska * * * * *		
32		* * * * *	* * * * *	
33	University of Alaska		2,487,300	805,800
				1,681,500

1		Appropriation	General	Other
2		Allocations	Funds	Funds
3	Anchorage Campus	2,437,300		
4	Fairbanks Campus	50,000		
5		* * * * *		
6		* * * * * Judiciary * * * * *		
7		* * * * *		
8	Alaska Court System	227,000	227,000	
9	Trial Courts	227,000		
10	Therapeutic Courts	3,220,600	3,001,200	219,400
11	Therapeutic Courts	3,220,600		
12	(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)			

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
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Department of Administration

1037	General Fund / Mental Health	2,159,300
1092	Mental Health Trust Authority Authorized Receipts	284,400
*** Total Agency Funding ***		2,443,700

Department of Corrections

1037	General Fund / Mental Health	8,091,000
1092	Mental Health Trust Authority Authorized Receipts	398,500
1246	Recidivism Reduction Fund	2,000,000
*** Total Agency Funding ***		10,489,500

Department of Education and Early Development

1037	General Fund / Mental Health	377,800
1092	Mental Health Trust Authority Authorized Receipts	50,000
*** Total Agency Funding ***		427,800

Department of Health and Social Services

1037	General Fund / Mental Health	153,628,100
1092	Mental Health Trust Authority Authorized Receipts	5,825,800
1180	Alcohol and Other Drug Abuse Treatment & Prevention Fund	20,624,500
1246	Recidivism Reduction Fund	5,000,000
1254	Marijuana Education and Treatment Fund	2,503,600
*** Total Agency Funding ***		187,582,000

Department of Labor and Workforce Development

1092	Mental Health Trust Authority Authorized Receipts	75,000
*** Total Agency Funding ***		75,000

Department of Law

1037	General Fund / Mental Health	100,100
*** Total Agency Funding ***		100,100

Department of Natural Resources

1092	Mental Health Trust Authority Authorized Receipts	4,504,500
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1	*** Total Agency Funding ***	4,504,500
2	Department of Public Safety	
3	1246 Recidivism Reduction Fund	2,000,000
4	*** Total Agency Funding ***	2,000,000
5	Department of Revenue	
6	1037 General Fund / Mental Health	469,700
7	1094 Mental Health Trust Administration	4,135,300
8	1180 Alcohol and Other Drug Abuse Treatment & Prevention Fund	500,000
9	*** Total Agency Funding ***	5,105,000
10	University of Alaska	
11	1037 General Fund / Mental Health	805,800
12	1092 Mental Health Trust Authority Authorized Receipts	1,681,500
13	*** Total Agency Funding ***	2,487,300
14	Judiciary	
15	1037 General Fund / Mental Health	2,710,200
16	1092 Mental Health Trust Authority Authorized Receipts	219,400
17	1180 Alcohol and Other Drug Abuse Treatment & Prevention Fund	518,000
18	*** Total Agency Funding ***	3,447,600
19	* * * * * Total Budget * * * * *	218,662,500
20	(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)	

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
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Unrestricted General

1037 General Fund / Mental Health	168,342,000
*** Total Unrestricted General ***	168,342,000

Designated General

1180 Alcohol and Other Drug Abuse Treatment & Prevention Fund	21,642,500
1246 Recidivism Reduction Fund	9,000,000
1254 Marijuana Education and Treatment Fund	2,503,600
*** Total Designated General ***	33,146,100

Other Non-Duplicated

1092 Mental Health Trust Authority Authorized Receipts	13,039,100
1094 Mental Health Trust Administration	4,135,300
*** Total Other Non-Duplicated ***	17,174,400

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 4.** The following appropriation items are for capital projects and grants from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
	Allocations	Funds	Funds
	* * * * *	* * * * *	
	* * * * * Department of Health and Social Services * * * * *		
	* * * * *	* * * * *	
MH: Home Modification and Upgrades to	300,000		300,000

Retain Housing (HD 1-40)

(SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 * **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of
2 this Act.

3 Funding Source	Amount
4 Department of Health and Social Services	
5 1092 Mental Health Trust Authority Authorized Receipts	300,000
6 *** Total Agency Funding ***	300,000
7 * * * * * Total Budget * * * * *	300,000

8 (SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 * **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of
2 this Act.

3 Funding Source	Amount
4 Other Non-Duplicated	
5 1092 Mental Health Trust Authority Authorized Receipts	300,000
6 *** Total Other Non-Duplicated ***	300,000

7 (SECTION 7 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 * **Sec. 7. PURPOSE.** In accordance with AS 37.14.003 and 37.14.005, the appropriations
2 made in this Act are for the state's integrated comprehensive mental health program.

3 * **Sec. 8. NONGENERAL FUND RECEIPTS.** (a) Alaska Mental Health Trust Authority
4 authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) that exceed the
5 amounts appropriated in this Act are appropriated conditioned upon compliance with the
6 program review provisions of AS 37.07.080(h).

7 (b) If Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or
8 administration receipts (AS 37.14.036) fall short of the estimates used as the basis of the
9 appropriation, the affected appropriation is reduced by the amount of the shortfall in receipts.

10 * **Sec. 9. SALARY AND BENEFIT ADJUSTMENTS.** (a) The appropriations made in sec.
11 1 of this Act include amounts for salary and benefit adjustments for public officials, officers,
12 and employees of the executive branch, Alaska Court System employees, employees of the
13 legislature, and legislators and to implement the terms for the fiscal year ending June 30,
14 2020, of the following collective bargaining agreements:

- 15 (1) Alaska State Employees Association, for the general government unit;
- 16 (2) Teachers' Education Association of Mt. Edgecumbe, representing the
17 teachers of Mt. Edgecumbe High School;
- 18 (3) Confidential Employees Association, representing the confidential unit;
- 19 (4) Public Safety Employees Association, representing the regularly
20 commissioned public safety officers unit;
- 21 (5) Public Employees Local 71, for the labor, trades, and crafts unit;
- 22 (6) Alaska Public Employees Association, for the supervisory unit;
- 23 (7) Alaska Correctional Officers Association, representing the correctional
24 officers unit.

25 (b) The appropriations made to the University of Alaska in sec. 1 of this Act include
26 amounts for salary and benefit adjustments for the fiscal year ending June 30, 2020, for
27 university employees who are not members of a collective bargaining unit and to implement
28 the terms for the fiscal year ending June 30, 2020, of the following collective bargaining
29 agreements:

- 30 (1) Fairbanks Firefighters Union, IAFF Local 1324;
- 31 (2) United Academic - Adjuncts - American Association of University

1 Professors, American Federation of Teachers;

2 (3) United Academics - American Association of University Professors,
3 American Federation of Teachers.

4 (c) If a collective bargaining agreement listed in (a) of this section is not ratified by
5 the membership of the respective collective bargaining unit, the appropriations made in this
6 Act applicable to the collective bargaining unit's agreement are adjusted proportionately by
7 the amount for that collective bargaining agreement, and the corresponding funding source
8 amounts are adjusted accordingly.

9 (d) If a collective bargaining agreement listed in (b) of this section is not ratified by
10 the membership of the respective collective bargaining unit and approved by the Board of
11 Regents of the University of Alaska, the appropriations made in this Act applicable to the
12 collective bargaining unit's agreement are adjusted proportionately by the amount for that
13 collective bargaining agreement, and the corresponding funding source amounts are adjusted
14 accordingly.

15 (e) Appropriations made in sec. 1 of this Act for salary and benefit adjustments as
16 described in (a) and (b) of this section are for the benefit of the state's integrated
17 comprehensive mental health program only and do not necessarily affect every group of
18 noncovered employees or every collective bargaining unit listed in (a) and (b) of this section.

19 * **Sec. 10.** This Act takes effect July 1, 2019.