

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P.O. Box 113300  
Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347  
legaudit@legis.state.ak.us

SUMMARY OF: A Sunset Review of the Department of Health and Social Services, Alaska Commission on Aging, October 1, 2003

### PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Alaska Commission on Aging (ACoA). The purpose of this audit was to determine if there is a demonstrated public need for the continued existence of this Commission.

Legislative intent requires consideration of this report during the legislative oversight hearings to determine whether the termination date of the Alaska Commission on Aging should be extended. The law currently specifies ACoA will terminate on June 30, 2004.

### REPORT CONCLUSIONS

In our opinion, ACoA is helping older Alaskans lead dignified, independent, and useful lives. ACoA has also demonstrated that they are able to comply, with some exceptions, with the state and federal regulations governing certain commission operations. We believe ACoA has demonstrated they serve a public need. We recommend that the legislature adopt legislation extending ACoA's termination date to June 30, 2008.

### FINDINGS AND RECOMMENDATIONS

We report, in this review, the findings related to the federal funding for aging programs that were made in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2002* report.

1. ACoA should continue to adhere to their corrective action plan to meet the supplement not supplant federal requirements.
2. ACoA should improve its monitoring of subrecipients ensuring that federal funds passed through to grantees are spent in accordance with federal requirements.

October 13, 2003

Members of the Legislative Budget  
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), the attached report is submitted for your review.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
ALASKA COMMISSION ON AGING  
SUNSET REVIEW

October 1, 2003

Audit Control Number

06-20025-03

This sunset review was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Alaska Statute 44.66.050(c) lists criteria to be used to assess the demonstrated public need for a given board, commission, agency, or program, subject to the sunset review process. Currently, under AS 44.66.010(a)(10) the commission terminates on June 30, 2004. If the legislature takes no action to extend this date, the commission would be allowed one year in which to conclude its administrative operations.

In our opinion, the Alaska Commission on Aging (ACoA) is helping older Alaskans lead dignified, independent, and useful lives. ACoA has also demonstrated that they are able to comply, with some exceptions, with the state and federal regulations governing certain commission operations. We recommend that the legislature adopt legislation extending ACoA's termination date to June 30, 2008.

The audit was conducted in accordance with generally accepted government audit standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson, CPA  
Legislative Auditor

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# OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Titles 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Alaska Commission on Aging (ACoA) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an efficient and effective manner.

As required by AS 44.66.050(a), the legislative committee of reference shall consider this report as part of the oversight process in determining if ACoA should be reestablished. State law currently specifies ACoA will terminate on June 30, 2004. If no action is taken by the legislature, the commission will have one year from that date to conclude its administrative operations.

## Objectives

The two central, interrelated objectives of our report are:

1. To determine if the termination date of the commission should be extended.
2. To determine if the commission is operating in the public interest.

The assessment of the operations and performance of the commission was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relate to the determination of a demonstrated public need for the commission.

## Scope and Methodology

Our audit reviewed the operation and activities of the Alaska Commission on Aging for the period of Fiscal Year (FY) 2000 through the date of our report.

During the course of our examination we reviewed and evaluated the applicable statutes and regulations; minutes of commission meetings, state plans, and annual reports; and, files and documentations related to the commission's operations and mission, including grant allocation process – as necessary.

In addition, we attended the June 2003 funding meeting and interviewed the commission's staff. We also conducted a survey of grant recipients in order to solicit their perspective on how well they believe the commission is operating. Further, we reviewed the federal fiscal year (FFY) 02 complaints and investigations report of the long-term care ombudsman office.

We also describe in this review the findings related to the federal funding for aging programs that were made in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2002* report.

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## ORGANIZATION AND FUNCTION

The Alaska Commission on Aging (ACoA) was first established in July 1981, under AS 44.21, as a single Planning and Service Area<sup>1</sup> (PSA) in the Department of Administration (DOA).<sup>2</sup> As discussed below, ACoA has been moved to the Department of Health and Social Services (DHSS). By Executive Order 108 and effective July 1, 2003, ACoA is now established under AS 47.44.

As the designated PSA for Alaska, the commission is the only recognized agency in the state responsible to plan, fund, and oversee federally-funded services to seniors statewide.

ACoA is authorized to administer and coordinate state programs for older Alaskans and to administer federal programs funded under provisions of the Older Americans Act (OAA). Together, the provisions of AS 47.44 and OAA establish the commission's authority, purpose, and scope of work. The primary functions of the commission include:

1. Setting policy, with the approval of the commissioner of the Department of Health and Social Services (DHSS), for the administration of state and federal programs under AS 47.65 and OAA<sup>3</sup> which would include determining the appropriate amount of state and federal funds allocated toward the purchase of needed programs and services for older Alaskans.<sup>4</sup>
2. Advocating for the needs and interests of older Alaskans at both the state and local levels, including Alaskans affected by Alzheimer's Disease and Related Disorders (ADRD), in conjunction with the Alaska Mental Health Authority Trust (AMHTA) as provided in AS 47.30.031.
3. Encouraging the development of municipal commissions serving older Alaskans and community-oriented programs and services for the benefit of older Alaskans.
4. Developing and expanding services to older Alaskans, in addition to promoting a more systematic approach toward helping them lead dignified, independent, and useful lives.

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<sup>1</sup> The term "Planning and Service Area" comes from the Older Americans Act.

<sup>2</sup> The original name for the state's PSA entity was the Older Alaskans Commission. The name was changed in 1994 to the Alaska Commission on Aging (Chapter 131, SLA 1994).

<sup>3</sup> 42 U.S. Code 3001-3058ee.

<sup>4</sup> AS 47.44.230 (7) and (8) state the commission shall: *with the approval of the commissioner of health and social services, set policy for the administration of federal programs subject to state control as provided under ... the Older Americans Act ... and state programs as provided under AS 47.65 ... and evaluate grant applicants and make grant awards under those programs.*

5. Approving a comprehensive statewide plan that identifies the concerns and needs of older Alaskans and, with reference to the approved plan, prepare and submit to the governor and legislature an annual analysis and evaluation of the services provided to older Alaskans.

Although ACoA has been given extensive authority to address almost all the concerns of older Alaskans, AS 44.21 stipulates the commission may not investigate, review, or undertake any responsibility for the longevity bonus program under AS 47.45 or the Alaska Pioneers' Homes under AS 47.55.

The commission consists of 11 members, of which 9 are voting members.<sup>5</sup> Seven are appointed by the governor based on their knowledge and demonstrated interest in the concerns of older Alaskans. Statutes require that the seven appointments be made to ensure representation of low-income persons and minorities, and representation from rural and urban areas of the state, and to secure statewide geographical representation on the commission. These members serve overlapping four-year terms at the pleasure of the governor and all seven are voting members.

The commission is authorized by statute to employ an executive director to serve at its pleasure. Currently, the executive director has staff of four positions in Juneau.

#### Recent Transfer to DHSS

Until July 2003, the commission was housed in the Department of Administration's (DOA) Division of Senior Services. The commission has been moved to DHSS, under the department's Boards and Commissions unit, as part of Governor Murkowski's reorganization of the department. Some of the commission staff was transferred to the new Division of Senior and Disabilities Services (DSDS) and are responsible for administering ACoA grants. The staff remaining with ACoA will continue with the other work of the commission.

The move will result in significant changes of how grants are administered and the grant reports are completed and submitted. It will also require coordinated communication between

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<sup>5</sup> AS 47.44.210 (b) was amended to change the voting membership in which the DHSS commissioner, or the commissioner's DHSS designee, replaced the DOA commissioner or commissioner's DOA designee as a voting member of the commission.

**ALASKA COMMISSION ON AGING**  
*(As of July 1, 2003)*

Voting Members  
Marjorie Hays, Ph.D., Chairman  
Banarsi Lal  
Daniel K. Karmun, Sr.  
Doris Bacus  
Jesse L. Gardner  
Peggy Burgin  
Vacant Position as of 6/1/03  
Ella Craig, Chairman of Pioneer's Homes  
Advisory Board  
Steve Ashman, Designee of the Commissioner for  
Health and Social Services

Non-Voting Members  
Gene Kane, Designee of the Commissioner for  
Commerce and Economic Development  
Ray Matiashowski, Designee of the  
Commissioner for Department of  
Administration

the now organizationally-separated staff. In addition, since DSDS merges traditionally-separate disability and older Alaskans programs, the commission will need to find ways to assist its constituents in understanding and responding to the new organizational structure.

Oversight of the Office of Long Term Care Ombudsman's (LTCO) transfer to the Alaska Mental Health Trust Authority

Under Executive Order 102, in March 10, 2001, LTCO was transferred from the direct oversight of ACoA to the Alaska Mental Health Trust Authority (AMHTA)<sup>6</sup>. The transfer was made to provide an independent agency to review concerns of older Alaskans investigated by LTCO and to permit closer coordination, within state government, regarding mental health issues and older Alaskans' needs. AMHTA provides oversight and administrative support for LTCO. ACoA continues a working relationship with the LTCO office and annually transfers OAA funding for operation of the LTCO to AMHTA, as well as any OAA increases earmarked for LTCO programs.

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<sup>6</sup> Alaska Statute 47.62.010 (a) establishes LTCO under AMHTA while section (b) of the statute goes on to state:

*The ombudsman shall be hired by the authority. A member of the authority who has a financial interest in a long term care facility in the state, or who has any other conflict of interest, may not participate in the hiring of the ombudsman.*



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## BACKGROUND INFORMATION

In order to fulfill its mission of assisting older individuals to live dignified, independent, and useful lives, ACoA administers funds that support a variety of services. These services are broadly categorized as: Nutrition, Transportation, and Support (NTS) services; Mature Alaskans Seeking Skills Training program (MASST); Senior Residential Services; Home and Community-Based Care (HCB) services; and the Long Term Care Ombudsman. The majority of ACoA's funding is expended in the form of grants to local nonprofit and municipal service agencies for NTS, MASST, and HCB programs. ACoA grants are funded with federal OAA funds, state general funds, and AMHTA funds. The core of ACoA grant programs involve:

1. Nutrition, Transportation, and Support (NTS) Services. ACoA's NTS program is funded under Title III of OAA in addition to general funds. The NTS services are the most visible services for seniors in many communities. These services are specifically targeted to reach low-income, minority, and frail or disabled seniors. Services provided are:
  - Nutrition – Home-delivered meals are provided to ill or housebound seniors. Other meals, provided in a congregate setting, offer older Alaskans companionship and opportunities to volunteer for what are termed “senior-to-senior” services. Preventive health care and nutrition education services are also provided.
  - Transportation – Rides and rider assistance are provided through van and car rides to high priority destinations such as medical visits, work, public assistance offices, meal sites, shopping, adult day care centers, and volunteer posts.
  - Support Services – Information and referral services are provided to seniors. These services include outreach to seniors in need, escort, homemaker, chore and shopping service, advocacy to help obtain services and benefits for seniors, senior legal services, statewide senior media, and administration or senior volunteer service programs (foster grandparents, senior companions, retired seniors volunteer programs).
2. Mature Alaskans Seeking Skills Training (MASST). In July 2003, the name of the Alaska program was changed from the Senior Community Service Employment Program (SCSEP) to Mature Alaskans Seeking Skills Training (MASST). The name change was intended to de-emphasize the aspect of the program's employment of seniors and to emphasize the training and skills development aspect. The official U.S. Department of Labor name remains SCSEP.

Funded by Title V of OAA, in addition to general funds, MASST provides training and part-time employment opportunities to low-income persons who are 55 years or older.

MASST's intent is to help this population enter, or re-enter, the mainstream workforce and eventually obtain unsubsidized employment. MASST funds also provide seniors with other supportive services which include additional training, annual physicals, eyeglasses, and other items necessary to hold down a job.

According to ACoA's annual report, during FY 02, MASST helped 64 participants find unsubsidized work within their respective communities and served 126% of its allotted 213 positions, allowing 269 enrollees to benefit from the program.

3. Senior Residential Services – Designated Appropriations. ACoA receives designated appropriations to fund operations for two rural senior assisted living residential homes, one in Kotzebue and the other in Tanana. The individuals living at these residences receive assistance in managing their daily living activities.
4. Home and Community-Based Care (HCB) Services. Funded by AMHTA, in addition to general funds and with the Family Caregiver program partly funded by federal funds, the HCB program is designed to help seniors remain as independent as possible and limit or avoid having to rely on institutional care. The objective of HCB is to provide access to affordable home and community-based care services that allows seniors to live out their lives at home or in a home-like setting. Most recipients of HCB services are frail/disabled persons, age 60 and older, or individuals with Alzheimer's Disease and Related Disorders (ADRD). The services also offer relief to family caregivers. Specifically, these services include:
  - Adult day services – Located in 11 Alaska communities, this is a structured and comprehensive program that provides a variety of health, social, and related support services in a protective setting, during any part of the day, but less than 24-hours of a day.
  - Respite care – Respite care is planned care, assistance, and activities provided by a trained caregiver to a dependent adult in the client's home for a scheduled period of time. This program serves individuals unable to care for themselves at home. It is designed to relieve, on a short-term basis, those persons normally providing the care.
  - Care coordination – This program helps frail clients find appropriate services and ensures coordination of the services. This is accomplished through an in-depth assessment of the client's needs and resources by interviewing the client, the client's family, caregivers, and medical and social care providers. Care coordination includes outreach, intake screening, initial assessment, care planning, service arrangement, ongoing monitoring, formalized reassessment, and service delivery system involvement. According to ACoA, while grant-funded care coordination is limited in Alaska, there has been considerable growth in private care coordination services due to increased funding under the state's Medicaid program for Medicaid-eligible individuals with nursing home needs.

- ADRD Education, Outreach, and Family Support – This centralized program provides funding for services, statewide, which help identify people with ADRD, educate caregivers and service providers about ADRD, and provide a variety of family support services ranging from individual consultations and support groups. A toll-free 800-telephone number is provided for statewide information and referral.
- Family Caregiver Support Program – Authorized by the National Family Caregiver Support Act, part of the reauthorized Older Americans Act, this is a comprehensive program that provides relief from emotional, physical, and financial stress experienced by family caregivers. This program focuses on the needs of caregivers; ranging from information referral, individual counseling, support groups, caregiver training, to respite and limited supplemental services. The program gives priority to low-income, minority individuals and older individuals providing care and support to persons with mental retardation and related developmental disabilities.

Shifting demographics and changes in ACoA prioritization led to changes in regional funding

As the OAA-designated single planning and services area for the state, ACoA is required to develop a plan to allocate the federal funds it receives for the NTS activities, in addition to the Family Caregiver Support and the Senior Employment activities.

ACoA produced two state plans<sup>7</sup> between FY 00 and FY 03: the 2001-2003 State Plan and the 2003-2007 State Plan.<sup>8</sup> These statewide plans identify the concerns and needs of older Alaskans and specify the criteria used to allocate federal funding.

Prior to awarding federal funds to various community programs, ACoA is responsible for allocating over \$5 million in annual federal between six geographic regions of the state:

- Southwest
- Southeast
- Southcentral
- Interior
- Northwest
- Anchorage

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<sup>7</sup> Section 307(a) of the OAA states that “each State, in order to be eligible for grants from its allotment under this title, for any fiscal year, shall submit to the Assistant Secretary a State plan for a two-, three-, or four-year period determined by the State agency...”

<sup>8</sup> ACoA is currently operating under the 2001-2003 state plan which has been extended one year and is set to expire in June 2004. The 2003-2007 state plan is currently being revised to become effective in FY 05. This revision will include DHSS as the newly-designated sole state agency under Section 305 of the Older Americans Act, as part of DHSS’ reorganization under Executive Order 108.

Regarding funding awarded for FY 04 and the succeeding three years, ACoA relied on demographic information obtained from the 2000 U.S. Census to make the regional allocations. This census information was summarized by region along the following demographic categories:

- The number of minority group seniors
- The number of low-income seniors
- The number of seniors located in areas defined as “rural”
- The number of seniors defined as “frail” (with the frail definition being shifted from seniors 75 years or older to the number of seniors 80 years or older)
- The total number of seniors (defined as population 60 years or older)

When considering this demographic information while setting regional funding allocations, ACoA also chose to change the “weight” assigned to each classification. For the previous funding cycle ACoA had weighted each category the same – or 20%. For funding awarded in FY 04 and the succeeding three years, ACoA changed the allocation by increasing the weight of low-income, rural, and frail factors to 25% and decreasing the weight of minority senior and total senior population factors to 12.5% for each group<sup>9</sup>.

Changes in weighting factors, along with the change brought on by first time use of 2000 census data, resulted in a dramatic shift of funding from the Southwest and Interior regions to the Anchorage region. To minimize the impact of such a shift in funding allocations, ACoA, with approval of federal program managers, voted to “phase-in” the changes of funding between regions over a three-year period.

### Grants Review and Award Procedures

In distributing grant funds, ACoA typically uses a Request for Proposal (RFP) process. The RFP components and steps may vary substantially between grant programs and in any given year. Upon receiving a grant application, the designated Associate Coordinator or Planner completes a technical compliance review. The technical compliance review consists of reviewing applicant eligibility, authorized signatures, and completeness. All applicants meeting the minimum thresholds are evaluated by a Proposal Evaluation Committee (PEC).<sup>10</sup>

PEC evaluates applications in accordance with criteria set forth in the RFP. PEC also evaluates whether there is a need for the project, proposed objectives meet those addressed in the RFP; proposed procedures and methods are capable of achieving project objectives; personnel, facilities and resources are reasonable and adequate to carry out the project; and, cost-benefits of the project warrant an award.

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<sup>9</sup> The change in the funding formula was approved by the U. S. Administration on Aging.

<sup>10</sup> Each PEC is made up of at least one ACoA commissioner and two or three commission staff.

When PEC reviews are completed for all applications, the executive director collects and submits PEC recommendations to ACoA commissioners. During the funding award meeting, each applicant has five minutes to present their grant requests and respond to any questions posed by the commissioners. The commissioners then decide what changes, if any, they wish to make to PEC recommendations prior to any final grant awards.

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## **REPORT CONCLUSIONS**

In developing our conclusion whether the termination date of the Alaska Commission on Aging (ACoA) should be extended, we evaluated commission operations using the nine factors set out at AS 44.66.050. Under the state's "sunset" law, these nine factors are to be considered when determining if an agency or organization, subject to the law, has demonstrated a valid public policy need for continuing its operations. As discussed in the Findings and Recommendations section of the report, we identified concerns related to ACoA staff's administration of federal funds. These findings were developed in the course of our agency's FY 02 federal compliance statewide audit.

In our opinion, ACoA is helping older Alaskans lead dignified, independent, and useful lives. ACoA has also demonstrated that they are able to comply, with some noted exceptions, with the state and federal regulations governing certain commission operations. We believe ACOA has demonstrated they serve a public need. Under AS 44.66.010(a)(10), the commission is schedule to expire on June 30, 2004. We recommend that the legislature adopt legislation extending ACoA's termination date to June 30, 2008.

While such an extension is the standard time period suggested in statute, it is within legislative discretion to extend the commission to a later date. The central argument for a longer extension is that the commission is required by federal regulations.

Section 305 of the Older Americans Act (OAA) requires each state to designate an agency as the sole state agency to: (1) develop and administer a state plan, (2) coordinate all state activities related to the Older Americans Act, (3) serve as an effective and visible advocate for the elderly, and (4) distribute funds to individuals with the greatest economic or social need.

Section 3026 of U.S. Code requires the establishment of an advisory council to: (1) develop and administer an area plan; (2) conduct public hearings; (3) represent the interest of older persons; and (4) review and comment on all community policies, programs, and actions which affect older persons with the intent of ensuring maximum coordination and responsiveness of older persons. ACoA satisfies both of these federal requirements. Federal funding made available to the state under OAA is contingent on satisfying these federal requirements.



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## FINDINGS AND RECOMMENDATIONS

The findings identified below are related to the federal funding for aging programs that were made in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2002* report..

### Recommendation No. 1

The Division of Senior Services<sup>11</sup> director and the Alaska Commission on Aging (ACoA) executive director should continue to adhere to their corrective action plan to meet federal requirements.

In FY 00, ACoA discovered that Senior Employment Program funds were being used to supplant budgeted positions. According to the federal requirement to supplement not supplant, “*employment of an enrollee shall be only in addition to budgeted employment which would otherwise be funded by the grantee or subgrantees without assistance from the Act ...*” Furthermore, the program’s objectives are to assist and promote the transition of program enrollees into unsubsidized employment.

A corrective action plan was developed to resolve the noncompliance with the supplement not supplant requirement and federal approval was obtained. To prevent disruption of services to seniors, ACoA scheduled implementation of the corrective action plan over a two-year period, starting in FY 02.

Due to the minimum employment options and lack of qualified subgrantees, limited implementation of the corrective action plan occurred in FY 02. ACoA rescheduled implementation of the corrective action plan over the next several years recognizing that noncompliance with the supplement not supplant requirement continues until the corrective action plan is fully implemented.

Given the significance of this noncompliance, we recommend that the director of DSS and executive director of ACoA should ensure immediate and full implementation of the corrective action plan so that federal funds are utilized for the purpose of the program.

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<sup>11</sup> As mentioned in the Organization and Function section, the Division of Senior Services has moved to the Department of Health and Social Services and is now called the Division of Senior and Disabilities Services.

## Recommendation No. 2

The Division of Senior Services<sup>12</sup> director and the Alaska Commission on Aging (ACoA) executive director should improve its monitoring of subrecipients ensuring that federal funds passed through to grantees are spent in accordance with federal requirements.

### Prior Finding

The majority of federal funding for aging clusters and senior employment programs are passed through by ACoA to subrecipients in the form of grants. The grants are a combination of both federal and state funding.

Federal regulations require the state to monitor its subrecipients ensuring federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. Monitoring may take various forms such as reviewing reports submitted by subrecipients, performing site visits to the subrecipients to review financial and programmatic records, and observing operations. It also requires the state to identify the federal awards passed through to subrecipients and all subrecipients must certify their organization and its principals are not suspended or debarred.

In prior audits we found weaknesses in the controls over subrecipient monitoring, including the lack of periodic site visits. Because program expenditures to subrecipients comprise over 80% of federal expenditures for each of the programs, we continue to encourage ACoA to establish and follow procedures ensuring subrecipients compliance with federal requirements.

### Legislative Audit's Current Position

We reviewed ACoA's FY 02 monitoring of both aging cluster and senior employment program subrecipients. The Department of Administration<sup>13</sup> continues to take significant steps toward fully addressing this continuing recommendation.

The cumulative fiscal reports for the aging cluster are separated into high-level accounting categories. ACoA does not require supporting documentation to assess the allowability of specific transactions; instead, it relies on independent A-133 audits. However, 62% of funds passed through to subrecipients do not receive an A-133 audit. Additionally, the largest subrecipients of the senior employment program stopped sending supporting backup to the financial reports towards the end of the fiscal year. Therefore, ACoA has little evidence showing reimbursements were based on valid and federally allowable costs.

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<sup>12</sup> See footnote 10.

<sup>13</sup> As discussed in the Organization and Function Section, ACoA was moved from Department of Administration and is now operating under the Department of Health and Social Services.

For FY 02 ACoA did not inform their subrecipients of the federal program number nor the amount of federal dollars passed through to their subrecipients. According to federal guidelines, the state is required to identify federal awards information including the description and program number for each program and the federal funds.

We continue to recommend the agency establish and follow procedures to ensure that costs reported by subrecipients comply with federal requirements and necessary federal program information is provided to the subrecipients.

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## ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

***The extent to which the board, commission, or program has operated in the public interest.***

### Collaborative efforts with other agencies and community-based programs

The Alaska Commission on Aging (ACoA) maintains a working relationship and coordinates many of their activities with other agencies. ACoA's planning process includes public input and coordination with other community agencies providing services to seniors. This is demonstrated in the commission's close planning work with the Mental Health Trust Authority Board on mental health issues and in the collaborative work the commission does with AMHTA's other three beneficiary boards: the Mental Health Board, the Governor's Council on Disabilities and Special Education, and the Advisory Council on Alcohol and Drug Abuse.

During ACoA meetings, various agencies have made presentations which provide information to the public on issues related to older Alaskans. ACoA has also assisted in developing local transit services statewide with the Alaska Coordinated Transportation Coalition and collaborated in making capital improvements to senior centers statewide with the Rasmuson Foundation. Further, the commission hosted, in partnership with the Alaska Housing Finance Corporation, a series of three Common Ground conferences to gain a sense of senior priorities and to begin ongoing dialogues with representatives in the statewide community.

To address the question of whether the commission operates in the public interest, we conducted a survey of grantees. All of the survey respondents believe that ACoA is helping older Alaskans lead dignified, independent, and useful lives (see Appendix B).

### Keeps older Alaskans informed on important issues

*Senior Voice* is a monthly newspaper distributed to over 5,000 people and organizations around the state and is published by the Older Persons Action Group, Inc. This paper contains information about legislative action, health issues, senior programs, and other related concerns to seniors living in Alaska. Another publication produced by the Older Persons Action Group, Inc. is the *Directory for Older Alaskans*. This publication is a guide to senior services in communities throughout Alaska. Both publications are partially funded using commission grant funds.

Other commission-sponsored publications include the in-house newsletter, *Alaskan Seniors: Living Longer, Growing Stronger*, which is posted on the commission website. This publication focused on topics such as: long-term care resources, assisting living homes, Alaska's Pioneer's Homes, and senior demographics.

Provide older workers with an opportunity to gain work skills and job experience

As discussed in the Background Information section, the commission's Mature Alaskans Seeking Skill Training program has provided more than 60 seniors the opportunity to get back into their community's workforce. The program provides training and job skills and gives the seniors involved a sense of accomplishment and independence.

Long Term Care Ombudsman (LTCO) investigates complaints about neglect or abuse of, and care given to, seniors

The LTCO office reports its complaints and investigations on a federal fiscal year<sup>14</sup> (FFY) basis. For FFY 02, the last complete reporting period at the time of fieldwork for this audit, Alaska's LTCO reported closing 283 investigations. These 283 investigations represent the handling of almost 500 complaints (492), since many investigations cover multiple complaints.<sup>15</sup> LTCO typically seeks voluntary compliance when investigations of the complaints find they are valid. More than half of the time (56%) the complaint was resolved to the satisfaction of the resident or complainant. Another 16% of the time, LTCO found that no action was needed or appropriate. For another 20% of the complaints, LTCO referred its findings to another agency for further possible action.

***The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.***

Our review shows that ACoA's board members have been appointed in accordance with Alaska statutes. All appointed members have shown a dedicated interest in matters dealing with the elderly within Alaska. The members are all Alaskan residents who represent all six funding regions within the State and meet the age requirements set by the State. As required by state law, the commission met regularly at least four times a year from FY 00 through FY 03.

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<sup>14</sup> The federal fiscal year is October 1 through September 30.

<sup>15</sup> Forty percent of the complaints involved the care that residents received in nursing facilities and in community board and care facilities. Just over half of the complaints in the category involved accidents or improper handling of senior residents. Another 20 percent of the complaints involved abuse, gross neglect, or exploitation of seniors residing in the aforementioned facilities. Another ten percent of the complaints involved issues of autonomy, choice, exercise, and privacy issues of facility residents. Many of the complaints in this category involved staff attitudes and the dignity and respect they afforded senior residents.

Although 67% of the grantees responded that ACoA's grant eligibility requirements do not limit participation in their communities, only 59% of the grantees responding believe that ACoA's grant award procedures are reasonable and fair. As discussed in the Background Information section, ACoA changed the formula for federal funds based on the 2000 U.S. Census. Changes in the allocation of federal funds between regions of the state stemmed from both demographic shifts in the senior population between the regions and the weighting assigned to each of the five population characteristics used by ACoA.

Concurrent with these changes, ACoA issued RFPs for the full range of its programs – which made the application process more difficult for many grantees. We believe many of the complaints about the funding process stemmed from the combination of these changes and factors. While the processing of many different RFPs, all at once, may have been somewhat inefficient and the timing for awarding multiple funding at the same time unfortunate – the changes in weighting the demographic factors and the phase in process were within the discretion of ACoA.

#### Budgetary Constraints

According to the economic studies conducted for ACoA the number of Alaskans, over the age of 60, will more than triple between 2000 through 2025. The markets for senior services will similarly increase. Senior services were supported with federal dollars through OAA and a comparable amount of state funds. According to ACoA's annual reports, the commission's federal funding has only increased by four percent between FY 00 through FY 02. ACoA's federal funding increase is minimal compared to the growing seniors' population, as well as their future needs.

In our survey, grantees responded that ACoA addresses NTS and HCB services needs of older Alaskans in their communities; however, 85% of the grantees responded that ACoA's funding is insufficient to meet the overall needs of older Alaskans in their communities.

ACoA believes the level of administrative and budget funding has been adequate for basic program monitoring to ensure fiscal and programmatic compliance. However, funding is limited in terms of outreach efforts into village Alaska and other rural areas of the state, efforts that would lead to improved services provision.

***The extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.***

The commission has supported or recommended several changes to statutes related to ACoA or older Alaskans. Legislation that was supported by formal resolution of ACoA included the following:



- HB 187 (Chapter 55, SLA 99) – New strategy and framework for the state process to authorize construction of increased nursing home capacity.
- SB 56 (Chapter 20, SLA 99) – Licensing of home health care agencies and timely release of long-term care service and facility inspection and investigation reports
- SB 57 (Chapter 21, SLA 99) – Increased protection of vulnerable adults
- SB 73 (Chapter 83, SLA 00) – Increased rates paid to assisted living providers caring for General Relief clients, to more adequately pay for services provided
- HB 65 (Chapter 33, SLA 01) – Payment for breast and cervical cancer treatments for limited income Alaskans whose cancers were detected through a CDC outreach program.
- SB 64 (Chapter 13, SLA 01) – World War II veterans who left high school to enlist are awarded high school diplomas.
- SB 112 (Chapter 15, SLA 01) – Establishing new minimum salary for the position of Long Term Care Ombudsman. ACoA also supported the adoption of EO 102, transferring the Long Term Care Ombudsman office to AMHTA.
- SJR 28 (Legislative Resolve 36, SLA 01) – Resolution urging Federal and State outreach Alaskans on the costs of long-term care, the value of participation in long-term care insurance, and the merits of providing incentives, including tax benefits for those who invest in long-term care insurance.

***The extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.***

The Commission on Aging has established several processes to inform the public and solicit public comment. They inform the public of their meetings through the *Senior Voice* and the newsletter *Alaska Seniors Living Longer Growing Stronger*. ACoA also uses their website to further inform the public. The Web page also gives the public the ability to comment on issues concerning the commission. In addition, at each of its quarterly meetings, which are public-noticed through print and broadcast media as well as the state online public notice system, ACoA sets aside at least one public comment session per day, which is also teleconferenced across the state.

Grantee agencies are allocated time to speak directly to ACoA at the main “funding” meeting. Also at each of its meetings, the commission schedules time for presentations from the state’s long-term care ombudsman, the director of the former division of senior services (which oversees adult protection), the long-term care official, the Senior advocacy coalition, the AHFC, and AMHTA and its beneficiary boards.

We also asked the grantees in our survey if ACoA has been effective in informing or educating their community and others around the state, of important legislative or other developments affecting older Alaskans. The response we received showed that 80% of the respondents believe that ACoA is effective in carrying out this function.

***The extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.***

ACoA schedules time at each meeting for public comment. The public has the opportunity to attend any of ACoA's public meetings as well as contact them through their Web page concerning any of their decisions.

From our review of FY 03 committee minutes, it was apparent public input during numerous public meetings and teleconferences contributed to the formulation of the 2003-2007 State Plan. The results of our survey show over 83% of the grantees responding believe that ACoA encourages public participation and input in developing regulations or making other decisions.

***The efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a commission or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.***

We found no problems in this area. The commission's policy and procedure manual outlines appeals procedures for grant decisions. Further, the Office of the Long-Term Care Ombudsman (LTCO) investigates and resolves complaints made by, or on behalf of, Alaskan seniors regarding problems they experience with care and services received in nursing or assisted living homes.

***The extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.***

Since ACoA does not regulate any occupations or professions, this is not applicable.

***The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.***

We found no evidence of ACoA not complying with state personnel practices, including affirmative action, in the grant qualifying process. Each time ACoA has denied a grant applicant, the reasoning has been based on requirements set out by statute and regulation, not

on the personal attributes of applicants. The reasons for denials are stated, in writing, according to ACoA's outlined policy and procedure manual for appeals of grant decisions.

***The extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interest of the public and to comply with the factors enumerated in AS 44.66.050.***

In our FY 02 statewide single audit, we identified areas where ACoA staff was involved in insufficient grantee monitoring on the aging and senior employment programs and inappropriate usage of senior employment program funds. ACoA is striving to improve its operations. Due to limited travel funds, ACoA planned to supplement their site visits with desk review processes and use other resources such as assistance from other grant staff with their site reviews. With the staff restructuring, a coordinated communication will be needed among ACoA and DSIDS staff to administer ACoA's programs in full compliance, ensuring uninterrupted services to older Alaskans.

# APPENDICES

APPENDIX A  
Department of Health and Social Services  
Alaska Commission on Aging  
FY 03 Schedule of Grants Awarded  
(Unaudited)

Grantees	Nutrition, Transportation & Support Services (NTS)	NTS Mini-Grants	MASST (federally known as SCSEP)	Senior Residential Services
Adult Learning Programs of Alaska			\$ 245,837	
Alaska Community Services	\$ 67,667	\$ 21,619		
Alaska Legal Service Corp.	178,052	2,073		
Alaska State of Longevity	30,000			
Alpha Omega Life Care, Inc.				
Alzheimer's Disease Resource Agency				
Anchor-Age Center, Inc.	99,738	5,769		
Anchorage Community Mental Health Svcs.				
Bristol Bay Native Association	204,128	1,843	35,465	
Catholic Community Service	869,956	13,573	33,581	
Center for Community				
Central Peninsula Counseling Services				
Chugiak Senior Citizens, Inc.	140,956	3,474		
City of Aleknagik	9,870			
City of Bethel	132,237	16,173	46,139	
City of Dillingham	203,384		43,918	
City of Kenai	126,745	4,604	20,812	
Cordova Community Medical Center	72,883		19,906	
Fairbanks Native Association	43,092			
Fairbanks Resource Agency				
Frontier Community Services			9,377	
Homer Public Library			8,424	
Homer Senior Citizens, Inc.	144,108	4,601	22,755	
Homer Society of Natural History (Pratt Museum)			24,980	
Kotzebue Elders				\$ 863,000.00
Kuskokwim Native Association	78,804	1,998		
Lower Kuskokwim	97,617	1,260		
Maniilaq	29,080	4,000		
Metlakatla Indian Association	60,062	12,095	15,332	
Mid-Valley Seniors, Inc.	45,716	534	7,541	
Minto Village Council	57,191			
Mt. View Food Services, Inc.	25,161	300		
Municipality of Anchorage	478,646	1,800		
National Council on Alcohol and Drug				
Native Village of Fort Yukon	53,321	4,300		
Nenana Tortella Council on Aging	105,289	8,179		
Nikiski Senior Citizens OWS			32,924	
Nikiski Senior Citizens, Inc.			14,538	
Nine Star Enterprises			696,049	
Ninilchik Senior Citizens, Inc.	19,735			
Nome Community Center	226,776	6,381	42,804	
North Slope Borough	151,081	6,273		
North Star Council on Aging	181,184	5,048		
Older Persons Action Group	134,064	5,287		
Palmer Senior Citizens Center OWS			53,266	
Palmer Senior Citizens Center, Inc.	152,386	4,604	145,114	
Rendezvous Senior Day Services, Inc.				
Seldovia Village Tribe	36,174			
Senior Citizens of Kodiak, Inc.	171,143	2,204	32,542	
Seward Senior Citizens, Inc.	52,050	4,627	14,710	
Soldotna Area Senior Citizens, Inc.	48,391	2,380	39,436	
Southcentral Foundation	37,721			
Southeast Regional Resource Center			150,000	
Tanana Chiefs Conference, Inc.				
Tanana Elders				152,000
Tanana Tribal Council	66,319	1,524		
The Salvation Army	525,777	2,354		
Unalaska Senior Citizens	34,269			
University of Alaska Southeast - Sitka				
Upper Tanana Development Corporation	384,036	2,381	38,486	
Valdez Senior Citizens, Inc.	42,357	2,995	27,063	
Wasilla Area Seniors	141,393	2,223	56,950	
YMCA of Anchorage				
<b>Total</b>	<b>\$ 5,758,559</b>	<b>\$ 156,476</b>	<b>\$ 1,877,949</b>	<b>\$ 1,015,000</b>

APPENDIX A  
 Department of Health and Social Services  
 Alaska Commission on Aging  
 FY 03 Schedule of Grants Awarded  
 (Unaudited)

-----HOME AND COMMUNITY BASED PROGRAMS-----

Adult Day Services	Care Coordination	Respite Care	ADRD Education/Support	ADRD Family Caregiver Support	AOA Alzheimer's Demo	MHTAAR ADRD Innovative Respite	MHTAAR Day Treatment	MHTAAR Training	MHTAAR ADRD Mini-Grants	MHTAAR Substance Abuse
					\$ 88,080					
	\$ 290,862	\$ 278,953	\$ 115,443	184,376		\$ 124,750		\$ 50,000	\$ 200,000	
\$ 213,100							\$ 238,000			
	85,425	97,456 122,612			\$ 414,048					
		106,585				93,750				
	76,867 119,671									
	112,324									
	133,794	181,944 50,000	72,423 33,605			62,750				
	85,462							50,000		
										\$ 125,000
		50,000								
	100,719									
	102,520 112,006	60,046					112,000			
	87,679									
		100,000				93,750				
	183,504			27,544				28,822 71,178		
								50,000		
<b>\$ 1,413,071</b>	<b>\$ 952,920</b>	<b>\$ 491,566</b>	<b>\$ 115,443</b>	<b>\$ 300,000</b>	<b>\$ 414,048</b>	<b>\$ 375,000</b>	<b>\$ 350,000</b>	<b>\$ 250,000</b>	<b>\$ 200,000</b>	<b>\$ 125,000</b>

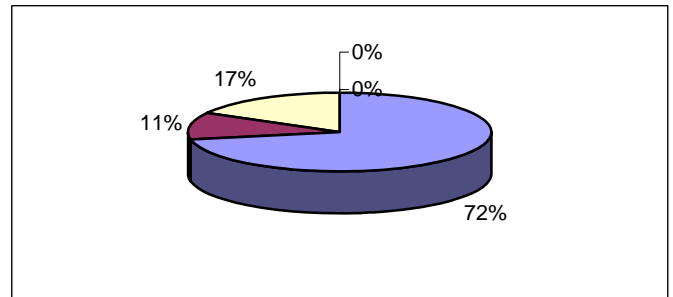
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APPENDIX B  
 Department of Health and Social Services  
 Alaska Commission on Aging  
 Grantee Survey Results and Comments

In the course of our review, we sent the following survey to 63 grantees of which 35 responded.

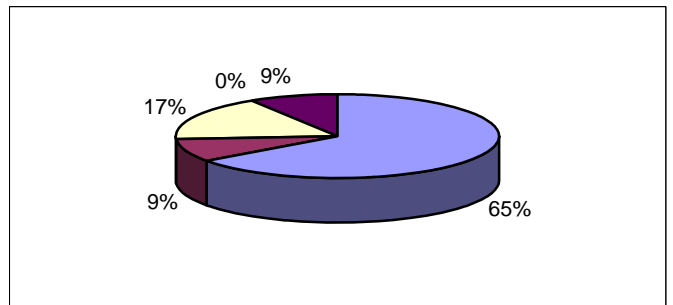
Question No. 1 The funding you receive from ACoA assists in helping older Alaskans lead dignified, independent, and useful lives.

100%	72%	Definitely Agree
	11%	Very Much Agree
	17%	Agree
0%	0%	Slightly Agree
	0%	Disagree



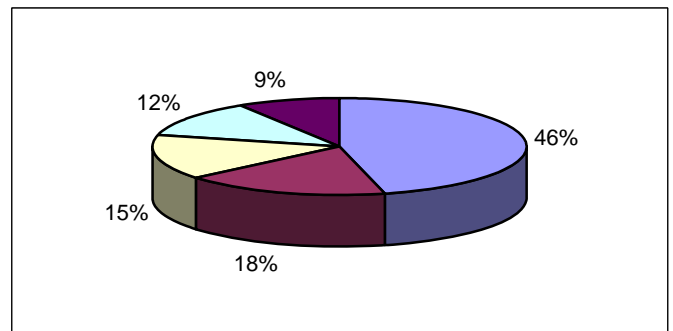
Question No. 2 ACoA's funding addresses the nutrition, transportation, and support services needs of older Alaskans in your community.

91%	65%	Definitely Agree
	9%	Very Much Agree
	17%	Agree
9%	0%	Slightly Agree
	9%	Disagree



Question No. 3 ACoA's funding addresses the home and community-based support services needs of older Alaskans in your community.

79%	46%	Definitely Agree
	18%	Very Much Agree
	15%	Agree
21%	12%	Slightly Agree
	9%	Disagree

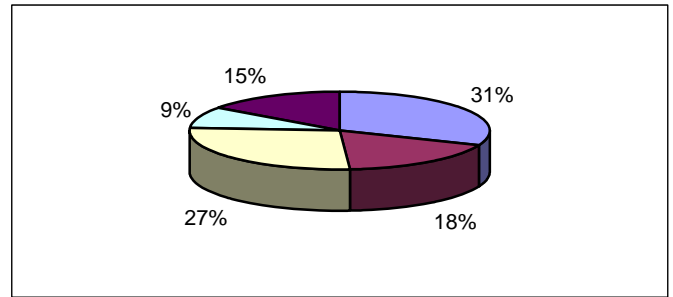




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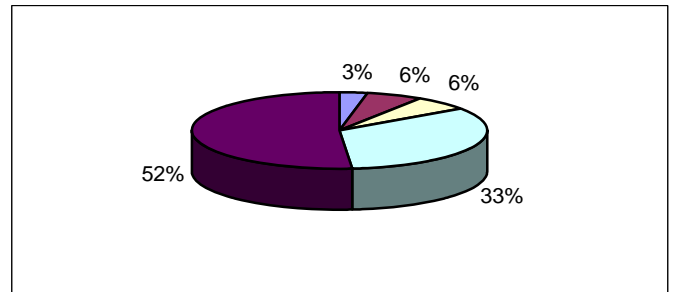
Question No. 4 ACoA's funding addresses other needs of older Alaskans in your community.

	31%	Definitely Agree
76%	18%	Very Much Agree
	27%	Agree
24%	9%	Slightly Agree
	15%	Disagree



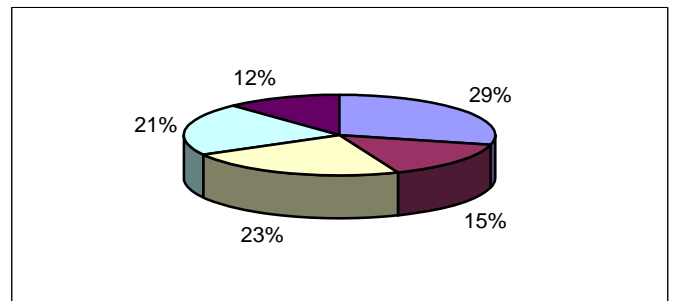
Question No. 5 The funding provided by ACoA is adequate to meet the needs of older Alaskans in your community.

	3%	Definitely Agree
15%	6%	Very Much Agree
	6%	Agree
85%	33%	Slightly Agree
	52%	Disagree



Question No. 6 The grant eligibility requirements required by ACoA, do not limit the participation in your community's older Alaskans service programs.

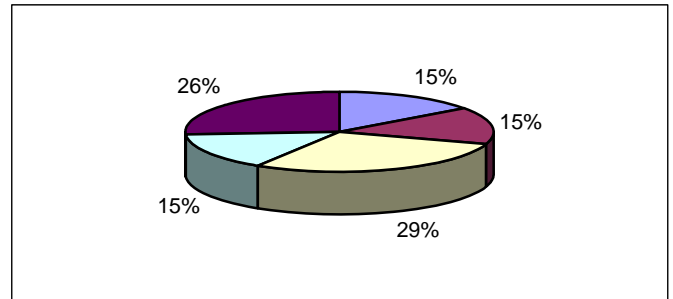
	29%	Definitely Agree
67%	15%	Very Much Agree
	23%	Agree
33%	21%	Slightly Agree
	12%	Disagree



APPENDIX B  
 Department of Health and Social Services  
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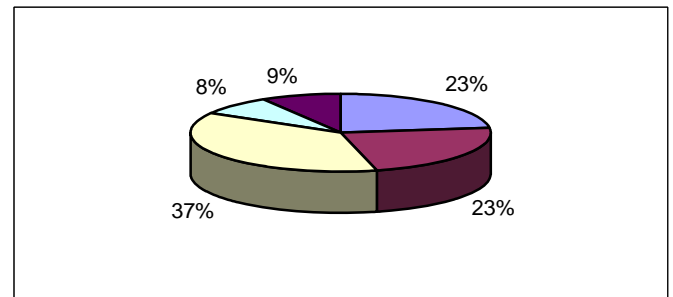
Question No. 7 ACoA's grant award procedures are reasonable and fair.

	15%	Definitely Agree
59%	15%	Very Much Agree
	29%	Agree
41%	15%	Slightly Agree
	26%	Disagree



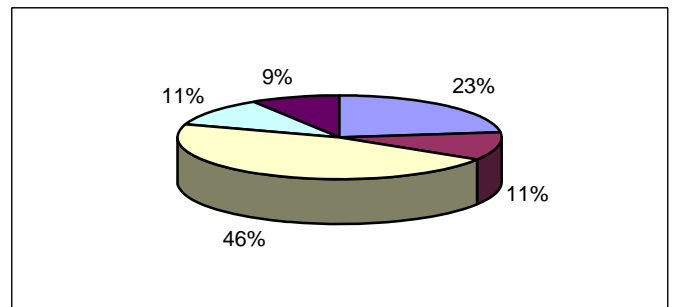
Question No. 8 ACoA encourages public participation and input in developing regulations or making other decisions.

	23%	Definitely Agree
83%	23%	Very Much Agree
	37%	Agree
17%	8%	Slightly Agree
	9%	Disagree



Question No. 9 ACoA has been effective in informing or educating your community or others around the State of important legislative or other developments affecting older Alaskans.

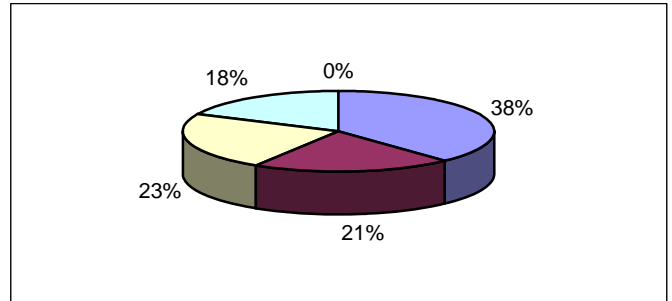
	23%	Definitely Agree
80%	11%	Very Much Agree
	46%	Agree
20%	11%	Slightly Agree
	9%	Disagree



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 Department of Health and Social Services  
 Alaska Commission on Aging  
 Grantee Survey Results and Comments

Question No. 10 ACoA has played a significant and important advocacy role on the behalf of older Alaskans.

	38%	Definitely Agree
82%	21%	Very Much Agree
	23%	Agree
18%	18%	Slightly Agree
	0%	Disagree



APPENDIX B  
Department of Health and Social Services  
Alaska Commission on Aging  
Grantee Survey Results and Comments

In our survey of ACoA grantees and other community-based service agencies we invited comments regarding various aspects of the commission's operations. Below is a summary of comments we received, edited to some extent to enhance readability.

**Funding/Allocation Formula**

- The funding allocation formulas used by ACoA are based on factors that have nothing to do with the level of services being provided, the population of local communities served, and the cost of providing services in different areas of the state.
- The funding allocations made at the June 2003 were based on the historical allocations which were never based on any data or formula.
- ACoA needs to sunset.
- A set formula needs to be established for allocation of NTS and other programs that is based on sound data. Such data should relate to services provided, number of individuals served, and the cost for providing services in different parts of the state. This would be similar to the formulas used by the Department of Education and Early Childhood Development for allocating education funding.
- In the past, community service agencies who receive funding under the NTS and HCB programs have offered to work with the ACoA to develop equitable funding allocations. Funding allocations would be based on population and services provided locally. However, ACoA and "their" staff continue to operate in a vacuum.
- At present, ACoA does not serve any useful function. Funding allocations are primarily based on staff recommendations and most commissioners have no idea of how the funding levels are determined.
- The ACoA has been a great commission for our seniors, they care very much about them and they have done a tremendous job for this state. However, the funding formula is unfair and leaves some of the poorest seniors in less populated cities with a reduced level of services. I realize there is only so much money to go around to everyone, but the hits we took this year will severely limit our program that we have worked so hard to build since FY 95.

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Grantee Survey Results and Comments

**Grant Process**

- The grant process was very unfair this year. In the end, the proposal scoring system meant nothing. Low performers ended up with as much funding or more than other, better performing programs when measured as a percentage of the prior period funding.
- There was extra funding available in the Anchorage area. Anchorage grantees testified that there was more need for services and asked to be allowed to apply for “left over” funds.
- The staff and commission gave the Anchorage area money to the rest of the state.
- I believe ACoA should be instrumental in changing the frozen regulations regarding personal care assistant services. The old "franchise" system needs to be changed to allow better coverage in semi rural areas.
- ACoA’s grant award procedures are NOT reasonable and fair. It appears that only if a community agency is in favor with the coordinator of a particular grant, is able to write a proposal that pleases the screening committee, is a member of the good 'ol boys club (that has historically received ACoA grants, and so is recognized), is able to afford the luxury of an experienced grant writer, is able to afford to provide staff support for the seasonal grant writing marathon, free of other duties, and is an old line agency, is one considered to be a serious applicant.
- Minimal time is provided by the commissioners at their funding meeting for grant applicants to plead their case. No serious recognition or consideration is given to the messenger who has traveled 700 miles to make the presentation. The decisions are already cast in stone by the screening committee and the commissioners appear to be "yes" persons to their recommendations.
- Altogether an unsatisfactory experience. Further, the NTS grant application for services that this community sorely needs, is so convoluted, difficult, and complex that a small agency such as ours cannot even consider devoting the time to competing for funding.
- This director put in a grant for the new Family-Caregiver under Title VI Indian Elder program and received the funding. I put the same grant in under Title III and was denied. Are there different rules because a minority group was involved?

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Department of Health and Social Services  
Alaska Commission on Aging  
Grantee Survey Results and Comments

**Reorganization**

- The Alaska Commission on Aging is a rubber stamp for what used to be their staff. We do not know how this will work in the future, however, we guess this will continue even though the staff will work for Health and Social Services in the Division of Senior Services and ACoA will be under another division of Health and Social Services.
- It will be interesting to note the changes that happen with ACoA moving into DHSS. I do think there will be improvements. It is difficult for the commission to be in a position of having more needs in the state for seniors than available funding can provide for.
- When seniors realize they are now a part of Department of Health and Social Services and not the Department of Administration, they will feel as if they are now competing for money with other groups of people and they will likely lose. Seniors feel they have lost their representation at the state level.

**Advocacy, Outreach, and Education**

- In recent years ACoA's advocacy role has weakened, perhaps due in part to staff changes.
- ACoA's role as advocates for older Alaskans will be extremely important because many of our constituents are too frail or impaired to advocate for themselves. We thank ACoA for what it does for older Alaskans. As a state, we are lucky to have such a strong group.
- I believe ACoA needs to advertise and attend the public forums that are being held around the state. When seniors do not see representation at these meetings, they do not believe they are being supported. Seniors fear being left out with budget cuts and the ending of the longevity bonus program.
- If ACoA does do outreach, the public in this community is unaware of any such efforts. The resident service agency is the only entity or body that speaks for the invisible, disabled, and disenfranchised seniors in this community. The agency touches all elements, strives to educate and serve, knows the population and sub-populations, and seems to care. We once had high hopes for ACoA, but have become disenchanted.
- Perhaps ACoA has been effective in other parts of the state. I cannot imagine locating a single citizen, senior or disabled, in this community who might offer testimony in support of the advocacy role ACoA has undertaken on behalf of older Alaskans.

APPENDIX B  
Department of Health and Social Services  
Alaska Commission on Aging  
Grantee Survey Results and Comments

**Budget Constraints**

- While I commend and respect the efforts of ACoA, I do not feel that the rural target group of minority (Native), isolated and economically needy, are having their needs adequately met through NTS, ADP and MASST services. I am aware of statewide budget cuts for services to the elderly; however my concern is that elders in rural Alaska have a much harder time of living in dignity and/or comfort when the cost of living is so high. Basics, such as rent, food, oil, water and transportation are so very high that it is many times impossible for elders to make it from month to month.
- ACoA, through NTS and ADP services, has alleviated some of these daily living concerns for elders in rural Southwest Alaska. I am worried however that many elders will be overcome with worry about paying basic bills – which in turn will cause illness and mental health problems such as depression. I am worried for elders for this coming winter and into the next 5 years.
- We would like to have more projects with our seniors.
- I would like to have more funding money because I have had to layoff three people, and I have not been able to get them in a Title V position. I've had to close two satellite programs (Healy and Cantwell), which means 35 to 45 people at each site are not being served. HELP!
- Communication regarding budget cuts and changes in allocations will be a vital component of ACoA staff activities during the course of the next several years so grantees can adequately plan programs with budget cuts looming.
- There may never be enough grant money to meet all the needs, but ACoA funds its share, certainly. Members and staff are to be commended for their advocacy and information efforts.

**Other Issues and Comments**

- ACoA provides no direct funding in this area to address the other needs of older Alaskans.
- The Alaska Commission on Aging needs more interior and northern Alaskans participating on the commission. There seems to be the focus of the Board to concentrate in the Anchorage bowl area and Southeast Alaska. Just my opinion.

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Department of Health and Social Services  
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- The Alaska Commission on Aging helps to make a difference in the lives of seniors in Alaska. This role will become more important as the population of those of 65 years of age increases.
- The most frustrating element is the high turnover of staff and the accompanying tendency of the new employees to "reinvent the wheel" constantly.
- It would help out a lot, if ACoA would post minutes, even in draft form on the commission's website, as soon as possible after commission meetings. Those of us, outside of Juneau or Anchorage, do not get information, unless we are there in person, or until meeting minutes are finally posted on the website which is usually after the following meeting.
- At this time, ACoA in no way, shape, form or manner addresses the nutrition, transportation, and support services needs of older Alaskans in THIS community. The only agency concerned and addressing these needs is the resident agency.
- At this time, ACoA in no manner addresses the home and community based services needs of older Alaskans in the community of DELTA JUNCTION, nearby population clusters and/or isolated residences adjacent the nearby road corridor. The only agency concerned, and struggling to meet these and other needs of older Alaskans with only very limited resources is the resident agency.
- We appreciate getting the NTS funds which helps supplement the high cost of living on the North Slope where a gallon of milk cost \$6.99, loaf of bread cost \$4.29 and a dozen of eggs cost \$3.99.
- This question may only be considered in the past tense, since this agency is not the recipient of any ACoA grant funding at this time. When we WERE recipients such funding, did indeed assist older area residents to lead dignified, independent, and useful lives.



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November 19, 2003

Pat Davidson, CPA  
Legislative Auditor  
Division of Legislative Audit  
PO Box 113300  
Juneau, Alaska 99811-3300

RE: Audit: Control Number 06-20025-03  
Department of Health & Social Services  
Alaska Commission on Aging

Dear Ms. Davidson:

I want to thank you for allowing me and my staff the opportunity to respond to your recommendations at this time.

I would like to preface my responses with the following information regarding the reorganization of the department in general and the Alaska Commission on Aging (ACoA) in particular. Executive Order 108, amending Alaska Statute 47.44.230(7) & (8), authorizes the commissioner of DHSS to establish responsibility for the duties and functions related to grant award and administration. The organizational structure plan, adopted July 2, 2003, by Governor Murkowski, assigns sole responsibility for grant administration previously performed by the ACoA to the Division of Senior and Disabilities Services. Therefore, the grant management function for Title III, Title IV and Title V grants are assigned to the newly formed Division of Senior and Disabilities Services, and not to the ACoA. Additionally, in accordance with the DHSS grant regulations 7 AAC 78 and 81, the approval authority for procurement of grant services, as well as the authority to make grant award decisions, rests solely with the commissioner of this department. This reassignment of duties was implemented to meet the Governor's Order for more efficient administration, coordination and planning for all affected programs. DHSS has established grant regulations, as well as policy and procedures to aid in the effective procurement, award and administration of grants. As the division operates under the jurisdiction of DHSS, it is subject to these rules and able to draw on the resources of the department to accomplish those duties.

When the Division of Senior Services and the ACoA were moved to the Department of Health & Social Services (DHSS), a decision was made to have ACoA mirror the rest of the department's Boards and Commissions. We find that a potential conflict of interest exists between the mission and goals of the advisory boards for advocacy, and in performing the procurement and making award decisions for individual grants. This change also allows the ACoA to spend more of their time providing planning and advocacy for the Alaskan Seniors. As was noted in some of the comments in the survey that you conducted, the public feels that ACoA needs to spend more time in these areas.

Section 305 of the Older Americans Act (OAA) requires each state to designate an agency as the sole agency for administering their programs. The State of Alaska has designated the Department of Health & Social Services as that agency. The different functions of the OAA have been further delegated to the ACoA for planning and advocacy, and to the DSDS for grant program management.

On page 11 of your letter, you stated that "59% of the grantees responding believe that ACoA's grant award procedures are reasonable and fair," however this leaves 41% who do not believe that the grant award process was reasonable and fair. The level of dissatisfaction with the process is at an unacceptable level, and I believe that the reorganization will help rectify the situation. The ACoA program staff under the Department of Administration acted as their own grants administrators. In addition, the executive director never implemented regulations for the processing of grants. In the Department of Health & Social Services, we have regulations in place for the awarding of grants, and rely on our grants administrators to ensure compliance with these regulations. DSDS will be carefully reviewing the grants that were issued for FY2004 under the Department of Administration, and they will be reissuing RFP's and RFLIO's in January for these grants under the Department of Health & Social Services regulations and policies and procedures for FY2005.

I feel that with these actions a subsequent survey will show a higher satisfaction level for the grant procurement process.

#### Recommendation No. 1

The Division of Senior Services (DSS) director and the Alaska Commission on Aging (ACoA) executive director should continue to adhere to their corrective action plan to meet federal requirements.

The Department concurs. The "supplement not supplant", or maintenance of effort, requirement by the U.S. Dept. of Labor (20 CFR 641.325) has been implemented across Alaska in an effective manner. In FY03 the program added a subrecipient (in addition to two others; one in Fairbanks and one in Anchorage) to oversee the program in Southeast Alaska (Southeast Alaska Regional Resource Center).

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Legislative Auditor  
November 19, 2003  
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Each area is under the auspices of its respective subrecipient with the balance of state being under the Associate Coordinator. The benefit of subrecipients is that they are professional employment/training agencies and do not have a vested interest in where enrollees are placed or what work is performed by the enrollee.

In February 2003, the Associate Coordinator informed each host agency (other than those located in sub-recipient areas) that major changes would be in place beginning July 1, 2003. These changes included: ensuring enrollees are out of essential positions by June 30, 2003 and updating their Individual Employment Plans to reflect this move; not allowing host agencies to advertise for a specific position for the host agency; requiring that enrollees who have access to a Job Center register with that Job Center by June 30, 2003 and visit the Job Center once every two weeks; requiring enrollees without access to a Job Center to seek employment with local employers at least once every two weeks. All of these requirements help to alleviate the supplement not supplant requirement.

Site visits have occurred since the implementation of the above requirements. Site visits have allowed the Associate Coordinator to view enrollees at work in their respective host agencies to ensure that the maintenance of effort requirement is being followed. Interviews with host agency supervisors have impressed the importance of the requirement and that negative consequences could occur if the requirement is violated.

#### Recommendation No. 2

The Division of Senior Services (DSS) director and the Alaska Commission on Aging (ACoA) executive director should improve its monitoring of subrecipients ensuring that federal funds passed through to grantees are spent in accordance with federal requirements.

The Department concurs. The Department of Health and Social Services continues to strive to meet this requirement for all grantees. Specifically, monitoring will improve for these sub-recipients because with the reorganization, administrative funds of the OAA grants, which were used for supporting the ACoA travel for meetings, are now being used for site visits for monitoring of the subrecipients. During the week of September 29, a site visit was made to a subrecipient who had never been visited since the inception of the program. The Department will continue to improve on-site monitoring as outlined above.

Sincerely,

Joel Gilbertson  
Commissioner

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