

SENATE CS FOR CS FOR HOUSE BILL NO. 402(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 4/11/02

Referred: Rules

Sponsor(s): HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to diversion payments, wage subsidies, cash assistance, and self-**
2 **sufficiency services provided under the Alaska temporary assistance program; relating**
3 **to the food stamp program; relating to child support cases that include persons who**
4 **receive cash assistance or self-sufficiency services under the Alaska temporary**
5 **assistance program; and providing for an effective date."**

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

7 * **Section 1.** AS 25.20.050(f) is amended to read:

8 (f) The child support enforcement agency may recover the costs of testing
9 ordered under (e) of this section from the alleged father unless the testing establishes
10 that the individual is not the father, except that costs may not be recovered from a
11 person who is a recipient of cash assistance or self-sufficiency services under
12 AS 47.27 (Alaska temporary assistance program). For purposes of this subsection, a
13 person who receives a diversion payment and self-sufficiency services under

1 AS 47.27.026 is not considered to be a recipient of cash assistance or self-
 2 sufficiency services under AS 47.27.

3 * **Sec. 2.** AS 25.27.165(i) is amended to read:

4 (i) The agency may recover any costs it pays for genetic tests required by this
 5 section from the putative father unless the testing establishes that the individual is not
 6 the father, except that costs may not be recovered from a person who is a recipient of
 7 cash assistance or self-sufficiency services under AS 47.27 (Alaska temporary
 8 assistance program). For purposes of this subsection, a person who receives a
 9 diversion payment and self-sufficiency services under AS 47.27.026 is not
 10 considered to be a recipient of cash assistance or self-sufficiency services under
 11 AS 47.27.

12 * **Sec. 3.** AS 25.27.900 is amended by adding a new paragraph to read:

13 (13) "assistance under AS 47.27," "assistance granted under
 14 AS 47.27," or "assistance paid on behalf of the obligee under AS 47.27" means cash
 15 assistance provided under AS 47.27 (Alaska temporary assistance program).

16 * **Sec. 4.** AS 29.45.650(f) is amended to read:

17 (f) A borough may not levy and collect a sales tax on a purchase made with
 18 (1) food coupons, food stamps, or other type of allotment [CERTIFICATE] issued
 19 under 7 U.S.C. 2011 - 2036 (Food Stamp Program) [7 U.S.C. 2011 - 2025 (FOOD
 20 STAMP ACT)]; or (2) food instruments, food vouchers, or other type of certificate
 21 issued under 42 U.S.C. 1786 (Special Supplemental Food Program for Women,
 22 Infants, and Children). For purposes of this subsection, the value of a food stamp
 23 allotment paid in the form of a wage subsidy as authorized under AS 47.25.975(b)
 24 is not considered to be an allotment issued under 7 U.S.C. 2011 - 2036 (Food
 25 Stamp Program). This subsection applies to home rule and general law
 26 municipalities.

27 * **Sec. 5.** AS 29.45.700(d) is amended to read:

28 (d) A city that levies and collects sales and use taxes under (a) of this section
 29 may not levy and collect a sales tax on a purchase made with (1) food coupons, food
 30 stamps, or other types of allotments [CERTIFICATES] issued under 7 U.S.C. 2011 -
 31 2036 (Food Stamp Program) [7 U.S.C. 2011 - 2025 (FOOD STAMP ACT)]; or (2)

1 food instruments, food vouchers, or other type of certificate issued under 42 U.S.C.
 2 1786 (Special Supplemental Food Program for Women, Infants, and Children). **For**
 3 **purposes of this subsection, the value of a food stamp allotment paid in the form**
 4 **of a wage subsidy as authorized under AS 47.25.975(b) is not considered to be an**
 5 **allotment issued under 7 U.S.C. 2011 - 2036 (Food Stamp Program).** This
 6 subsection applies to home rule and general law municipalities.

7 * **Sec. 6.** AS 47.05.010 is amended to read:

8 **Sec. 47.05.010. Duties of department.** The Department of Health and Social
 9 Services shall

10 (1) administer adult public assistance, the Alaska temporary assistance
 11 program, and all other assistance programs, and receive and spend money made
 12 available to it;

13 (2) adopt regulations necessary for the conduct of its business and for
 14 carrying out federal and state laws granting adult public assistance, temporary **cash**
 15 **assistance, diversion payments, or self-sufficiency services** for needy families under
 16 the Alaska temporary assistance program, and other assistance;

17 (3) establish minimum standards for personnel employed by the
 18 department and adopt necessary regulations to maintain those standards;

19 (4) require those bonds and undertakings from persons employed by it
 20 which in its judgment are necessary, and pay the premiums on them;

21 (5) cooperate with the federal government in matters of mutual
 22 concern pertaining to adult public assistance, the Alaska temporary assistance
 23 program, and other forms of public assistance;

24 (6) make the reports, in the form and containing the information, that
 25 the federal government from time to time requires;

26 (7) cooperate with the federal government, its agencies or
 27 instrumentalities in establishing, extending, and strengthening services for the
 28 protection and care of homeless, dependent, and neglected children in danger of
 29 becoming delinquent, and receive and expend funds available to the department by the
 30 federal government, the state or its political subdivisions for that purpose;

31 (8) cooperate with the federal government in adopting state plans to

1 make the state eligible for federal matching in appropriate categories of assistance, and
2 in all matters of mutual concern, including adoption of the methods of administration
3 that are found by the federal government to be necessary for the efficient operation of
4 welfare programs;

5 (9) adopt regulations, not inconsistent with law, defining need,
6 prescribing the conditions of eligibility for assistance, and establishing standards for
7 determining the amount of assistance that an eligible person is entitled to receive; the
8 amount of the assistance is sufficient when, added to all other income and resources
9 available to an individual, it provides the individual with a reasonable subsistence
10 compatible with health and well-being; an individual who meets the requirements for
11 eligibility for assistance shall be granted the assistance promptly upon application for
12 it;

13 (10) grant to a person claiming or receiving assistance and who is
14 aggrieved because of the department's action or failure to act, reasonable notice and an
15 opportunity for a fair hearing by the department, and the department shall adopt
16 regulations relative to this;

17 (11) enter into reciprocal agreements with other states relative to
18 public assistance, welfare services, and institutional care that are considered advisable;

19 (12) establish the requirements of residence for public assistance,
20 welfare services, and institutional care that are considered advisable, subject to the
21 limitations of other laws of the state, or law or regulation imposed as conditions for
22 federal financial participation;

23 (13) establish the divisions and local offices that are considered
24 necessary or expedient to carry out a duty or authority assigned to it and appoint and
25 employ the assistants and personnel that are necessary to carry on the work of the
26 divisions and offices, and fix the compensation of the assistants or employees except
27 that a person engaged in business as a retail vendor of general merchandise, or a
28 member of the immediate family of a person who is so engaged, may not serve as an
29 acting, temporary or permanent local agent of the department, unless the
30 commissioner of health and social services certifies in writing to the governor, with
31 relation to a particular community, that no other qualified person is available in the

1 community to serve as local welfare agent; for the purposes of this paragraph, a
 2 "member of the immediate family" includes a spouse, child, parent, brother, sister,
 3 parent-in-law, brother-in-law or sister-in-law;

4 (14) provide education and health-related services and referrals
 5 designed to reduce the number of out-of-wedlock pregnancies and the number of
 6 induced pregnancy terminations in the state;

7 (15) investigate reports of abuse, neglect, or misappropriation of
 8 property by certified nurse aides in facilities licensed by the department under
 9 AS 18.20.

10 * **Sec. 7.** AS 47.05.020(a) is amended to read:

11 (a) The power of the department to adopt regulations includes the power to
 12 adopt and enforce reasonable regulations governing the custody, use, and preservation
 13 of the records, papers, files, and communications of the department. The regulations
 14 must provide that financial information concerning an eligibility determination of a
 15 person applying for or receiving cash assistance, a diversion payment, or self-
sufficiency services under the Alaska temporary assistance program shall be disclosed
 16 to a legislator on request of the legislator in connection with official purposes within
 17 the scope of the legislator's legislative functions and related to the administration of
 18 the program consistent with federal law. When, under the law, names and addresses
 19 of recipients of public assistance are furnished to or held by another agency or
 20 department of government, the agency or department of government shall adopt
 21 regulations necessary to prevent the publication of the lists or their use for purposes
 22 not directly connected with the administration of public assistance and legislative
 23 functions. A legislator to whom information relating to the Alaska temporary
 24 assistance program is disclosed under this section may not further disclose the
 25 information except to another legislator and then only in connection with official
 26 purposes within each legislator's legislative functions and related to the administration
 27 of the program consistent with federal law.

28 * **Sec. 8.** AS 47.05.030(b) is amended to read:

29 (b) It is not a violation of (a) of this section for the department or an employee
 30 of the department to disclose to a legislator, or for a legislator to solicit, receive, or

1 make use of, financial information concerning an eligibility determination of a person
 2 applying for or receiving cash assistance, a diversion payment, or self-sufficiency
 3 services under the Alaska temporary assistance program if the disclosure, solicitation,
 4 receipt, and use are for official purposes in connection with the legislator's official
 5 functions and related to the administration of the program consistent with federal law.
 6 Information provided to a legislator under this subsection shall remain confidential
 7 and may not be further disclosed except as provided in AS 47.05.020.

8 * **Sec. 9.** AS 47.25.975(b) is amended to read:

9 (b) Householders determined by the department to be eligible for assistance
 10 under the food stamp program may obtain food stamp allotments; however, under
 11 regulations adopted by the department, a householder may receive all or part of
 12 the value of the food stamp allotment in the form of a wage subsidy under
 13 AS 47.27.025(e) if

14 (1) the householder is a member of a family eligible for the Alaska
 15 temporary assistance program under AS 47.27; and

16 (2) the department determines that the wage subsidy authorized
 17 under this subsection would aid the householder in the successful completion of
 18 the family self-sufficiency plan under AS 47.27.030 [COUPONS].

19 * **Sec. 10.** AS 47.25.975(c) is amended to read:

20 (c) Food stamp allotments, other than a wage subsidy authorized under
 21 (b) of this section, [COUPONS] shall be used to purchase food from retail food stores
 22 that have been approved for participation in the food stamp program. Eligible
 23 households living in certain remote areas shall be permitted to purchase certain items
 24 of hunting and fishing equipment for the purpose of procuring food for the household,
 25 except firearms, ammunition, and other explosives, in accordance with regulations that
 26 the Secretary of Agriculture adopts.

27 * **Sec. 11.** AS 47.25.980(e) is amended to read:

28 (a) The department shall
 29 (1) adopt regulations necessary to carry out the food stamp program;
 30 (2) cooperate with the federal government and do all things necessary
 31 to continue state eligibility under the food stamp program;

(3) comply with the requirements of **7 U.S.C. 2011 - 2036 (Food Stamp Program)** [7 U.S.C. 2011-2025 (FOOD STAMP ACT)].

* **Sec. 12.** AS 47.25.985(a) is amended to read:

(a) A person is guilty of a misdemeanor if the person [:]

(1) knowingly acquires, possesses, uses, alters, or transfers food stamp
ents [COUPONS OR AUTHORIZATION TO PURCHASE FOOD
ONS] in violation of AS 47.25.975 - 47.25.980 or the regulations adopted under
25.980;

(2) presents food **stamp allotments** [COUPONS] or causes them to be presented for payment or redemption knowing them to have been transferred, received, altered, or used in a manner violating AS 47.25.975 - 47.25.980 or the regulations adopted under AS 47.25.980.

(3) knowingly acquires, uses, alters, or transfers a wage subsidy authorized under AS 47.25.975(b) in violation of AS 47.25.975 - 47.25.980, AS 47.27.025(e), or the regulations adopted under AS 47.25.980 or AS 47.27.025(e) [REPEALED].

* Sec. 13. AS 47.25.990(3) is amended to read:

(3) "food **stamp allotments** [COUPONS]" means any coupon, stamp, **electronic benefit**, or type of **allotment** [CERTIFICATE] issued under **7 U.S.C. 2011 - 2036 (Food Stamp Program)** [7 U.S.C. 2011-2025 (FOOD STAMP ACT)];

* **Sec. 14.** AS 47.25.990(4) is amended to read:

(4) "food stamp program" means the federal food stamp program authorized by **7 U.S.C. 2011 - 2036** [7 U.S.C. 2011-2025];

* **Sec. 15.** AS 47.27.005 is amended to read:

Sec. 47.27.005. Duties of the department. The department shall

(1) administer the Alaska temporary assistance program by providing cash assistance, diversion payments, [WITH BASIC LIVING EXPENSES] and self-sufficiency services to needy children and their families under this chapter and, if appropriate, by establishing regional public assistance programs to provide effectively for varying conditions in regions of the state designated by the department;

(2) establish, by regulation, program standards **for** [THAT WILL

1 PROVIDE] incentives to work, incentives for financial planning, cash assistance,
 2 diversion payments, self-sufficiency services, and other opportunities to develop
 3 self-sufficiency [WHILE PROVIDING ASSISTANCE WITH BASIC LIVING
 4 EXPENSES];

5 (3) prepare, submit to the federal government, and amend, if necessary,
 6 a state plan designed to ensure that federal money is available to the state for the
 7 operation of the program set out in this chapter to provide cash assistance, diversion
 8 payments, [FOR BASIC LIVING EXPENSES] and self-sufficiency services to needy
 9 children and their families consistent with the state objectives identified in (2) of this
 10 section;

11 (4) adopt methods of program administration to ensure consistency
 12 with the federal requirements under a successor federal program that replaces the aid
 13 to families with dependent children program;

14 (5) make reports regarding the program to the federal government as
 15 required under federal law, in the form and containing the information required, and
 16 comply with the provisions that the federal government determines are necessary to
 17 ensure correct and verifiable information on the program;

18 (6) provide to the legislature an annual executive summary of the
 19 information required to be reported to the federal government under (5) of this section;

20 (7) conduct studies and research in order to evaluate and monitor the
 21 effectiveness of the state program; and

22 (8) adopt regulations and take action to implement, interpret, and
 23 administer the provisions of this chapter.

24 * **Sec. 16.** AS 47.27.010 is amended to read:

25 **Sec. 47.27.010. Eligible families.** The following families may apply [FOR
 26 ASSISTANCE] under the Alaska temporary assistance program:

27 (1) a single parent who has the physical custody of one or more related
 28 dependent children;

29 (2) a caretaker of one or more dependent children who is a relative to
 30 at least the fifth degree;

31 (3) a woman in the last trimester of pregnancy; [OR]

(4) a two-parent family with physical custody of one or more related dependent children.

* **Sec. 17.** AS 47.27.015 is amended to read:

Sec. 47.27.015. Disqualifying conditions. (a) A family is not eligible for cash assistance under the Alaska temporary assistance program if the family includes an adult who

(1) has received **cash assistance** [BENEFITS] under the Alaska temporary assistance program, or a program of another state operated under a federal assistance grant program for needy families, for a total of 60 months as the caretaker or spouse of a caretaker of a dependent child or as a pregnant woman, unless the caretaker or pregnant woman is

(A) a person who the department has reasonable cause to believe is or recently has been the victim of domestic violence, as defined in AS 18.66.990, and the physical, mental, or emotional well-being of the victim would be endangered by a strict application of the time limit otherwise applicable under this subsection;

(B) determined, under regulations of the department to be physically or mentally unable to perform gainful activity;

(C) a parent who is providing care for a child who is experiencing a disability; or

(D) a family determined by the department to be exempt from this paragraph by reason of hardship; or

(2) is determined to be fleeing to avoid prosecution, custody, or confinement after conviction, in this or another jurisdiction, for a crime that is classified as a felony or a class A misdemeanor under AS 11 or the criminal laws of the jurisdiction where the criminal activity was committed.

(b) A family is not eligible for cash assistance or self-sufficiency services under this chapter for a period of 120 months beginning on the date the adult applicant for the family is convicted of having fraudulently misrepresented the applicant's residence in order to receive cash assistance or self-sufficiency services in more than one state under a program financed with federal money under any successor federal

1 program that replaces the aid to families with dependent children program.

2 (c) A family is not eligible for cash assistance for the following time periods
3 if the family's demonstrated need for cash assistance is due to a refusal of or voluntary
4 separation from suitable employment by the adult applicant, or a custodial parent or
5 caretaker, without good cause:

6 (1) one month for the first refusal or separation without good cause;
7 (2) six months for the second refusal or separation without good cause;

8 and

9 (3) 12 months for the third and subsequent refusal or separation
10 without good cause.

11 (d) A family is not eligible for cash assistance or self-sufficiency services for
12 up to 12 months if the family's demonstrated need is due to an intentional transfer of
13 an asset or assets at less than fair market value for the purpose of establishing
14 eligibility for cash assistance or self-sufficiency services. A period of ineligibility
15 shall begin on the first day of the month following the transfer of the asset or assets
16 and shall remain in effect for a number of months equal to the fair market value of the
17 transferred asset or assets divided by the maximum payment amount for the family as
18 established under AS 47.27.025, or for 12 months, whichever is less.

19 (e) An Alaska temporary assistance program applicant or participant who is
20 administratively disqualified for making a false statement or misrepresentation
21 knowing it was false, or for knowingly failing to disclose a material fact, in order to
22 obtain or increase cash assistance or self-sufficiency services under this chapter is not
23 eligible to receive cash assistance or self-sufficiency services under this chapter for a
24 period of

25 (1) six months following the first disqualification;
26 (2) 12 months following the second disqualification; and
27 (3) permanently following the third disqualification.

28 (f) The number of families for which an exemption is in effect under (a)(1) of
29 this section may not exceed 25 [10] percent of the number of families receiving cash
30 assistance under this chapter [OR THE MAXIMUM PERCENTAGE OF
31 FAMILIES ALLOWED AN EXEMPTION UNDER FEDERAL LAW,

1 WHICHEVER IS GREATER].

2 (g) A person who is an alien is not eligible for cash assistance under this
 3 chapter unless the person is a qualified alien under 8 U.S.C. 1641 or an alien excepted
 4 under 8 U.S.C. 1612(b). However, a qualified alien may only be eligible for cash
 5 assistance under this chapter if the person is not precluded by the limited eligibility
 6 provision of 8 U.S.C. 1613.

7 (h) When determining under (a)(1) of this section whether an adult has
 8 received cash assistance [BENEFITS] for a total of 60 months, the department shall
 9 disregard the months that are required to be disregarded under 42 U.S.C. 608(a)(7)(D).

10 * **Sec. 18.** AS 47.27.020(a) is amended to read:

11 (a) An applicant [FOR ASSISTANCE] under the Alaska temporary assistance
 12 program shall complete an application in writing, or by electronic means, and in a
 13 form specified by the department. The applicant must be a pregnant woman or an
 14 individual who has physical custody of the dependent child or children. The
 15 application must be complete and must provide all of the information about the family
 16 and the child or children that is requested by the department. The applicant shall
 17 provide all supporting documentation for verification that the department determines
 18 to be necessary to establish eligibility.

19 * **Sec. 19.** AS 47.27.020(b) is amended to read:

20 (b) On the application, each applicant shall attest to whether the family, at any
 21 time, has received cash assistance or self-sufficiency services from another state
 22 program that was established with federal money under any successor federal program
 23 that replaces the aid to families with dependent children program and whether the
 24 family has ever been disqualified from receiving cash assistance or self-sufficiency
 25 services under a successor federal program that replaces aid to families with
 26 dependent children for the period for which the application has been submitted.

27 * **Sec. 20.** AS 47.27.020(d) is amended to read:

28 (d) An applicant shall acknowledge the assignment of support rights as
 29 required by AS 47.27.040(a) and shall agree to cooperate with the child support
 30 enforcement agency of the Department of Revenue to the extent required under
 31 AS 47.27.040(b). The applicant shall agree to report all child support payments

1 received directly by the family, during or for a period for which the family is receiving
 2 cash assistance under this chapter, to the department within 15 days after receipt of
 3 those payments.

4 * **Sec. 21.** AS 47.27.025(a) is amended to read:

5 (a) The department shall provide cash assistance [FOR BASIC LIVING
 6 EXPENSES] to families that establish eligibility based on a determination of need that
 7 considers the family's available income, assets, and other resources, as established by
 8 the department in regulation. Each dependent child in the family is eligible for cash
 9 assistance except as otherwise provided in AS 47.27.015 or 47.27.027(b), and cash
 10 assistance received as a dependent child does not count against eligibility for cash
 11 assistance under this chapter as a caretaker or spouse of a caretaker of a dependent
 12 child or as a pregnant woman.

13 * **Sec. 22.** AS 47.27.025(b) is amended to read:

14 (b) The amounts of cash assistance [FOR BASIC LIVING EXPENSES] may
 15 not exceed the following:

16 (1) for a dependent child living with a nonneedy relative caretaker,
 17 \$452 per month, plus \$102 for each additional child;

18 (2) for a dependent child living with at least one needy parent or
 19 relative caretaker, \$821 per month, plus \$102 for each additional child and \$102 for a
 20 second needy parent if the second parent is physically or mentally unable to perform
 21 gainful activity as defined by department regulation; or

22 (3) for a family consisting solely of an eligible pregnant woman, \$514
 23 per month.

24 * **Sec. 23.** AS 47.27.025(c) is amended to read:

25 (c) The department shall, for the months of July, August, and September,
 26 reduce by 50 percent the maximum cash assistance for which the family is otherwise
 27 eligible if the family's eligibility for cash assistance is based on AS 47.27.010(4),
 28 unless the second needy parent is determined, under regulations of the department, to
 29 be physically or mentally unable to perform gainful activity or to be providing care for
 30 a child who is experiencing a disability that requires 24-hour care, as certified by a
 31 physician or other licensed medical professional. However, if the commissioner

1 determines that temporary economic conditions have resulted in decreased
 2 employment opportunities during those months and a reduction in cash assistance
 3 would impose an undue hardship on a family, the department may waive application
 4 of this subsection with respect to that family.

5 * **Sec. 24.** AS 47.27.025(d) is amended to read:

6 (d) The department shall reduce cash assistance under this section to the
 7 extent that the family's shelter costs are lower than the standard shelter allowance used
 8 by the department for similar families. The shelter allowance for a family whose costs
 9 are below the standard allowance shall be an amount equal to the family's actual
 10 verified shelter costs. In this subsection,

11 (1) "shelter allowance" means the portion of the cash assistance
 12 provided under this section that is allocated by the department for shelter costs;

13 (2) "shelter costs" means

14 (A) rental payments or mortgage payments for the family's
 15 housing, including payments made for property or mortgage insurance and
 16 property taxes; and

17 (B) the cost of utilities, including heat, electricity, basic
 18 telephone service, water, sewer, and garbage services incurred for the family's
 19 housing; the department may establish different utility cost standards for
 20 different areas of the state and may use an average utility cost per month based
 21 on estimated level payments over a 12-month period.

22 * **Sec. 25.** AS 47.27.025(e) is amended to read:

23 (e) The department may, instead of paying all of the cash assistance to a
 24 family under this section, use all or part of the cash assistance as a wage subsidy paid
 25 to an employer who employs a person in the family at a wage that is higher than the
 26 wage subsidy. If authorized under AS 47.25.975(b), the department may, instead
of paying all of a family's food stamp allotment under AS 47.25.975 - 47.25.990 in
a form restricted to buying food, use all or part of the value of the family's food
stamp allotment as a wage subsidy paid to an employer who employs a person in
the family at a wage that is higher than the total of the wage subsidies paid under
this subsection for employment of the person. A subsidy under this subsection may

1 not exceed one year in duration.

2 * **Sec. 26.** AS 47.27.026(a) is amended to read:

3 (a) The department may offer a lump-sum diversion payment in place of
 4 ongoing cash assistance [AND SERVICES] to an adult applicant who applies [FOR
 5 ASSISTANCE] under AS 47.27.020 if the adult applicant is job ready and is
 6 determined to need only short-term financial assistance and self-sufficiency services
 7 to meet critical needs in order to secure employment and support for the adult
 8 applicant's family. The department shall set standards and conditions for diversion
 9 payments and self-sufficiency services by regulation.

10 * **Sec. 27.** AS 47.27.026(b) is amended to read:

11 (b) The department may pay a diversion payment [BENEFITS] to an
 12 applicant's family only if that family appears to be eligible for cash assistance
 13 [BENEFITS] under AS 47.27.020 and to include a job-ready individual based on the
 14 information provided to the department in the application completed under
 15 AS 47.27.020. The department may offer to an applicant with the potential to
 16 participate in the diversion project a choice between

17 (1) having the Alaska temporary assistance program application
 18 processed under AS 47.27.020 and the regulations adopted by the department; or

19 (2) having the application referred to the diversion project of the
 20 Alaska temporary assistance program for a determination of eligibility for a diversion
 21 project payment and self-sufficiency services [BENEFITS] under this section.

22 * **Sec. 28.** AS 47.27.026(c) is amended to read:

23 (c) The amount of a [THE] diversion payment with self-sufficiency services
 24 must be sufficient to meet the family's immediate needs as determined by the
 25 department and the participant. A diversion payment may not exceed the amount the
 26 family would be eligible to receive as cash assistance in the first three [TWO] months
 27 of eligibility under AS 47.27.025 if the family did not elect to receive a diversion
 28 payment.

29 * **Sec. 29.** AS 47.27.026(d) is amended to read:

30 (d) As a condition of a family receiving a diversion payment under this
 31 section, the participant must sign an agreement that

(1) species

(A) the amount of the diversion payment and the needs it is intended to cover;

(B) the self-sufficiency services required to meet the family's immediate needs;

(2) provides that, during the three-month period beginning with the month in which the diversion payment was received, child support collected on behalf of a child whose needs were considered in determining the diversion payment shall be paid to the family; and

(3) provides that if the family reapplies [FOR ALASKA TEMPORARY ASSISTANCE PROGRAM ASSISTANCE] under AS 47.27.020 during the three months beginning with the month in which the family received a diversion payment, the diversion payment shall be treated as unearned income, prorated over the three-month period, and deducted from any **cash assistance that** [ALASKA TEMPORARY ASSISTANCE PROGRAM BENEFIT] the family may be eligible for under the new application.

* **Sec. 30.** AS 47.27.026(e) is amended to read:

(e) A family that receives a diversion payment may not receive another diversion payment before the 12th month following the month in which it last received a diversion payment. **A family may not receive more than four diversion payments.**

* **Sec. 31.** AS 47.27.027 is amended to read:

Sec. 47.27.027. Assistance to minors. (a) If an applicant under AS 47.27.020 is not married, is under the age of 18, and has not been previously emancipated under AS 09.55.590, the applicant must

(1) live in a home maintained by the applicant's parent, legal guardian, or other adult relative, unless the applicant establishes that there is good cause, as established by the department in regulation, to waive this requirement; if the department waives this requirement, the applicant must live in an approved, adult-supervised, supportive living environment;

(2) agree that **cash** assistance [FOR BASIC LIVING EXPENSES] on

behalf of the applicant's family may be paid to the applicant's parent, legal guardian, or other adult relative, or, if applicable, to the adult head of the adult-supervised, supportive living environment in which the applicant resides; and

(3) maintain attendance in a secondary school or other appropriate training program unless the applicant has a high school diploma or general equivalent diploma.

(b) The department shall reduce the cash assistance for which an assistance unit is otherwise eligible under this chapter if a minor parent in the assistance unit fails, without good cause, to meet standards of adequate levels of school attendance, as defined in regulations of the department. The reduction under this subsection shall be achieved by disregarding the needs of the person who failed to meet the school attendance standards. The person's needs shall be disregarded until the minor parent complies.

* **Sec. 32.** AS 47.27.030(a) is amended to read:

(a) A participant in the Alaska temporary assistance program shall cooperate with the department, or its designee, to develop and sign a family self-sufficiency plan that includes

(1) the steps the family will take towards the self-sufficiency of the family;

(2) the self-sufficiency services the department will provide to assist the family to attain self-sufficiency;

(3) specific benchmarks to indicate the steps toward successful completion of the family plan;

(4) a statement that the family may be subject to [BENEFIT] reductions **in cash assistance or self-sufficiency services** or other sanctions if the family fails to comply with the family plan; and

(5) a statement that describes the necessary conditions and the steps that must be taken to renegotiate the terms of the family plan.

* **Sec. 33.** AS 47.27.030(b) is amended to read:

(b) The family self-sufficiency plan must set a time period for the achievement of self-sufficiency from cash assistance under the Alaska temporary assistance

1 program. **Initially, that** [THAT] time period may not provide for any more than a
 2 total of 60 months of **cash** assistance under the Alaska temporary assistance program
 3 **even though the family may eventually be eligible for an exemption under**
 4 **AS 47.27.015(a)(1)**. Unless the members of the family who are not dependent
 5 children are all exempt under AS 47.27.035(b) - (d), the time period for receiving **cash**
 6 assistance may not exceed a cumulative total of 24 months unless each nonexempt
 7 person is in compliance with the work activity assignment made under AS 47.27.035.

8 * **Sec. 34.** AS 47.27.030 is amended by adding a new subsection to read:

9 (d) The department may provide only self-sufficiency services to a family that
 10 no longer qualifies for cash assistance due to employment, a family that is disqualified
 11 from receiving cash assistance under AS 47.27.015(a)(1), (c), or (g), or a family that
 12 qualifies for cash assistance but requests only self-sufficiency services. Self-
 13 sufficiency services that are made available to a family under this subsection shall be
 14 based on a determination of need established by the department in regulation. If a
 15 family receives only self-sufficiency services, the department may waive the self-
 16 sufficiency plan requirements specified in (a) and (b) of this section.

17 * **Sec. 35.** AS 47.27.035(a) is amended to read:

18 (a) An Alaska temporary assistance program participant shall, after the
 19 participant's family has received a cumulative total of 24 months of **cash** assistance or
 20 sooner if assigned to do so by the department, participate in work activities as assigned
 21 by the department or its designee in order for the family to continue to receive **cash**
 22 assistance or **self-sufficiency** services from the department under the Alaska
 23 temporary assistance program, unless the participant is exempt from the work
 24 participation requirements under one or more of the exemptions set out in (b) - (d) of
 25 this section.

26 * **Sec. 36.** AS 47.27.040 is amended to read:

27 **Sec. 47.27.040. Assignment of support rights; cooperation with child**
 28 **support enforcement agency.** (a) An Alaska temporary assistance program
 29 applicant is considered to have assigned to the state, through the child support
 30 enforcement agency of the Department of Revenue, all rights to accrued and
 31 continuing child support, from all sources, that is due for the support of any

individuals in the family for whom support is sought. The assignment takes effect upon a determination that the applicant's family is eligible for cash assistance under this chapter. Except with respect to the amount of any unpaid support obligation accrued under the assignment, the assignment terminates when the family ceases to receive cash assistance under [BE A PARTICIPANT IN] the Alaska temporary assistance program.

(b) An Alaska temporary assistance program participant shall cooperate with the child support enforcement agency of the Department of Revenue in establishing paternity or establishing, modifying, or enforcing a child support order requiring the payment of support by the noncustodial parent for a dependent child for whom Alaska temporary assistance program **cash** assistance is received. The child support enforcement agency shall determine whether the participant is in good faith compliance with the requirements of this subsection and shall inform the Department of Health and Social Services of its determination. The Department of Health and Social Services shall establish whether the participant has good cause for refusing to cooperate.

(c) The department may distribute to an Alaska temporary assistance program participant \$50 per month from a monthly child support payment, or the amount of the child support payment if it is less than \$50, received by the child support enforcement agency for the support of a child for whom Alaska temporary assistance program cash assistance is paid.

* Sec. 37. AS 47.27.045 is amended to read:

Sec. 47.27.045. Alienation and attachment. Cash assistance
[ASSISTANCE] granted under this chapter is inalienable by assignment or transfer and is exempt from garnishment, levy, or execution as is provided in AS 09.38.

* **Sec. 38.** AS 47.27.060 is amended to read:

Sec. 47.27.060. Job development. The department may establish cooperative agreements with the Department of Labor and Workforce Development, Department of Education and Early Development, and Department of Community and Economic Development, and with other public or private sector organizations for the purpose of developing job, training, and educational opportunities for families eligible for cash

1 assistance or self-sufficiency services under this chapter.

2 * **Sec. 39.** AS 47.27.075 is amended to read:

3 **Sec. 47.27.075. Emergency account established.** There is established within
 4 the general fund the Alaska temporary assistance program emergency account. The
 5 account consists of appropriations that were made by the legislature from federal
 6 money available for cash assistance, diversion payments, and self-sufficiency
 7 services under this chapter, including lapsing money that was previously appropriated
 8 from federal money for the Alaska temporary assistance program, but that were not
 9 expended or obligated in the fiscal year for which they were appropriated.

10 * **Sec. 40.** AS 47.27.080(a) is amended to read:

11 (a) An applicant or participant who receives a determination from the
 12 department that denies, limits, or modifies the cash assistance, diversion payment, or
 13 self-sufficiency services provided under this chapter may request a hearing before the
 14 department or a representative of the department appointed for that purpose. If a
 15 representative is appointed, the representative shall conduct the hearing under the
 16 regulations adopted by the department. The appeal is not subject to AS 44.62.330 -
 17 44.62.630.

18 * **Sec. 41.** AS 47.27.085(a) is amended to read:

19 (a) Except as provided in (b) of this section, the [THE] department shall
 20 reduce the amount of cash assistance provided to the family of [PENALIZE] an
 21 Alaska temporary assistance program applicant or participant who, without good
 22 cause, fails to comply with a condition of the family self-sufficiency plan, [OR] who
 23 fails to participate in work activities required as a part of the Alaska temporary
 24 assistance program, or who fails to cooperate with the child support enforcement
 25 agency as required under AS 47.27.040. The reduction shall be, [BY
 26 DISREGARDING THAT PERSON AS A MEMBER OF THE FAMILY FOR
 27 PURPOSES OF DETERMINING THE AMOUNT OF ASSISTANCE GIVEN TO
 28 THE FAMILY. THE PERIOD OF TIME DURING WHICH THE DEPARTMENT
 29 SHALL DISREGARD THE NONCOMPLYING PERSON FOR PURPOSES OF
 30 DETERMINING THE AMOUNT OF THE FAMILY'S ASSISTANCE IS]

31 (1) beginning on the date the department makes a finding that the

1 family is not in compliance under this subsection, 40 percent of the maximum
 2 cash assistance that would be payable under AS 47.27.025 for a family of the
 3 same size, assuming the family has no income counted for purposes of this
 4 chapter, until the date the department determines that the family [PERSON] is in
 5 compliance under this subsection if the family comes into compliance within the
 6 first four months after the date of the department's finding of noncompliance
 7 [PERSON HAS NOT PREVIOUSLY BEEN DISREGARDED] under this subsection;
 8 on the date the department determines that the family is in compliance, the
 9 department shall begin to pay the family the full amount of cash assistance for
 10 which the family is eligible;

11 (2) beginning five months after the date the department made the
 12 finding that the family was not in compliance under this subsection, 75 percent of
 13 the maximum cash assistance that would be payable under AS 47.27.025 for a
 14 family of the same size, assuming the family has no income counted for purposes
 15 of this chapter, [THE LONGER OF SIX MONTHS OR] until the date the
 16 department determines that the family [PERSON] is in compliance under this
 17 subsection if the family comes into compliance during the fifth, sixth, seventh, or
 18 eighth month after the date the department initially determined that the family
 19 was not in compliance [PERSON HAS PREVIOUSLY BEEN DISREGARDED]
 20 under [(1) OF] this subsection; on the date the department determines that the
 21 family is in compliance, the department shall begin to pay the family the full
 22 amount of cash assistance for which the family is eligible;

23 (3) beginning nine months after the date the department made the
 24 finding that the family was not in compliance under this subsection, the full
 25 amount of the family's cash assistance if the noncompliance under this subsection
 26 is not corrected within eight months after the date of the department's initial
 27 finding of noncompliance under this subsection; in order to again receive cash
 28 assistance under this chapter, the family shall reapply under AS 47.27.020 and
 29 satisfy all requirements applicable to applicants under that section [LONGER OF
 30 12 MONTHS OR UNTIL THE PERSON IS IN COMPLIANCE UNDER THIS
 31 SUBSECTION IF THE PERSON HAS PREVIOUSLY BEEN DISREGARDED

1 UNDER (2) OF THIS SECTION].

2 * **Sec. 42.** AS 47.27.085(b) is repealed and reenacted to read:

3 (b) Notwithstanding (a) of this section, the department may not reduce a
 4 family's cash assistance under (a)(2) or (3) of this section unless there is, in the
 5 family's case record, (1) documented evidence that the department has attempted to
 6 visit the family's home after the imposition of a reduction under (a)(1) of this section
 7 and (2) a written finding by the department that, considering the results of any home
 8 visit attempted under (1) of this subsection and the availability of other services in the
 9 community that are appropriate to the family's needs, the health, safety, and well-
 10 being of the children in the family will not be significantly jeopardized by imposition
 11 of a reduction under (a)(2) or (3) of this section. If the department does not reduce a
 12 family's cash assistance based on the provisions of this subsection, the department
 13 may manage the family's cash assistance on behalf of the family under regulations that
 14 the department shall adopt concerning management of cash assistance under this
 15 subsection.

16 * **Sec. 43.** AS 47.27.085(c) is amended to read:

17 (c) An Alaska temporary assistance program applicant or participant who
 18 receives cash assistance, a diversion payment, or self-sufficiency services when not
 19 entitled to them under this chapter because the information provided by the applicant
 20 or participant was inaccurate or incomplete is liable to the department for the value of
 21 the cash assistance, diversion payment, and self-sufficiency services improperly
 22 provided to the applicant or participant.

23 * **Sec. 44.** AS 47.27.085(d) is amended to read:

24 (d) In a civil action brought by the state to recover the value of cash
 25 assistance, a diversion payment, or self-sufficiency services improperly provided
 26 under this chapter, the state may recover costs of investigation and prosecution of the
 27 civil action, including attorney fees as determined under court rules.

28 * **Sec. 45.** AS 47.27.085 is amended by adding a new subsection to read:

29 (e) The department shall adopt regulations necessary to implement this
 30 section.

31 * **Sec. 46.** AS 47.27.900(8) is amended to read:

(8) "self-sufficiency services" means work-related services, community service work referrals, child care assistance, **emergency assistance, service vouchers, equipment vouchers, work stipends, transportation assistance, wage subsidies, and other work supports and** services determined by the department in regulation to promote family self-sufficiency;

* **Sec. 47.** AS 47.27.900 is amended by adding new paragraphs to read:

(10) "cash assistance" means assistance for basic living expenses provided under the Alaska temporary assistance program; "cash assistance" includes cash, vouchers, or third-party vendor payments; "cash assistance" does not include a diversion payment under AS 47.27.026 or self-sufficiency services;

(11) "diversion payment" means a diversion payment paid under AS 47.27.026.

* **Sec. 48.** AS 47.27.900(1) is repealed.

4 * **Sec. 49.** The uncodified law of the State of Alaska is amended by adding a new section to
5 read:

TRANSITION: REGULATIONS. Notwithstanding sec. 52 of this Act, the affected state agencies may proceed to adopt regulations necessary to implement the changes made by secs. 1 - 48 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the statutory changes.

* **Sec. 50.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REVISOR'S INSTRUCTIONS. The revisor of statutes is instructed to change the catchline of

(1) AS 47.27.020 from "Application and requirements for assistance" to "Application requirements";

(2) AS 47.27.025 from "Family assistance" to "Cash assistance";

(3) AS 47.27.030 from "Family self-sufficiency plan" to "Family self-sufficiency services."

* **Sec. 51.** Section 49 of this Act takes effect immediately under AS 01.10.070(c).

* **Sec. 52.** Except as provided in sec. 51 of this Act, this Act takes effect July 1, 2002.