

**CS FOR SENATE BILL NO. 98(RLS)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE

Offered: 4/24/96

Referred: Today's Calendar

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

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act making changes related to the aid to families with dependent children  
2 program (AFDC); relating to the duties of the Department of Health and Social  
3 Services; establishing a workfare pilot project for AFDC recipients; establishing  
4 a diversion program for AFDC applicants; directing the Department of Health  
5 and Social Services to seek waivers of applicable federal laws; establishing and  
6 relating to the Alaska temporary assistance program and repealing the AFDC  
7 and job opportunity and basic skills programs upon the establishment of federal  
8 welfare reform; relating to work activities required under the Alaska temporary  
9 assistance program; authorizing qualified entities to contract with the state to  
10 administer all or part of the Alaska temporary assistance program; relating to  
11 child support; relating to certain licenses and applications for a license for  
12 persons who are not in substantial compliance with orders, judgments, or

1 payment schedules for child support; relating to an exemption to the State  
2 Procurement Code for certain services and contracts under the Alaska temporary  
3 assistance program; relating to disclosure of information that relates to day care  
4 assistance and the Alaska temporary assistance program; relating to eligibility  
5 for day care benefits administered by the Department of Community and  
6 Regional Affairs; amending Rule 90.3(c) and (h)(2), Alaska Rules of Civil  
7 Procedure; and providing for an effective date."

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

9 \* **Section 1.** AS 47.25 is amended by adding new sections to read:

10 ARTICLE 1A. AFDC WORKFARE PROJECT.

11 Sec. 47.25.301. WAIVER APPLICATION FOR PROJECT. (a) The  
12 Department of Health and Social Services shall seek appropriate waivers from the  
13 federal government to implement the AFDC demonstration project described in  
14 AS 47.25.301 - 47.25.308. To the extent that the federal government approves the  
15 necessary waivers, the department shall implement the project. The purposes of the  
16 project are to promote personal responsibility and self-sufficiency.

17 (b) At a minimum, the department shall implement AS 47.25.303 so that there  
18 are experimental groups in at least three different areas of the state, with at least one  
19 experimental group in a municipality with a population over 25,000, one in a  
20 municipality with a population between 5,000 and 25,000, and one in a municipality  
21 or community with a population under 5,000. The department shall implement  
22 AS 47.25.303 with the minimum number of control groups that are required by the  
23 federal government for approval of the waivers applied for under this section.

24 (c) Notwithstanding (a) of this section, if changes in federal statutes or  
25 regulations occur after the effective date of this section and would have a major effect  
26 on the design, implementation, or operation of the project, the department shall

27 (1) apply for and implement only the waivers that relate to the parts of  
28 the project that are not substantially affected by the changes in federal statutes or

1 regulations;

2 (2) report to the legislature its recommendations for changes in its  
3 statutory authority that may be needed in order to implement a fiscally responsible  
4 project in light of conflicting or permissive changes in federal statutes or regulations.

5 Sec. 47.25.302. EARNED INCOME DISREGARD; WAIVER OF "100-  
6 HOUR" RULE; AUTO ALLOWANCE. When determining the AFDC eligibility of  
7 a family that is participating in an experimental group in the project under  
8 AS 47.25.303 and when determining the amount of assistance to which the family is  
9 entitled, the department shall

10 (1) disregard, for the first 24 months for which the family receives  
11 assistance, \$200 plus one-third of the remainder of the earned income of each person  
12 in the family unless federal regulations require that more earned income of a person  
13 must be disregarded, in which case the department shall disregard earned income as  
14 required by federal law; for a family that applies for AFDC after this paragraph has  
15 been implemented, this 24 months begins with the month for which the family is first  
16 granted AFDC; for a family that is already receiving assistance when this paragraph  
17 is implemented, this 24 months begins with the first month during which this  
18 paragraph is implemented;

19 (2) waive the requirement that, for purposes of assistance for a  
20 dependent child of unemployed parents, the principal wage-earning parent must be  
21 employed less than 100 hours a month; and

22 (3) allow the exclusion of \$5,000 of the combined equity of motor  
23 vehicles used by the family for basic family transportation, transportation of a disabled  
24 child in the household, or transportation of a member of the family to or from  
25 employment, training, or participation in an activity required under AS 47.25.303; if  
26 the combined equity of vehicles described in this paragraph exceeds \$5,000, the  
27 department shall apply the excess equity amount toward the asset limit otherwise  
28 applicable to the family.

29 Sec. 47.25.303. WORKFARE. (a) The department shall operate a workfare  
30 project. Each member of a family in an experimental group in the workfare project  
31 who is 18 years of age or older shall participate for 21 hours a week in an

1 uncompensated activity if assigned to the activity by the department. The department  
2 shall assess the availability of activities that satisfy the purposes of this subsection in  
3 the project area and attempt to develop additional activities where necessary. When  
4 assessing the availability of activities that are suitable as uncompensated activities  
5 under this section and in assigning persons to those activities, the department shall  
6 consider activities recommended by governmental representatives of boroughs, cities,  
7 and communities and others in the project area. The activities may include provision  
8 of child care for other project participants, community work experience, work-related  
9 training programs, high school completion, GED programs, or culturally relevant  
10 subsistence activities. The department shall penalize the family for failure of a person  
11 to comply with this subsection by disregarding that person as a member of the family  
12 for purposes of determining the amount of AFDC assistance given to the family. The  
13 period of time during which the department shall disregard the noncomplying person  
14 for purposes of determining the amount of the family's AFDC assistance is

15 (1) until the person is in compliance with this subsection if the person  
16 has not previously been disregarded under this subsection;

17 (2) the longer of six months or until the person is in compliance with  
18 this subsection if the person has previously been disregarded under (1) of this  
19 subsection;

20 (3) the longer of 12 months or until the person is in compliance with  
21 this subsection if the person has previously been disregarded under (2) of this  
22 subsection.

23 (b) If organizations exist in the project area that have had successful  
24 experience in conducting employment placement services, community services,  
25 remedial education services, and job training programs, the department may offer  
26 contracts on a competitive basis or grants under the department's grant application  
27 process to administer (a) of this section. A contract or grant under this subsection  
28 must provide that the department shall make the determinations required under (c) and  
29 (d) of this section and the contractor or grantee shall perform the duties assigned to  
30 the department under (a) of this section with respect to uncompensated activities,  
31 including assessment of their availability, development of additional activities,

1 consideration of activities recommended by governmental representatives, and  
2 assignment of persons to specific activities after referral of those persons to the  
3 contractor or grantee by the department. The department may, after consultation with  
4 the appropriate contractor or grantee under this subsection, if any, use AFDC benefits  
5 to subsidize payments or provide services to participants in community work projects  
6 or work training projects; an amount distributed as a subsidy under this subsection is  
7 not considered to be wages.

8 (c) The requirement to participate in an uncompensated activity under (a) of  
9 this section does not apply to a person who

10 (1) has paid employment of at least 20 hours a week; a person who has  
11 paid employment of less than 20 hours a week shall participate in an uncompensated  
12 activity assigned under (a) of this section for the number of hours that, when added  
13 to the hours of paid employment, equals 21;

14 (2) is exempt from participating in an activity under AS 47.25.421 -  
15 47.25.429 (JOBS program);

16 (3) is enrolled as a full-time student in good standing in a career  
17 education program, college, or university, as defined in regulations adopted under  
18 AS 14.43;

19 (4) is the parent or other relative of a child under six years of age  
20 living in the same household who personally provides care for the child;

21 (5) is determined, according to regulations of the department, to be  
22 physically or mentally unable to perform any reasonable activity that may be assigned  
23 under this section; or

24 (6) is a parent who is providing care for a child who is experiencing  
25 a disability.

26 (d) Notwithstanding (a) of this section, the department may not require a  
27 person to participate in an uncompensated activity under (a) of this section unless the  
28 department agrees to pay for

29 (1) costs of child care determined by the department to be necessary  
30 for the person's participation; and

31 (2) transportation expenses determined by the department to be

1 necessary for the person's participation in the activity.

2 (e) In this section, "project area" means the areas chosen by the department  
3 in which to operate the workfare project described in this section.

4 Sec. 47.25.305. COOPERATION. State agencies shall cooperate with the  
5 department to the extent necessary to implement AS 47.25.301 - 47.25.308.

6 Sec. 47.25.306. IMMUNITY FROM LIABILITY. (a) The Department of  
7 Health and Social Services, and its employees, agents, and grantees, are not liable for  
8 civil damages as a result of an act or omission in the implementation, operation, or  
9 administration of an authorized project under AS 47.25.301 - 47.25.308.

10 (b) The provisions of (a) of this section do not preclude liability for civil  
11 damages as a result of recklessness or intentional misconduct.

12 (c) The provisions of (b) of this section do not constitute a waiver or limitation  
13 of sovereign or other immunity.

14 Sec. 47.25.307. REGULATIONS. The Department of Health and Social  
15 Services shall adopt regulations necessary to implement AS 47.25.301 - 47.25.308.  
16 The regulations adopted by the department may include

17 (1) eligibility criteria for the project described in AS 47.25.301 -  
18 47.25.308 that differ from eligibility requirements in AS 47.25.310 - 47.25.429 and the  
19 regulations adopted under those statutes;

20 (2) a maximum number of participants to be included in the project,  
21 if necessary;

22 (3) exemptions from requiring participation in the project because of  
23 exceptional circumstances; and

24 (4) provisions for financial or nonfinancial sanctions for applicants who  
25 fail to cooperate with project requirements.

26 Sec. 47.25.308. DEFINITIONS. In AS 47.25.301 - 47.25.308,

27 (1) "AFDC" means the program of aid to families with dependent  
28 children under AS 47.25.310 - 47.25.420;

29 (2) "department" means the Department of Health and Social Services.

30 ARTICLE 1B. DIVERSION PROGRAM.

31 Sec. 47.25.309. DIVERSION PROGRAM. (a) The Department of Health and

1 Social Services shall operate a diversion program that is designed to increase family  
2 income through employment and child support payments by offering lump-sum  
3 diversion payments in place of ongoing financial assistance under the AFDC program.  
4 A diversion payment may be offered to an adult applicant for AFDC who is job-ready  
5 and who needs short-term financial assistance to meet critical needs in order to secure  
6 employment and support for the applicant's family.

7 (b) Diversion program benefits may be paid only to an applicant's family that  
8 appears, based on the information provided to the department on an AFDC application,  
9 to be eligible for AFDC benefits and to include a job-ready individual. The  
10 department may offer, to an AFDC applicant with the potential to participate in the  
11 diversion program, a choice between

12 (1) having the AFDC application processed under AS 47.25.310 -  
13 47.25.429; or

14 (2) having the AFDC application referred to the diversion project under  
15 this section.

16 (c) The amount of the diversion payment must be sufficient to meet the  
17 family's immediate needs as determined by the department and the participant. A  
18 diversion payment may not exceed the amount the family would be eligible to receive  
19 in the first two months of eligibility for assistance under AS 47.25.310 - 47.25.420 if  
20 the family did not elect to receive a diversion payment under this section.

21 (d) As a condition of a family receiving a diversion payment under this  
22 section, the participant must sign a binding contract between the participant and the  
23 department that

24 (1) specifies the amount of the diversion payment and the needs it is  
25 intended to cover;

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

30 (3) provides that, if the family reapplies for AFDC assistance under  
31 AS 47.25.310 - 47.25.429 during the three months beginning with the month in which

1 the family received a diversion payment, the diversion payment shall be prorated over  
2 the three-month period and deducted from any AFDC benefit the family may be  
3 eligible for under the new application.

4 (e) A family that receives a diversion payment may not receive another  
5 diversion payment before the 12th month following the month in which it last received  
6 a diversion payment.

7 (f) The department shall implement this section only to the extent that  
8 implementation is not prohibited under federal law. To the extent that this section may  
9 be implemented under federal law or under a waiver approved under federal law, its  
10 provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.429, and (d)(2)  
11 of this section supersedes inconsistent provisions of AS 25.27.120 and 25.27.130.

12 (g) In this section,

13 (1) "AFDC" means the program of aid to families with dependent  
14 children under AS 47.25.310 - 47.25.420;

15 (2) "department" means the Department of Health and Social Services.

16 \* **Sec. 2.** AS 47.25 is amended by adding new sections to read:

17 Sec. 47.25.311. **INELIGIBILITY FOR ASSISTANCE.** (a) A person is  
18 ineligible for assistance under AS 47.25.310 - 47.25.420 for the following time periods  
19 upon administrative disqualification for making a false statement or misrepresentation  
20 knowing it was false, or for knowingly failing to disclose a material fact, in order to  
21 obtain or increase assistance under AS 47.25.310 - 47.25.420:

22 (1) six months following the first disqualification;

23 (2) 12 months following the second disqualification; and

24 (3) permanently following the third disqualification.

25 (b) A family is not eligible for assistance under AS 47.25.310 - 47.25.420 if  
26 the family includes an adult who has intentionally transferred an asset or assets at less  
27 than fair market value for the purpose of establishing eligibility for assistance. The  
28 period of ineligibility shall begin on the first day of the month following the transfer  
29 of the asset or assets and shall remain in effect for a number of months equal to the  
30 fair market value of the transferred asset or assets divided by the maximum payment  
31 amount for the family as established under AS 47.25.320(a), or for 12 months,

1           whichever is less.

2                   (c) A family is not eligible for assistance for the following time periods after  
3 the day on which the adult applicant or a custodial parent in the family, without good  
4 cause, refused to accept, or separated from, suitable employment and that refusal or  
5 separation caused the family's need for assistance:

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 without  
10 good cause.

11                   (d) The department shall implement this section only to the extent that  
12 implementation is not prohibited under federal law. To the extent that this section may  
13 be implemented under federal law or under a waiver approved under federal law, its  
14 provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

15                   Sec. 47.25.315. ASSISTANCE TO MINORS WITH CHILDREN. (a) Except  
16 as provided in (c) of this section, the department shall require, as a condition of  
17 eligibility for assistance, that a minor parent must reside in a

18                           (1) place of residence maintained by the minor's parent, legal guardian,  
19 or other adult relative of the minor as the parent's, guardian's, or other adult relative's  
20 own home; or

21                           (2) foster home, maternity home, or other adult-supervised supportive  
22 living arrangement; however, the minor may satisfy the condition of eligibility  
23 imposed by this subsection by residing in a foster home, maternity home, or other  
24 adult-supervised supportive living arrangement only if

25                                   (A) the minor parent does not have a parent, legal guardian, or  
26 other adult relative who is living and whose whereabouts are known;

27                                   (B) there is no living parent, legal guardian, or adult relative of  
28 the minor parent who will allow the minor to live in the home of the parent,  
29 legal guardian, or adult relative; or

30                                   (C) the department determines that the physical or emotional  
31 health or safety of the minor parent or the minor's child would be jeopardized

1 if the minor and the minor's child lived in the same residence with any of the  
2 minor's parents, legal guardian, or other adult relatives.

3 (b) Notwithstanding AS 47.25.360, the department shall, where possible, pay  
4 assistance on behalf of a minor parent who is subject to the requirements of (a) of this  
5 section to the minor's parent, legal guardian, or other adult relative, or, as applicable,  
6 to the head of the adult-supervised supportive living arrangement where the minor  
7 parent resides.

8 (c) The provisions of (a) of this section do not apply if

9 (1) the minor parent lived apart from the minor's parent or legal  
10 guardian for either one year before the birth of the dependent child or one year before  
11 the minor parent submitted the application for assistance; or

12 (2) the department otherwise determines under regulations that there is  
13 good cause for waiving the requirements of (a) of this section in the case of a  
14 particular minor parent.

15 (d) In this section, "minor parent" means a person who is under the age of 18,  
16 who has never married, and is either

17 (1) the natural parent of a dependent child living in the same  
18 household; or

19 (2) eligible for assistance as a pregnant woman.

20 (e) The department shall implement this section only to the extent that  
21 implementation is not prohibited under federal law. To the extent that this section may  
22 be implemented under federal law or under a waiver approved under federal law, its  
23 provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

24 \* **Sec. 3.** AS 47.25.320 is amended by adding new subsections to read:

25 (h) To the extent allowed under federal law or under a waiver approved under  
26 federal law, the department shall reduce the shelter allowance used under AS 47.25.310  
27 - 47.25.420 for a family whose shelter costs are lower than the standard shelter  
28 allowance used by the department for similar families. The shelter allowance for a  
29 family whose costs are below the standard allowance shall be an amount equal to the  
30 family's actual verified shelter costs. In this subsection,

31 (1) "shelter allowance" means the portion of the benefit under

1 AS 47.25.310 - 47.25.420 that is allocated by the department for shelter costs;

2 (2) "shelter costs" means

3 (A) rental payments or mortgage payments for the family's  
4 housing, including payments made for property or mortgage insurance and  
5 property taxes; and

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

11 (i) To the extent allowed under federal law or under a waiver approved under  
12 federal law, the department shall, for the months of July, August, and September,  
13 reduce by 50 percent the maximum assistance for which the family is otherwise  
14 eligible if the family's eligibility for assistance is based on the unemployment of the  
15 family's principal wage earner. However, if the commissioner determines that  
16 temporary economic conditions have resulted in decreased employment opportunities  
17 during those months and a reduction in assistance would impose an undue hardship on  
18 a family, the department may waive application of this paragraph with respect to that  
19 family.

20 \* **Sec. 4.** AS 47.25.360 is amended to read:

21 Sec. 47.25.360. GRANTING OF ASSISTANCE. Upon the completion of the  
22 investigation the department shall decide whether the child is eligible for assistance  
23 under AS 47.25.310 - 47.25.420, the amount of assistance, and the date on which it  
24 starts. The department shall notify the person having custody of the child of its  
25 decision. **Except as provided in AS 47.25.315(b), the** [THE] assistance shall be paid  
26 monthly to the person having custody of the child upon order of the department.

27 \* **Sec. 5.** AS 47.25 is amended by adding a new section to read:

28 Sec. 47.25.364. TIME LIMITS ON BENEFITS. (a) A family is not eligible  
29 for more than 24 months of assistance under AS 47.25.310 - 47.25.420 during any 60  
30 consecutive months that occur after the effective date of this section.

31 (b) The eligibility of a family described in (a) of this section shall be extended

1 beyond 24 months if the family

2 (1) includes an individual who is the caretaker or spouse of a caretaker  
3 of a dependent child or who is a pregnant woman, who is

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

6 (B) a parent who is providing care for a child who is  
7 experiencing a disability; or

8 (2) has cooperated with the department and every adult in the family  
9 who has been assigned to an activity under AS 47.25.303 or 47.25.421 - 47.25.429 has  
10 substantially complied with the requirements of the program to which the person was  
11 assigned but

12 (A) a temporary and verified physical condition, as supported  
13 by appropriate medical documentation, prevents adults in the family from  
14 attaining and maintaining employment that would provide the family with net  
15 income equal to or greater than what the family would receive from the  
16 assistance grant;

17 (B) the department failed to provide services required under  
18 AS 47.25.303(d) or 47.25.427 with respect to the family; or

19 (C) despite all appropriate efforts, the adults in the family have  
20 been unable to find employment that would provide the family with total net  
21 income equal to or greater than what the family would receive from assistance.

22 (c) Notwithstanding (a) of this section, a family that becomes ineligible for  
23 assistance solely by operation of (a) of this section nevertheless remains eligible for  
24 medical assistance under AS 47.07 for a period of 12 months after losing eligibility  
25 for assistance under (a) of this section.

26 (d) The department shall implement this section only to the extent that  
27 implementation is not prohibited under federal law. To the extent that this section may  
28 be implemented under federal law or under a waiver approved under federal law, its  
29 provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

30 \* **Sec. 6.** AS 47.25 is amended by adding a new section to read:

31 Sec. 47.25.366. SCHOOL ATTENDANCE. (a) The department shall reduce

1 the assistance for which an assistance unit is otherwise eligible under AS 47.25.310 -  
2 47.25.420 if a minor parent in the assistance unit fails, without good cause, to meet  
3 standards of adequate levels of school attendance, as defined in regulations of the  
4 department. The reduction under this subsection shall be achieved by disregarding the  
5 needs of the person who failed to meet the school attendance standards. The person's  
6 needs shall be disregarded until the minor parent complies.

7 (b) The department shall implement this section only to the extent that  
8 implementation is not prohibited under federal law. To the extent that this section may  
9 be implemented under federal law or under a waiver approved under federal law, its  
10 provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

11 \* **Sec. 7.** AS 47 is amended by adding a new chapter to read:

12 **CHAPTER 27. ALASKA TEMPORARY ASSISTANCE PROGRAM.**

13 **Sec. 47.27.005. DUTIES OF THE DEPARTMENT.** The department shall

14 (1) administer the Alaska temporary assistance program by providing  
15 assistance with basic living expenses and self-sufficiency services to needy children  
16 and their families under this chapter;

17 (2) establish, by regulation, program standards that will provide  
18 incentives to work, incentives for financial planning, and opportunities to develop self-  
19 sufficiency while providing assistance with basic living expenses;

20 (3) prepare, submit to the federal government, and amend, if necessary,  
21 a state plan designed to assure that federal money is available to the state for the  
22 operation of the program set out in this chapter to provide assistance for basic living  
23 expenses and self-sufficiency services to needy children and their families consistent  
24 with the state objectives identified in (2) of this section;

25 (4) adopt methods of program administration to ensure consistency with  
26 the federal requirements under any successor federal program that replaces the aid to  
27 families with dependent children program;

28 (5) make reports to the federal government as required under any  
29 successor federal program that replaces the aid to families with dependent children  
30 program, in the form and containing the information required, and comply with the  
31 provisions that the federal government determines are necessary to ensure correct and

1 verifiable information on the program;

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

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

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

8 Sec. 47.27.010. ELIGIBLE FAMILIES. The following families may apply for  
9 assistance under the Alaska temporary assistance program:

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

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

14 (3) a woman in the last trimester of pregnancy; or

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

17 Sec. 47.27.015. DISQUALIFYING CONDITIONS. (a) A family is not  
18 eligible for assistance under the Alaska temporary assistance program if the family  
19 includes an adult who

20 (1) has received benefits under the Alaska temporary assistance  
21 program, or a program of another state operated under a federal assistance grant  
22 program for needy families, for a total of 60 months as the caretaker or spouse of a  
23 caretaker of a dependent child or as a pregnant woman, unless the caretaker or  
24 pregnant woman is

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

27 (B) a parent who is providing care for a child who is  
28 experiencing a disability; or

29 (C) a family determined by the department to be exempt from  
30 this paragraph by reason of hardship; the number of families for which an  
31 exemption is in effect under this subparagraph may not exceed 10 percent or

1 the maximum percentage of families allowed an exemption under federal law,  
2 whichever is greater; or

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

7 (b) A family is not eligible for assistance under this chapter for a period of  
8 120 months beginning on the date the adult applicant for the family is convicted of  
9 having fraudulently misrepresented the applicant's residence in order to receive  
10 assistance in more than one state under a program financed with federal money under  
11 any successor federal program that replaces the aid to families with dependent children  
12 program.

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

17 (1) one month for the first refusal or separation without good cause;

18 (2) six months for the second refusal or separation without good cause;

19 and

20 (3) 12 months for the third and subsequent refusal or separation without  
21 good cause.

22 (d) A family is not eligible for assistance for up to 12 months if the family's  
23 demonstrated need is due to an intentional transfer of an asset or assets at less than fair  
24 market value for the purpose of establishing eligibility for assistance. A period of  
25 ineligibility shall begin on the first day of the month following the transfer of the asset  
26 or assets and shall remain in effect for a number of months equal to the fair market  
27 value of the transferred asset or assets divided by the maximum payment amount for  
28 the family as established under AS 47.27.025, or for 12 months, whichever is less.

29 (e) An Alaska temporary assistance program applicant or participant who is  
30 administratively disqualified for making a false statement or misrepresentation knowing  
31 it was false, or for knowingly failing to disclose a material fact, in order to obtain or

1 increase assistance or services under this chapter is not eligible to receive assistance  
2 under this chapter for a period of

- 3 (1) six months following the first disqualification;
- 4 (2) 12 months following the second disqualification; and
- 5 (3) permanently following the third disqualification.

6 Sec. 47.27.020. APPLICATION AND REQUIREMENTS FOR ASSISTANCE.

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

15 (b) On the application, each applicant shall attest to whether the family, at any  
16 time, has received assistance from another state program that was established with  
17 federal money under any successor federal program that replaces the aid to families  
18 with dependent children program and whether the family has ever been disqualified  
19 from receiving assistance under a successor federal program that replaces aid to  
20 families with dependent children for the period for which the application has been  
21 submitted.

22 (c) An applicant shall agree to cooperate with the department to establish a  
23 family self-sufficiency plan and to participate in work activities when assigned by the  
24 department.

25 (d) An applicant shall acknowledge the assignment of support rights as  
26 required by AS 47.27.040(a) and shall agree to cooperate with the child support  
27 enforcement agency of the Department of Revenue to the extent required under  
28 AS 47.27.040(b). The applicant shall agree to report all child support payments  
29 received directly by the family, during or for a period for which the family is receiving  
30 assistance under this chapter, to the department within 15 days after receipt of those  
31 payments.

1 (e) An applicant shall update the information requested in the application at  
2 regular intervals as established by the department in regulation. The department may  
3 conduct reviews of an application and audit the information provided as necessary to  
4 determine eligibility.

5 Sec. 47.27.025. FAMILY ASSISTANCE. (a) The department shall provide  
6 assistance for basic living expenses to families that establish eligibility based on a  
7 determination of need that considers the family's available income, assets, and other  
8 resources, as established by the department in regulation. Each dependent child in the  
9 family is eligible for assistance except as otherwise provided in AS 47.27.015 or  
10 47.27.027(b), and assistance received as a dependent child does not count against  
11 eligibility for assistance under this chapter as a caretaker or spouse of a caretaker of  
12 a dependent child or as a pregnant woman.

13 (b) The amounts of assistance for basic living expenses may not exceed the  
14 following:

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

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

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

23 (c) The department shall, for the months of July, August, and September,  
24 reduce by 50 percent the maximum assistance for which the family is otherwise  
25 eligible if the family's eligibility for assistance is based on the unemployment of the  
26 family's principal wage earner. However, if the commissioner determines that  
27 temporary economic conditions have resulted in decreased employment opportunities  
28 during those months and a reduction in assistance would impose an undue hardship on  
29 a family, the department may waive application of this paragraph with respect to that  
30 family.

31 (d) The department shall reduce assistance under this section to the extent that

1 the family's shelter costs are lower than the standard shelter allowance used by the  
2 department for similar families. The shelter allowance for a family whose costs are  
3 below the standard allowance shall be an amount equal to the family's actual verified  
4 shelter costs. In this subsection,

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

7 (2) "shelter costs" means

8 (A) rental payments or mortgage payments for the family's  
9 housing, including payments made for property or mortgage insurance and  
10 property taxes; and

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

16 (e) The department may, instead of paying all of the cash assistance to a  
17 family under this section, use all or part of the cash assistance as a wage subsidy paid  
18 to an employer who employs a person in the family at a wage that is higher than the  
19 wage subsidy. A subsidy under this subsection may not exceed one year in duration.

20 Sec. 47.27.026. DIVERSION PAYMENTS. (a) The department may offer  
21 a lump-sum diversion payment in place of ongoing assistance and services to an adult  
22 applicant who applies for assistance under AS 47.27.020 if the adult applicant is job  
23 ready and is determined to need only short-term financial assistance to meet critical  
24 needs in order to secure employment and support for the adult applicant's family. The  
25 department shall set standards and conditions for diversion payments by regulation.

26 (b) The department may pay diversion benefits to an applicant's family only  
27 if that family appears to be eligible for benefits under AS 47.27.020 and to include a  
28 job-ready individual based on the information provided to the department in the  
29 application completed under AS 47.27.020. The department may offer to an applicant  
30 with the potential to participate in the diversion project a choice between

31 (1) having the Alaska temporary assistance program application

1 processed under AS 47.27.020 and the regulations adopted by the department; or

2 (2) having the application referred to the diversion project of the Alaska  
3 temporary assistance program for a determination of project benefits under this section.

4 (c) The amount of the diversion payment must be sufficient to meet the  
5 family's immediate needs as determined by the department and the participant. A  
6 diversion payment may not exceed the amount the family would be eligible to receive  
7 as cash assistance in the first two months of eligibility under AS 47.27.025 if the  
8 family did not elect to receive a diversion payment.

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

11 (1) specifies the amount of the diversion payment and the needs it is  
12 intended to cover;

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

17 (3) provides that if the family reapplies for Alaska temporary assistance  
18 program assistance under AS 47.27.020 during the three months beginning with the  
19 month in which the family received a diversion payment, the diversion payment shall  
20 be treated as unearned income, prorated over the three-month period, and deducted  
21 from any Alaska temporary assistance program benefit the family may be eligible for  
22 under the new application.

23 (e) A family that receives a diversion payment may not receive another  
24 diversion payment before the 12th month following the month in which it last received  
25 a diversion payment.

26 (f) To the extent that (d)(2) of this section is inconsistent with AS 25.27.120  
27 or 25.27.130, or with another provision of this chapter, (d)(2) of this section governs.

28 Sec. 47.27.027. ASSISTANCE TO MINORS. (a) If an applicant under  
29 AS 47.27.020 is not married, is under the age of 18, and has not been previously  
30 emancipated under AS 09.55.590, the applicant must

31 (1) live in a home maintained by the applicant's parent, legal guardian,

1 or other adult relative, unless the applicant establishes that there is good cause, as  
2 established by the department in regulation, to waive this requirement; if the  
3 department waives this requirement, the applicant must live in an approved, adult-  
4 supervised, supportive living environment;

5 (2) agree that assistance for basic living expenses on behalf of the  
6 applicant's family may be paid to the applicant's parent, legal guardian, or other adult  
7 relative, or, if applicable, to the adult head of the adult-supervised, supportive living  
8 environment in which the applicant resides; and

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

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

19 Sec. 47.27.030. FAMILY SELF-SUFFICIENCY PLAN. (a) A participant in  
20 the Alaska temporary assistance program shall cooperate with the department, or its  
21 designee, to develop and sign a family self-sufficiency plan that includes

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

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

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

28 (4) a statement that the family may be subject to benefit reductions or  
29 other sanctions if the family fails to comply with the family plan; and

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

1 (b) The family self-sufficiency plan must set a time period for the achievement  
2 of self-sufficiency from assistance under the Alaska temporary assistance program.  
3 That time period may not provide for any more than a total of 60 months of assistance  
4 under the Alaska temporary assistance program. Unless the members of the family  
5 who are not dependent children are all exempt under AS 47.27.035(b) - (d), the time  
6 period for receiving assistance may not exceed a cumulative total of 24 months unless  
7 each nonexempt person is in compliance with the work activity assignment made under  
8 AS 47.27.035.

9 (c) A family is exempt from the requirement that the family have a self-  
10 sufficiency plan under this section if the family

11 (1) does not include a needy adult;

12 (2) does not include an adult physically or mentally able to perform  
13 gainful activity; or

14 (3) is receiving a diversion payment under AS 47.27.026.

15 Sec. 47.27.035. PARTICIPATION IN WORK ACTIVITIES. (a) An Alaska  
16 temporary assistance program participant shall, after the participant's family has  
17 received a cumulative total of 24 months of assistance or sooner if assigned to do so  
18 by the department, participate in work activities as assigned by the department or its  
19 designee in order for the family to continue to receive assistance or services from the  
20 department under the Alaska temporary assistance program, unless the participant is  
21 exempt from the work participation requirements under one or more of the exemptions  
22 set out in (b) - (d) of this section.

23 (b) A parent or caretaker with a dependent child of up to 12 months of age  
24 may be exempt from work participation requirements for up to 12 months, as  
25 established in the family self-sufficiency plan.

26 (c) A parent or caretaker may be exempt from work participation requirements  
27 in the family self-sufficiency plan if

28 (1) the parent or caretaker is providing home care for a child who is  
29 experiencing a disability or a related, disabled person who requires 24-hour care;

30 (2) the parent or caretaker establishes an inability to participate for  
31 medical reasons supported by documentation from a physician or other licensed

1 medical professional;

2 (3) the participation would impose an unreasonable hardship on the  
3 family; or

4 (4) there is a dependent child in the home that has not yet attained six  
5 years of age and the parent or caretaker demonstrates an inability to obtain needed  
6 child care because appropriate child care is not available.

7 (d) The department may not require a person to participate in work activities  
8 under (a) of this section

9 (1) if the person is the sole custodial parent for a child under six years  
10 of age unless the department agrees to pay for the costs of child care determined by  
11 the department to be necessary for the person's participation; and

12 (2) unless the department agrees to pay for transportation expenses  
13 determined by the department to be necessary for the person's participation in the  
14 activity.

15 (e) A participant in work activities under this section is not a state employee  
16 for purposes of AS 39.25 (State Personnel Act).

17 (f) A participant in work activities under this section is not considered an  
18 employee of the state or other public employer for purposes of AS 23.40.070 -  
19 23.40.260 (Public Employment Relations Act) nor shall any provision of a collective  
20 bargaining agreement entered into under AS 23.40.070 - 23.40.260 be construed to  
21 interfere with the department's authority to assign participants to work activities as  
22 authorized under this section.

23 Sec. 47.27.040. ASSIGNMENT OF SUPPORT RIGHTS; COOPERATION  
24 WITH CHILD SUPPORT ENFORCEMENT AGENCY. (a) An Alaska temporary  
25 assistance program applicant is considered to have assigned to the state, through the  
26 child support enforcement agency of the Department of Revenue, all rights to accrued  
27 and continuing child support, from all sources, that is due for the support of any  
28 individuals in the family for whom support is sought. The assignment takes effect  
29 upon a determination that the applicant's family is eligible for assistance under this  
30 chapter. Except with respect to the amount of any unpaid support obligation accrued  
31 under the assignment, the assignment terminates when the family ceases to be a

1 participant in the Alaska temporary assistance program.

2 (b) An Alaska temporary assistance program participant shall cooperate with  
3 the child support enforcement agency of the Department of Revenue in establishing  
4 paternity or establishing, modifying, or enforcing a child support order requiring the  
5 payment of support by the noncustodial parent for a dependent child for whom Alaska  
6 temporary assistance program assistance is received unless the participant establishes  
7 good cause for refusing to cooperate.

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

13 Sec. 47.27.045. ALIENATION AND ATTACHMENT. Assistance granted  
14 under this chapter is inalienable by assignment or transfer and is exempt from  
15 garnishment, levy, or execution as is provided in AS 09.38.

16 Sec. 47.27.050. GRANTS AND CONTRACTS FOR SERVICES. (a) The  
17 department may contract with or award grants to qualified entities in the state to  
18 administer an Alaska temporary assistance program or a distinct part of the Alaska  
19 temporary assistance program. The department may establish standards for the  
20 administration of services under the grant or contract, including fees to be charged to  
21 applicants for or recipients of those services.

22 (b) Contracts authorized under this section are to be administered in  
23 accordance with AS 47.05.015. Grants authorized under this section are to be awarded  
24 using requirements, established in regulation, that are substantially similar to those set  
25 out in AS 47.05.015 for contracts.

26 (c) This section may not be construed to expand the powers of a municipality.

27 (d) In this section, "qualified entities" include municipalities, other political  
28 subdivisions of the state, nonprofit corporations formed under AS 10.20, churches and  
29 religious organizations, and incorporated and unincorporated businesses operating  
30 within the state that meet the requirements established by the department in regulation.

31 Sec. 47.27.055. AGENCY COLLABORATION. (a) The department shall

1 coordinate with other state agencies that provide assistance, benefits, or services to  
2 applicants that are eligible for and to participants in the Alaska temporary assistance  
3 program in order to facilitate the application for and delivery of assistance, benefits,  
4 or services to promote family self-sufficiency. Subject to appropriations, state agencies  
5 may locate their facilities and operations near each other in order to improve service  
6 delivery.

7 (b) The department may provide information received under this chapter to  
8 other state agencies in order to facilitate the delivery of services. Information received  
9 from an applicant for or participant in the Alaska temporary assistance program shall  
10 be treated as confidential by all state agencies that share the information under this  
11 section and is not open to public inspection or copying under AS 09.25.110 -  
12 09.25.125. Misuse of public assistance lists or information is punishable as a violation  
13 of AS 47.05.030.

14 (c) Departments in the executive branch shall cooperate in fulfilling the  
15 purposes of this chapter, including, subject to appropriations, the establishment of  
16 temporary positions that will provide job opportunities for families participating in the  
17 Alaska temporary assistance program. Temporary positions established for this  
18 purpose are in the exempt service under AS 39.25.110 but are not subject to  
19 AS 39.25.195. An individual participating in the Alaska temporary assistance program  
20 who holds a temporary position established for purposes of this subsection is not a  
21 public employee for purposes of AS 23.40.070 - 23.40.260.

22 Sec. 47.27.060. JOB DEVELOPMENT. The department may establish  
23 cooperative agreements with the Department of Labor, Department of Community and  
24 Regional Affairs, Department of Education, and Department of Commerce and  
25 Economic Development, and with other public or private sector organizations for the  
26 purpose of developing job, training, and educational opportunities for families eligible  
27 for assistance under this chapter.

28 Sec. 47.27.065. FEDERAL-STATE COOPERATION. In the administration  
29 of this chapter, the department shall cooperate with the Secretary of the United States  
30 Department of Health and Human Services and shall take actions necessary to comply  
31 with the requirements of federal law to obtain public assistance block grants or other

1 federal assistance available for the purposes of this chapter. The department shall  
2 make reports in the form and containing the information required to the Secretary of  
3 the United States Department of Health and Human Services. The department may  
4 cooperate with federal agencies charged with the administration of the federal public  
5 assistance block grants and other financial assistance.

6 Sec. 47.27.070. ALASKA NATIVE ORGANIZATIONS' FAMILY  
7 ASSISTANCE PROGRAMS. (a) The department may coordinate only with the  
8 following Alaska Native organizations, as designated under federal law, in the  
9 development of family assistance programs:

- 10 (1) Arctic Slope Native Association;
- 11 (2) Kawerak, Inc.;
- 12 (3) Maniilaq Association;
- 13 (4) Association of Village Council Presidents;
- 14 (5) Tanana Chiefs Conference;
- 15 (6) Cook Inlet Tribal Council;
- 16 (7) Bristol Bay Native Association;
- 17 (8) Aleutian and Pribilof Island Association;
- 18 (9) Chugachmiut;
- 19 (10) Tlingit Haida Central Council;
- 20 (11) Kodiak Area Native Association;
- 21 (12) Copper River Native Association; and
- 22 (13) Metlakatla Indian Community of the Annette Islands Reserve;

23 however, the department may cooperate with the Metlakatla Indian Community under  
24 this chapter only if the community waives any claim to sovereign immunity with  
25 respect to matters involved with the family assistance program.

26 (b) The department may cooperate with the Alaska Native organizations named  
27 in (a) of this section to propose program criteria to the Secretary of the United States  
28 Department of Health and Human Services in order to promote programs comparable  
29 to the state program in the same area.

30 (c) Notwithstanding other provisions of this section, the department may  
31 coordinate with an Alaskan Native organization under (a) of this section only if, for

1 purposes of this chapter, the Alaska Native organization incorporates a nonprofit entity  
2 under state law and the nonprofit entity is active and in good standing, as determined  
3 by the Department of Commerce and Economic Development.

4 Sec. 47.27.075. EMERGENCY ACCOUNT ESTABLISHED. There is  
5 established within the general fund the Alaska temporary assistance program  
6 emergency account. The account consists of appropriations that were made by the  
7 legislature from federal money available for assistance under this chapter, including  
8 lapsing money that was previously appropriated from federal money for the Alaska  
9 temporary assistance program, but that were not expended or obligated in the fiscal  
10 year for which they were appropriated.

11 Sec. 47.27.080. APPEALS; DISPUTE RESOLUTION. (a) An applicant or  
12 participant who receives a determination from the department that denies, limits, or  
13 modifies the assistance or services provided under this chapter may request a hearing  
14 before the department or a representative of the department appointed for that purpose.  
15 If a 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 (b) The department may require an applicant or participant to participate in an  
19 informal dispute resolution process before a formal hearing. The department may  
20 adopt regulations establishing the informal dispute resolution process.

21 Sec. 47.27.085. SANCTIONS; RECOVERY OF COSTS. (a) The department  
22 shall penalize an Alaska temporary assistance program applicant or participant who,  
23 without good cause, fails to comply with a condition of the family self-sufficiency plan  
24 or who fails to participate in work activities required as a part of the Alaska temporary  
25 assistance program by disregarding that person as a member of the family for purposes  
26 of determining the amount of assistance given to the family. The period of time  
27 during which the department shall disregard the noncomplying person for purposes of  
28 determining the amount of the family's assistance is

29 (1) until the person is in compliance under this subsection if the person  
30 has not previously been disregarded under this subsection;

31 (2) the longer of six months or until the person is in compliance under

1 this subsection if the person has previously been disregarded under (1) of this  
2 subsection;

3 (3) the longer of 12 months or until the person is in compliance under  
4 this subsection if the person has previously been disregarded under (2) of this section.

5 (b) An Alaska temporary assistance program applicant or participant who,  
6 without good cause, fails to cooperate with establishment of paternity or the  
7 establishment, modification, or enforcement of a support order for a child for whom  
8 assistance is received is subject to a reduction or limitation in assistance or services  
9 for the term of noncooperation as required by federal law and as specified in  
10 regulations adopted by the department.

11 (c) An Alaska temporary assistance program applicant or participant who  
12 receives assistance or services when not entitled to them under this chapter because  
13 the information provided by the applicant or participant was inaccurate or incomplete  
14 is liable to the department for the value of the assistance and services improperly  
15 provided to the applicant or participant.

16 (d) In a civil action brought by the state to recover the value of assistance or  
17 services improperly provided under this chapter, the state may recover costs of  
18 investigation and prosecution of the civil action, including attorney fees as determined  
19 under court rules.

20 Sec. 47.27.900. DEFINITIONS. In this chapter,

21 (1) "assistance for basic living expenses" means assistance provided  
22 under the Alaska temporary assistance program that may include cash, vouchers, or  
23 third-party vendor payments;

24 (2) "child care assistance" means payments made by the Department  
25 of Health and Social Services or the Department of Community and Regional Affairs  
26 to Alaska temporary assistance program participant families or to providers for the care  
27 of children of the participant families;

28 (3) "child support" includes court-ordered or administratively ordered  
29 child support, medical support, and spousal support;

30 (4) "child support enforcement agency" means the child support  
31 enforcement agency in the Department of Revenue;

1 (5) "commissioner" means the commissioner of health and social  
2 services;

3 (6) "department" means the Department of Health and Social Services;

4 (7) "dependent child" means an individual who

5 (A) has not attained

6 (i) 18 years of age; or

7 (ii) 19 years of age and is a full-time student in a  
8 secondary school or in the equivalent level of vocational or technical  
9 training; and

10 (B) is not an applicant under AS 47.27.020;

11 (8) "self-sufficiency services" means work-related services, community  
12 service work referrals, child care assistance, and other services determined by the  
13 department in regulation to promote family self-sufficiency;

14 (9) "work activities" includes job readiness assessments, on-the-job  
15 training, education and vocational training, job sampling, job search requirements,  
16 subsidized and unsubsidized work, and community work service.

17 Sec. 47.27.990. SHORT TITLE. This chapter may be cited as the Alaska  
18 temporary assistance program.

19 \* **Sec. 8.** AS 15.07.055(a) is amended to read:

20 (a) The following agencies are designated voter registration agencies:

21 (1) the Department of Public Safety, division of motor vehicles;

22 (2) divisions of the Department of Health and Social Services that  
23 provide public assistance through the food stamp program, Medicaid program, Special  
24 Supplemental Food Program for Women, Infants, and Children (WIC), and **Alaska**  
25 **temporary assistance program** [AID TO FAMILIES WITH DEPENDENT  
26 CHILDREN (AFDC) PROGRAM];

27 (3) the division of the Department of Community and Regional Affairs  
28 that is responsible for municipal and regional assistance programs; and

29 (4) all recruitment offices of the armed forces of the United States  
30 located in Alaska.

31 \* **Sec. 9.** AS 23.10.055 is amended by adding a new paragraph to read:

1 (14) an individual engaged in activities for a nonprofit religious,  
2 charitable, civic, cemetery, recreational, or educational organization where the  
3 employer-employee relationship does not, in fact, exist, and where services are  
4 rendered to the organization under a work activity requirement of AS 47.27 (Alaska  
5 temporary assistance program).

6 \* **Sec. 10.** AS 23.40.075 is amended to read:

7 Sec. 23.40.075. ITEMS NOT SUBJECT TO BARGAINING. The parties may  
8 not negotiate terms contrary to **the**

9 (1) [THE] reemployment rights for injured state employees under  
10 AS 39.25.158; [OR]

11 (2) [THE] reemployment rights of the organized militia under  
12 AS 26.05.075;

13 **(3) authority of the Department of Health and Social Services**  
14 **under AS 47.27.035 to assign Alaska temporary assistance program participants**  
15 **to a work activity considered appropriate by the Department of Health and Social**  
16 **Services; or**

17 **(4) authority for agencies to create temporary positions under**  
18 **AS 47.27.055(c).**

19 \* **Sec. 11.** AS 25.20.050(f) is amended to read:

20 (f) If the child support enforcement agency is a party in an action in which  
21 paternity is contested, the agency shall request the court to order the tests and  
22 procedures described in (e) of this section. The agency may recover the costs of tests  
23 as a cost of the action, except that costs may not be recovered from a person who is  
24 a recipient of **assistance** [AID] under **AS 47.27 (Alaska temporary assistance**  
25 **program)** [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT  
26 CHILDREN)].

27 \* **Sec. 12.** AS 25.27.025 is amended to read:

28 Sec. 25.27.025. RATE OF INTEREST. The rate of interest imposed under  
29 AS 25.27.020(a)(2)(C) shall **be six percent a year** [EQUAL THE RATE IMPOSED  
30 UNDER AS 43.05.225] or a lesser rate that is the maximum rate of interest permitted  
31 to be imposed under federal law.

1 \* **Sec. 13.** AS 25.27.040(a) is amended to read:

2 (a) The agency may appear on behalf of minor children or their mother or  
3 legal custodian or the state and initiate efforts to have the paternity of children born  
4 out of wedlock determined by the court. When the agency is a party to a court action  
5 in which paternity is contested, it shall request and pay for genetic testing and  
6 procedures under AS 25.20.050(f). The agency may recover the costs of the tests as  
7 a cost of the court action, except that costs may not be recovered from a person who  
8 is a recipient of assistance [AID] under **AS 47.27 (Alaska temporary assistance**  
9 **program)** [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT  
10 CHILDREN)].

11 \* **Sec. 14.** AS 25.27.065(b) is amended to read:

12 (b) When the right to receive child support has been assigned to a  
13 governmental entity, an agreement under (a) of this section that has not been adopted  
14 as an administrative order of the agency is not effective during a period when the  
15 obligee is receiving assistance under AS 47.07 or **AS 47.27** [AS 47.25.310 -  
16 47.25.420].

17 \* **Sec. 15.** AS 25.27.120(a) is amended to read:

18 (a) An obligor is liable to the state in the amount of assistance granted under  
19 AS 47.07 and **AS 47.27** [AS 47.25.310 - 47.25.420] to a child to whom the obligor  
20 owes a duty of support except that, if a support order has been entered, the liability  
21 of the obligor for assistance granted under **AS 47.27** [AS 47.25.310 - 47.25.420] may  
22 not exceed the amount of support provided for in the support order, and, if a medical  
23 order of support has been entered, the liability of the obligor for assistance granted  
24 under AS 47.07 may not exceed the amount of support provided for in the medical  
25 order of support.

26 \* **Sec. 16.** AS 25.27.125(b) is amended to read:

27 (b) The annual estimated balance in the account maintained by the  
28 commissioner of administration under AS 37.05.142 may be used by the legislature to  
29 make appropriations to the Department of Health and Social Services to carry out the  
30 purposes of AS 47.10.230 - 47.10.260 and **AS 47.27** [AS 47.25.310 - 47.25.420].

31 \* **Sec. 17.** AS 25.27.130(c) is amended to read:

1 (c) The recovery of any amount for which the obligor is liable that exceeds the  
2 total assistance granted under AS 47.07 and AS 47.27 [AS 47.25.310 - 47.25.420] shall  
3 be paid to the obligee.

4 \* **Sec. 18.** AS 25.27.130(d) is amended to read:

5 (d) Except as provided in (f) of this section, if the obligee is not receiving  
6 assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420] at the time the  
7 state recovers money in an action under this section, the recovery of any amount for  
8 which the obligor is liable shall be distributed to the obligee for support payments,  
9 including medical support payments, that have become due and unpaid since the  
10 termination of assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420]  
11 under a support order in favor of the obligee.

12 \* **Sec. 19.** AS 25.27.130(e) is amended to read:

13 (e) After payment to the obligee under (d) of this section, the state may retain  
14 an amount not to exceed the total unreimbursed assistance paid on behalf of the  
15 obligee under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420].

16 \* **Sec. 20.** AS 25.27.130(f) is amended to read:

17 (f) Notwithstanding (d) of this section, the state shall, if required under federal  
18 law or regulations, distribute amounts recovered through offset of the obligor's federal  
19 tax refund as past due support with first distribution to the state for unpaid support  
20 assigned to the state under AS 47.07.025 and AS 47.27.040 [AS 47.25.345].

21 \* **Sec. 21.** AS 25.27.165(i) is amended to read:

22 (i) The agency may recover any costs it pays for genetic tests required by this  
23 section, except that costs may not be recovered from a person who is a recipient of  
24 assistance [AID] under AS 47.27 (Alaska temporary assistance program)  
25 [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

26 \* **Sec. 22.** AS 25.27 is amended by adding a new section to read:

27 Sec. 25.27.195. RELIEF FROM ADMINISTRATIVE ORDER. (a) A clerical  
28 mistake in an administrative order issued by the agency or an error arising from an  
29 oversight or omission by the agency may be corrected by the agency at any time on  
30 the motion of an obligor.

31 (b) Upon the motion of an obligor, the agency may, at any time, vacate an

1 administrative support order issued by the agency under AS 25.27.160 that was based  
2 on a default amount rather than on the obligor's actual ability to pay.

3 (c) Before an order may be corrected or vacated under (a) or (b) of this  
4 section, the agency must send notice of the intended action to the obligor and the  
5 custodian and provide an adequate opportunity for the obligor and custodian to be  
6 heard on the issue.

7 (d) If an order is vacated under (b) of this section, the agency may at the same  
8 time issue a new order establishing a support amount, based on information about the  
9 obligor's income or on the Alaska average wage standard, for periods of time covered  
10 by the previous order. Upon issuance of the new order, the agency may adjust the  
11 obligor's account to reflect the support amounts established in the new order. In no  
12 case may the agency adjust the obligor's account below zero.

13 \* **Sec. 23.** AS 25.27 is amended by adding new sections to read:

14 Sec. 25.27.244. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S  
15 OCCUPATIONAL LICENSE. (a) The agency shall compile and maintain a list of  
16 obligors who are not in substantial compliance with a support order or payment  
17 schedule negotiated under (g)(1) of this section and who have received notice of the  
18 arrearages at least 60 days before placement on the list. The list must include the  
19 names, social security numbers, dates of birth, and last known addresses of the  
20 obligors. The list shall be updated by the agency on a monthly basis.

21 (b) The agency shall, on a monthly basis, provide a copy of the list to each  
22 licensing entity through a computer readable magnetic medium. A licensing entity  
23 subject to this section shall implement procedures to accept and process the list.  
24 Notwithstanding any other law to the contrary, a licensing entity may not issue or  
25 renew a license for a person on the list except as provided in this section.

26 (c) Promptly after receiving an application from an applicant and before  
27 issuing or renewing a license, a licensing entity shall determine whether the applicant  
28 is on the most recent list provided by the agency. If the applicant is on the list, the  
29 licensing entity shall immediately serve notice under (e) of this section of the licensing  
30 entity's intent to withhold issuance or renewal of the license. The notice shall be  
31 considered given when delivered personally to the applicant or deposited in the United

1 States mail addressed to the applicant's last known mailing address on file with the  
2 licensing entity.

3 (d) A licensing entity shall issue a temporary license valid for a period of 150  
4 days to an applicant whose name is on the list if the applicant is otherwise eligible for  
5 a license. The temporary license may not be extended. Only one temporary license  
6 may be issued during a regular license term and its validity shall coincide with the first  
7 150 days of that license term. A license for the full or remainder of the license term  
8 may be issued or renewed only upon compliance with this section. If a license or  
9 application is denied under this section, money paid by the applicant or licensee shall  
10 be refunded by the licensing entity after retention of the temporary license fee, if any.

11 (e) Notices for use under (c) of this section shall be developed by each  
12 licensing entity under guidelines provided by the agency and are subject to approval  
13 by the agency. The notice must include the address and telephone number of the  
14 agency and shall emphasize the necessity of obtaining a release from the agency as a  
15 condition for the issuance or renewal of a license. The notice must inform an  
16 applicant whose license is governed by (d) of this section that the licensing entity shall  
17 issue a temporary license for 150 calendar days under (d) of this section if the  
18 applicant is otherwise eligible and that, upon expiration of that time period, the license  
19 will be denied unless the licensing entity has received a release from the agency. The  
20 agency shall also develop a form that the applicant may use to request a review by the  
21 agency. A copy of this form shall be included with each notice sent under (c) of this  
22 section.

23 (f) The agency shall establish review procedures consistent with this section  
24 to allow an applicant to have the underlying arrearages and relevant defenses  
25 investigated, to provide an applicant information on the process of obtaining a  
26 modification of a support order, or to provide an applicant assistance in the  
27 establishment of a payment schedule on arrearages if the circumstances warrant.

28 (g) If the applicant wishes to challenge being included on the list, the applicant  
29 shall submit to the agency a written request for review within 30 days after receiving  
30 the notice under (c) of this section by using the form developed under (e) of this  
31 section. Within 30 days after receiving a written request for review, the agency shall

1 inform the applicant in writing of the agency’s findings. The agency shall immediately  
2 send a release to the appropriate licensing entity and the applicant if any of the  
3 following conditions is met:

4 (1) the applicant is found to be in substantial compliance with each  
5 support order applicable to the applicant or has negotiated an agreement with the  
6 agency for a payment schedule on arrearages and is in substantial compliance with the  
7 negotiated agreement; if the applicant fails to be in substantial compliance with an  
8 agreement negotiated under this paragraph, the agency shall send to the appropriate  
9 licensing entity a revocation of any release previously sent to the entity for that  
10 applicant;

11 (2) the applicant has submitted a timely request for review to the  
12 agency, but the agency will be unable to complete the review and send notice of  
13 findings to the applicant in sufficient time for the applicant to file a timely request for  
14 judicial relief within the 150-day period during which the applicant’s temporary license  
15 is valid under (d) of this section; this paragraph applies only if the delay in completing  
16 the review process is not the result of the applicant’s failure to act in a reasonable,  
17 timely, and diligent manner upon receiving notice from the licensing entity that the  
18 applicant’s name is on the list;

19 (3) the applicant has, within 30 days after receiving the agency’s  
20 findings following a request for review under (2) of this subsection, filed and served  
21 a request for judicial relief under this section, but a resolution of that relief will not  
22 be made within the 150-day period of the temporary license under (d) of this section;  
23 this paragraph applies only if the delay in completing the judicial relief process is not  
24 the result of the applicant’s failure to act in a reasonable, timely, and diligent manner  
25 upon receiving the agency’s notice of findings; or

26 (4) the applicant has obtained a judicial finding of substantial  
27 compliance.

28 (h) An applicant is required to act with diligence in responding to notices from  
29 the licensing entity and the agency with the recognition that the temporary license  
30 granted under (d) of this section will lapse after 150 days and that the agency and,  
31 where appropriate, the court must have time to act within that 150-day period. An

1 applicant's delay in acting, without good cause, that directly results in the inability of  
2 the agency to complete a review of the applicant's request or the court to hear the  
3 request for judicial relief within the required period does not constitute the diligence  
4 required under this section that would justify the issuance of a release.

5 (i) Except as otherwise provided in this section, the agency may not issue a  
6 release if the applicant is not in substantial compliance with the order for support or  
7 is not in substantial compliance with an agreement negotiated under (g)(1) of this  
8 section. The agency shall notify the applicant in writing that the applicant may request  
9 any or all of the following: (1) judicial relief from the agency's decision not to issue  
10 a release or the agency's decision to revoke a release under (g)(1) of this section; (2)  
11 a judicial determination of substantial compliance; (3) a modification of the support  
12 order. The notice must also contain the name and address of the court in which the  
13 applicant may file the request for relief and inform the applicant that the applicant's  
14 name shall remain on the list if the applicant does not request judicial relief within 30  
15 days after receiving the notice. The applicant shall comply with all statutes and rules  
16 of court implementing this section. This section does not limit an applicant's authority  
17 under other law to request an order to show cause or notice of motion to modify a  
18 support order or to fix a payment schedule on arrearages accruing under a support  
19 order or to obtain a court finding of substantial compliance with a support order.

20 (j) A request for judicial relief from the agency's decision must state the  
21 grounds on which relief is requested and the judicial action shall be limited to those  
22 stated grounds. Judicial relief under this subsection is not an appeal, and shall be  
23 governed by court rules adopted to implement this section. Unless otherwise provided  
24 by court rule, the court shall hold an evidentiary hearing within 20 calendar days after  
25 the filing of service on the opposing party. The court's decision shall be limited to a  
26 determination of each of the following issues:

- 27 (1) whether there is a support order or a payment schedule on  
28 arrearages;
- 29 (2) whether the petitioner is the obligor covered by the support order;
- 30 and
- 31 (3) whether the obligor is in substantial compliance with the support

1 order or payment schedule.

2 (k) If the court finds that the obligor is in substantial compliance with the  
3 support order or payment schedule, the agency shall immediately send a release under  
4 (g) of this section to the appropriate licensing entity and the applicant.

5 (l) When the obligor is in substantial compliance with a support order or  
6 payment schedule, the agency shall mail to the applicant and the appropriate licensing  
7 entity a release stating that the applicant is in substantial compliance. The receipt of  
8 a release shall serve to notify the applicant and the licensing entity that, for the  
9 purposes of this section, the applicant is in substantial compliance with the support  
10 order or payment schedule unless the agency, under (a) of this section, certifies  
11 subsequent to the issuance of a release that the applicant is once again not in  
12 substantial compliance with a support order or payment schedule.

13 (m) The agency may enter into interagency agreements with the state agencies  
14 that have responsibility for the administration of licensing entities as necessary to  
15 implement this section to the extent that it is cost effective to implement the  
16 interagency agreements. The agreements shall provide for the receipt by the other  
17 state agencies and licensing entities of federal money to cover that portion of costs  
18 allowable in federal law and regulation and incurred by the state agencies and licensing  
19 entities in implementing this section.

20 (n) Notwithstanding any other provision of law, the licensing entities subject  
21 to this section shall assess a fee for issuance of a temporary license under this section.  
22 The licensing entity shall set the amount of the fee so that the fees collected under this  
23 section, to the extent reasonable, cover the costs of implementing and administering  
24 this section.

25 (o) The process described in (g) of this section is the sole administrative  
26 remedy for contesting the issuance to the applicant of a temporary license or the denial  
27 of a license under this section. The procedures specified in AS 44.62.330 - 44.62.630  
28 do not apply to the denial or failure to issue or renew a license under this section.

29 (p) The agency and licensing entities, as appropriate, shall adopt regulations  
30 necessary to implement this section.

31 (q) In this section,

1 (1) "applicant" means a person applying for issuance or renewal of a  
2 license;

3 (2) "license"

4 (A) means, except as provided in (B) of this paragraph, a  
5 license, certificate, permit, registration, or other authorization that, at the time  
6 of issuance, will be valid for more than 150 days and that may be acquired  
7 from a state agency to perform an occupation, including the following:

8 (i) license relating to boxing or wrestling under  
9 AS 05.10;

10 (ii) authorization to perform an occupation regulated  
11 under AS 08;

12 (iii) teacher certificate under AS 14.20;

13 (iv) authorization under AS 18.08 to perform emergency  
14 medical services;

15 (v) asbestos worker certification under AS 18.31;

16 (vi) boiler operator's license under AS 18.60.395;

17 (vii) certificate of fitness under AS 18.62;

18 (viii) hazardous painting certification under AS 18.63;

19 (ix) security guard license under AS 18.65.400 -  
20 18.65.490;

21 (x) license relating to insurance under AS 21.27;

22 (xi) employment agency permit under AS 23.15.330 -  
23 23.15.520;

24 (xii) registration as a broker-dealer, agent, or investment  
25 adviser under AS 45.55.030;

26 (xiii) certification as a pesticide applicator under  
27 AS 46.03.320;

28 (xiv) certification as a storage tank worker or contractor  
29 under AS 46.03.375;

30 (xv) certification as a water and wastewater works  
31 operator under AS 46.30;

1 (xvi) a commercial fishing license under AS 16.05.480,  
2 including a crew member fishing license;

3 (xvii) a license issued under AS 47.35; and

4 (xviii) a business license issued under AS 43.70;

5 (B) does not include

6 (i) a vessel license issued under AS 16.05.490 or  
7 16.05.530;

8 (ii) an entry permit or interim-use permit issued under  
9 AS 16.43; or

10 (iii) a driver's license issued under AS 28.15;

11 (3) "licensee" means a person holding a license or applying to renew  
12 a license;

13 (4) "licensing entity" means the state agency that issues or renews a  
14 license; in the case of a license issued or renewed by the Department of Commerce  
15 and Economic Development after an applicant's qualifications are determined by  
16 another agency, "licensing entity" means the department;

17 (5) "list" means the list of obligors compiled and maintained under (a)  
18 of this section;

19 (6) "substantial compliance with a support order or payment schedule"  
20 means that, with respect to a support order or a negotiated payment schedule under (g)  
21 of this section, whichever is applicable, the obligor either has no arrearage or has an  
22 arrearage in an amount that is not more than four times the monthly obligation under  
23 the support order or payment schedule.

24 Sec. 25.27.246. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S  
25 DRIVER'S LICENSE. (a) The agency shall compile and maintain a list of obligors  
26 who have a driver's license, are not in substantial compliance with a support order or  
27 payment schedule negotiated under (f)(1) of this section, and have received notice of  
28 the arrearages at least 60 days before placement on the list. The list must include the  
29 names, social security numbers, dates of birth, and last known addresses of the  
30 obligors. The list shall be updated by the agency on a monthly basis.

1 (b) The agency shall serve notice under (d) of this section to each person on  
2 the list that the person's driver's license will be suspended in 150 days, and will not  
3 be reissued or renewed the next time it is applied for if the person's name is on the  
4 list at the time of the subsequent application, unless the licensee receives a release  
5 from the agency. The notice shall be considered given when delivered personally to  
6 the obligor or deposited in the United States mail addressed to the obligor's last known  
7 mailing address on file with the agency.

8 (c) If the licensee fails to obtain a release during the 150-day period following  
9 notice under (b) and (d) of this section, the agency shall notify the department that the  
10 licensee's driver's license should be suspended and further renewals or applications  
11 should be denied until the agency sends the department a release for the licensee.  
12 Upon receiving the agency's notice under this subsection, the department shall suspend  
13 the licensee's driver's license and may not issue or renew a driver's license for the  
14 licensee until the department receives a release to do so from the agency. If a license  
15 is suspended or an application is denied under this section, money paid by the  
16 applicant or licensee may not be refunded by the department.

17 (d) The notice under (b) of this section must include the address and telephone  
18 number of the agency and shall emphasize the necessity of obtaining a release from  
19 the agency as a condition for avoiding suspension or denial of the person's driver's  
20 license. The notice must also inform the licensee that, if a license is suspended or an  
21 application is denied under this section, money paid by the licensee will not be  
22 refunded by the department. The agency shall also develop a form that the licensee  
23 may use to request a review by the agency. A copy of this form shall be included  
24 with each notice sent under (b) of this section.

25 (e) The agency shall establish review procedures consistent with this section  
26 to allow a licensee to have the underlying arrearages and relevant defenses  
27 investigated, to provide a licensee with information on the process of obtaining a  
28 modification of a support order, or to provide a licensee with assistance in the  
29 establishment of a payment schedule on arrearages if the circumstances warrant.

30 (f) If a licensee wishes to challenge being included on the list, the licensee  
31 shall submit to the agency a written request for review within 30 days after the notice

1 under (b) of this section was personally delivered or postmarked by using the form  
2 developed under (d) of this section. Within 30 days after receiving a written request  
3 for review, the agency shall inform the licensee in writing of the agency's findings.  
4 The agency shall immediately send a release to the department and the licensee if any  
5 of the following conditions is met:

6 (1) the licensee is found to be in substantial compliance with each  
7 support order applicable to the licensee or has negotiated an agreement with the agency  
8 for a payment schedule on arrearages and is in substantial compliance with the  
9 negotiated agreement; if the licensee fails to be in substantial compliance with an  
10 agreement negotiated under this paragraph, the agency shall send to the department a  
11 revocation of any release previously sent to the entity for that licensee;

12 (2) the licensee has submitted a timely request for review to the  
13 agency, but the agency will be unable to complete the review and send notice of  
14 findings to the licensee in sufficient time for the licensee to file a timely request for  
15 judicial relief within the 150-day period before the licensee's license will be suspended  
16 under (c) of this section; this paragraph applies only if the delay in completing the  
17 review process is not the result of the licensee's failure to act in a reasonable, timely,  
18 and diligent manner upon receiving notice from the agency that the licensee's driver's  
19 license will be suspended in 150 days;

20 (3) the licensee has, within 30 days after receiving the agency's  
21 findings following a request for review under (2) of this subsection, filed and served  
22 a request for judicial relief under this section, but a resolution of that relief will not  
23 be made within the 150-day period before license suspension under (c) of this section;  
24 this paragraph applies only if the delay in completing the judicial relief process is not  
25 the result of the licensee's failure to act in a reasonable, timely, and diligent manner  
26 upon receiving the agency's notice of findings; or

27 (4) the licensee has obtained a judicial finding of substantial  
28 compliance.

29 (g) A licensee is required to act with diligence in responding to notices from  
30 the agency with the recognition that the person's driver's license will be suspended  
31 after 150 days or that a subsequent license will not be issued and that the agency and,

1 where appropriate, the court must have time to act within that 150-day period or before  
2 the subsequent license is needed, as applicable. A licensee's delay in acting, without  
3 good cause, that directly results in the inability of the agency to complete a review of  
4 the licensee's request or the court to hear the request for judicial relief within the  
5 required period does not constitute the diligence required under this section that would  
6 justify the issuance of a release.

7 (h) Except as otherwise provided in this section, the agency may not issue a  
8 release if the applicant is not in substantial compliance with the order for support or  
9 is not in substantial compliance with an agreement negotiated under (f)(1) of this  
10 section. The agency shall notify the licensee in writing that the licensee may request  
11 any or all of the following: (1) judicial relief from the agency's decision not to issue  
12 a release or the agency's decision to revoke a release under (f)(1) of this section; (2)  
13 a judicial determination of substantial compliance; (3) a modification of the support  
14 order. The notice must also contain the name and address of the court in which the  
15 licensee may file the request for relief and inform the licensee that the licensee's name  
16 shall remain on the list if the licensee does not request judicial relief within 30 days  
17 after receiving the notice. The licensee shall comply with all statutes and rules of  
18 court implementing this section. This section does not limit a licensee's authority  
19 under other law to request an order to show cause or notice of motion to modify a  
20 support order or to fix a payment schedule on arrearages accruing under a support  
21 order or to obtain a court finding of substantial compliance with a support order.

22 (i) A request for judicial relief from the agency's decision must state the  
23 grounds on which relief is requested and the judicial action shall be limited to those  
24 stated grounds. Judicial relief under this subsection is not an appeal and shall be  
25 governed by court rules adopted to implement this section. Unless otherwise provided  
26 by court rule, the court shall hold an evidentiary hearing within 20 calendar days after  
27 the filing of service on the opposing party. The court's decision shall be limited to a  
28 determination of each of the following issues:

29 (1) whether there is a support order or a payment schedule on  
30 arrearages;

31 (2) whether the petitioner is the obligor covered by the support order;

1 and

2 (3) whether the obligor is in substantial compliance with the support  
3 order or payment schedule.

4 (j) If the court finds that the obligor is in substantial compliance with the  
5 support order or payment schedule, the agency shall immediately send a release under  
6 (f) of this section to the department and the licensee.

7 (k) When the obligor is in substantial compliance with a support order or  
8 payment schedule, the agency shall mail to the applicant and the department a release  
9 stating that the licensee is in substantial compliance. The receipt of a release shall  
10 serve to notify the licensee and the department that, for the purposes of this section,  
11 the applicant is in substantial compliance with the support order or payment schedule  
12 unless the agency, under (a) of this section, certifies subsequent to the issuance of a  
13 release that the licensee is once again not in substantial compliance with a support  
14 order or payment schedule.

15 (l) The process described in (f) of this section is the sole administrative  
16 remedy for contesting the suspension or the denial of a driver's license under this  
17 section. The procedures specified in AS 28 or AS 44.62.330 - 44.62.630 do not apply  
18 to the suspension or failure to issue or renew a license under this section.

19 (m) The agency and department, as appropriate, shall adopt regulations  
20 necessary to implement this section.

21 (n) In this section,

22 (1) "department" means the Department of Public Safety;

23 (2) "driver's license" or "license" means a driver's license, as defined  
24 in AS 28.40.100;

25 (3) "licensee" means a person holding or requesting a driver's license;

26 (4) "list" means the list of obligors compiled and maintained under (a)  
27 of this section;

28 (5) "substantial compliance with a support order or payment schedule"  
29 means that, with respect to a support order or a negotiated payment schedule under (f)  
30 of this section, whichever is applicable, the obligor either has no arrearage or has an  
31 arrearage in an amount that is not more than four times the monthly obligation under

1 the support order or payment schedule.

2 \* **Sec. 24.** AS 36.30.850(b)(11) is amended to read:

3 (11) agreements with providers of services under AS 44.47.250;  
4 AS 47.07; AS 47.08; AS 47.10; AS 47.17; AS 47.24; **and AS 47.27, including**  
5 **contractors under AS 47.27.050** [AS 47.25.195 AND 47.25.310];

6 \* **Sec. 25.** AS 39.25.110 is amended by adding a new paragraph to read:

7 (31) a participant in the Alaska temporary assistance program under  
8 AS 47.27 who holds a temporary position with the state in order to obtain job training  
9 or experience.

10 \* **Sec. 26.** AS 44.19.626(a) is amended to read:

11 (a) As the lead state planning and coordinating entity, the Alaska Human  
12 Resource Investment Council has responsibility, to the extent authorized by federal and  
13 state law, for planning and coordinating federal, state, and local efforts in human  
14 resource programs in this state related to employment training, **including the work**  
15 **activities of the Alaska temporary assistance program under AS 47.27.**

16 \* **Sec. 27.** AS 44.29.020(a) is amended to read:

17 (a) The Department of Health and Social Services shall administer the state  
18 programs of public health and social services, including

- 19 (1) maternal and child health services;
- 20 (2) preventive medical services;
- 21 (3) public health nursing services;
- 22 (4) nutrition services;
- 23 (5) health education;
- 24 (6) laboratories;
- 25 (7) mental health treatment and diagnosis;
- 26 (8) management of state institutions, except for adult penal institutions;
- 27 (9) medical facilities;
- 28 (10) adult public assistance;
- 29 (11) **Alaska temporary assistance program** [AID TO FAMILIES  
30 WITH DEPENDENT CHILDREN];
- 31 (12) child welfare services;

- 1 (13) general relief; and
- 2 (14) licensing and supervision of child care facilities.

3 \* **Sec. 28.** AS 44.47.280 is amended to read:

4 Sec. 44.47.280. ELIGIBILITY OF FAMILIES FOR BENEFITS. The  
5 department shall determine the eligibility of families for day care benefits on the basis  
6 of the following factors:

- 7 (1) [NET] income of the family, including salary, alimony, child  
8 support, retirement benefits, social security, and any other source of income;
- 9 (2) number of children in the family;
- 10 (3) whether there is one parent or guardian solely responsible for the  
11 care of the family [;
- 12 (4) REPEALED
- 13 (5) OTHER FACTORS FOUND RELEVANT BY THE  
14 DEPARTMENT].

15 \* **Sec. 29.** AS 47.05.010(1) is amended to read:

16 (1) administer adult public assistance, the Alaska temporary  
17 assistance program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and all  
18 other assistance programs, and receive and spend money [FUNDS] made available to  
19 it;

20 \* **Sec. 30.** AS 47.05.010(2) is amended to read:

21 (2) adopt regulations necessary for the conduct of its business and for  
22 carrying out federal and state laws granting adult public assistance, temporary  
23 assistance for needy families under the Alaska temporary assistance program  
24 [AID TO FAMILIES WITH DEPENDENT CHILDREN], and other assistance;

25 \* **Sec. 31.** AS 47.05.010(5) is amended to read:

26 (5) cooperate with the federal government in matters of mutual concern  
27 pertaining to adult public assistance, the Alaska temporary assistance program [AID  
28 TO FAMILIES WITH DEPENDENT CHILDREN], and other forms of public  
29 assistance;

30 \* **Sec. 32.** AS 47.05.010 is amended by adding a new paragraph to read:

31 (14) provide education and health-related services and referrals

1 designed to reduce the number of out-of-wedlock pregnancies and the number of  
2 induced pregnancy terminations in the state.

3 \* **Sec. 33.** AS 47.05.020 is amended to read:

4 Sec. 47.05.020. REGULATIONS TO PROTECT CONFIDENTIAL PUBLIC  
5 ASSISTANCE RECORDS. The power of the department to adopt regulations includes  
6 the power to adopt and enforce reasonable regulations governing the custody, use, and  
7 preservation of the records, papers, files, and communications of the department. **The**  
8 **regulations must provide that financial information concerning an eligibility**  
9 **determination of a person applying for or receiving assistance under the Alaska**  
10 **temporary assistance program shall be disclosed to a legislator on request of the**  
11 **legislator in connection with official purposes within the scope of the legislator's**  
12 **legislative functions and related to the administration of the program consistent**  
13 **with federal law.** When, under the law, names and addresses of recipients of public  
14 assistance are furnished to or held by another agency or department of government the  
15 agency or department of government shall adopt regulations necessary to prevent the  
16 publication of the lists or their use for purposes not directly connected with the  
17 administration of public assistance **and legislative functions.** **A legislator to whom**  
18 **information relating to the Alaska temporary assistance program is disclosed**  
19 **under this section may not further disclose the information except to another**  
20 **legislator and then only in connection with official purposes within each**  
21 **legislator's legislative functions and related to the administration of the program**  
22 **consistent with federal law.**

23 \* **Sec. 34.** AS 47.05.030 is amended to read:

24 Sec. 47.05.030. MISUSE OF PUBLIC ASSISTANCE LISTS AND  
25 RECORDS. Except **as provided in (b) of this section and** for purposes directly  
26 connected with the administration of general assistance, adult public assistance, the day  
27 care assistance program authorized under AS 44.47.250 - 44.47.310, or **the Alaska**  
28 **temporary assistance program** [AID TO FAMILIES WITH DEPENDENT  
29 CHILDREN], and in accordance with the regulations of the department, a person may  
30 not solicit, disclose, receive, make use of, or authorize, knowingly permit, participate  
31 in, or acquiesce in the use of, a list of or names of, or information concerning, persons

1 applying for or receiving the assistance directly or indirectly derived from the records,  
2 papers, files, or communications of the department or subdivisions or agencies of the  
3 department, or acquired in the course of the performance of official duties.

4 \* **Sec. 35.** AS 47.05.030 is amended by adding a new subsection to read:

5 (b) It is not a violation of (a) of this section for the department or an employee  
6 of the department to disclose to a legislator, or for a legislator to solicit, receive, or  
7 make use of, financial information concerning an eligibility determination of a person  
8 applying for or receiving assistance under the Alaska temporary assistance program  
9 if the disclosure, solicitation, receipt, and use are for official purposes in connection  
10 with the legislator's official functions and related to the administration of the program  
11 consistent with federal law. Information provided to a legislator under this subsection  
12 shall remain confidential and may not be further disclosed except as provided in  
13 AS 47.05.020.

14 \* **Sec. 36.** AS 47.05 is amended by adding a new section to read:

15 Sec. 47.05.032. DISCLOSURES TO LEGISLATORS. A legislator to whom  
16 confidential information is disclosed under AS 47.05.020 - 47.05.030 is not subject to  
17 a penalty for further disclosure of the information unless, at the time the information  
18 was provided to the legislator, the legislator was given written notification that the  
19 material was confidential.

20 \* **Sec. 37.** AS 47.05.080(a) is amended to read:

21 (a) Benefit overpayments collected by the department in administering  
22 programs under AS 47.25.120 - 47.25.300 (general relief), [AS 47.25.310 - 47.25.420  
23 (AID TO FAMILIES WITH DEPENDENT CHILDREN),] AS 47.25.430 - 47.25.615  
24 (adult public assistance), [AND] AS 47.25.975 - 47.25.990 (food stamps), **and**  
25 **AS 47.27 (Alaska temporary assistance program)** shall be remitted to the  
26 Department of Revenue under AS 37.10.050(a).

27 \* **Sec. 38.** AS 47.07.020(b)(1) is amended to read:

28 (1) persons eligible for but not receiving assistance under any plan of  
29 the state approved under [42 U.S.C. 601 - 615 (TITLE IV-A, SOCIAL SECURITY  
30 ACT, AID TO FAMILIES WITH DEPENDENT CHILDREN) OR] 42 U.S.C. 1381  
31 - 1383c (Title XVI, Social Security Act, Supplemental Security Income) **or a federal**

1           program designated as the successor to the aid to families with dependent  
2           children program;

3       \* **Sec. 39.** AS 47.07.020(b)(5) is amended to read:

4                       (5) persons under age 21 who are in an institution designated as an  
5           intermediate care facility for the mentally retarded and who are financially eligible as  
6           determined by the standards of the federal **program designated as the successor to**  
7           **the** aid to families with dependent children program;

8       \* **Sec. 40.** AS 47.07.020(b)(7) is amended to read:

9                       (7) persons under age 21 who are receiving active treatment in a  
10          psychiatric hospital and who are financially eligible as determined by the standards of  
11          **the federal program designated as the successor to the** [42 U.S.C. 601 - 615  
12          (TITLE IV-A, SOCIAL SECURITY ACT,] aid to families with dependent children  
13          **program** []];

14       \* **Sec. 41.** AS 47.07.020(b)(8) is amended to read:

15                      (8) persons under age 21 and not covered under (a) of this section, who  
16          would be eligible for benefits under the federal **program designated as the successor**  
17          **to the** aid to families with dependent children program, except that they have the care  
18          and support of both their natural and adoptive parents;

19       \* **Sec. 42.** AS 47.07.020(b)(9) is amended to read:

20                      (9) pregnant women not covered under (a) of this section and who meet  
21          the income and resource requirements of the federal **program designated as the**  
22          **successor to the** aid to families with dependent children program;

23       \* **Sec. 43.** AS 47.07.035(26) is amended to read:

24                      (26) individuals under age 21 who are not eligible for benefits under  
25          the federal **program designated as the successor to the** aid to families with  
26          dependent children program because they are not deprived of one or more of their  
27          natural or adoptive parents;

28       \* **Sec. 44.** Rule 90.3(c), Alaska Rules of Civil Procedure, is amended by adding a new  
29 paragraph to read:

30                      (3) In addition to ordering a parent to pay child support as calculated  
31          under this rule, the court may, in appropriate circumstances, order one or more

1 grandparents of a child to pay child support to an appropriate person in an amount  
2 determined by the court to serve the best interests of the child. However, the amount  
3 may not exceed the smaller of (A) a proportionate share of the amount required to  
4 provide care in a supervised setting to the grandchild, as determined by the court, or  
5 (B) the amount that would have been awarded if the child's parents had the incomes  
6 of the child's grandparents and paragraphs (a) and (b) were applied. An order under  
7 this paragraph may be issued only with respect to a child whose parents are both  
8 minors, and the order terminates when either parent becomes 18 years of age. The  
9 court must specify in writing the reasons why it considers it to be appropriate to order  
10 a grandparent to pay child support under this paragraph and the factors considered in  
11 setting the amount of the child support award. In this paragraph, "grandparent" means  
12 the natural or adoptive parent of the minor parent.

13 \* **Sec. 45.** AS 25.27.244 and 25.27.246, added by sec. 23 of this Act, are repealed.

14 \* **Sec. 46.** AS 43.05.225(2)(B) is repealed.

15 \* **Sec. 47.** AS 47.25.310(c) is repealed.

16 \* **Sec. 48.** AS 47.25.301, 47.25.302, 47.25.303, 47.25.305, 47.25.306, 47.25.307, 47.25.308,  
17 and 47.25.309 are repealed on the date established under sec. 64 of this Act.

18 \* **Sec. 49.** AS 47.25.310, 47.25.311, 47.25.315, 47.25.320, 47.25.330, 47.25.340, 47.25.345,  
19 47.25.350, 47.25.360, 47.25.364, 47.25.365, 47.25.366, 47.25.370, 47.25.380, 47.25.395,  
20 47.25.400, 47.25.410, 47.25.420, 47.25.421, 47.25.423, 47.25.425, 47.25.427, and 47.25.429  
21 are repealed on the date established under sec. 59 of this Act.

22 \* **Sec. 50.** AMENDMENT OF COURT RULE. AS 25.27.195(d), added by sec. 22 of this  
23 Act, has the effect of amending Rule 90.3(h)(2) by allowing retroactive modification of child  
24 support arrearages when a child support order is vacated because it was based on a default  
25 amount rather than on the obligor's actual ability to pay.

26 \* **Sec. 51.** VOTE REQUIRED FOR COURT RULE CHANGES. The court rule changes  
27 in secs. 22, 44, and 50 of this Act may take effect with the affirmative vote of a majority of  
28 the membership of each house, notwithstanding art. IV, sec. 15, Constitution of the State of  
29 Alaska, because the rule being amended is not a rule governing practice or procedure.

30 \* **Sec. 52.** WAIVER APPLICATIONS. The Department of Health and Social Services shall  
31 promptly apply to the federal government for waivers if the department determines that waivers  
32 are necessary to implement AS 47.25.309, added by sec. 1 of this Act, or any part of secs. 2 -

1 6 or 47 of this Act. If waivers are not necessary for any particular provision, the department  
2 shall promptly submit a state plan amendment to the federal government to implement the  
3 change made by the provision.

4 \* **Sec. 53. REPORT.** (a) In furtherance of the public policy of increasing child support  
5 enforcement and collections, the child support enforcement agency shall, within 18 months  
6 after the effective date of this section, make a report to the governor based on data collected  
7 by the licensing entities and the agency in a format prescribed by the agency. The report must  
8 contain

9 (1) the number of delinquent obligors on the lists maintained by the agency  
10 under AS 25.27.244 - 25.27.246, enacted by sec. 23 of this Act, at the end of the first 12  
11 months during which the lists were maintained;

12 (2) the number of delinquent obligors who also were applicants or licensees  
13 subject to AS 25.27.244 - 25.27.246, enacted by sec. 23 of this Act, during the first 12 months  
14 during which AS 25.27.244 - 25.27.246 were applicable;

15 (3) the number of new licenses and renewals that were delayed or denied and  
16 temporary licenses issued subject to AS 25.27.244 and the number of new licenses and  
17 renewals granted following receipt by licensing entities of releases under AS 25.27.244 by the  
18 end of the first 12 months during which AS 25.27.244 was applicable;

19 (4) the number of licenses under AS 28.15 that were suspended under  
20 AS 25.27.246 and the number of licenses under AS 28.15 that were reinstated following  
21 receipt by the Department of Public Safety of releases under AS 25.27.246 by the end of the  
22 first 12 months during which AS 25.27.246 was applicable; and

23 (5) the costs incurred in the implementation and enforcement of AS 25.27.244  
24 - 25.27.246, enacted by sec. 23 of this Act, during the first 12 months during which  
25 AS 25.27.244 - 25.27.246 were applicable;

26 (b) A licensing entity receiving an inquiry from the agency under (a) of this section  
27 shall cooperate with the agency. When queried as to the licensed status of an applicant who  
28 has had a license denied or suspended under AS 25.27.244 or 25.27.246 or has been granted  
29 a temporary license under AS 25.27.244, the licensing entity shall respond only that the  
30 license was denied or suspended or that the temporary license was issued.

31 \* **Sec. 54. REDETERMINATION OF ASSISTANCE LEVELS.** (a) On the first day of  
32 the First Regular Session of the Twenty-First Alaska State Legislature, the Department of

1 Health and Social Services shall submit to the legislature the results of a comprehensive needs  
2 study that includes estimates of the basic assistance amounts required by Alaska families who  
3 are receiving aid to families with dependent children (AFDC) or assistance under a program  
4 that is a successor to AFDC.

5 (b) If the First Regular Session of the Twenty-First Alaska State Legislature does not  
6 enact a bill that becomes law that adjusts the payment structure or the levels of assistance  
7 provided under AFDC or its successor program, each maximum assistance amount under  
8 AFDC or its successor program, as applicable, is reduced, effective January 1, 2000, by the  
9 percentage by which the total state funds appropriated for AFDC or its successor program for  
10 operation during fiscal year 1999 exceeded the total state funds appropriated for AFDC or its  
11 successor program for operation during fiscal year 1997, with no adjustment required if the  
12 1999 state funds did not exceed the 1997 state funds.

13 \* **Sec. 55.** TRANSITION. (a) The Department of Health and Social Services and the  
14 Department of Revenue, child support enforcement agency, may proceed to adopt regulations  
15 necessary to implement this Act. Regulations to implement a provision of this Act take effect  
16 under AS 44.62 (Administrative Procedure Act), but not before the effective date of the  
17 relevant provision of this Act.

18 (b) Regulations adopted by the Department of Health and Social Services under the  
19 authority of AS 47.25.310 - 47.25.420 before the effective dates of secs. 1 - 7 of this Act  
20 remain in effect, and may be implemented and enforced to the extent that the regulations are  
21 not inconsistent with the corresponding provisions of secs. 1 - 7 of this Act, until the  
22 department has made regulation changes under AS 44.62 (Administrative Procedure Act) to  
23 implement this Act.

24 (c) Notwithstanding sec. 46 of this Act, an application for assistance filed under  
25 AS 47.25.310 - 47.25.420 remains effective as an application for the Alaska temporary  
26 assistance program following the effective date of sec. 7 of this Act until the Department of  
27 Health and Social Services requires a new application with the development of a family self-  
28 sufficiency plan; new applications shall be required no later than one year following the  
29 effective date of sec. 7 of this Act.

30 (d) Litigation, hearings, investigations, collection actions, and other proceedings  
31 pending under a law amended or repealed by this Act continue in effect and may be

1 completed by the Department of Health and Social Services notwithstanding the repeal or  
2 amendment under the Act.

3 \* **Sec. 56.** APPLICABILITY. (a) AS 47.25.311(a), added by sec. 2 of this Act, and  
4 AS 47.27.015(e), added by sec. 7 of this Act, apply to disqualifications imposed on or after the  
5 effective dates of AS 47.25.311(a) and AS 47.27.015(e), respectively.

6 (b) AS 47.25.311(c), added by sec. 2 of this Act, and AS 47.27.015(c), added by sec.  
7 7 of this Act, apply to refusals to accept, and separations from, suitable employment without  
8 good cause that occur on or after the effective dates of AS 47.25.311(c) and AS 47.27.015(c),  
9 respectively.

10 (c) AS 47.25.315, added by sec. 2 of this Act, and AS 47.27.027, added by sec. 7 of  
11 this Act, apply to minors who apply or reapply for assistance under AS 47.25.310 - 47.25.420  
12 or AS 47.27.020, respectively, on or after the effective dates of AS 47.25.315 and AS 47.27.027,  
13 respectively.

14 \* **Sec. 57.** AS 47.25.301, added by sec. 1 of this Act, and secs. 52, 55(a) and (b), and 56 of  
15 this Act take effect immediately under AS 01.10.070(c).

16 \* **Sec. 58.** Sections 12, 22, 44, 46, 50, 51, and 55(c) and (d) of this Act take effect  
17 October 1, 1996.

18 \* **Sec. 59.** Sections 7 - 11, 13 - 21, 24 - 43, and 49 of this Act take effect October 1, 1996,  
19 except that if the federal law providing for the aid to families with dependent children  
20 program has not been repealed by that date, those sections take effect on the first day after  
21 October 1, 1996, that the repeal of the federal aid to families with dependent children program  
22 is effective. The commissioner of health and social services shall notify the revisor of statutes  
23 and the lieutenant governor of the effective date of the repeal of the federal law providing for  
24 the aid to families with dependent children program.

25 \* **Sec. 60.** AS 47.25.302 - 47.25.309, enacted by sec. 1 of this Act, secs. 2 - 6 of this Act,  
26 and sec. 47 of this Act take effect on the earlier of the following dates:

27 (1) the effective date for which the federal government approves and authorizes  
28 implementation of a state plan amendment effecting the change; or

29 (2) the effective date of a waiver received from the federal government that  
30 authorizes implementation of the provision.

31 \* **Sec. 61.** Sections 23 and 53 of this Act take effect on the effective date of a provision  
32 of a federal law that requires the state to have procedures under which the state has authority

1 to withhold or suspend, or to restrict the use of, driver's licenses or professional and  
2 occupational licenses of individuals owing overdue child support.

3 \* **Sec. 62.** Section 45 of this Act takes effect two years after the effective date established  
4 under sec. 57 of this Act.

5 \* **Sec. 63.** The commissioner of health and social services shall notify the revisor of  
6 statutes and the lieutenant governor of the effective date of

7 (1) the sections and parts of sections governed by sec. 60 of this Act and of  
8 whether the effective date was determined by a waiver approval or a determination that a  
9 waiver is not necessary; and

10 (2) sec. 23 of this Act.

11 \* **Sec. 64.** Section 48 of this Act takes effect on the earlier of July 1, 2003, or the effective  
12 date established in sec. 59 of this Act.