

**SENATE BILL NO. 206**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/8/96

Referred: CRA, HES, JUD, FIN

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to welfare reform by establishing the Alaska Family  
2 Independence Program; repealing the aid to families with dependent children and  
3 job opportunity and basic skills programs; relating to an exemption to Alaska  
4 Wage and Hour Act for certain work activities of the Alaska Family  
5 Independence Program; relating to the duty to support children of minor  
6 parents; relating to certain licenses and applications for a license for persons  
7 who are not in substantial compliance with orders, judgments, or payment  
8 schedules for child support; relating to an exemption to the state procurement  
9 code for certain services for the general relief program and Alaska Family  
10 Independence Program; relating to eligibility for day care benefits administered  
11 by the Department of Community and Regional Affairs; authorizing the  
12 Department of Health and Social Services to operate a public assistance program

1 consistent with the Alaska Family Independence Program under federal waivers  
2 and providing certain immunity from liability for activities of that program;  
3 amending Alaska Rule of Civil Procedure 90.3; and providing for an effective  
4 date."

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

6 \* **Section 1.** PURPOSE. The purpose of this Act is to

7 (1) establish the Alaska Family Independence Program;

8 (2) encourage the well-being of Alaska's children by maintaining a safety net  
9 for children living in poverty in this state by providing assistance to meet the basic needs of  
10 Alaskan children and their families;

11 (3) set limits on benefits and establish incentives to encourage public assistance  
12 recipients to become self-sufficient;

13 (4) develop job opportunities and promote work as the best means to achieve  
14 family self-sufficiency;

15 (5) prevent dependency by diverting eligible families receiving assistance to  
16 work and self-sufficiency;

17 (6) integrate service delivery by collocating access to job training and  
18 placement services with family assistance offices;

19 (7) increase the effectiveness of the child support collection program to assist  
20 in family self-sufficiency and meet federal program requirements;

21 (8) require coordination between state agencies, local communities, Alaska  
22 Native organizations, businesses, and the federal government to develop a program that will  
23 move Alaska families to self-sufficiency; and

24 (9) enable the state to develop and maintain a family independence program  
25 that meets the requirements for federal financing.

26 \* **Sec. 2.** AS 47 is amended by adding a new chapter to read:

27 **CHAPTER 27. ALASKA FAMILY INDEPENDENCE PROGRAM.**

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

29 (1) administer the Alaska Family Independence Program (AFIP) by

1 providing assistance with basic living expenses and self-sufficiency services to needy  
2 children and their families under this chapter;

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

6 (3) provide education and health-related services and referrals to reduce  
7 the number of out-of-wedlock births in the state;

8 (4) prepare, submit to the federal government, and amend, if necessary,  
9 a state plan designed to assure that federal money is available to the state for the  
10 operation of the program set out in this chapter to provide assistance for basic living  
11 expenses and self-sufficiency services to needy children and their families consistent  
12 with state objectives;

13 (5) adopt methods of program administration to assure consistency with  
14 the federal requirements under the federal Temporary Assistance for Needy Families  
15 (TANF) program or any successor federal law to the aid to families with dependent  
16 children program;

17 (6) make reports to the federal government as required under the  
18 Temporary Assistance for Needy Families (TANF) program, in the form and  
19 containing the information required, and comply with the provisions that the federal  
20 government determines are necessary to ensure correct and verifiable information on  
21 the program;

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

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

26 Sec. 47.27.010. ELIGIBLE FAMILIES. (a) The following families may apply  
27 for assistance under the AFIP:

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

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

1 (3) a woman in the last trimester of pregnancy; or  
2 (4) a two-parent family with physical custody of one or more dependent  
3 children.

4 (b) The department may limit the eligibility of two-parent families or may  
5 adjust the assistance and service provided to two-parent families, taking into  
6 consideration the seasonal nature of the economy and the availability of work in this  
7 state.

8 Sec. 47.27.015. DISQUALIFYING CONDITIONS. (a) A family is not  
9 eligible for assistance under the AFIP if the family includes an adult who

10 (1) has received benefits under the AFIP, or a program of another state  
11 financed by a federal block grant for TANF, for a total of 60 months as the caretaker  
12 or spouse of a caretaker of a dependent child or as a pregnant woman, unless  
13 disqualification would impose an unreasonable hardship on the family as determined  
14 by the department in regulation; or

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

19 (b) A family is not eligible for assistance under this chapter for a period of  
20 up to 120 months if the adult applicant is determined to have fraudulently  
21 misrepresented the applicant's residence in order to receive assistance in more than one  
22 state under a program financed under a federal block grant for TANF.

23 (c) The department may determine that a family is ineligible for up to six  
24 months if the family's demonstrated need for assistance is due to a refusal of or  
25 voluntary separation from suitable employment by the adult applicant, or a custodial  
26 parent or caretaker, without good cause.

27 Sec. 47.27.020. APPLICATION AND REQUIREMENTS FOR ASSISTANCE.

28 (a) An applicant for assistance under the AFIP shall complete an application in  
29 writing, or by electronic means, and in a form specified by the department. The  
30 applicant must be a pregnant woman or an individual who has physical custody of the  
31 dependent child or children. The application must be complete and must provide all

1 of the information about the family and the child or children that is requested by the  
2 department. The applicant shall provide all supporting documentation for verification  
3 that the department determines to be necessary to establish eligibility.

4 (b) On the application, each applicant shall attest to whether the family, at any  
5 time, has received assistance from another state program that was established under a  
6 federal block grant for TANF and whether the family has ever been disqualified from  
7 receiving assistance under a TANF program for the period for which the application  
8 has been submitted.

9 (c) An applicant shall agree to cooperate with the department to establish a  
10 family self-sufficiency plan and to participate in work activities if assigned by the  
11 department.

12 (d) An applicant shall acknowledge the assignment of support rights as  
13 required by AS 47.27.040 and shall agree to cooperate with the child support  
14 enforcement agency of the Department of Revenue in establishing paternity or  
15 establishing, modifying, or enforcing a child support order requiring the payment of  
16 support by the noncustodial parent for any dependent children for whom AFIP  
17 assistance is received. The applicant shall agree to report all child support payments  
18 received directly by the family, during or for a period for which the family is receiving  
19 assistance under this chapter, to the department within 15 days after receipt of those  
20 payments.

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

25 Sec. 47.27.025. FAMILY ASSISTANCE. (a) The department shall provide  
26 assistance for basic living expenses to families that establish eligibility based on a  
27 determination of need that considers the family's available income, assets, and other  
28 resources, as established by the department in regulation. Each dependent child in the  
29 family is eligible for assistance under this chapter and assistance received as a  
30 dependent child will not count against eligibility for assistance under this chapter as  
31 a caretaker or spouse of a caretaker of a dependent child or as a pregnant woman.

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

3 (1) for a dependent child living with a non-needy relative caretaker,  
4 \$452 per month, plus \$102 for each additional child;

5 (2) for a dependent child living with at least one needy parent or  
6 relative caretaker, \$821 per month, plus \$102 for each additional child; or

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

9 (c) The department shall provide additional assistance as work-related services  
10 or referrals to eligible families. Work-related services and referrals may include one  
11 or more of the following:

12 (1) job-readiness assessments;

13 (2) employment testing and counseling;

14 (3) job-readiness training;

15 (4) job referral and job search;

16 (5) education and vocational training;

17 (6) community service work assignments;

18 (7) child care assistance;

19 (8) family planning services; and

20 (9) other services to facilitate the transition to work.

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

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

1 (1) having the AFIP application processed under AS 47.27.020 and the  
2 regulations adopted by the department; or

3 (2) having the AFIP application denied and applying for diversion  
4 project benefits under this section.

5 (c) The amount of the diversion payment must be sufficient to meet the  
6 family's immediate needs as determined by the department and the participant. A  
7 diversion payment may not exceed the amount the family would be eligible to receive  
8 in the first two months of eligibility under AS 47.27.020 if the family did not elect to  
9 receive a diversion payment.

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

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

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

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

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

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

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

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

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

10 (3) maintain attendance in a secondary school or other equivalent  
11 training program until the applicant achieves a high school diploma or the equivalent.

12 Sec. 47.27.030. FAMILY SELF-SUFFICIENCY PLAN. (a) A participant in  
13 the AFIP shall cooperate with the department, or its designee, to develop and sign a  
14 family self-sufficiency plan that includes

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

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

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

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

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

25 (b) The family self-sufficiency plan will set a time period for the achievement  
26 of self-sufficiency from assistance under the AFIP. That time period may not provide  
27 for any more than a total of 60 months of assistance under the AFIP.

28 (c) The department may establish in regulation the circumstances in which a  
29 family may be exempt from the requirement that the family have a self-sufficiency  
30 plan under this section.

31 Sec. 47.27.035. PARTICIPATION IN WORK ACTIVITIES. (a) An AFIP

1 participant shall participate in work activities upon assignment by the department or  
2 its designee in order for the family to continue to receive assistance or services from  
3 the department under the AFIP, unless the participant is exempt from the work  
4 participation requirements under one or more of the exemptions set out in (b) or (c)  
5 of this section and any regulations adopted by the department.

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

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

11 (1) the parent or caretaker is providing home care for a child with a  
12 developmental disability or a related, disabled person who requires 24-hour care;

13 (2) the parent or caretaker establishes an inability to participate for  
14 medical reasons supported by documentation from a physician or other licensed  
15 medical professional;

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

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

21 (d) A participant in work activities under this section is not a state employee  
22 for purposes of the State Personnel Act (AS 39.25).

23 (e) A participant in work activities under this section is not considered an  
24 employee of the state or other public employer for purposes of the Public Employment  
25 Relations Act (AS 23.40.070 - 23.40.260) nor shall any provision of a collective  
26 bargaining agreement entered into under the Public Employment Relations Act be  
27 construed to interfere with participation in the work activities authorized under this  
28 section.

29 Sec. 47.27.040. ASSIGNMENT OF SUPPORT RIGHTS; COOPERATION  
30 WITH CHILD SUPPORT ENFORCEMENT AGENCY. (a) An AFIP applicant is  
31 considered to have assigned to the state, through the child support enforcement agency

1 of the Department of Revenue, all rights to accrued and continuing child support, from  
2 all sources, that is due for the support of any individuals in the family for whom  
3 support is sought . The assignment takes effect upon a determination that the  
4 applicant's family is eligible for assistance under this chapter. Except with respect to  
5 the amount of any unpaid support obligation accrued under the assignment, the  
6 assignment terminates when the family ceases to be a participant in the AFIP.

7 (b) An AFIP participant shall cooperate with the child support enforcement  
8 agency of the Department of Revenue in establishing paternity or establishing,  
9 modifying, or enforcing a child support order requiring the payment of support by the  
10 noncustodial parent for any dependent children for whom AFIP assistance is received  
11 unless the participant establishes good cause for refusing to cooperate.

12 (c) The department may distribute to an AFIP participant up to \$50 per month  
13 from a monthly child support payment received by the child support enforcement  
14 agency for the support of a child for whom AFIP assistance is paid.

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

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

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

27 Sec. 47.27.055. AGENCY COLLABORATION. (a) The department shall  
28 coordinate with other state agencies that provide assistance, benefits, or services to  
29 applicants that are eligible for and to participants in the AFIP, in order to facilitate the  
30 application for and delivery of assistance, benefits, or services to promote family self-  
31 sufficiency. Subject to appropriations, state agencies may colocate their facilities and

1 operations in order to improve service delivery.

2 (b) The department may provide information received under this chapter to  
3 other state agencies in order to facilitate the delivery of services. Information received  
4 from an applicant for or participant in the AFIP is to be treated as confidential by all  
5 state agencies that share the information under this section and is not open to public  
6 inspection. Misuse of public assistance lists or information is punishable as provided  
7 in AS 47.05.030.

8 (c) Departments in the executive branch shall cooperate in fulfilling the  
9 purposes of this chapter, including, subject to appropriations, the establishment of  
10 temporary positions that will provide job opportunities for families participating in the  
11 AFIP. Temporary positions established for this purpose are in the exempt service  
12 under AS 39.25.110. An individual participating in the AFIP who holds a temporary  
13 position established for purposes of this subsection is not a public employee for  
14 purposes of AS 23.40.070 - 23.40.260.

15 Sec. 47.27.060. JOB DEVELOPMENT. The department may establish  
16 cooperative agreements with the Department of Labor, Department of Community and  
17 Regional Affairs, Department of Education, and Department of Commerce and  
18 Economic Development, and with other public or private sector organizations for the  
19 purpose of developing job, training, and educational opportunities for families eligible  
20 for assistance under this chapter.

21 Sec. 47.27.065. FEDERAL-STATE COOPERATION. (a) In the  
22 administration of this chapter, the department shall cooperate with the secretary of the  
23 United States Department of Health and Human Services and shall take actions  
24 necessary to comply with the requirements of federal law to obtain public assistance  
25 block grants. The department shall make reports in the form and containing the  
26 information required to the secretary of the United States Department of Health and  
27 Human Services. The department may cooperate with federal agencies charged with  
28 the administration of the federal public assistance block grants.

29 (b) Notwithstanding any other provisions of this chapter, and if the conditions  
30 in this subsection are met, the department may implement modifications to the AFIP  
31 that are not directly authorized in this chapter, or that may be contrary to a provision

1 of this chapter, by providing notification to the legislature and by adopting regulations.  
2 A program modification implemented under this subsection is repealed two years after  
3 the date on which the modification took effect unless its implementation is achieved  
4 by statutory changes. A program modification under this subsection may be  
5 implemented only if

6 (1) states are authorized by the secretary of the United States  
7 Department of Health and Human Services to undertake the program;

8 (2) the governor approves the implementation in writing;

9 (3) the commissioner determines that the implementation of the  
10 program modification will result in the receipt of additional federal money to carry out  
11 the purposes of this chapter and will produce a net monetary gain to the state; and

12 (4) the program modification will not require general fund expenditures,  
13 other than the outlay of money received from the federal government for the program.

14 Sec. 47.27.070. COORDINATION WITH ALASKA NATIVE  
15 ORGANIZATIONS WITH TRIBAL FAMILY ASSISTANCE PROGRAMS. (a) The  
16 department shall coordinate with Alaska Native organizations in the development of  
17 tribal family assistance programs to assure that all individuals in the state are eligible  
18 to participate in comparable family assistance programs. The department shall  
19 cooperate with Alaska Native organizations to propose program criteria to the secretary  
20 of the United States Department of Health and Human Services designed to offer a  
21 program comparable to the state program to tribal families living within tribal family  
22 assistance areas for which federal money has been awarded to the Alaska Native  
23 organizations and has been deducted from the state's allocation of federal money.

24 (b) The department shall enter into agreements with Alaska Native  
25 organizations with approved tribal family assistance programs to provide for the timely  
26 exchange of applicant information as necessary for the determination and delivery of  
27 assistance and services to applicants who may be eligible for both state and tribal  
28 family assistance programs. An agreement for the exchange of information must  
29 provide that applicant and participant information is confidential and is not open to  
30 public inspection.

31 (c) If the commissioner determines it to be necessary in order to promote

1 comparable programs within the state, the department may provide grant money to  
2 Alaska Native organizations that operate tribal family assistance programs with federal  
3 money deducted from the state's allocation. Grant money awarded under this  
4 subsection is subject to the terms of the grant agreement and to program criteria  
5 proposed under (a) of this section and approved by the secretary of the United States  
6 Department of Health and Social Services. Grant money awarded under this  
7 subsection is not subject to AFIP regulations adopted under this chapter.

8 (d) The department may contract with Alaska Native organizations that operate  
9 tribal family assistance programs in order to provide AFIP services to eligible families  
10 within a tribal family assistance area that are not served by the tribal family assistance  
11 program. The administration of money awarded under this subsection is subject to  
12 AFIP regulations.

13 Sec. 47.27.075. EMERGENCY ACCOUNT ESTABLISHED. (a) There is  
14 established within the general fund the AFIP emergency account. The account consists  
15 of appropriations from any appropriate source of money, including lapsing money that  
16 was appropriated for the AFIP but was not expended or obligated in the fiscal year for  
17 which it was appropriated.

18 (b) The account shall be administered by the commissioner, and shall be used  
19 to provide assistance authorized under this chapter upon a determination by the  
20 commissioner that the current year's appropriation is not sufficient to pay for the AFIP  
21 due to an unanticipated increase in the number of eligible families. Money  
22 appropriated to the account does not lapse under AS 37.25.010.

23 (c) By December 15 of each year, the commissioner shall report to the  
24 governor and the legislature on the use of money from the AFIP emergency account  
25 during the preceding fiscal year.

26 Sec. 47.27.080. APPEALS; DISPUTE RESOLUTION. (a) An applicant or  
27 participant who receives a determination from the department that denies, limits, or  
28 modifies the assistance or services provided under this chapter may request a hearing  
29 before the department or a representative of the department appointed for that purpose.  
30 If a representative is appointed, the representative shall conduct the hearing under the  
31 regulations adopted by the department. The appeal is not subject to AS 44.62.330 -

1 44.62.630.

2 (b) The department may require an applicant or participant to participate in an  
3 informal dispute resolution process before a formal hearing. The department may  
4 adopt regulations establishing the informal dispute resolution process.

5 Sec. 47.27.085. SANCTIONS; RECOVERY OF COSTS. (a) An AFIP  
6 applicant or participant who makes a false statement or misrepresentation knowing it  
7 is false, or who knowingly fails to disclose a material fact, in order to obtain or  
8 increase assistance or services under this chapter is ineligible to receive assistance  
9 under this chapter for a period of not less than one nor more than 12 months, as  
10 determined by the department, unless a disqualification set out at AS 47.27.015(b)  
11 applies. An AFIP applicant or participant who is determined ineligible for a third or  
12 subsequent time under this subsection may be permanently disqualified from receiving  
13 assistance or services under this chapter.

14 (b) An AFIP applicant or participant who, without good cause, fails to comply  
15 with a condition of the family self-sufficiency plan or who fails to participate in work  
16 activities required as a part of the AFIP is subject to a reduction in assistance and  
17 services as determined under regulations adopted by the department.

18 (c) An AFIP applicant or participant who, without good cause, fails to  
19 cooperate with establishment of paternity or the establishment, modification, or  
20 enforcement of a support order for a child for whom assistance is received is subject  
21 to a reduction or limitation in assistance or services for the term of non-cooperation  
22 as required by federal law and as specified in regulations adopted by the department.

23 (d) An AFIP applicant or participant who receives assistance or services when  
24 not entitled to them under this chapter because the information provided by the  
25 applicant or participant was inaccurate or incomplete, is liable to the department for  
26 the value of the assistance and services improperly provided to the applicant or  
27 participant.

28 (e) In a civil action brought by the state to recover the value of assistance or  
29 services improperly provided under this chapter, the state may recover costs of  
30 investigation and prosecution of the civil action, including attorney fees as determined  
31 under court rules.

1                   Sec. 47.27.090. DEFINITIONS. In this chapter,

2                   (1) “AFIP” means the Alaska Family Independence Program;

3                   (2) “Alaska Native organizations” means the organizations designated  
4 under federal law to operate tribal family assistance programs in Alaska;

5                   (3) “assistance for basic living expenses” means assistance provided  
6 under the AFIP that may include cash, vouchers, or third-party vendor payments;

7                   (4) “child care assistance” means payments made by the Department  
8 of Health and Social Services or the Department of Community and Regional Affairs  
9 to AFIP participant families or to providers, for the care of children of the participant  
10 families;

11                   (5) “child support” includes court-ordered or administratively-ordered  
12 child support, medical support, and spousal support;

13                   (6) “child support enforcement agency” means the child support  
14 enforcement agency in the Department of Revenue;

15                   (7) “commissioner” means the commissioner of the Department of  
16 Health and Social Services;

17                   (8) “department” means the Department of Health and Social Services;

18                   (9) “dependent child” means an individual who

19                   (A) has not attained

20                   (i) 18 years of age; or

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

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

25                   (10) “self-sufficiency services” means job-related services, community  
26 service work referrals, child care assistance, and other services determined by the  
27 department in regulation to promote family self-sufficiency;

28                   (11) “TANF” means the federal Temporary Assistance for Needy  
29 Families program; and

30                   (12) “work activities” includes job-readiness assessments, on-the-job  
31 training, education and vocational training, job sampling, job search requirements,

1 subsidized and unsubsidized work, and community work service.

2 \* **Sec. 3.** AS 15.07.055(a) is amended to read:

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

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

5 (2) divisions of the Department of Health and Social Services that  
6 provide public assistance through the food stamp program, Medicaid program, Special  
7 Supplemental Food Program for Women, Infants, and Children (WIC), and **Alaska**  
8 **Family Independence Program (AFIP)** [AID TO FAMILIES WITH DEPENDENT  
9 CHILDREN (AFDC) PROGRAM];

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

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

14 \* **Sec. 4.** AS 23.10.055 is amended by adding a new paragraph to read:

15 (14) an individual engaged in activities for a nonprofit religious,  
16 charitable, civic, cemetery, recreational, or educational organization where the  
17 employer-employee relationship does not, in fact, exist, and where services are  
18 rendered to the organization under a work activity requirement of the Alaska Family  
19 Independence Program (AS 47.27).

20 \* **Sec. 5.** AS 25.20.050(f) is amended to read:

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

28 \* **Sec. 6.** AS 25.27.040(a) is amended to read:

29 (a) The agency may appear on behalf of minor children or their mother or legal  
30 custodian or the state and initiate efforts to have the paternity of children born out of  
31 wedlock determined by the court. When the agency is a party to a court action in

1 which paternity is contested, it shall request and pay for genetic testing and procedures  
2 under AS 25.20.050(f). The agency may recover the costs of the tests as a cost of the  
3 court action, except that costs may not be recovered from a person who is a recipient  
4 of assistance [AID] under **AS 47.27 (Alaska Family Independence Program)** [AS  
5 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

6 \* **Sec. 7.** AS 25.27.060 is amended by adding new subsections to read:

7 (e) If the child's parents are both unmarried minors who have not had the  
8 disabilities of minority removed under AS 09.55.590, an order of child support issued  
9 by a court or agency shall be based on the

10 (1) percentages of physical custody exercised by the child's parents; a  
11 minor parent's custody of the child shall be imputed to the parents of the minor parent,  
12 regardless of where the minor parent lives, except that

13 (A) if the minor parent and child live with a parent of the  
14 noncustodial minor parent, the minor parent's custody of the child shall be  
15 imputed to the parent of the noncustodial minor parent; and

16 (B) a minor parent's custody of a child may not be imputed to  
17 the parents of the minor parent if the minor parent and child do not live with  
18 a parent of the minor parent because

19 (i) neither parent will allow the minor and child to live  
20 in the residence of the minor's parent; or

21 (ii) the physical or emotional health or safety of the  
22 minor parent or the minor's child would be jeopardized if the minor and  
23 the minor's child lived in the same residence with the minor's parent;  
24 and

25 (2) incomes of the child's grandparents and parents.

26 (f) To the extent that (e) of this section applies,

27 (1) the child's grandparents are considered to have a duty to support  
28 the child and are subject to statutes, regulations, and court rules relating to support of  
29 the child; and

30 (2) a grandparent who is determined under applicable agency  
31 regulations and court rules to be the obligor for purposes of paying child support on

1 behalf of a grandchild is subject to all statutes, regulations, and court rules applicable  
2 to child support obligors.

3 (g) An order of support against a child's grandparent under (e) of this section  
4 and a grandparent's duty to support a child under (f) of this section is terminated,  
5 without the need for obtaining a modification of a child support order, when one of  
6 the child's parents reaches the age of majority or has the disabilities of minority  
7 removed under AS 09.55.590, whichever occurs earlier. However, to the extent that  
8 a grandparent may have accrued arrearages, the grandparent remains an obligor subject  
9 to this chapter.

10 \* **Sec. 8.** AS 25.27.065(b) is amended to read:

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

15 \* **Sec. 9.** AS 25.27.120(a) is amended to read:

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

24 \* **Sec. 10.** AS 25.27.125(b) is amended to read:

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

29 \* **Sec. 11.** AS 25.27.130(c) is amended to read:

30 (c) The recovery of any amount for which the obligor is liable that exceeds the  
31 total assistance granted under AS 47.07 and AS 47.27 [AS 47.25.310 - 47.25.420] shall

1 be paid to the obligee.

2 \* **Sec. 12.** AS 25.27.130(d) is amended to read:

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

10 \* **Sec. 13.** AS 25.27.130(e) is amended to read:

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

14 \* **Sec. 14.** AS 25.27.130(f) is amended to read:

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

19 \* **Sec. 15.** AS 25.27.165(i) is amended to read:

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

24 \* **Sec. 16.** AS 25.27 is amended by adding new sections to read:

25 Sec. 25.27.244. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S  
26 OCCUPATIONAL LICENSE. (a) The agency shall compile and maintain a list of  
27 obligors who are not in substantial compliance with a support order or payment  
28 schedule negotiated under (g)(1) of this section. The list must include the names,  
29 social security numbers, dates of birth, and last known addresses of the obligors. The  
30 list shall be updated by the agency on a monthly basis.

31 (b) The agency shall, on a monthly basis, provide a copy of the list to each

1 licensing entity through a computer-readable magnetic medium. A licensing entity  
2 subject to this section shall implement procedures to accept and process the list.  
3 Notwithstanding any other law to the contrary, a licensing entity may not issue or  
4 renew a license for a person on the list except as provided in this section.

5 (c) Promptly after receiving an application from an applicant and before  
6 issuing or renewing a license, a licensing entity shall determine whether the applicant  
7 is on the most recent list provided by the agency. If the applicant is on the list, the  
8 licensing entity shall immediately serve notice under (e) of this section of the licensing  
9 entity's intent to withhold issuance or renewal of the license. The notice shall be  
10 considered given when delivered personally to the applicant or deposited in the United  
11 States mail addressed to the applicant's last known mailing address on file with the  
12 licensing entity.

13 (d) A licensing entity shall issue a temporary license valid for a period of 150  
14 days to an applicant whose name is on the list if the applicant is otherwise eligible for  
15 a license. The temporary license may not be extended. Only one temporary license  
16 may be issued during a regular license term and its validity shall coincide with the first  
17 150 days of that license term. A license for the full or remainder of the license term  
18 may be issued or renewed only upon compliance with this section. If a license or  
19 application is denied under this section, money paid by the applicant or licensee shall  
20 be refunded by the licensing entity after retention of the temporary license fee, if any.

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

1 section.

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

7 (g) If the applicant wishes to challenge being included on the list, the applicant  
8 shall submit to the agency a written request for review within 30 days after receiving  
9 the notice under (c) of this section by using the form developed under (e) of this  
10 section. Within 30 days after receiving a written request for review, the agency shall  
11 inform the applicant in writing of the agency's findings. The agency shall immediately  
12 send a release to the appropriate licensing entity and the applicant if any of the  
13 following conditions is met:

14 (1) the applicant is found to be in substantial compliance with each  
15 support order applicable to the applicant or has negotiated an agreement with the  
16 agency for a payment schedule on arrearages and is in substantial compliance with the  
17 negotiated agreement; if the applicant fails to be in substantial compliance with an  
18 agreement negotiated under this paragraph, the agency shall send to the appropriate  
19 licensing entity a revocation of any release previously sent to the entity for that  
20 applicant;

21 (2) the applicant has submitted a timely request for review to the  
22 agency, but the agency will be unable to complete the review and send notice of  
23 findings to the applicant in sufficient time for the applicant to file a timely request for  
24 judicial relief within the 150-day period during which the applicant's temporary license  
25 is valid under (d) of this section; this paragraph applies only if the delay in completing  
26 the review process is not the result of the applicant's failure to act in a reasonable,  
27 timely, and diligent manner upon receiving notice from the licensing entity that the  
28 applicant's name is on the list;

29 (3) the applicant has, within 30 days after receiving the agency's  
30 findings following a request for review under (2) of this subsection, filed and served  
31 a request for judicial relief under this section, but a resolution of that relief will not

1 be made within the 150-day period of the temporary license under (d) of this section;  
2 this paragraph applies only if the delay in completing the judicial relief process is not  
3 the result of the applicant's failure to act in a reasonable, timely, and diligent manner  
4 upon receiving the agency's notice of findings; or

5 (4) the applicant has obtained a judicial finding of substantial  
6 compliance.

7 (h) An applicant is required to act with diligence in responding to notices from  
8 the licensing entity and the agency with the recognition that the temporary license  
9 granted under (d) of this section will lapse after 150 days and that the agency and,  
10 where appropriate, the court must have time to act within that 150-day period. An  
11 applicant's delay in acting, without good cause, that directly results in the inability of  
12 the agency to complete a review of the applicant's request or the court to hear the  
13 request for judicial relief within the required period does not constitute the diligence  
14 required under this section that would justify the issuance of a release.

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

30 (j) A request for judicial relief from the agency's decision must state the  
31 grounds on which relief is requested and the judicial action shall be limited to those

1 stated grounds. Judicial relief under this subsection is not an appeal, and shall be  
2 governed by court rules adopted to implement this section. Unless otherwise provided  
3 by court rule, the court shall hold an evidentiary hearing within 20 calendar days after  
4 the filing of service on the opposing party. The court's decision shall be limited to a  
5 determination of each of the following issues:

6 (1) whether there is a support order or a payment schedule on  
7 arrearages;

8 (2) whether the petitioner is the obligor covered by the support order;  
9 and

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

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

15 (l) When the obligor is in substantial compliance with a support order or  
16 payment schedule, the agency shall mail to the applicant and the appropriate licensing  
17 entity a release stating that the applicant is in substantial compliance. The receipt of  
18 a release shall serve to notify the applicant and the licensing entity that, for the  
19 purposes of this section, the applicant is in substantial compliance with the support  
20 order or payment schedule unless the agency, under (a) of this section, certifies  
21 subsequent to the issuance of a release that the applicant is once again not in  
22 substantial compliance with a support order or payment schedule.

23 (m) The agency may enter into interagency agreements with the state agencies  
24 that have responsibility for the administration of licensing entities as necessary to  
25 implement this section to the extent that it is cost effective to implement the  
26 interagency agreements. The agreements shall provide for the receipt by the other  
27 state agencies and licensing entities of federal money to cover that portion of costs  
28 allowable in federal law and regulation and incurred by the state agencies and licensing  
29 entities in implementing this section.

30 (n) Notwithstanding any other provision of law, the licensing entities subject  
31 to this section shall assess a fee for issuance of a temporary license under this section.

1 The licensing entity shall set the amount of the fee so that the fees collected under this  
2 section, to the extent reasonable, cover the costs of implementing and administering  
3 this section.

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

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

10 (q) In this section,

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

13 (2) "license"

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

18 (i) license relating to boxing or wrestling under AS  
19 05.10;

20 (ii) authorization to perform an occupation regulated  
21 under AS 08;

22 (iii) teacher certificate under AS 14.20;

23 (iv) authorization under AS 18.08 to perform  
24 emergency medical services;

25 (v) asbestos worker certification under AS 18.31;

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

27 (vii) certificate of fitness under AS 18.62;

28 (viii) hazardous painting certification under AS 18.63;

29 (ix) security guard license under AS 18.65.400 -  
30 18.65.490;

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

- 1 (xi) employment agency permit under AS 23.15.330 -  
2 23.15.520;
- 3 (xii) registration as a broker-dealer, agent, or investment  
4 adviser under AS 45.55.030;
- 5 (xiii) certification as a pesticide applicator under AS  
6 46.03.320;
- 7 (xiv) certification as a storage tank worker or contractor  
8 under AS 46.03.375; and
- 9 (xv) certification as a water and wastewater works  
10 operator under AS 46.30;
- 11 (B) does not include
- 12 (i) a vessel license issued under AS 16.05.490 or  
13 16.05.530;
- 14 (ii) a commercial fishing license under AS 16.05.480,  
15 including a crew member fishing license;
- 16 (iii) an entry permit or interim-use permit issued under  
17 AS 16.43;
- 18 (iv) a license issued under AS 47.35;
- 19 (v) a business license issued under AS 43.70; or
- 20 (vi) a driver's license issued under AS 28.15;
- 21 (3) "licensee" means a person holding a license or applying to renew  
22 a license;
- 23 (4) "licensing entity" means the state agency that issues or renews a  
24 license; in the case of a license issued or renewed by the Department of Commerce  
25 and Economic Development after an applicant's qualifications are determined by  
26 another agency, "licensing entity" means the department;
- 27 (5) "list" means the list of obligors compiled and maintained under (a)  
28 of this section;
- 29 (6) "substantial compliance with a support order or payment schedule"  
30 means that, with respect to a support order or a negotiated payment schedule under (g)  
31 of this section, whichever is applicable, the obligor has no more than \$2,500 past due

1 and has cumulatively paid an amount equal to or greater than the amount due for eight  
2 months during the past 12 months; with respect to a support order or payment schedule  
3 that has been in effect for less than one year, "substantial compliance" means that the  
4 obligor has no more than \$2,500 past due and has cumulatively paid an amount equal  
5 to or greater than 67 percent of the amount due during the period the support order or  
6 payment schedule has been in effect.

7 Sec. 25.27.246. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S  
8 DRIVER'S LICENSE. (a) The agency shall compile and maintain a list of obligors  
9 who have a driver's license and are not in substantial compliance with a support order  
10 or payment schedule negotiated under (f)(1) of this section. The list must include the  
11 names, social security numbers, dates of birth, and last known addresses of the  
12 obligors. The list shall be updated by the agency on a monthly basis.

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

20 (c) If the licensee fails to obtain a release during the 150-day period following  
21 notice under (b) and (d) of this section, the agency shall notify the department that the  
22 licensee's driver's license should be suspended and further renewals or applications  
23 should be denied until the agency sends the department a release for the licensee.  
24 Upon receiving the agency's notice under this subsection, the department shall suspend  
25 the licensee's driver's license and may not issue or renew a driver's license for the  
26 licensee until the department receives a release to do so from the agency. If a license  
27 is suspended or an application is denied under this section, money paid by the  
28 applicant or licensee may not be refunded by the department.

29 (d) The notice under (b) of this section must include the address and telephone  
30 number of the agency and shall emphasize the necessity of obtaining a release from  
31 the agency as a condition for avoiding suspension or denial of the person's driver's

1 license. The notice must also inform the licensee that, if a license is suspended or an  
2 application is denied under this section, money paid by the licensee will not be  
3 refunded by the department. The agency shall also develop a form that the licensee  
4 may use to request a review by the agency. A copy of this form shall be included  
5 with each notice sent under (b) of this section.

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

11 (f) If a licensee wishes to challenge being included on the list, the licensee  
12 shall submit to the agency a written request for review within 30 days after the notice  
13 under (b) of this section was personally delivered or postmarked by using the form  
14 developed under (d) of this section. Within 30 days after receiving a written request  
15 for review, the agency shall inform the licensee in writing of the agency's findings.  
16 The agency shall immediately send a release to the department and the licensee if any  
17 of the following conditions is met:

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

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

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

8 (4) the licensee has obtained a judicial finding of substantial  
9 compliance.

10 (g) A licensee is required to act with diligence in responding to notices from  
11 the agency with the recognition that the person's driver's license will be suspended  
12 after 150 days or that a subsequent license will not be issued and that the agency and,  
13 where appropriate, the court must have time to act within that 150-day period or before  
14 the subsequent license is needed, as applicable. A licensee's delay in acting, without  
15 good cause, that directly results in the inability of the agency to complete a review of  
16 the licensee's request or the court to hear the request for judicial relief within the  
17 required period does not constitute the diligence required under this section that would  
18 justify the issuance of a release.

19 (h) Except as otherwise provided in this section, the agency may not issue a  
20 release if the applicant is not in substantial compliance with the order for support or  
21 is not in substantial compliance with an agreement negotiated under (f)(1) of this  
22 section. The agency shall notify the licensee in writing that the licensee may request  
23 any or all of the following: (1) judicial relief from the agency's decision not to issue  
24 a release or the agency's decision to revoke a release under (f)(1) of this section; (2)  
25 a judicial determination of substantial compliance; (3) a modification of the support  
26 order. The notice must also contain the name and address of the court in which the  
27 licensee may file the request for relief and inform the licensee that the licensee's name  
28 shall remain on the list if the licensee does not request judicial relief within 30 days  
29 after receiving the notice. The licensee shall comply with all statutes and rules of  
30 court implementing this section. This section does not limit a licensee's authority  
31 under other law to request an order to show cause or notice of motion to modify a

1 support order or to fix a payment schedule on arrearages accruing under a support  
2 order or to obtain a court finding of substantial compliance with a support order.

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

10 (1) whether there is a support order or a payment schedule on  
11 arrearages;

12 (2) whether the petitioner is the obligor covered by the support order;  
13 and

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

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

19 (k) When the obligor is in substantial compliance with a support order or  
20 payment schedule, the agency shall mail to the applicant and the department a release  
21 stating that the licensee is in substantial compliance. The receipt of a release shall  
22 serve to notify the licensee and the department that, for the purposes of this section,  
23 the applicant is in substantial compliance with the support order or payment schedule  
24 unless the agency, under (a) of this section, certifies subsequent to the issuance of a  
25 release that the licensee is once again not in substantial compliance with a support  
26 order or payment schedule.

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

31 (m) The agency and department, as appropriate, shall adopt regulations

1 necessary to implement this section.

2 (n) In this section,

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

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

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

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

9 (5) "substantial compliance with a support order or payment schedule"  
10 means that, with respect to a support order or a negotiated payment schedule under (f)  
11 of this section, whichever is applicable, the obligor has no more than \$2,500 past due  
12 and has cumulatively paid an amount equal to or greater than the amount due for eight  
13 months during the past 12 months; with respect to a support order or payment schedule  
14 that has been in effect for less than one year, "substantial compliance" means that the  
15 obligor has no more than \$2,500 past due and has cumulatively paid an amount equal  
16 to or greater than 67 percent of the amount due during the period the support order or  
17 payment schedule has been in effect.

18 \* **Sec. 17.** AS 36.30.850(b)(11) is amended to read:

19 (11) agreements with providers of services under AS 44.47.250; AS  
20 47.07; AS 47.08; AS 47.10; AS 47.17; AS 47.24; AS 47.25.130(b); and AS 47.27 [AS  
21 47.25.195 AND 47.25.310];

22 \* **Sec. 18.** AS 39.25.110 is amended by adding a new paragraph to read:

23 (31) a participant in the Alaska Family Independence Program  
24 (AS 47.27) who holds a temporary position with the state in order to obtain job  
25 training or experience.

26 \* **Sec. 19.** AS 44.19.626(a) is amended to read:

27 (a) As the lead state planning and coordinating entity, the Alaska Human  
28 Resource Investment Council has responsibility, to the extent authorized by federal and  
29 state law, for planning and coordinating federal, state, and local efforts in human  
30 resource programs in this state related to employment training, **including the work**  
31 **activities of the Alaska Family Independence Program under AS 47.27.**

1 \* **Sec. 20.** AS 44.29.020(a) is amended to read:

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

- 4 (1) maternal and child health services;
- 5 (2) preventive medical services;
- 6 (3) public health nursing services;
- 7 (4) nutrition services;
- 8 (5) health education;
- 9 (6) laboratories;
- 10 (7) mental health treatment and diagnosis;
- 11 (8) management of state institutions, except for adult penal institutions;
- 12 (9) medical facilities;
- 13 (10) adult public assistance;
- 14 (11) **Alaska Family Independence Program** [AID TO FAMILIES  
15 WITH DEPENDENT CHILDREN];
- 16 (12) child welfare services;
- 17 (13) general relief; and
- 18 (14) licensing and supervision of child care facilities.

19 \* **Sec. 21.** AS 44.47.280 is amended to read:

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

- 23 (1) [NET] income of the family including salary, alimony, child support,  
24 retirement benefits, social security, and any other source of income;
- 25 (2) number of children in the family;
- 26 (3) whether there is one parent or guardian solely responsible for the  
27 care of the family;
- 28 (4) [Repealed
- 29 (5)] other factors found relevant by the department.

30 \* **Sec. 22.** AS 47.05.010(1) is amended to read:

- 31 (1) administer adult public assistance, **the Alaska Family**

1        **Independence Program** [AID TO FAMILIES WITH DEPENDENT CHILDREN], and  
2        all other assistance programs, and receive and spend **money** [FUNDS] made available  
3        to it;

4        \* **Sec. 23.** AS 47.05.010(2) is amended to read:

5                    (2) adopt regulations necessary for the conduct of its business and for  
6        carrying out federal and state laws granting adult public assistance, **temporary**  
7        **assistance for needy families under the Alaska Family Independence Program**  
8        [AID TO FAMILIES WITH DEPENDENT CHILDREN], and other assistance;

9        \* **Sec. 24.** AS 47.05.010(5) is amended to read:

10                   (5) cooperate with the federal government in matters of mutual concern  
11        pertaining to adult public assistance, **the Alaska Family Independence Program** [AID  
12        TO FAMILIES WITH DEPENDENT CHILDREN], and other forms of public  
13        assistance;

14        \* **Sec. 25.** AS 47.05.030 is amended to read:

15                   Sec. 47.05.030. MISUSE OF PUBLIC ASSISTANCE LISTS AND  
16        RECORDS. Except for purposes directly connected with the administration of general  
17        assistance, adult public assistance, the day care assistance program authorized under  
18        AS 44.47.250 - 44.47.310, or **the Alaska Family Independence Program** [AID TO  
19        FAMILIES WITH DEPENDENT CHILDREN], and in accordance with the regulations  
20        of the department, a person may not solicit, disclose, receive, make use of, or  
21        authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or  
22        names of, or information concerning, persons applying for or receiving the assistance  
23        directly or indirectly derived from the records, papers, files, or communications of the  
24        department or subdivisions or agencies of the department, or acquired in the course of  
25        the performance of official duties.

26        \* **Sec. 26.** AS 47.05.080 is amended to read:

27                   Sec. 47.05.080. RECOVERY OF OVERPAYMENTS. Benefit overpayments  
28        collected by the department in administering programs under AS 47.25.120 - 47.25.300  
29        (general relief), [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT  
30        CHILDREN),] AS 47.25.430 - 47.25.615 (adult public assistance), [AND]  
31        AS 47.25.975 - 47.25.990 (food stamps), **and AS 47.27 (Alaska Family**

1        **Independence Program** shall be remitted to the Department of Revenue under  
2 AS 37.10.050(a).

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

4                (1) persons eligible for but not receiving assistance under any plan of  
5 the state approved under 42 U.S.C. 601 - 615 (Title IV-A, Social Security Act,  
6 **Temporary Assistance for Needy Families**), [AID TO FAMILIES WITH  
7 DEPENDENT CHILDREN) OR] 42 U.S.C. 1381 - 1383c (Title XVI, Social Security  
8 Act, Supplemental Security Income), **or a federal program designated as the**  
9 **successor to the aid to families with dependent children program;**

10 \* **Sec. 28.** AS 47.07.020(b)(7) is amended to read:

11                (7) persons under age 21 who are receiving active treatment in a  
12 psychiatric hospital and who are financially eligible as determined by the standards of  
13 42 U.S.C. 601 - 615 (Title IV-A, Social Security Act, **Temporary Assistance for**  
14 **Needy Families, or a federal program designated as the successor to the aid to**  
15 **families with dependent children program** [AID TO FAMILIES WITH  
16 DEPENDENT CHILDREN]);

17 \* **Sec. 29.** AS 47.07.035(26) is amended to read:

18                (26) individuals under age 21 who are not eligible for benefits under  
19 the federal **temporary assistance for needy families** [AID TO FAMILIES WITH  
20 DEPENDENT CHILDREN] program, **or a federal program designated as the**  
21 **successor to the aid to families with dependent children program,** because they are  
22 not deprived of one or more of their natural or adoptive parents;

23 \* **Sec. 30.** AS 47.25.130(b) is amended to read:

24                (b) The department may enter into **contracts or** [COMPETITIVELY  
25 AWARDED] group service agreements with providers **or local governments,** and may  
26 require needy persons under AS 47.25.120 - 47.25.300 to obtain services from these  
27 designated providers. **The department may establish by regulation program**  
28 **standards designed to meet local circumstances for services provided under**  
29 **contracts or group service agreements entered into under this subsection.**

30 \* **Sec. 31.** AS 47.25.310, 47.25.320, 47.25.330, 47.25.340, 47.25.345, 47.25.350, 47.25.360,  
31 47.25.365, 47.25.370, 47.25.380, 47.25.395, 47.25.400, 47.25.410, 47.25.420, 47.25.421,

1 47.25.423, 47.25.425, 47.25.427, and 47.25.429 are repealed.

2 \* **Sec. 32.** COURT RULE CHANGE. (a) AS 25.27.060(e) - (g), added by sec. 7 of this  
3 Act, have the effect of amending Alaska Rule of Civil Procedure 90.3 by requiring  
4 consideration of the income of the grandparents of a child when determining a child support  
5 obligation under certain circumstances and by providing that a child's grandparents are  
6 obligated to support the child under certain circumstances.

7 (b) Under art. IV, sec. 15, Constitution of the State of Alaska, AS 25.27.060(e) - (g),  
8 added by sec. 7 of this Act, and this section may become law with the affirmative vote of a  
9 majority of the membership of each house because the court rule being amended is not a rule  
10 governing practice or procedure.

11 \* **Sec. 33.** REPORT. (a) In furtherance of the public policy of increasing child support  
12 enforcement and collections, on or before January 1, 1999, the child support enforcement  
13 agency shall make a report to the governor based on data collected by the licensing entities  
14 and the agency in a format prescribed by the agency. The report must contain

15 (1) the number of delinquent obligors on the lists maintained by the agency  
16 under AS 25.27.244 - 25.27.246, enacted by sec. 16 of this Act;

17 (2) the number of delinquent obligors who also were applicants or licensees  
18 subject to AS 25.27.244 - 25.27.246, enacted by sec. 16 of this Act;

19 (3) the number of new licenses and renewals that were delayed or denied and  
20 temporary licenses issued subject to AS 25.27.244 and the number of new licenses and  
21 renewals granted following receipt by licensing entities of releases under AS 25.27.244 by  
22 July 1, 1998;

23 (4) the number of licenses under AS 28.15 that were suspended under  
24 AS 25.27.246 and the number of licenses under AS 28.15 that were reinstated following  
25 receipt by the Department of Public Safety of releases under AS 25.27.246 by July 1, 1998;  
26 and

27 (5) the costs incurred in the implementation and enforcement of AS 25.27.244  
28 - 25.27.246, enacted by sec. 16 of this Act.

29 (b) A licensing entity receiving an inquiry from the agency under (a) of this section  
30 shall cooperate with the agency. When queried as to the licensed status of an applicant who  
31 has had a license denied or suspended under AS 25.27.244 or 25.27.246 or has been granted

1 a temporary license under AS 25.27.244, the licensing entity shall respond only that the  
2 license was denied or suspended or that the temporary license was issued.

3 \* **Sec. 34. WAIVER OF AFDC PROGRAM REQUIREMENTS.** (a) If the federal aid to  
4 families with dependent children (AFDC) program has not been repealed by October 1, 1996,  
5 the Department of Health and Social Services may implement changes to the AFDC program,  
6 notwithstanding the provisions of AS 47.25.310 - 47.25.429, that are consistent with the  
7 Alaska Family Independence Program established in sec. 2 of this Act, by operating waiver  
8 projects with the approval of the federal government. All waiver projects must be within the  
9 scope of the program set out at sec. 2 of this Act and must be designed to promote family  
10 self-sufficiency.

11 (b) If the federal AFDC program has not been repealed by October 1, 1996, the  
12 Department of Health and Social Services shall report to the governor its recommendation for  
13 changes in its statutory authority that are needed to address conflicting legal authority to  
14 operate the waiver projects.

15 \* **Sec. 35. COOPERATION.** State agencies designated by the governor shall cooperate  
16 with the Department of Health and Social Services to the extent necessary to implement  
17 waivers under sec. 34 of this Act.

18 \* **Sec. 36. IMMUNITY FROM LIABILITY.** (a) The Department of Health and Social  
19 Services, and its employees, agents, and grantees, are not liable for civil damages as a result  
20 of an act or omission in the implementation, operation, or administration of an authorized  
21 waiver project under sec. 34 of this Act.

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

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

26 \* **Sec. 37. REGULATIONS FOR WAIVER PROGRAMS.** The Department of Health and  
27 Social Services may adopt regulations necessary to implement sec. 34 of this Act. The  
28 regulations adopted by the department may include

29 (1) eligibility criteria for waiver projects that differ from eligibility requirements  
30 in AS 47.25.310 - 47.25.429 and the regulations adopted under those statutes;

31 (2) exemptions from requiring participation in the projects because of

1 exceptional circumstances;

2 (3) provisions for financial or non-financial sanctions for applicants who fail  
3 to cooperate with project requirements or a provision of a plan; and

4 (4) additional program standards and procedures to implement or interpret sec.  
5 2 of this Act in order to promote family self-sufficiency.

6 \* **Sec. 38.** TRANSITION. (a) The Department of Health and Social Services, the  
7 Department of Revenue, child support enforcement agency, and any department that issues a  
8 license affected by sec. 16 of this Act, may proceed to adopt regulations necessary to  
9 implement this Act. Regulations to implement a provision of this Act take effect under  
10 AS 44.62 (Administrative Procedure Act), but not before the effective date of the relevant  
11 provision of this Act.

12 (b) Regulations adopted by the Department of Health and Social Services under the  
13 authority of AS 47.25.310 - 47.25.420 before the effective date of secs. 2 and 37 of this Act  
14 remain in effect, and may be implemented and enforced to the extent that the regulations are  
15 not inconsistent with AS 47.27, until the department has made regulation changes under  
16 AS 44.62 (Administrative Procedure Act) to conform to this Act.

17 (c) An application for assistance filed under AS 47.25 remains effective as an  
18 application for the Alaska Family Independence Program following the effective dates of secs.  
19 2 and 37 of this Act and until the Department of Health and Social Services requires a new  
20 application with the development of the family self-sufficiency plan; new applications shall  
21 be required no later than one year following the effective date of sec. 2 of this Act.

22 (d) Litigation, hearings, investigations, collection actions, and other proceedings  
23 pending under a law amended or repealed by this Act continue in effect and may be  
24 completed by the Department of Health and Social Services notwithstanding the repeal or  
25 amendment under the Act.

26 \* **Sec. 39.** Section 38(a) of this Act takes effect immediately.

27 \* **Sec. 40.** Sections 1 - 6, 8 - 15, 17 - 31 of this Act take effect October 1, 1996, except  
28 that if the federal law providing for the aid to families with dependent children (AFDC)  
29 program has not been repealed by that date, those sections take effect on the first day after  
30 October 1, 1996 that the repeal of the federal AFDC program is effective. The commissioner  
31 of health and social services shall notify the revisor of statutes and the lieutenant governor of

1 the effective date of the repeal of the federal law providing for the AFDC program.

2 \* **Sec. 41.** Sections 7, 16, and 32 - 37, 38(b), (c), and (d) of this Act take effect  
3 October 1, 1996.