

**CS FOR SENATE BILL NO. 206(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/26/96

Referred: HES, JUD, FIN

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

**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 the  
4 Alaska Wage and Hour Act for certain work activities of the Alaska family  
5 independence program; authorizing qualified entities to contract with the state  
6 to administer all or part of the Alaska family independence program; relating  
7 to the duty to support children of minor parents; relating to certain licenses  
8 and applications for a license for persons who are not in substantial compliance  
9 with orders, judgments, or payment schedules for child support; relating to an  
10 exemption to the State Procurement Code for certain services for the general  
11 relief program and Alaska family independence program; relating to eligibility  
12 for day care benefits administered by the Department of Community and

1 **Regional Affairs; authorizing the Department of Health and Social Services to**  
2 **operate a public assistance program consistent with the Alaska family**  
3 **independence program under federal waivers and providing certain immunity**  
4 **from liability for activities of that program; amending Rule 90.3, Alaska Rules**  
5 **of Civil Procedure; and providing for an effective date."**

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

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

8 (1) establish the Alaska family independence program;

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

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

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

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

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

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

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

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

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

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

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

1 (1) administer the Alaska family independence program by providing  
2 assistance with basic living expenses and self-sufficiency services to needy children  
3 and their families under this chapter;

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

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

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

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

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

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 Alaska family independence program if the family  
10 includes an adult who

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

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

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

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

30 Sec. 47.27.020. APPLICATION AND REQUIREMENTS FOR ASSISTANCE.

31 (a) An applicant for assistance under the Alaska family independence program shall

1 complete an application in writing, or by electronic means, and in a form specified by  
2 the department. The applicant must be a pregnant woman or an individual who has  
3 physical custody of the dependent child or children. The application must be complete  
4 and must provide all of the information about the family and the child or children that  
5 is requested by the department. The applicant shall provide all supporting  
6 documentation for verification that the department determines to be necessary to  
7 establish eligibility.

8 (b) On the application, each applicant shall attest to whether the family, at any  
9 time, has received assistance from another state program that was established under a  
10 federal block grant for Temporary Assistance for Needy Families and whether the  
11 family has ever been disqualified from receiving assistance under a Temporary  
12 Assistance for Needy Families program for the period for which the application has  
13 been submitted.

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

17 (d) An applicant shall acknowledge the assignment of support rights as  
18 required by AS 47.27.040 and shall agree to cooperate with the child support  
19 enforcement agency of the Department of Revenue in establishing paternity or  
20 establishing, modifying, or enforcing a child support order requiring the payment of  
21 support by the noncustodial parent for any dependent child for whom Alaska family  
22 independence program assistance is received. The applicant shall agree to report all  
23 child support payments received directly by the family, during or for a period for  
24 which the family is receiving assistance under this chapter, to the department within  
25 15 days after receipt of those payments.

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

30 Sec. 47.27.025. FAMILY ASSISTANCE. (a) The department shall provide  
31 assistance for basic living expenses to families that establish eligibility based on a

1 determination of need that considers the family's available income, assets, and other  
2 resources, as established by the department in regulation. Each dependent child in the  
3 family is eligible for assistance under this chapter, and assistance received as a  
4 dependent child will not count against eligibility for assistance under this chapter as  
5 a caretaker or spouse of a caretaker of a dependent child or as a pregnant woman.

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

8 (1) for a dependent child living with a nonneedy relative caretaker,  
9 \$452 per month, plus \$102 for each additional child;

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

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

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

17 (1) job readiness assessments;

18 (2) employment testing and counseling;

19 (3) job readiness training;

20 (4) job referral and job search;

21 (5) education and vocational training;

22 (6) community service work assignments;

23 (7) child care assistance;

24 (8) family planning services; and

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

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

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

6 (1) having the Alaska family independence program application  
7 processed under AS 47.27.020 and the regulations adopted by the department; or

8 (2) having the Alaska family independence program application denied  
9 and applying for diversion project benefits under this section.

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

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

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

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

23 (3) provides that if the family reapplies for Alaska family independence  
24 program assistance under AS 47.27.020 during the three months beginning with the  
25 month in which the family received a diversion payment, the diversion payment shall  
26 be treated as unearned income, prorated over the three-month period, and deducted  
27 from any Alaska family independence program benefit the family may be eligible for  
28 under the new application.

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

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

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

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

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

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

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

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

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

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

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

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

30 (b) The family self-sufficiency plan will set a time period for the achievement  
31 of self-sufficiency from assistance under the Alaska family independence program.

1 That time period may not provide for any more than a total of 60 months of assistance  
2 under the Alaska family independence program.

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

6 Sec. 47.27.035. PARTICIPATION IN WORK ACTIVITIES. (a) An Alaska  
7 family independence program participant shall participate in work activities upon  
8 assignment by the department or its designee in order for the family to continue to  
9 receive assistance or services from the department under the Alaska family  
10 independence program, unless the participant is exempt from the work participation  
11 requirements under one or more of the exemptions set out in (b) or (c) of this section  
12 and any regulations adopted by the department.

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

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

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

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

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

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

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

30 (e) A participant in work activities under this section is not considered an  
31 employee of the state or other public employer for purposes of AS 23.40.070 -

1 23.40.260 (Public Employment Relations Act) nor shall any provision of a collective  
2 bargaining agreement entered into under the Public Employment Relations Act be  
3 construed to interfere with participation in the work activities authorized under this  
4 section.

5 Sec. 47.27.040. ASSIGNMENT OF SUPPORT RIGHTS; COOPERATION  
6 WITH CHILD SUPPORT ENFORCEMENT AGENCY. (a) An Alaska family  
7 independence program applicant is considered to have assigned to the state, through  
8 the child support enforcement agency of the Department of Revenue, all rights to  
9 accrued and continuing child support, from all sources, that is due for the support of  
10 any individuals in the family for whom support is sought. The assignment takes effect  
11 upon a determination that the applicant's family is eligible for assistance under this  
12 chapter. Except with respect to the amount of any unpaid support obligation accrued  
13 under the assignment, the assignment terminates when the family ceases to be a  
14 participant in the Alaska family independence program.

15 (b) An Alaska family independence program participant shall cooperate with  
16 the child support enforcement agency of the Department of Revenue in establishing  
17 paternity or establishing, modifying, or enforcing a child support order requiring the  
18 payment of support by the noncustodial parent for a dependent child for whom Alaska  
19 family independence program assistance is received unless the participant establishes  
20 good cause for refusing to cooperate.

21 (c) The department may distribute to an Alaska family independence program  
22 participant up to \$50 per month from a monthly child support payment received by the  
23 child support enforcement agency for the support of a child for whom Alaska family  
24 independence program assistance is paid.

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

28 Sec. 47.27.050. GRANTS AND CONTRACTS FOR SERVICES. (a) The  
29 department may contract with or award grants to qualified entities in the state to  
30 administer an Alaska family independence program or a distinct part of the Alaska  
31 family independence program. The department may establish standards for the

1 administration of services under the grant or contract, including fees to be charged to  
2 applicants for or recipients of those services.

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

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

8 (d) In this section, "qualified entities" means municipalities, other political  
9 subdivisions of the state, nonprofit corporations formed under AS 10.20, or  
10 combinations of these.

11 Sec. 47.27.055. AGENCY COLLABORATION. (a) The department shall  
12 coordinate with other state agencies that provide assistance, benefits, or services to  
13 applicants that are eligible for and to participants in the Alaska family independence  
14 program in order to facilitate the application for and delivery of assistance, benefits,  
15 or services to promote family self-sufficiency. Subject to appropriations, state agencies  
16 may colocate their facilities and operations in order to improve service delivery.

17 (b) The department may provide information received under this chapter to  
18 other state agencies in order to facilitate the delivery of services. Information received  
19 from an applicant for or participant in the Alaska family independence program shall  
20 be treated as confidential by all state agencies that share the information under this  
21 section and is not open to public inspection. Misuse of public assistance lists or  
22 information is punishable as provided in AS 47.05.030.

23 (c) Departments in the executive branch shall cooperate in fulfilling the  
24 purposes of this chapter, including, subject to appropriations, the establishment of  
25 temporary positions that will provide job opportunities for families participating in the  
26 Alaska family independence program. Temporary positions established for this  
27 purpose are in the exempt service under AS 39.25.110. An individual participating in  
28 the Alaska family independence program who holds a temporary position established  
29 for purposes of this subsection is not a public employee for purposes of  
30 AS 23.40.070 - 23.40.260.

31 Sec. 47.27.060. JOB DEVELOPMENT. The department may establish

1 cooperative agreements with the Department of Labor, Department of Community and  
2 Regional Affairs, Department of Education, and Department of Commerce and  
3 Economic Development, and with other public or private sector organizations for the  
4 purpose of developing job, training, and educational opportunities for families eligible  
5 for assistance under this chapter.

6 Sec. 47.27.065. FEDERAL-STATE COOPERATION. (a) In the  
7 administration of this chapter, the department shall cooperate with the secretary of the  
8 United States Department of Health and Human Services and shall take actions  
9 necessary to comply with the requirements of federal law to obtain public assistance  
10 block grants. The department shall make reports in the form and containing the  
11 information required to the secretary of the United States Department of Health and  
12 Human Services. The department may cooperate with federal agencies charged with  
13 the administration of the federal public assistance block grants.

14 (b) Notwithstanding any other provisions of this chapter, and if the conditions  
15 in this subsection are met, the department may implement modifications to the Alaska  
16 family independence program that are not directly authorized in this chapter, or that  
17 may be contrary to a provision of this chapter, by providing notification to the  
18 legislature and by adopting regulations. A program modification implemented under  
19 this subsection is repealed two years after the date on which the modification took  
20 effect unless its implementation is achieved by statutory changes. A program  
21 modification under this subsection may be implemented only if

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

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

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

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

30 Sec. 47.27.075. EMERGENCY ACCOUNT ESTABLISHED. (a) There is  
31 established within the general fund the Alaska family independence program

1 emergency account. The account consists of appropriations from any appropriate  
2 source of money, including lapsing money that was appropriated for the Alaska family  
3 independence program but was not expended or obligated in the fiscal year for which  
4 it was appropriated.

5 (b) The account shall be administered by the commissioner, and shall be used  
6 to provide assistance authorized under this chapter upon a determination by the  
7 commissioner that the current year's appropriation is not sufficient to pay for the  
8 Alaska family independence program due to an unanticipated increase in the number  
9 of eligible families. Money appropriated to the account does not lapse under  
10 AS 37.25.010.

11 (c) By December 15 of each year, the commissioner shall report to the  
12 governor and the legislature on the use of money from the Alaska family independence  
13 program emergency account during the preceding fiscal year.

14 Sec. 47.27.080. APPEALS; DISPUTE RESOLUTION. (a) An applicant or  
15 participant who receives a determination from the department that denies, limits, or  
16 modifies the assistance or services provided under this chapter may request a hearing  
17 before the department or a representative of the department appointed for that purpose.  
18 If a representative is appointed, the representative shall conduct the hearing under the  
19 regulations adopted by the department. The appeal is not subject to AS 44.62.330 -  
20 44.62.630.

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

24 Sec. 47.27.085. SANCTIONS; RECOVERY OF COSTS. (a) An Alaska  
25 family independence program applicant or participant who makes a false statement or  
26 misrepresentation knowing it is false, or who knowingly fails to disclose a material  
27 fact, in order to obtain or increase assistance or services under this chapter is ineligible  
28 to receive assistance under this chapter for a period of not less than one nor more than  
29 12 months, as determined by the department, unless a disqualification set out at  
30 AS 47.27.015(b) applies. An Alaska family independence program applicant or  
31 participant who is determined ineligible for a third or subsequent time under this

1 subsection may be permanently disqualified from receiving assistance or services under  
2 this chapter.

3 (b) An Alaska family independence program applicant or participant who,  
4 without good cause, fails to comply with a condition of the family self-sufficiency plan  
5 or who fails to participate in work activities required as a part of the Alaska family  
6 independence program is subject to a reduction in assistance and services as  
7 determined under regulations adopted by the department.

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

14 (d) An Alaska family independence program applicant or participant who  
15 receives assistance or services when not entitled to them under this chapter because  
16 the information provided by the applicant or participant was inaccurate or incomplete  
17 is liable to the department for the value of the assistance and services improperly  
18 provided to the applicant or participant.

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

23 Sec. 47.27.090. DEFINITIONS. In this chapter,

24 (1) "assistance for basic living expenses" means assistance provided  
25 under the Alaska family independence program that may include cash, vouchers, or  
26 third-party vendor payments;

27 (2) "child care assistance" means payments made by the Department  
28 of Health and Social Services or the Department of Community and Regional Affairs  
29 to Alaska family independence program participant families or to providers for the care  
30 of children of the participant families;

31 (3) "child support" includes court-ordered or administratively ordered

1 child support, medical support, and spousal support;

2 (4) "child support enforcement agency" means the child support  
3 enforcement agency in the Department of Revenue;

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

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

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

8 (A) has not attained

9 (i) 18 years of age; or

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (f) If the child support enforcement agency is a party in an action in which  
9 paternity is contested, the agency shall request the court to order the tests and  
10 procedures described in (e) of this section. The agency may recover the costs of tests  
11 as a cost of the action, except that costs may not be recovered from a person who is  
12 a recipient of assistance [AID] under AS 47.27 (Alaska family independence  
13 program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT  
14 CHILDREN)].

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

16 (a) The agency may appear on behalf of minor children or their mother or  
17 legal custodian or the state and initiate efforts to have the paternity of children born  
18 out of wedlock determined by the court. When the agency is a party to a court action  
19 in which paternity is contested, it shall request and pay for genetic testing and  
20 procedures under AS 25.20.050(f). The agency may recover the costs of the tests as  
21 a cost of the court action, except that costs may not be recovered from a person who  
22 is a recipient of assistance [AID] under AS 47.27 (Alaska family independence  
23 program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT  
24 CHILDREN)].

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

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

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

1 (A) if the minor parent and child live with a parent of the  
2 noncustodial minor parent, the minor parent's custody of the child shall be  
3 imputed to the parent of the noncustodial minor parent; and

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

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

9 (ii) the physical or emotional health or safety of the  
10 minor parent or the minor's child would be jeopardized if the minor and  
11 the minor's child lived in the same residence with the minor's parent;  
12 and

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

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

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

18 (2) a grandparent who is determined under applicable agency  
19 regulations and court rules to be the obligor for purposes of paying child support on  
20 behalf of a grandchild is subject to all statutes, regulations, and court rules applicable  
21 to child support obligors.

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

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

30 (b) When the right to receive child support has been assigned to a  
31 governmental entity, an agreement under (a) of this section that has not been adopted

1 as an administrative order of the agency is not effective during a period when the  
2 obligee is receiving assistance under AS 47.07 or AS 47.27 [AS 47.25.310 -  
3 47.25.420].

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

5 (a) An obligor is liable to the state in the amount of assistance granted under  
6 AS 47.07 and AS 47.27 [AS 47.25.310 - 47.25.420] to a child to whom the obligor  
7 owes a duty of support except that, if a support order has been entered, the liability  
8 of the obligor for assistance granted under AS 47.27 [AS 47.25.310 - 47.25.420] may  
9 not exceed the amount of support provided for in the support order, and, if a medical  
10 order of support has been entered, the liability of the obligor for assistance granted  
11 under AS 47.07 may not exceed the amount of support provided for in the medical  
12 order of support.

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

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

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

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

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

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

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

31 (e) After payment to the obligee under (d) of this section, the state may retain

1 an amount not to exceed the total unreimbursed assistance paid on behalf of the  
2 obligee under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420].

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

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

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

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

13 \* **Sec. 16.** 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. The list must include the names,  
18 social security numbers, dates of birth, and last known addresses of the obligors. The  
19 list shall be updated by the agency on a monthly basis.

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

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

1 licensing entity.

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

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

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

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

1 send a release to the appropriate licensing entity and the applicant if any of the  
2 following conditions is met:

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

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

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

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

27 (h) An applicant is required to act with diligence in responding to notices from  
28 the licensing entity and the agency with the recognition that the temporary license  
29 granted under (d) of this section will lapse after 150 days and that the agency and,  
30 where appropriate, the court must have time to act within that 150-day period. An  
31 applicant's delay in acting, without good cause, that directly results in the inability of

1 the agency to complete a review of the applicant's request or the court to hear the  
2 request for judicial relief within the required period does not constitute the diligence  
3 required under this section that would justify the issuance of a release.

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

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

26 (1) whether there is a support order or a payment schedule on  
27 arrearages;

28 (2) whether the petitioner is the obligor covered by the support order;  
29 and

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

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

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

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

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

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

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

30 (q) In this section,

31 (1) "applicant" means a person applying for issuance or renewal of a

1 license;

2 (2) "license"

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

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

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

11 (iii) teacher certificate under AS 14.20;

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

14 (v) asbestos worker certification under AS 18.31;

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

16 (vii) certificate of fitness under AS 18.62;

17 (viii) hazardous painting certification under AS 18.63;

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

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

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

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

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

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

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

31 (B) does not include

- 1 (i) a vessel license issued under AS 16.05.490 or
- 2 16.05.530;
- 3 (ii) a commercial fishing license under AS 16.05.480,
- 4 including a crew member fishing license;
- 5 (iii) an entry permit or interim-use permit issued under
- 6 AS 16.43;
- 7 (iv) a license issued under AS 47.35;
- 8 (v) a business license issued under AS 43.70; or
- 9 (vi) a driver's license issued under AS 28.15;

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

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

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

18 (6) "substantial compliance with a support order or payment schedule"  
19 means that, with respect to a support order or a negotiated payment schedule under (g)  
20 of this section, whichever is applicable, the obligor has no more than \$2,500 past due  
21 and has cumulatively paid an amount equal to or greater than the amount due for eight  
22 months during the past 12 months; with respect to a support order or payment schedule  
23 that has been in effect for less than one year, "substantial compliance" means that the  
24 obligor has no more than \$2,500 past due and has cumulatively paid an amount equal  
25 to or greater than 67 percent of the amount due during the period the support order or  
26 payment schedule has been in effect.

27 Sec. 25.27.246. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S  
28 DRIVER'S LICENSE. (a) The agency shall compile and maintain a list of obligors  
29 who have a driver's license and are not in substantial compliance with a support order  
30 or payment schedule negotiated under (f)(1) of this section. The list must include the  
31 names, social security numbers, dates of birth, and last known addresses of the

1 obligors. The list shall be updated by the agency on a monthly basis.

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

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

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

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

31 (f) If a licensee wishes to challenge being included on the list, the licensee

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

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

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

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

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

30 (g) A licensee is required to act with diligence in responding to notices from  
31 the agency with the recognition that the person's driver's license will be suspended

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

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

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

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

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

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

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

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

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

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

22 (n) In this section,

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

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

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

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

29 (5) "substantial compliance with a support order or payment schedule"  
30 means that, with respect to a support order or a negotiated payment schedule under (f)  
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. 17.** AS 36.30.850(b)(11) is amended to read:

8 (11) agreements with providers of services under AS 44.47.250;  
9 AS 47.07; AS 47.08; AS 47.10; AS 47.17; AS 47.24; **AS 47.25.130(b); and AS 47.27**  
10 **[AS 47.25.195 AND 47.25.310];**

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

12 (31) a participant in the Alaska family independence program under  
13 AS 47.27 who holds a temporary position with the state in order to obtain job training  
14 or experience.

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

16 (a) As the lead state planning and coordinating entity, the Alaska Human  
17 Resource Investment Council has responsibility, to the extent authorized by federal and  
18 state law, for planning and coordinating federal, state, and local efforts in human  
19 resource programs in this state related to employment training, **including the work**  
20 **activities of the Alaska family independence program under AS 47.27.**

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

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

- 24 (1) maternal and child health services;
- 25 (2) preventive medical services;
- 26 (3) public health nursing services;
- 27 (4) nutrition services;
- 28 (5) health education;
- 29 (6) laboratories;
- 30 (7) mental health treatment and diagnosis;
- 31 (8) management of state institutions, except for adult penal institutions;

- 1 (9) medical facilities;
- 2 (10) adult public assistance;
- 3 (11) **Alaska family independence program** [AID TO FAMILIES
- 4 WITH DEPENDENT CHILDREN];
- 5 (12) child welfare services;
- 6 (13) general relief; and
- 7 (14) licensing and supervision of child care facilities.

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

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

- 12 (1) [NET] income of the family, including salary, alimony, child
- 13 support, retirement benefits, social security, and any other source of income;
- 14 (2) number of children in the family;
- 15 (3) whether there is one parent or guardian solely responsible for the
- 16 care of the family;
- 17 (4) [REPEALED
- 18 (5)] other factors found relevant by the department.

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

20 (1) administer adult public assistance, **the Alaska family independence**  
21 **program** [AID TO FAMILIES WITH DEPENDENT CHILDREN], and all other  
22 assistance programs, and receive and spend **money** [FUNDS] made available to it;

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

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

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

29 (5) cooperate with the federal government in matters of mutual concern  
30 pertaining to adult public assistance, **the Alaska family independence program** [AID  
31 TO FAMILIES WITH DEPENDENT CHILDREN], and other forms of public

1 assistance;

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

3 Sec. 47.05.030. MISUSE OF PUBLIC ASSISTANCE LISTS AND  
4 RECORDS. Except for purposes directly connected with the administration of general  
5 assistance, adult public assistance, the day care assistance program authorized under  
6 AS 44.47.250 - 44.47.310, or **the Alaska family independence program** [AID TO  
7 FAMILIES WITH DEPENDENT CHILDREN], and in accordance with the regulations  
8 of the department, a person may not solicit, disclose, receive, make use of, or  
9 authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or  
10 names of, or information concerning, persons applying for or receiving the assistance  
11 directly or indirectly derived from the records, papers, files, or communications of the  
12 department or subdivisions or agencies of the department, or acquired in the course of  
13 the performance of official duties.

14 \* **Sec. 26.** AS 47.05.080(a) is amended to read:

15 (a) Benefit overpayments collected by the department in administering  
16 programs under AS 47.25.120 - 47.25.300 (general relief), [AS 47.25.310 - 47.25.420  
17 (AID TO FAMILIES WITH DEPENDENT CHILDREN),] AS 47.25.430 - 47.25.615  
18 (adult public assistance), [AND] AS 47.25.975 - 47.25.990 (food stamps), **and**  
19 **AS 47.27 (Alaska family independence program)** shall be remitted to the Department  
20 of Revenue under AS 37.10.050(a).

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

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

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

29 (7) persons under age 21 who are receiving active treatment in a  
30 psychiatric hospital and who are financially eligible as determined by the standards of  
31 42 U.S.C. 601 - 615 (Title IV-A, Social Security Act, **Temporary Assistance for**

1 Needy Families) or a federal program designated as the successor to the aid to  
2 families with dependent children program [AID TO FAMILIES WITH  
3 DEPENDENT CHILDREN)];

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

5 (26) individuals under age 21 who are not eligible for benefits under  
6 the federal Temporary Assistance for Needy Families [AID TO FAMILIES WITH  
7 DEPENDENT CHILDREN] program, or a federal program designated as the  
8 successor to the aid to families with dependent children program, because they are  
9 not deprived of one or more of their natural or adoptive parents;

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

11 (b) The department may enter into contracts or [COMPETITIVELY  
12 AWARDED] group service agreements with providers or municipalities, and may  
13 require needy persons under AS 47.25.120 - 47.25.300 to obtain services from these  
14 designated providers. The department may establish by regulation program  
15 standards designed to meet local circumstances for services provided under  
16 contracts or group service agreements entered into under this subsection.

17 \* **Sec. 31.** AS 47.25.310, 47.25.320, 47.25.330, 47.25.340, 47.25.345, 47.25.350, 47.25.360,  
18 47.25.365, 47.25.370, 47.25.380, 47.25.395, 47.25.400, 47.25.410, 47.25.420, 47.25.421,  
19 47.25.423, 47.25.425, 47.25.427, and 47.25.429 are repealed.

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

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

29 \* **Sec. 33.** REPORT. (a) In furtherance of the public policy of increasing child support  
30 enforcement and collections, on or before January 1, 1999, the child support enforcement  
31 agency shall make a report to the governor based on data collected by the licensing entities

1 and the agency in a format prescribed by the agency. The report must contain

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

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

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

10 (4) the number of licenses under AS 28.15 that were suspended under  
11 AS 25.27.246 and the number of licenses under AS 28.15 that were reinstated following  
12 receipt by the Department of Public Safety of releases under AS 25.27.246 by July 1, 1998;  
13 and

14 (5) the costs incurred in the implementation and enforcement of AS 25.27.244  
15 - 25.27.246, enacted by sec. 16 of this Act.

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

21 \* **Sec. 34. WAIVER OF AID TO FAMILIES WITH DEPENDENT CHILDREN**  
22 **PROGRAM REQUIREMENTS.** (a) If the federal aid to families with dependent children  
23 program has not been repealed by October 1, 1996, the Department of Health and Social  
24 Services may implement changes to the aid to families with dependent children program,  
25 notwithstanding the provisions of AS 47.25.310 - 47.25.429, that are consistent with the  
26 Alaska family independence program, established in sec. 2 of this Act, by operating waiver  
27 projects with the approval of the federal government. All waiver projects must be within the  
28 scope of the program set out at sec. 2 of this Act and must be designed to promote family  
29 self-sufficiency.

30 (b) If the federal aid to families with dependent children program has not been  
31 repealed by October 1, 1996, the Department of Health and Social Services shall report to the

1 governor its recommendation for changes in its statutory authority that are needed to address  
2 conflicting legal authority to operate the waiver projects.

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

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

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

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

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

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

19 (2) exemptions from requiring participation in the projects because of  
20 exceptional circumstances;

21 (3) provisions for financial or nonfinancial sanctions for applicants who fail  
22 to cooperate with project requirements or a provision of a plan; and

23 (4) additional program standards and procedures to implement or interpret sec.  
24 2 of this Act in order to promote family self-sufficiency.

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

31 (b) Regulations adopted by the Department of Health and Social Services under the

1 authority of AS 47.25.310 - 47.25.420 before the effective date of secs. 2 and 37 of this Act  
2 remain in effect, and may be implemented and enforced to the extent that the regulations are  
3 not inconsistent with AS 47.27, until the department has made regulation changes under  
4 AS 44.62 (Administrative Procedure Act) to conform to this Act.

5 (c) An application for assistance filed under AS 47.25 remains effective as an  
6 application for the Alaska family independence program following the effective dates of  
7 secs. 2 and 37 of this Act and until the Department of Health and Social Services requires a  
8 new application with the development of the family self-sufficiency plan; new applications  
9 shall be required no later than one year following the effective date of sec. 2 of this Act.

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

14 \* **Sec. 39.** Section 38(a) of this Act takes effect immediately under AS 01.10.070(c).

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

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