

**SENATE CS FOR CS FOR HOUSE BILL NO. 98(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/18/00

Referred: Rules

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

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to contracts for the provision of state public assistance to  
2 certain recipients in the state; providing for regional public assistance plans and  
3 programs in the state; relating to grants for Alaska Native family assistance  
4 programs; relating to assignment of child support by Alaska Native family  
5 assistance recipients; to paternity determinations and genetic testing involving  
6 recipients of assistance under Alaska Native family assistance programs; and  
7 providing for an effective date."

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

9 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new  
10 section to read:

11 **FINDINGS AND INTENT.** (a) The legislature finds that

12 (1) self-sufficiency for Alaska families is a statewide goal and that achieving  
13 self-sufficiency is greatly influenced by local conditions, particularly in rural Alaska with its

1 unique mix of subsistence and cash economies;

2 (2) self-sufficiency efforts are more likely to succeed when local communities  
3 in a region of Alaska take responsibility for reducing dependence and when those efforts  
4 accurately reflect the varying conditions of that region;

5 (3) new federal welfare reform law offers Alaska Native nonprofit  
6 organizations the opportunity to assume responsibility for providing public assistance and self-  
7 sufficiency services throughout the state; and

8 (4) it is in the best interests of the state to promote regional responsibility for  
9 the design of the state public assistance program and self-sufficiency services.

10 (b) It is the intent of the legislature

11 (1) to implement a pilot project by providing certain appropriations that would  
12 otherwise be used to provide assistance and self-sufficiency services to the recipients living  
13 in a public assistance region through an Alaska Native family assistance grant to certain  
14 Alaska Native nonprofit organizations that assume the responsibility for providing assistance  
15 and services in that region; this pilot project will help determine whether it is in the public  
16 interest to expand eligibility for Alaska Native family assistance grants to other Alaska Native  
17 nonprofit organizations;

18 (2) that state public assistance plans may be approved on a regional basis in  
19 appropriate circumstances and, if approved, may be administered uniformly in the region for  
20 all recipients in order to achieve the maximum cost efficiencies and benefits of a regionally  
21 designed program.

22 \* **Sec. 2.** AS 47.27.005 is amended to read:

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

24 (1) administer the Alaska temporary assistance program by providing  
25 assistance with basic living expenses and self-sufficiency services to needy children  
26 and their families under this chapter **and, if appropriate, by establishing regional**  
27 **public assistance programs to provide effectively for varying conditions in regions**  
28 **of the state designated by the department;**

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

1 (3) prepare, submit to the federal government, and amend, if necessary,  
 2 a state plan designed to ensure [ASSURE] that federal money is available to the state  
 3 for the operation of the program set out in this chapter to provide assistance for basic  
 4 living expenses and self-sufficiency services to needy children and their families  
 5 consistent with the state objectives identified in (2) of this subsection [SECTION];

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

9 (5) make reports regarding the program to the federal government as  
 10 required under federal law [ANY SUCCESSOR FEDERAL PROGRAM THAT  
 11 REPLACES THE AID TO FAMILIES WITH DEPENDENT CHILDREN  
 12 PROGRAM], in the form and containing the information required, and comply with  
 13 the provisions that the federal government determines are necessary to ensure correct  
 14 and verifiable information on the program;

15 (6) provide to the legislature an annual executive summary of the  
 16 information required to be reported to the federal government under (5) of this  
 17 subsection [SECTION];

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

20 (8) adopt regulations and take action to implement [, INTERPRET,]  
 21 and administer the provisions of this chapter.

22 \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section  
 23 to read:

24 **PILOT PROJECT; ALASKA NATIVE FAMILY ASSISTANCE GRANTS.** (a)  
 25 Notwithstanding a contrary provision of AS 47.27 and in addition to grants awarded under  
 26 AS 47.27.050, the Department of Health and Social Services may award and administer  
 27 Alaska Native family assistance grants in accordance with this section to the Association of  
 28 Village Council Presidents, the Tanana Chiefs Conference, and the Tlingit-Haida Central  
 29 Council if they

30 (1) meet the requirements of AS 47.27.070;

31 (2) have received approval for, and have agreed to operate, a federally

1 approved tribal family assistance plan in this state;

2 (3) agree to operate the plan approved under this section on a state fiscal year  
3 basis; and

4 (4) meet the other requirements of this section.

5 (b) If an organization intends to apply for a grant under this section, the organization  
6 shall first submit to the department a letter of intent along with a copy of the proposed federal  
7 tribal family assistance plan that will be submitted to the federal government for approval.  
8 The organization shall make its submission to the department at least six months before the  
9 proposed effective date of the federal tribal family assistance plan. The department shall  
10 review the submission and notify the organization of significant deficiencies that would make  
11 the organization ineligible to be considered for an Alaska Native family assistance grant even  
12 if federal approval is received without significant changes to the federal tribal family  
13 assistance plan and federal grant money is awarded for implementation of that plan. The  
14 organization may make a supplemental submission to the department to resolve deficiencies  
15 noted by the department. If, after departmental review and supplemental revision, an  
16 organization's plan remains eligible for consideration for a grant award under this section, the  
17 department shall notify the organization that the organization may submit a proposal for a  
18 grant award after the organization has received notice of federal approval of the federal tribal  
19 family assistance plan and the pending award of federal grant money. The commissioner of  
20 health and social services may waive the time deadline specified in this subsection if the  
21 commissioner

22 (1) enters into a joint planning agreement between the department and the  
23 organization; or

24 (2) finds good cause and the waiver is in the state's best interest.

25 (c) If the department awards a grant under this section, the grant shall be in an amount  
26 that

27 (1) for the first fiscal year under the plan accepted by the department,  
28 represents a fair and equitable portion of the state appropriations for the state public assistance  
29 program administered under AS 47.27 intended to serve the state residents who will be served  
30 by the plan; and

31 (2) for the second and subsequent state fiscal years under the plan accepted by

1 the department, represents a fair and equitable portion of state appropriations made for public  
2 assistance programs that is allocated for Alaska Native family assistance grants to be awarded  
3 under this section in order to serve the state residents who will be served by the plan; if the  
4 money is not allocated for these grants, the amounts shall be made in the same manner as  
5 described in (1) of this subsection.

6 (d) For an organization to be eligible to be awarded a grant under this section, the  
7 organization's proposal must include

8 (1) documentation that the organization

9 (A) has received federal approval of its federal tribal family assistance  
10 plan to operate a tribal assistance program in this state; and

11 (B) will receive a grant directly from the federal government to  
12 implement the federal tribal family assistance plan;

13 (2) a plan for operation of the Alaska Native family assistance grant that meets  
14 the requirements of (e) of this section; and

15 (3) if the commissioner determines that a federally approved tribal family  
16 assistance plan would be a cost-effective and efficient means of administering the program  
17 established in AS 47.27 in that region of the state and the needs of state public assistance  
18 recipients receiving assistance under AS 47.27 can be met through a contract awarded under  
19 sec. 4 of this Act, the organization's agreement to enter into a contract with the department  
20 to provide state public assistance to those eligible state residents in the region who are not  
21 included in the population to be served by the federally approved tribal family assistance plan.

22 (e) An organization's plan for operation of the Alaska Native family assistance grant  
23 must

24 (1) be designed to facilitate self-sufficiency of assistance recipients in the  
25 region specified in the federally approved tribal family assistance plan by addressing the  
26 conditions specific to that region;

27 (2) provide for a reasonable pattern of service delivery from all providers  
28 serving that region;

29 (3) serve a specified region that consists of a geographically cohesive group  
30 of communities that share similar interests, resources, and traditions;

31 (4) establish the same maximum number of months of benefits as is established

1 for the state program under AS 47.27.015(a)(1); and

2 (5) provide for administration of the grant money received under this section  
3 to establish a program in accordance with the plan accepted by the department and in  
4 compliance with other requirements of this section; the program must include the following  
5 standards for providing assistance to eligible families:

6 (A) only families with at least one dependent child or a woman in the  
7 last trimester of pregnancy are eligible for assistance paid from an Alaska Native  
8 family assistance grant;

9 (B) amounts for assistance provided from an Alaska Native family  
10 assistance grant to eligible families may not exceed the amounts specified under  
11 AS 47.27.025(b) when combined with assistance provided under the federally approved  
12 tribal family assistance grant;

13 (C) to remain eligible for assistance paid from an Alaska Native family  
14 assistance grant, a minor parent of a dependent child must meet the requirements of  
15 AS 47.27.027;

16 (D) families receiving assistance paid from an Alaska Native family  
17 assistance grant shall comply with the provisions of AS 47.27.035(a) regarding  
18 participation in work activities;

19 (E) families receiving assistance paid from Alaska Native family  
20 assistance grant money shall comply with the provisions of (l) - (n) of this section  
21 regarding assignment of support rights and cooperation with the child support  
22 enforcement agency of the Department of Revenue;

23 (F) the organization has an impartial appeals process to allow for  
24 affected families in the region of the state covered by the plan accepted by the  
25 department to have a fair hearing.

26 (f) The department may award a grant under this section only if the department  
27 determines that the proposal, including a plan for operation of the grant, meets the criteria  
28 specified in (d) and (e) of this section and that an award of the grant to the organization would  
29 be in the public interest. The grant agreement must state that the Alaska Native family  
30 assistance program will require all program participants to assign child support rights to the  
31 Alaska Native family assistance program unless the Alaska Native organization elects to

1 require participants to assign those child support rights to the state. The department may not  
2 distribute grant money until a grant agreement between the organization and the department  
3 is executed that meets the requirements of this section.

4 (g) Records pertaining to recipients of assistance from an Alaska Native family  
5 assistance grant awarded under this section are confidential public assistance records under  
6 AS 47.05.020 and regulations adopted under AS 47.05.020. Use and misuse of these records  
7 are subject to the provisions of AS 47.05.030. It is an official purpose under AS 47.05.020  
8 for an organization receiving a grant under this section and the department or another agency  
9 of the state to exchange information concerning recipients of assistance under this section if  
10 the information requested is for purposes directly connected with the administration of a grant  
11 under this section.

12 (h) An organization receiving a grant under this section shall provide to the  
13 department a copy of its quarterly report made under 42 U.S.C. 611. The organization shall  
14 have its financial records audited annually by a certified public accountant authorized to  
15 practice under AS 08.04. The department may prescribe the form and specify the information  
16 required to document compliance with this section.

17 (i) If an organization wishes to terminate its program before the end of the time period  
18 for which the grant was awarded under this section, the organization must obtain the consent  
19 of the department or provide notice to the department 120 days before the anticipated date of  
20 termination. At the end of a grant agreement or by early termination under this section, the  
21 organization shall provide an inventory of property valued at \$1,000 or over and purchased,  
22 in whole or in part, with grant money awarded under this section. The department shall notify  
23 the organization of the required disposition of the property listed on the inventory.

24 (j) If the department awards a grant under this section, a person applying for  
25 assistance under AS 47.27 who is covered by the federally approved tribal family assistance  
26 plan in that region of the state may obtain assistance from the department only through the  
27 organization designated by the department to serve the region. A person aggrieved by a  
28 decision made by an organization under a grant awarded under this section may use the appeal  
29 procedure specified in sec. 4(e) of this Act.

30 (k) Notwithstanding (j) of this section, a person applying for assistance under  
31 AS 47.27 in a region of the state that is served by both an Alaska Native family assistance

1 program that receives a grant under this section and a program administered directly by the  
2 department may request to receive assistance under the program administered directly by the  
3 department by applying to the department under this subsection and in accordance with  
4 regulations adopted under this subsection. The department shall approve the application if the  
5 department finds that the applicant has shown that special circumstances exist that support the  
6 request to use the state program.

7 (l) A participant in an Alaska Native family assistance program shall assign to the  
8 Alaska Native family assistance program, unless the program has elected to require assignment  
9 to the state, all rights to ongoing child support that accrues after the effective date of the  
10 assignment for the support of the individuals in the family for whom assistance is provided,  
11 but not to exceed the total amount of assistance paid by the Alaska Native family assistance  
12 program to the family. The assignment takes effect when information required under (n) of  
13 this section is provided to the child support enforcement agency of the Department of  
14 Revenue, following the determination of eligibility. Except with respect to any unpaid support  
15 that accrued under the assignment, the assignment terminates when the family ceases to  
16 participate in the Alaska Native family assistance program. All assignments to an Alaska  
17 Native family assistance program of unpaid child support obligations transfer to the state upon  
18 the termination of an Alaska Native family assistance program.

19 (m) An Alaska Native family assistance program participant shall cooperate with the  
20 child support enforcement agency of the Department of Revenue in the manner described in  
21 AS 47.27.040(b) in establishing paternity or establishing, modifying, or enforcing a child  
22 support order requiring the payment of support by the noncustodial parent for a dependent  
23 child for whom assistance is received. The child support enforcement agency shall inform the  
24 Alaska Native family assistance program if it determines that the participant is not in good  
25 faith compliance with the requirements of AS 47.27.040(b). The Alaska Native family  
26 assistance program shall determine whether the participant has good cause for refusing to  
27 cooperate.

28 (n) An Alaska Native family assistance program that receives assignments of ongoing  
29 child support must provide public assistance information concerning those assignments to the  
30 child support enforcement agency of the Department of Revenue in a timely manner in order  
31 to establish a valid assignment. The information must be provided by electronic means and

1 in a format acceptable to the child support enforcement agency. For the purposes of this  
2 subsection, "timely manner" means within the time constraints established for child support  
3 agency distributions under federal law.

4 (o) The applicability of AS 25.27 in the case of a recipient under an Alaska Native  
5 family assistance program includes the following:

6 (1) an obligor is liable to the Alaska Native family assistance program in the  
7 amount of the family assistance provided by the program to a child to whom the obligor owes  
8 a duty of support except that, if a support order has been entered, the liability of the obligor  
9 for assistance provided by an Alaska Native family assistance program may not exceed the  
10 amount of support provided for in the support order, and, if a medical order of support has  
11 been entered, the liability of the obligor for assistance granted under AS 47.07 may not exceed  
12 the amount of support provided for in the medical order of support; the agency shall send  
13 notice of accruing liability under this paragraph in the same manner as required under  
14 AS 25.27.120(c), and, if the agency fails to comply with this notice requirement, interest does  
15 not accrue on the liability to the Alaska Native family assistance program unless a support  
16 order or medical support order, as applicable, has been entered;

17 (2) the child support enforcement agency may appear in an action authorized  
18 under AS 25.27.045 at the agency's own discretion if an obligor under AS 25.27 is liable to  
19 the Alaska Native family assistance program under (1) of this subsection;

20 (3) an Alaska Native family assistance program to which the agency  
21 erroneously disburses an overpayment of child support under an income withholding order is  
22 liable to the state for the amount disbursed, plus interest at the rate imposed under  
23 AS 43.05.225;

24 (4) when the right to receive child support has been assigned to an Alaska  
25 Native family assistance program, an agreement under AS 25.27.065(b) that has not been  
26 adopted as an administrative order of the agency is not effective during a period when the  
27 obligee is receiving assistance under an Alaska Native family assistance program;

28 (5) the agency, on behalf of an Alaska Native family assistance program, shall  
29 take all necessary action permitted by law to enforce child support orders entered under  
30 AS 25.27, including petitioning the court for orders to aid in the enforcement of child support;

31 (6) if an obligor under AS 25.27 is liable to an Alaska Native family assistance

1 program under (1) of this subsection, the state is subrogated to the rights of the obligee take  
2 actions authorized under AS 25.27.130(a);

3 (7) notwithstanding AS 25.27.130(c), the recovery of an amount for which an  
4 obligor under AS 25.27 is liable that exceeds the total assistance granted under AS 47.07 and  
5 AS 47.27 or under an Alaska Native family assistance program shall be paid to the obligee;

6 (8) except as provided in AS 25.27.130(f), if an obligee under AS 25.27 is not  
7 receiving assistance under AS 47.07 or AS 47.27 or under an Alaska Native family assistance  
8 program at the time the state recovers money in an action under AS 25.27.130(d ) or (1) of  
9 this subsection, the recovery of any amount for which the obligor is liable shall be distributed  
10 to the obligee for support payments, including medical support payments, that had become due  
11 and unpaid since the termination of assistance under AS 47.07, AS 47.27, or an Alaska Native  
12 family assistance program under a support order in favor of the obligee;

13 (9) after payment to the obligee under (8) of this subsection, the state may  
14 retain an amount not to exceed the total unreimbursed assistance paid on behalf of the obligee  
15 under AS 47.07, AS 47.27, or an Alaska Native family assistance program;

16 (10) if an alleged obligor is liable to an Alaska Native family assistance  
17 program under (1) of this subsection, and a support order has not been entered, the agency  
18 may, at its own discretion, undertake an action to establish paternity and a duty of support  
19 using the procedures prescribed in AS 25.27 and may enforce a duty of support using the  
20 procedures prescribed in AS 25.27; the agency may also institute administrative proceedings  
21 to determine the paternity of a child born out of wedlock upon application of an Alaska Native  
22 family assistance program; the agency may not recover costs of genetic tests required under  
23 this paragraph from a person who is a recipient of assistance under an Alaska Native family  
24 assistance program;

25 (11) when a hearing officer makes a determination under AS 25.27.170(d), the  
26 hearing officer shall, in addition to the factors described in AS 25.27.170(e), consider the  
27 amount of the alleged obligor's liability to an Alaska Native family assistance program under  
28 (1) of this subsection;

29 (12) notwithstanding AS 25.27.255(a), the agency may not pay to an obligee  
30 any money that has been assigned to an Alaska Native family assistance program.

31 \* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section

1 to read:

2 PILOT PROJECT; REGIONAL PUBLIC ASSISTANCE PROGRAMS. (a) The  
3 department may develop a regional public assistance program for the administration of  
4 AS 47.27 in order to provide state public assistance in a uniform and cost-effective manner  
5 in a region of this state if an Alaska Native organization is authorized to implement a federally  
6 approved tribal family assistance plan that includes that region and has been awarded an  
7 Alaska Native family assistance grant for a program that includes that region for the applicable  
8 fiscal year under sec. 3 of this Act. The regional public assistance program developed under  
9 this section must be designed to serve eligible state residents in the region covered by the  
10 program who are not already covered by a federally approved tribal family assistance plan in  
11 that region.

12 (b) The department may award contracts to implement a program developed under (a)  
13 of this section. A contract authorized for delivery of state public assistance under a regional  
14 public assistance program under this section is exempt from the competitive bid requirements  
15 of AS 36.30 (State Procurement Code). Subject to appropriation, a contract under this section  
16 must be in an amount that represents a fair and equitable share of the money appropriated  
17 under AS 47.27 to serve the state residents specified in (a) of this section. This section  
18 provides additional authority to contract to that available under AS 47.05.015 or other law.

19 (c) The department may award a contract under this section only to an organization  
20 that

21 (1) has been awarded an Alaska Native family assistance grant under sec. 3  
22 of this Act for a program that includes that region;

23 (2) agrees to administer state public assistance under AS 47.27 to state  
24 residents in the region who are not served by the Alaska Native family assistance grant  
25 awarded under sec. 3 of this Act;

26 (3) agrees to provide state public assistance identical to that provided under  
27 the federally approved tribal family assistance plan for which Alaska Native family assistance  
28 grant money has been awarded under sec. 3 of this Act; and

29 (4) agrees to implement an appeals process as described in (e) of this section.

30 (d) Records pertaining to recipients of state public assistance under a contract awarded  
31 under this section have the same confidential protections as are provided to recipients of

1 assistance from Alaska Native family assistance grants under sec. 3 of this Act.

2 (e) An organization that receives a contract under this section shall provide an appeals  
 3 process to applicants for or recipients of state public assistance covered by the contract  
 4 awarded under this section. The appeals process must be the same as the method available  
 5 under the federally approved tribal family assistance plan, except that the decision reached will  
 6 be considered as a recommended decision to the department. Within 30 days after receiving  
 7 a recommended decision, the department shall review the recommended decision and issue a  
 8 decision accepting or rejecting the recommended decision. If the department rejects the  
 9 recommended decision, the department shall independently review the record and issue its  
 10 final decision. The final decision of the department on the matter is appealable to the courts  
 11 of this state.

12 (f) If the department establishes a regional public assistance program and awards a  
 13 contract to provide state public assistance under this section, a person applying for state public  
 14 assistance under AS 47.27 in the region of the state covered by the regional public assistance  
 15 program may obtain state public assistance from the department only through the organization  
 16 designated by the department to serve the region.

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

19 **DEFINITIONS.** In secs. 3 and 4 of this Act,

20 (1) "agency" means the child support enforcement agency, Department of  
 21 Revenue;

22 (2) "Alaska Native family assistance grant" means a grant under sec. 3 of this  
 23 Act;

24 (3) "Alaska Native family assistance program" means a program funded in part  
 25 by a grant under sec. 3 of this Act;

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

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

28 (6) "federally approved tribal family assistance plan" means a plan that meets  
 29 the requirements of 42 U.S.C. 612 and has been approved for financing through a tribal family  
 30 assistance grant directly from the United States Department of Health and Human Services.

31 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section

1 to read:

2 REPORT. By October 1, 2004, the Department of Health and Social Services shall  
3 report to the governor and the legislature concerning operation of the pilot projects authorized  
4 under secs. 3 - 5 of this Act and recommending whether or not the grants and contracts  
5 authorized under those sections should become available to all Alaska Native groups listed in  
6 AS 47.27.070.

7 \* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section  
8 to read:

9 APPLICABILITY. This Act does not apply to the provisions of an existing Alaska  
10 Native family assistance grant agreement in effect on the effective date of this Act until the  
11 earliest of the following occurs:

12 (1) the grant agreement expires;

13 (2) the grant agreement is terminated;

14 (3) a substantial modification is made to the grant agreement; routine technical  
15 amendments to an existing Alaska Native family assistance grant agreement in effect on the  
16 effective date of this Act do not constitute a substantial modification for purposes of this  
17 paragraph.

18 \* **Sec. 8.** Sections 3 - 7 of this Act are repealed June 30, 2005.

19 \* **Sec. 9.** This Act takes effect January 1, 2001.