

ALASKA STATE LEGISLATURE
SENATE HEALTH, EDUCATION & SOCIAL SERVICES COMMITTEE

February 25, 2002
1:36 p.m.

MEMBERS PRESENT

Senator Lyda Green, Chair
Senator Loren Leman, Vice Chair
Senator Gary Wilken
Senator Jerry Ward
Senator Bettye Davis

MEMBERS ABSENT

All Members Present

COMMITTEE CALENDAR

SENATE BILL NO. 293

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

HEARD AND HELD

PREVIOUS SENATE COMMITTEE ACTION

SB 293 - No previous action to record.

WITNESS REGISTER

Ms. Angela Salerno
Legislative Liaison
Division of Public Assistance
Department of Health &
Social Services
PO Box 110601
Juneau, AK 99801-0601

POSITION STATEMENT: Answered questions about SB 293

Ms. Ellie Fitzjarrald
Chief, Policy and Program Development
Division of Public Assistance
Department of Health &

Social Services
PO Box 110601
Juneau, AK 99801-0601

POSITION STATEMENT: Answered questions about SB 293.

ACTION NARRATIVE

TAPE 02-11, SIDE A

Number 001

#SB 293

CHAIRWOMAN LYDA GREEN called the Senate Health, Education & Social Services Committee meeting to order at 1:36 p.m. Senators Wilken, Ward, Davis and Green were present. Chairwoman Green announced the committee would hear SB 293, which is a revisit of the welfare reform issue that the legislature began about seven years ago. She noted that it is time to update that legislation and, as in 1995, the legislature is ahead of the federal government as it reauthorizes the federal program so the legislature has to be mindful of doing everything in the correct order. She asked Mr. Burnett to present the legislation.

SB 293-ALASKA TEMPORARY ASSISTANCE PROGRAM

MR. JERRY BURNETT, staff to Senator Green, explained that SB 293 is the result of a joint effort between the House and Senate HESS Committees. Both committees contracted last session with the American Institute for Full Employment to look at the welfare reform program in Alaska. SB 293 institutes all of the legislative recommendations in the Institute's report, which include:

- Increasing diversion payments from 2 to 3 months to allow people sufficient funds to avoid being on the program;
- Changing the definition of "assistance" to "cash assistance" and "self-sufficiency services";
- Allowing the value of food stamps to be used for wage subsidy programs;
- Instituting a new progressive sanction policy for people who fail to follow the rules;
- Repealing the 20 percent cap on exemptions to the 60-month limit for cash benefits.

MR. BURNETT informed members that representatives from the Department of Health and Social Services (DHSS) and Sandy Hoback from the American Institute for Full Employment were available to provide details and answer questions.

MS. ANGELA SALERNO, legislative liaison for the Division of Public Assistance (DPA), DHSS, stated the bulk of the bill clarifies the distinction between cash assistance and self-sufficiency services in an effort to provide work support for clients who are about to go off of the program. That support will consist of things like transportation or clothing to ensure that clients can easily make the transition to self-sufficiency. DPA believes that with extra support clients will be more likely to retain the progress they have made and no longer need the program. DPA wants to be able to convert food stamp allotments to wage subsidies. Right now, DHSS is allowed to turn a family's cash benefit into a wage subsidy and provide the subsidy to an employer who is willing to hire the individual. The change in the bill will provide a bigger incentive to employers to hire or create new jobs for welfare recipients.

MS. SALERNO explained that DPA wants to increase the amount available for diversion payments. Right now, DPA can pay a family a lump sum benefit (two months of payments) rather than have the family register for welfare payments. DPA has found that many clients have a very discrete need, but because there has only been one way to get assistance, they sign up for the welfare program and get all of the benefits. SB 293 will increase the lump sum diversion payment to three months of benefit payments. She noted that field workers have found that two months of payments are not enough to meet people's needs. DPA hopes that with a three-month payment, more people will never come on the program but be diverted up front.

MS. SALERNO informed members that the federal law requires states to penalize clients who do not comply with program rules. In Alaska's statute, a family can lose up to 40 percent of its benefit for a first non-compliance offense but the penalty is removed immediately with compliance. However, that penalty is not removed for six months for a second offense or 12 months for a third offense. That system provides no incentive to comply. She explained that SB 293 changes the progressive sanction plan so that a person who is out of compliance a second time will lose 75 percent of his or her cash grant and 100 percent after eight months of non-compliance. She maintained that safeguards are built into the progressive sanction plan because the clients who are penalized are often those with the most difficult barriers. For example, some clients have literacy problems and cannot read notices, or some clients have mental health problems. SB 293 requires DPA to do some good casework and check up on the families before benefits are reduced by 75 or 100 percent.

MS. SALERNO said the final change in SB 293 is the repeal of the 20 percent cap on exemptions to the 60-month limit.

SENATOR DAVIS asked, regarding the progressive sanctions, what other safeguards are contained in SB 293 for children.

MS. SALERNO said that DPA must attempt to do a home visit and a full review of the case before benefits are cut 75 or 100 percent. If the caseworker finds no extenuating circumstances for non-compliance, DPA has the option to manage that individual's benefits. DHSS can make vendor payments for rent and utilities so that there will never be a time when a child will have to be put in foster care because the health and safety of the children is threatened.

CHAIRWOMAN GREEN asked for an example of non-compliance.

MS. SALERNO said a client who does not show up for a job interview without good cause would be considered to be out of compliance.

CHAIRWOMAN GREEN asked if that might apply to refusal to participate in treatment, rehabilitation or other health considerations.

MS. ELLIE FITZJARRALD, Director of Policy, Division of Public Assistance, said a number of activities fall under the purview of the family self-sufficiency activities or work-related activities. Some relate to working at a job for a specified number of hours per week, or a client might have been screened for a substance abuse problem and is required to attend treatment. She said those activities relate to anything that will contribute to a client's skill building or actual participation in work activities that are connected to self-sufficiency. She pointed out that the protections contained in SB 293 are aimed at ensuring that DHSS has done its job.

MS. SALERNO repeated the final provision in SB 293 repeals the 20 percent cap on exemptions. A number of clients will not be able to get off of the program for a variety of reasons. The current law contains a 20 percent cap on the number of people who can be granted an extension. SB 293 would lift the 20 percent cap and replace it with strict criteria that a family or individual will have to meet to be eligible for the exemption. DPA believes it is dangerous and unfair to deny people the assistance they need if they fit the criteria. This provision is the most important part of the bill to DHSS.

SENATOR WILKEN asked why the word "arbitrary" was used to describe the 20 percent cap.

MS. SALERNO said she believes it was taken from the federal law when it was being developed. She believes it was a compromise number that came about during the political process and was included because it was understood that some people could not become self-sufficient within the 5-year time limit.

SENATOR WILKEN asked if a bureaucracy will need to be in place to determine who is eligible if the cap is lifted.

MS. SALERNO said that is correct.

SENATOR WILKEN questioned whether that is reflected in the bill's fiscal note.

MS. SALERNO said it is not; the bill has a zero fiscal note because the program is funded with a block grant and state maintenance of effort (MOE) funds. The cost of administering the program will remain constant regardless of the number of clients served. She explained that the criteria DPA will use has already been developed (page 2 of Ms. Salerno's handout).

CHAIRWOMAN GREEN asked if the criteria are referred to in the statute.

MS. SALERNO said they are.

CHAIRWOMAN GREEN said, to her recollection, the criteria was iterated from the exemption provision of the original welfare reform legislation.

MS. SALERNO agreed it is in current law.

SENATOR WILKEN asked if one out of five of the current caseload can be excluded from the five year limit under current law.

MS. SALERNO said that is correct.

SENATOR WILKEN asked Ms. Salerno if she is suggesting repealing the 20 percent cap with no replacement so that every client who is approaching his or her fifth year of benefits would go through the review process to determine eligibility. He then asked who will pay for the review since requiring reviews for so many clients will require more bureaucracy.

MS. SALERNO clarified that DHSS is already doing a lot of those reviews now because some families have reached the 60-month limit or are coming close to it. DPA is using existing staff as review

panels so that work has been integrated into the rest of the caseload and no additional cost will be incurred.

SENATOR WILKEN expressed confusion and said, "What you're saying is that this 1100 here is what you're dealing with in current - currently these are the 1100 and if we lifted the cap, we would be suddenly dealing with 6,000-5,598." He asked for clarification and said that by removing the incentive to get off of the welfare program.

MS. SALERNO said that characterizing the change as "lifting the cap" is incorrect. Nothing will change regarding caseload as all families get reviewed, regardless. She noted that the information on the handout is a projection for FY 03. Right now, DHSS does not have 20 percent of welfare clients earmarked for extensions. However, DHSS does know that some clients have disabled children in the home. She emphasized that no one will automatically get an extension. If a client applies for an extension, DPA will make a decision as to whether or not that client meets the criteria for an extension.

SENATOR WILKEN stated:

Understand. But if - as I understand it, I'm approaching my - I'm in my fourth year - I'm in my fifth year and approaching the end. I know at the end of the year I'm going to be off of welfare. But, if I have extenuating circumstances, I may be one of five that could be released by the state through this review to continue on in some manner and if we lift - if we repeal the 20 percent cap, then my horizon is extended to the point where, well, I may be able to get this because they're going to review my case and I think I'm okay but I'm going to get them to say one way or the other. It lifts the finality and so then I say, of the 5500 in '98, most of those are probably going to say I deserve to be excluded, which increases the workload.

MS. SALERNO said they will only receive an extension if they meet the criteria but none of it is automatic. Everyone will get a review.

SENATOR WILKEN said the fact that all 5,598 clients will get a review is his point because, as of today, DPA has reviewed 1,100.

MS. SALERNO said that is incorrect because DHSS will review every case whether the cap is repealed or not. That is division policy because it wants to make sure it knows what is going on with families before benefits are stopped.

SENATOR WILKEN again asked if 80 percent of the 5,500 will no

longer receive benefits.

MS. SALERNO said DPA will have to make some decisions as some families may have very similar circumstances when the 20 percent cap is almost reached.

SENATOR WILKEN said he will pursue this issue further in the Senate Finance Committee because he does not understand why repealing the cap will not increase DPA's workload if people continue to stay on the program and it becomes cumulative.

MS. FITZJARRALD said that, as part of the federal welfare reform legislation, states were allowed to accept 20 percent of their caseload once that 20 percent hit the 5-year time limit. When Alaska's welfare reform law passed, it was set at 10 percent or whatever amount was in the federal law. In 1994, when welfare reform began, over 12,000 families received public assistance in Alaska. At that time, DPA thought it had lots of room with which to work with families who, after 5 years, may need an exception. Now that Alaska's caseload has been reduced to 7,000, the 20 percent is based on that amount. DPA knows that a larger proportion of the families left on assistance now have many issues in their lives. She noted that the projected number of families with allowable exemptions in FY 03 will be 1120. DPA calculated that figure from the number of families on the Alaska Temporary Assistance Program in July of 1997 (the beginning of the 5 year limit) who continue to receive benefits. DPA is going through the process of determining whether they should get exemptions. Ms. Fitzjarrald said that DPA believes the time limit has been a strong motivator to families on welfare and that some families go off a bit early to reserve their remaining time for the future, if needed.

MS. FITZJARRALD said that once DPA gets through the first year of clients who have reached the 5-year limit, it will find families who need to rely on the program over time. DPA is projecting that it will have a problem in FY 04 because it will not have the authority to extend benefits to those families who still need help. DPA will then be faced with trying to decide who, of the people that meet the criteria, should get the exemption. SB 293 attempts to fix that dilemma while maintaining the 5-year limit as a motivator. She pointed out that 20 percent was an arbitrary amount set by Congress and was a huge number when the legislation went into effect, but it has diminished and DPA is concerned about that.

CHAIRWOMAN GREEN asked Ms. Salerno to speak to the 24-month provision in the original legislation that was designed to have clients working within two years. She maintained that the 5-year limit was intended to be the lifetime limit. She asked about the number of clients who went off of public assistance at the two-

year mark.

MS. SALERNO stated that clients were supposed to be involved in a work activity at two years.

CHAIRWOMAN GREEN said:

The preponderance of the people that are included in this number right here didn't even approach the 5-year time limit. That's what I'm trying to say and so the standard that required them to be off is not being changed, is it? For someone new coming on they still have the 2-year restriction on their - the length of time in which they're supposed to be off. The 5-year was the worst-case scenario for a person for a lifetime. The exemptions were those cases that - for some - an extenuating circumstance for a short period of time for some probably a chronic case, but after that person reaches the 5-year time limit and they are extended - the exemption, for instance, when is the next review of their case?

MS. SALERNO said that varies. DPA has granted extensions for as short as 2 months.

SENATOR WILKEN asked if an appeal process exists for clients who are denied an extension from the 5-year limit.

MS. SALERNO said yes.

SENATOR WARD asked if all other states have a 20 percent cap.

MS. FITZJARRALD said that not all states have a 20 percent cap in their state laws. All states are held to the 20 percent cap by federal law, but the states that do not have that provision in state law have been very creative in setting up separate state programs. They use all state money (no federal funds) to provide assistance to families who have hit the 5-year limit. Many states do not count months worked as time limit months. Some have a buy-back provision.

SENATOR WARD asked if any of those states put clients on to a separate program after five years. He expressed concern that some clients will need assistance for their entire lives so they will use up part of the 20 percent cap.

MS. FITZJARRALD said that is true and noted that some states do not wait 5 years before transferring certain clients into state programs. She said she did not know the number of states.

SENATOR WARD suggested changing the front-end criteria to free up

funds to take care of clients who will truly continue to need assistance after the 5-year limit.

MS. SALERNO asked if Senator Ward was suggesting changing the eligibility requirements.

SENATOR WARD said that is correct and is why he is curious about what other states have done.

CHAIRWOMAN GREEN asked Ms. Hoback to comment.

MS. SANDY HOBACK, American Institute for Full Employment, pointed out that most states are just now getting to the 5-year limit and have not had a problem staying within the 20 percent federal requirement. She said that how states are dealing with the problem runs the public policy gamut. The states who are more liberal in their interpretation of who gets extended place clients in state-only programs earlier. Those state-only programs are funded with either state MOE funds or with additional state dollars. Ohio, which is on the other end of the spectrum, does not foresee any problem staying within the 20 percent federal requirement because its criteria to grant an extension are much more conservative. She said that all states use criteria so the process for an extension is not arbitrary. She indicated the issue in Alaska is whether it wants to use the cap in addition to criteria, which is already being used.

MS. HOBACK advised members to view this legislation as a package deal. By strengthening the sanction process and the work-first approach, the expectations on clients will be heightened from the start. She believes DPA will see far fewer people hitting that timeline because the expectations have been adjusted so that they must be doing something everyday, not only during the last 12 months. She indicated that she has brought the committee the best research from around the country to justify the recommendations in the study. She suggested requiring DPA to report back to the legislature after a year of processing extension applications to inform legislators of the circumstances under which people are granted extensions.

SENATOR LEMAN referred to Sec. 4 of SB 293 and noted that 11 new sections must have been added to the Food Stamp Act since the legislature passed Alaska's welfare reform legislation. He then asked why the word "certificate" is being changed to "allotment."

MS. SALERNO said Senator Leman is correct about the Food Stamp Act. She stated, regarding allotments, that clients do not actually receive stamps or certificates anymore; almost all funds are transferred electronically.

SENATOR LEMAN confirmed that it is a different way of delivering

the same thing.

SENATOR LEMAN asked what the public purpose is of expanding the cash payment to divert individuals from registering for the welfare program.

MS. SALERNO said that field workers believe that two months of benefits are not enough to cover the costs that bring people to the program and the purpose is to divert them from coming onto the program. The cash payment will allow families to cover the expenses that are keeping them from being self-sufficient. Those families may not need all of the benefits provided by the welfare program and they are job-ready. She pointed out that individuals must be job-ready to qualify for a diversion payment. DPA believes that if the payment is expanded, more people will choose the diversion option.

SENATOR LEMAN asked if the state has explored what can be done, in terms of diversion, to help make decisions for people. He commented that often people do not make the right decisions and he guesses that many people are in this circumstance because they made a bad choice at some time. He asked how much flexibility DPA has to make choices for them so that the diversion benefits them and the program.

MS. SALERNO explained when families come to DPA for assistance, they have to tell the caseworker what is going on. Caseworkers could give advice but it is probably after the fact, as poor decisions may have already been made.

MS. HOBACK said that the provisions in SB 293 are coupled with her work with DPA to strengthen its upfront approach. From the first contact, the individual is engaged in what it will take to get employed. The presumption with this approach is that the individual is there to start working on employment. Putting that expectation upfront creates a strong motivation for people to make better decisions or to acknowledge the poor decisions they have made in the past. In addition, the diversion program will allow clients to move forward rapidly and avoid the welfare system altogether.

2:21 p.m.

SENATOR LEMAN said that although he is reticent to accept anecdotal evidence as the norm, he has heard from field workers about people moving to Alaska because Alaska provides more benefits, especially with the permanent fund dividend. He asked what can be done to keep families together in their original support groups.

MS. SALERNO informed Senator Leman that DPA counts the months of

assistance that people have received in other states. She questioned what the agency could do at that point if the person is eligible.

MS. HOBACK said that some states have capped the grant amount to what the client was receiving in the previous state. She suggested that restricting those payments would require a statutory change.

SENATOR LEMAN said that both of those proposals have been debated and have substantial support but neither has gone forward.

MS. FITZJARRALD said it is her understanding that limiting benefits to the amount granted in a previous state has been struck down by the courts.

CHAIRWOMAN GREEN noted that provision was in the original welfare reform bill but was removed for that reason.

MS. FITZJARRALD reiterated that the time limit is a driving factor if the client has moved from another state where they were collecting benefits.

MS. HOBACK said that as the welfare administrator for the State of Oregon, she saw a lot of people move in from Oregon, even though Oregon's grant levels were lower. Once Oregon began to transform its system by putting the right expectations on clients, the in-migration slowed down because people understood they would have to do something. Some of the people who migrate do so to avoid requirements so strong ones are a deterrent.

CHAIRWOMAN GREEN asked what kind of oversight will determine when it is time to say "enough is enough" if there is no method of closure.

MS. SALERNO said DPA is discussing having a time limit but has not set a policy yet. DPA is trying to achieve wage progression and advancement so that families can support themselves with what they earn. Many families go to work for the minimum wage.

CHAIRWOMAN GREEN asked if that applies to the 24-month model as well.

MS. SALERNO said it would and that most clients are working long before 24 months.

CHAIRWOMAN GREEN asked if it is safe to assume that cash benefits would be ratcheted down for clients once they get jobs but self-sufficiency services will continue.

MS. SALERNO said that is correct and is what DPA wants the

authority to do.

SENATOR WARD asked if DPA is already doing that.

MS. SALERNO said DPA is doing it in certain cases.

SENATOR WARD asked what the state match is for the federal grant.

MS. SALERNO said that under the AFDC program, it was 50/50. Now the state receives a block grant.

MS. FITZJARRALD explained that the state must spend 80 percent, as a maintenance of effort, of the amount it spent to provide assistance in 1994.

SENATOR LEMAN asked if the state is providing 80 percent of the 1994 amount, which would meet the minimum requirement.

CHAIRWOMAN GREEN said Alaska is right at the minimum.

SENATOR LEMAN asked if the federal grant amount has remained the same as the amount it contributed in 1994.

MS. FITZJARRALD said it is about the same with a variable this year due to a supplemental payment.

CHAIRWOMAN GREEN asked who pays when the value of the food stamps is applied to a wage subsidy.

MS. SALERNO said that is federal money.

CHAIRWOMAN GREEN asked if the federal agency will let the state use the cash instead of food stamps.

MS. SALERNO said it will but the federal agency has very rigorous requirements that DPA must follow.

CHAIRWOMAN GREEN commented that a person who participates in the diversion program must wait 12 months before applying for assistance but the bill also contains language that says if the person does apply for benefits, the cash only has to be prorated and handled as direct income and is counted against qualification. She asked what the difference is between the cash assistance and everything a client would have received under ATAP benefits.

MS. FITZJARRALD said that currently under the diversion program, DPA makes a cash payment for two months and does not provide self-sufficiency services. SB 293 would allow DPA to increase the cash payment to three months.

CHAIRWOMAN GREEN stated, "I just want to be sure that we're not opening that up and not just doing a two to three month difference versus maybe a greater value per unit."

MS. HOBACK said this does not change that.

CHAIRWOMAN GREEN informed members that she plans to bring the bill up again on Wednesday and that she will work on an amendment to require a report from DPA.

SENATOR WARD asked if any projections have been done on whether the number of people who will have to stay on the program after five years is increasing at a certain amount each year so that those people will eventually comprise more than half of the caseload.

CHAIRWOMAN GREEN suggested that if the program is incredibly successful and everyone except those who have incredible barriers go to work, it is conceivable.

MS. HOBACK said it is too early to know where that number will level but the legislature should get a report to keep an eye on it. She noted this is a national issue and all states are just hitting the five-year time limit.

SENATOR DAVIS asked Ms. Hoback if she is suggesting the report requirement be in the legislation or whether it be done with a letter of intent.

MS. HOBACK said she does not know how the legislature does business and that it is up to legislators.

CHAIRWOMAN GREEN confirmed that a letter of intent would suffice. She then asked if there have been annual reports since the inception.

MS. SALERNO said DPA does a status report every year.

SENATOR LEMAN said he is reticent to totally lift the 20 percent cap because he believes setting goals changes behavior, of clients as well as DPA employees. He said that he views the program as successful - to reduce the caseload from 12,000 to 5,600. He would like to see that number go down to 3,000 in the next several years.

CHAIRWOMAN GREEN asked if DPA has forecasted the percentage of clients who will need an extension over the next few years.

MS. FITZJARRALD said the chart shows that in FY05, 980 of 4900 clients would be allowed the exemption (20 percent) but the projected number of qualified individuals is 1000.

SENATOR WARD said if the legislature was to develop a state-only funded program for the families over the 20 percent that would count toward Alaska's match amount. He asked whether different criteria could be applied because their needs will be different from a client who is on the program for three months.

MS. FITZJARRALD explained that any money used for a state-only program to serve families who are cut off because of the time limit could be counted toward the state maintenance of effort. Regarding separate criteria, the legislature could do that. DPA is working with criteria in existing law for ATAP, which allows an exemption to be granted to four groups.

SENATOR WARD asked if it would be beneficial to have certain criteria for people who are not self-sufficient after five years.

MS. FITZJARRALD said DPA believes it has done a fairly good job of describing who those people are in the handout. DPA's goal is always to get clients back into the workforce or working to the extent they are able.

MS. SALERNO added that even though these people may be granted an exemption, they will not remain on the program forever. DPA will continue to work with them to become as self-sufficient as possible. DPA has shied away from putting them into a separate category. Clients who are severely disabled and will never be job-ready are referred to SSI. If the cap is repealed, DPA will be able to use state money to serve the extended clients and work with them toward self-sufficiency.

SENATOR WILKEN said, regarding an earlier question by Senator Ward, it appears from the chart that over time the number of people on extensions could comprise over 50 percent of the program. He calculated that in 20 years, families with extensions could comprise 20 percent of the program.

MS. FITZJARRALD acknowledged that is possible. DPA expects that over time the percentage of families who will need an extension will grow cumulatively. She cautioned, however, that the numbers on the chart are estimates and that no historical data exists. She pointed out that some families may drop off of the program much faster than DPA has projected.

MS. HOBACK added that there is no national experience with which to validate the projections. She said the important thing to remember is that there will always be new clients coming in so the program would never be to a place where 100 percent of the caseload is on extension. Also, just because a client is granted an extension does not mean that client is not held to the same requirements as other clients. They will need to cooperate

fully.

CHAIRWOMAN GREEN asked for a sense of the committee regarding whether to put the report requirement in statute and whether to apply a floating percentage formula rather than repealing the cap.

SENATOR WARD asked for an explanation of a floating percent.

CHAIRWOMAN GREEN said a calculation could be made from the projected figures to determine a floating percentage rate.

SENATOR WARD asked if the cap could be kept at 20 percent but criteria could be established for those over 20 percent. He suggested granting an extension on a month-by-month basis. He felt that the current criteria should be applied to anyone who fits into the 20 percent category but anyone who is over the 20 percent, should be required to meet harder criteria.

3:05 p.m.

CHAIRWOMAN GREEN explained that the figures in 1995 and 1996 were around 12,000 so the 20 percent was seen as reasonable and based on the thought that one out of five might need consideration, knowing that the 20 percent had needs that exceeded other clients' needs and were not going to change substantially. As the program moved forward successfully, the total number decreased. Some argue that the 20 percent number should still be based in 12,000, not the current number of clients. She asked for input on this bill from other committee members as she does not want to recraft it herself.

SENATOR DAVIS said she supports the bill as is. She has no problem requiring a report statutorily or with a letter of intent. She suggested that after a report is submitted next year, the committee will have a better idea of where the program is headed.

SENATOR LEMAN said he believes that a number of clients who meet the criteria for an extension could participate in options like cottage industries at least part time. He said he would like to see people have to participate in optional activities that will compensate society in exchange for benefits. He felt that participation would benefit the client as well.

CHAIRWOMAN GREEN asked if some clients who pass the five-year time limit will receive partial benefits.

MS. SALERNO said Chairwoman Green is referring to people who fit the criteria.

CHAIRWOMAN GREEN asked, if the five-year limit was in effect today, some clients would be receiving partial assistance.

MS. SALERNO said there would be because some people are currently working up to their capacity but they earn minimum wage and fit the criteria.

SENATOR LEMAN referred to the criterion that exempts a victim of domestic violence from the time limit and asked if that person must be physically battered and unable to function or scared to go out to the workplace because of possible contact with a perpetrator. He said he imagines that client could do several different work activities to compensate for services to create a win-win situation. He repeated his philosophy that things can be done to change behavior, taking into consideration extenuating circumstances.

MS. SALERNO pointed out that a discussion is going on at the federal level about expanding the definition of what can be considered a work activity so that people who may not be able to participate in the workforce can participate in skill building activities or work preparation.

TAPE 02-12, SIDE A

MS. FITZJARRALD said that the criteria is not the only thing considered when an extension is granted; DPA still requires clients to be actively involved in developing a family self-sufficiency plan and to carry through with those activities. If they do not, they are subject to non-compliance. She noted that, regarding a domestic violence victim who is living in a shelter, DPA looks at any type of skill building or positive steps that will take that client forward to self-sufficiency. If a client does not follow the plan, he or she will not get an extension. She added that extensions are also based on compliance with child support orders.

CHAIRWOMAN GREEN asked committee members if they would be more comfortable listing the requirements for extensions, such as compliance, in statute.

MS. FITZJARRALD said that right now, any client who does not comply gets sanctioned. That policy does not change just because a client is granted an extension.

CHAIRWOMAN GREEN asked if that is clearly spelled out in the bill.

MS. FITZJARRALD said she believes it is clearly spelled out in the new sanction policy in SB 293.

CHAIRWOMAN GREEN said the committee will take this measure up again and that on Wednesday, the counsel to the Secretary of Education, Susan Sclafani, will give a presentation. She then adjourned the meeting at 3:16 p.m.

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