

SENATE BILL NO. 309

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY SENATORS LEMAN, Phillips

Introduced: 2/14/94
Referred: HES, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the program of aid to families with dependent children; and
2 providing for an effective date."

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

4 * Section 1. AS 23.20.100 is amended by adding a new subsection to read:

5 (b) The department shall assign at least two full-time employees whose duties
6 are to assist persons with job search and job placement activities to be physically
7 present during working hours at each location in the state where an application may
8 be submitted for assistance under AS 47.25.310 - 47.25.420 (aid to families with
9 dependent children).

10 * Sec. 2. AS 43.20 is amended by adding a new section to read:

11 Sec. 43.20.023. CREDIT FOR TAXPAYER EMPLOYING PUBLIC
12 ASSISTANCE RECIPIENT. (a) Subject to (c) of this section, a taxpayer engaged in
13 a trade or business is entitled to a credit against the taxpayer's tax liability under this
14 chapter of 35 percent of the following expenses incurred by the taxpayer to employ a

1 person qualified under (b) of this section. The expenses on which the credit is based
2 are

3 (1) the training expenses incurred by the taxpayer for the person's on-
4 the-job training; and

5 (2) the wages, as that term is defined by AS 23.20.530, paid by the
6 taxpayer to the person.

7 (b) The taxpayer is entitled to the credit authorized by this section if the
8 person whom the taxpayer employs was, at the time the person began on-the-job
9 training for the taxpayer or at the time of the beginning of the person's employment
10 by the taxpayer,

11 (1) a resident of the state; and

12 (2) a recipient of public assistance under AS 47.25.310 - 47.25.420 (aid
13 to families with dependent children).

14 (c) A taxpayer is not entitled to a credit under this section of the expenses
15 allowed under (a) of this section that are incurred by the taxpayer until after the
16 taxpayer claiming the credit has retained the person in the taxpayer's employment for
17 at least 52 weeks. After the person has been in the taxpayer's employment for at least
18 52 weeks, the taxpayer may claim the expenses allowed under (a) of this section that
19 were incurred during the 52-week period to the extent that the expenses were incurred
20 during the year for which the taxpayer's return is filed. The credit under this section
21 is available for each year during which the qualifying person continues to be employed
22 by the taxpayer.

23 (d) The amount of a credit under this section may not

24 (1) be claimed as a credit under another provision of this title;

25 (2) also be allowed as a deduction under 26 U.S.C. 170 against the tax
26 imposed by this chapter; or

27 (3) exceed \$150,000 a year per taxpayer.

28 * Sec. 3. AS 47.25.320(a) is amended to read:

29 (a) The department shall determine the amount of assistance for a dependent
30 child, and the relative with whom the dependent child is living, with regard to the
31 resources and necessary expenditures of the family and the condition existing in each

1 case. Assistance is sufficient if, when added to all other income and support available
2 to the child, the child and relative have reasonable subsistence compatible with
3 decency and health. However, the amount of assistance may not exceed the following:

4 (1) dependent child living with nonneedy relative: \$451 [FOR A
5 DEPENDENT CHILD WHO IS LIVING IN THE HOME OF A NONNEEDY
6 RELATIVE, \$452], plus \$87 [\$102] for each additional child;

7 (2) dependent child living with parent:

8 (A) for a parent and one dependent child, a maximum of \$767
9 [\$821];

10 (B) for each additional dependent child, or for a second parent,
11 \$87 [\$102] a month per individual;

12 (3) pregnant woman who is otherwise eligible for assistance under this
13 section [, OR A SINGLE-PERSON HOUSEHOLD THAT DOES NOT CONSIST OF
14 A DEPENDENT CHILD]: \$437 [\$514] a month.

15 * **Sec. 4. WAIVER APPLICATION.** In a timely and efficient manner, the Department of
16 Health and Social Services shall seek appropriate waivers from the federal government to
17 implement the AFDC demonstration project described in secs. 4 - 11 of this Act. The purpose
18 of the project is to promote personal responsibility and self-sufficiency. If the federal
19 government approves only part of the project, the department shall implement that part.

20 * **Sec. 5. JOB SEARCH PROGRAM.** (a) A person who applies for AFDC assistance in
21 the project area shall be interviewed by the department at the time of application to determine
22 if this section is applicable to the assistance unit for which assistance is sought. If the
23 department determines that this section is applicable, the department shall postpone processing
24 the person's application for 30 days while persons in the assistance unit participate in the job
25 search program required under this section. If the department determines that this section is
26 not applicable to anyone in the assistance unit, the department shall process the person's
27 application under normal procedures.

28 (b) This section is applicable to each person in the assistance unit who is a parent or
29 legal guardian eligible for AFDC assistance unless the person

30 (1) has a dependent child who is less than one year of age;

31 (2) is ill or incapacitated;

1 (3) is needed at home to care for an ill or incapacitated spouse or child; or
2 (4) is in immediate need of assistance because of lack of money to pay for
3 basic necessities, receipt of an eviction notice for failure to pay rent, or homelessness.

4 (c) A person to whom this section applies shall immediately begin participation in a
5 program of organized job search under which the Department of Labor shall

6 (1) counsel the person concerning the requirements and intent of the job search
7 program;

8 (2) attempt to provide motivation to the person to obtain self-sufficient
9 employment;

10 (3) inform the person of the negative effects of dependency on the individual
11 and the community;

12 (4) provide training in job search and interview skills as well as other job
13 search counseling determined to be necessary for the person;

14 (5) provide a telephone for the person to use for job search activities; and

15 (6) provide close supervision of and assistance for the person's job search
16 efforts.

17 (d) The department shall pay the costs of transportation and child care that the
18 department determines are necessary for a person's participation in the job search program.

19 (e) A person to whom this section applies shall participate in an organized job search
20 under (c) of this section for at least 30 hours a week for the 30 days following the date of
21 application for AFDC assistance or until obtaining paid employment, whichever is the shorter
22 time period.

23 (f) After each person in the assistance unit to whom this section applies either
24 completes the 30 days of job search required under this section or obtains paid employment,
25 the department shall begin normal processing of the assistance unit's application for AFDC
26 assistance if it appears that the assistance unit is still eligible for AFDC assistance. If a
27 person fails to participate in job search activities as required under this section, the assistance
28 unit's AFDC grant shall be computed without consideration of the needs of the person;
29 however, when computing the assistance unit's AFDC grant, the income and resources of the
30 person shall still be considered.

31 * Sec. 6. EARNED INCOME DISREGARD; "100-HOUR RULE"; AUTO ALLOWANCE.

1 When determining the AFDC eligibility of an assistance unit in the project area, the
2 department shall

3 (1) disregard, for 24 months after the date of the assistance unit's application
4 for AFDC assistance, \$200 plus one-third of the remainder of the earned income of each
5 person in the assistance unit unless federal regulations require that more earned income of a
6 person must be disregarded;

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

10 (3) allow the exclusion of the first \$7,500 of the combined equity of motor
11 vehicles used by the assistance unit for basic family transportation, transportation of a disabled
12 child in the household, or transportation of a member of the assistance unit to or from
13 employment, training, or participation in an activity required under sec. 5 or 7 of this Act; if
14 the combined equity of vehicles described in this paragraph exceeds \$7,500, the department
15 shall apply the excess equity amount toward the asset limit otherwise applicable to the
16 assistance unit.

17 * Sec. 7. WORKFARE. (a) Each member of an assistance unit in the project area who is
18 18 years of age or older shall participate for 21 hours a week in an uncompensated activity
19 approved by the department. The department shall penalize the assistance unit for failure of
20 a person to comply with this subsection by computing the unit's AFDC grant without
21 consideration of the person's needs; however, when computing the unit's AFDC grant, the
22 income and resources of the person shall still be considered.

23 (b) The requirement to participate in an uncompensated activity under (a) of this
24 section does not apply to a person who

25 (1) has paid employment of at least 15 hours a week; a person who has paid
26 employment of less than 15 hours a week shall participate in an uncompensated activity
27 approved under (a) of this section for the number of hours that, when added to the hours of
28 paid employment, equals 21;

29 (2) is participating in an activity under sec. 5 of this Act or AS 47.25.421 -
30 47.25.429 (JOBS program);

31 (3) is participating in an activity under a program operated by an Indian or

1 Native organization under 42 U.S.C. 682(i) unless the Indian or Native organization agrees
2 to the person's inclusion in the project;

3 (4) is exempt from participating in an activity under AS 47.25.421 - 47.25.429
4 (JOBS program); or

5 (5) is determined, according to regulations of the department, to be physically
6 or mentally unable to perform any reasonable activity that may be approved under this section.

7 (c) Notwithstanding (a) of this section, the department may not require a person to
8 participate in an uncompensated activity under (a) of this section unless the department agrees
9 to pay for costs of child care and transportation determined by the department to be necessary
10 for the person's participation.

11 * Sec. 8. TERMINATION OF ASSISTANCE. (a) An assistance unit in the project area
12 may not receive AFDC assistance for 36 months after receiving AFDC assistance under the
13 project for 24 months.

14 (b) Termination of AFDC assistance under this section may not be construed to
15 terminate other assistance for which the assistance unit is otherwise eligible, such as medical
16 assistance under AS 47.07 and food stamps.

17 (c) The department may exempt from (a) of this section an assistance unit in which
18 (1) one or more adult recipients is determined by the department to be
19 unemployable; or

20 (2) extreme hardship, as determined by the department, would result from
21 termination of AFDC assistance.

22 * Sec. 9. PROJECT AREA. The department shall determine the area in which the project
23 will be implemented by choosing four municipalities as follows:

24 (1) the municipality that had the highest number of households receiving
25 AFDC in fiscal year 1992;

26 (2) a home rule city with a population of at least 15,000, as determined by the
27 Department of Community and Regional Affairs;

28 (3) the municipality having the highest number of persons employed or self-
29 employed in jobs relating to agriculture that is contiguous to the municipality determined
30 under (1) of this section; and

31 (4) a municipality in an area not connected by road to the Anchorage-Fairbanks

1 road system that has a substantial number of persons employed or self-employed in jobs
2 relating to fishing.

3 * **Sec. 10. COOPERATION.** State agencies shall cooperate with the department to the
4 extent necessary to implement secs. 4 - 11 of this Act.

5 * **Sec. 11. DEFINITIONS.** In secs. 4 - 11 of this Act,

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

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

9 (3) "project" means the department's implementation of the job search
10 requirements of sec. 5 of this Act, the eligibility modifications of sec. 6 of this Act, the work
11 requirements of sec. 7 of this Act, and the termination provisions of sec. 8 of this Act, to the
12 extent that the federal government approves those modifications, requirements, and termination
13 provisions;

14 (4) "project area" means the area established by the department under sec. 9
15 of this Act.

16 * **Sec. 12. VOLUNTARY JOB SEARCH PROGRAM.** Notwithstanding sec. 17 of this
17 Act, the Department of Health and Social Services and the Department of Labor shall
18 implement the job search program described in sec. 5 of this Act in the project area described
19 in sec. 9 of this Act, beginning July 1, 1994, except that until a waiver is approved by the
20 federal government that allows the job search requirements of sec. 5 of this Act to be
21 mandatory, the job search requirements of sec. 5 of this Act shall apply only to persons in the
22 project area who voluntarily choose to be subject to sec. 5 of this Act. The Department of
23 Health and Social Services shall explain to each AFDC applicant in the project area the
24 existence of the choice offered under this section and the potential consequences of choosing
25 to be governed by sec. 5 of this Act. A person's decision to be governed by sec. 5 of this Act
26 shall be documented in writing.

27 * **Sec. 13.** Sections 4 - 12 of this Act are repealed June 30, 1999.

28 * **Sec. 14.** Section 2 of this Act takes effect January 1, 1995, and applies to persons
29 employed and expenses incurred after December 31, 1994, for which the credit allowed under
30 sec. 2 may be claimed.

31 * **Sec. 15.** Section 3 of this Act takes effect July 1, 1994.

1 * **Sec. 16.** Sections 1, 4, and 12 of this Act take effect immediately under AS 01.10.070(c).
2 * **Sec. 17.** Except as provided in secs. 14 - 16 of this Act, this Act takes effect upon
3 approval of the waivers applied for under sec. 4 of this Act. The commissioner of health and
4 social services shall promptly notify the revisor of statutes of the date and extent of the
5 approval received for waivers applied for under sec. 4 of this Act.