

"An Act relating to the legal maximum amount of assistance to families under Aid to Families with Dependent Children."

COMMITTEE REPORT

5/3/75

HOUSE

Mr. Speaker:

Date May 29 1975

The Committee on FINANCE has had SF 309 an

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>T. Buchholz</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>		_____
<u>[Signature]</u>		_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

T. Buchholz Vice Chairman

Introduced: 3/24/75
Referred: Health, Education
and Social Services and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 309 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the legal maximum amount of
7 assistance to families under Aid to Families with
8 Dependent Children."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 47.25.320(a)(2)(A) is amended to read:

11 (A) for a parent and one child under 18 [13], a maximum
12 of \$300 [\$250];

13 * Sec. 2. AS 47.25.320(a)(2)(B) is repealed.
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Introduced: 3/24/75
Referred: Health, Education
and Social Services and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 309

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the legal maximum amount of
7 assistance to families under Aid to Families with
8 Dependent Children."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 47.25.320(a)(2)(A) is amended to read:

11 (A) for a parent and one child under 18 [13], a maximum
12 of \$300 [\$250];

13 * Sec. 2. AS 47.25.320(a)(2)(C) is amended to read:

14 (C) for each additional child under age 18, \$50 a
15 month per child [, UP TO A MAXIMUM OF \$520 A MONTH].

16 * Sec. 3. AS 47.25.320(a)(2)(B) is repealed.
17
18
19
20
21
22
23
24
25
26
27
28
29

POSITION PAPER
ON
SENATE BILL 309

An act relating to the legal maximum amount of assistance to families under Aid to Families with Dependent Children.

This bill was introduced at the request of the Governor to correct legislation passed last year which changed the legal maximum payment amounts effective July 1, 1974 in the Aid to Families with Dependent Children (AFDC) Program. Corrective action is necessary because of a compliance issue the Federal Social and Rehabilitation Service (SRS) has issued the State concerning the maximum payment amounts.

At issue is the different maximum amounts the State pays to two person families which include one adult and one child. At present, the State pays an adult and (1) child the maximum amount of \$250 per month when the child is under the age of 13, and \$300 per month when the child is age 13 through 18. Also at present, the State pays up to \$300 per month where two children, regardless of age, are living with an adult whose needs are not included in the AFDC payment.

The Federal government has taken exception to these conflicting payment levels and contends that payment differentials based on age present an unreasonable classification. In order to continue collecting full Federal Financial Participation in the AFDC program, the maximum AFDC payment amounts must be consistent for all groupings of two eligible persons, be it an adult and 1 child, or no adult and 2 children. Thus, the State has the options of 1) lowering the payment of \$250 or 2) raising it to \$300 for all two person AFDC families.

Section 1 of Senate Bill 309 proposing to amend AS 47.25.320 (a) (2) (A), would satisfy the compliance issue by increasing the legal maximum payment to \$300 for all two person AFDC families.

Approximately 1,000 persons per month will be included in the group covered by the compliance issue. FY76 costs are thus calculated as follows:

1. If payment levels are increased to \$300 per month:

$$1,000 \times \$50 \times 12 = \underline{\$600,000}$$

This amount is not included in the FY76 budget request.

2. If payment levels are decreased to \$250 per month:

$$1,000 \times \$50 \times 12 = (\$600,000)$$

This amount could be subtracted from the FY76 request.

Section 2 of this bill proposing to amend AS 47.25.320 (a) (2) (c), is no longer necessary and should be deleted. At one time the upper limit legal maximum payment of \$520 for any family, regardless of size, was also a compliance issue. However, this issue has since been resolved and the corrective legislation sought in Senate Bill 309 is no longer required.

Section 3 of this bill proposing to remove AS 47.250 (a) (2) (B) from the Alaska Statutes, should be retained. If Section 1 of Senate Bill 309 is passed, AS 47.250 (a) (2) (B) becomes redundant and is no longer necessary in the statutes.

Departmental Recommendations

1. Recommend the passage of Section 1 of Senate Bill 309.
2. Recommend that Senate Bill 309 be amended to remove Section 2 of the bill. Section 2 is no longer necessary.
3. Recommend the passage of Section 3 of Senate Bill 309.

\$600,000 needed to cover costs of bill is not included in FY76 Budget request. If bill is passed, recommend funds be appropriated to cover new costs.

Recommended by: *[Signature]* *4-11-75*
(Acting Director) (Date)

Approved by: *Francis R. Williamson* *4/14/75*
(Commissioner) (Date)

Comments by Governor's Office

By: _____ (Date)

SB 309

March 24, 1975

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99611

Dear Mr. President:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to amend AS 47.25.320, which provides for the amount of assistance under the "Aid to Families with Dependent Children Act". This will change subparagraph (a)(2)(A) by raising the maximum amount of assistance for a parent and one child under 13 from \$250 to \$300 and, since a parent and one child age 13 to 18 already may receive up to \$300, section 1 of the bill changes "13" to read "18" and section 3 repeals the present 13 to 18 category. In addition, section 2 of the bill amends AS 47.25.320(a)(2)(C) by deleting the phrase "up to a maximum of \$520 a month" from the provision granting up to \$50 per month for each additional child under 16 living with a parent. The federal administrators of the AFDC program maintain that our present statutory arrangement in AS 47.25.320 is inequitable and that Alaska is therefore not in compliance with the Social Security Act. This bill will remove that compliance issue.

Sincerely,

Jay S. Hammond
Governor

The Legislature of the State of Alaska

FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill 300
 Title: An act relating to local maximum payments in AFDC
 Requested by: Senator Croft Date: April 11, 1975
 Return Date Requested: _____
 Agency: Health and Social Services Program: Social Services-Assistance Pay

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Assistance Payments

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		600.0	650.0	661.5	694.6	729.0
TOTAL		600.0	650.0	661.5	694.6	729.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND		300.0	315.0	330.0	347.3	364.5
FEDERAL FUNDS		300.0	315.0	330.0	347.3	364.5
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (F.T.E.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Estimate 1000 recipients will be eligible for \$50 per month additional AFDC benefits.

$$1000 \times \$50 \times 12 = \$600,000$$

All expenditures covered by 50% Federal Funds.

IV. ATTACHMENTS

V. DATE: 4/11/75 PREPARED BY: [Signature]

Original: Legislative Finance
 Budget and Management
 cc: Prime Sponsor (First Legislator Named)