

HCR

139

COMMITTEE REPORT

HOUSE

4/30/76

Mr. Speaker:

Date May 7, 1976

The Committee on HESS has had HCR 139

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:

Susan Sullivan _____

John D. B... _____

Members NOT concurring in the Majority report:

Tom Harkin recommends: DO NOT PASS

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends: Susan Sullivan Chairman



JUNEAU ALASKA

Alaska State Legislature

House

HOUSE HESS COMMITTEE MEETING

MAY 6, 1976

Present: Ostrosku Parr Beirne
Hackney Sullivan

Testifying: Rod Betit

HJR 72 - Food Stamp

Rod is in favor of it, explained problems in the Alaskan food stamp system. New Dept. of Agriculture regulations create greater problems.

Don Clockson, Legal Services, explained other fronts of action on this issue, congress etc.

Committee decided to move out with individual recommendations.

HCR 139 Food Stamp

Rod explained problems regarding food stamps and the people in the rural areas and the need for this resolution.

Motion to move out carries

HB 596 - Local Health Service

Lois Jund, explains changes in the proposed CS and discussed the problems that committee members have with the bill
bill held over till tomorrow.

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

POSITION PAPER

ON

HOUSE CONCURRENT RESOLUTION NO. 139

A concurrent resolution relating to the Food Stamp Program.

This resolution appears conveyance of legislative desire to see improved food stamp availability in rural areas through (1) development of a rural oriented application; (2) upgrade of the current fee agent system; (3) return of eligibility determinations to the district office with decisions in no more than 7 days; and (4) sale of food stamps at the village level.

Development of a rural area application is already in process through a recent cooperative agreement between this department and Rural Alaska Community Action Programs (RURALCAP). The department is currently waiting for RURALCAP's recommendations prior to submitting a final rural area application to the U.S. Department of Agriculture for approval.

Upgrade of the current fee agent system would definitely improve the quality of service afforded rural Alaskans, as fee agents are presently not only poorly trained in food stamp matters, but are difficult to retain due to the inadequate payments they receive. A refined statewide training program for approximately 120 fee agents would cost \$60,000 annually (\$39,000 federal - \$21,000 state) and would permit sponsoring training sessions in 10 different locations twice a year. Additionally, at the cost of \$50,000 annually the fee agent payment level could be increased from the current \$4 to \$8 per application, which would produce a more competitive interest among potential fee agents and would insure a higher level of service and stability. The department definitely supports this proposal in concept.

Legislative desire to see food stamp eligibility determinations returned to the district office, coupled with a commitment to render decisions within 7 days from date of application, appears predicated on information that lengthy delays between time of application and receipt of benefits by rural Alaskans currently exist. Although there were recent difficulties in the new regional decision process, they have been resolved at this time. Food stamp decisions are presently rendered well within the 30 day time standard required by federal regulations. For example, 90% of food stamp applications in our Southcentral Region are approved or denied within 10 days after receipt from rural applicants in the districts of Anchorage, Palmer, Kenai, Valdez, Kodiak and Dillingham.

If the department were to deliver decisions from the districts rather than the regions, in fewer than the current 10 day norm, an estimated \$2.2 million additional funds for FY 77 would be required. This would escalate the administrative cost required to deliver each dollar of benefits in FY 77 from \$0.05 to \$.10, doubling the amount currently projected under the regional process. This dramatic increase would result due to the following primary factors:

1. The current complexity within each of the 8 public assistance programs necessitates worker specialization and increased supervision to protect the State of Alaska from severe losses in state general funds due to erroneous payments, as well as to minimize federal fiscal penalties against the state; and
2. at least 40% of all food stamp cases also involve one or more of the remaining 7 public assistance programs. Since food stamp assistance is dependent upon the level of cash assistance awarded under the other division programs, it would be necessary to return all program decisions

to the District Offices. This course of action would require an additional 93 new full time positions to develop the worker specialization described in (1) above.

Although the department supports decentralization of public assistance eligibility decisions to its lowest level, at the present time we feel the most cost-effective level exists at the region rather than the district. Regional decision making is most appropriate for the following reasons:

1. Regional decisions cost only half that required for district decisions of the same quality, at a savings of \$2.2 million annually.
2. Regional decisions afford the division the ability to work towards increased computer capabilities which will continue to significantly reduce not only time required to render decisions, but will reduce payment delays.
3. Regional decisions afford the division capability to issue the first month's benefits for Food Stamps and Aid to Families With Dependent Children at the regional level, rather than from central office, due to increased fiscal control.

Finally, the sale of food stamps at the village level is not as favorable to the department as eliminating entirely the current practice of paying the purchase price, as proposed in House Joint Resolution No. 72. If eliminating the purchase price were not possible, the department would then support selling food stamps at the village level in concept; however, would recommend that this be initially conducted on a pilot basis to determine if it could be successfully accomplished at a reasonable cost. The House budget currently reflects such a pilot project in the Kodiak area through the Native Corporation.

POSITION PAPER / Department of Health and Social Services

Whereas the department is already engaged in development of a rural area food stamp application; and whereas the department does not at this time find return of eligibility decisions to the district offices a cost-effective course of action; the department recommends that these items be deleted entirely from the resolution.

However, the department does support, in concept, the legislative desire to upgrade the current fee agent system and to sell food stamps at the village level on a pilot basis. However, the department cannot recommend an increase above the Governor's budget to accomplish these 2 desires.

Recommended by: for Rod Beck Date 5/6/76
Lawrence J. Sullivan, Director
Division of Public Assistance

Approved by: for Lois M. Jourd Date 5/6/76
Francis S. L. Williamson, Commissioner
Department of Health & Social Services

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
 Second Session - Ninth Legislature

I. REQUEST

Bill No. HOUSE CONCURRENT RESOLUTION NO. 139
 Title: A concurrent resolution relating to the Food Stamp Program
 Requested by: _____ Date: May 6, 1976
 Return Date Requested: _____
 Agency: Dept of Health & Social Services Program: Food Stamp Program

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		2,133.0				
200 TRAVEL		75.0				
300 CONTRACTUAL		340.6				
400 COMMODITIES		20.4				
500 EQUIPMENT		56.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		2,625.0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1,549.0				
FEDERAL FUNDS		1,076.0				
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	93.0/	/	/	/	/
MAN MONTHS (P./T.)	/	1,126/	/	/	/	/

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

IV. ATTACHMENTS

V. DATE: 5/6/76 PREPARED BY: Rod Betit

Rod Betit, Food Stamp Program Manager
 Division of Public Assistance

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

REVIEWED BY FINANCIAL MANAGEMENT: _____

E. A. Smith
 EUGENE A. SMITH
 DEPUTY DIRECTOR

SITUATION : FAMILY OF 4 PERSONS, WIDOW AND 3 CHILDREN. HUSBAND RECENTLY DIED LEAVING MEDICAL AND FUNERAL EXPENSES NOT FULLY COVERED BY INSURANCE. WIDOW IS EMPLOYED WITH FOLLOWING INCOME AND EXPENSES. [NO RESOURCES EXIST]

GROSS INCOME

\$1200 MONTHLY

MONTHLY EXPENSES

MANDATORY TAXES - \$300
 MEDICAL BILLS - \$100
 CHILD CARE - \$200
 FUNERAL BILLS - \$50
 MORTGAGE & UTILITIES - \$400

CURRENT FOOD STAMP REGULATIONS

\$1200 - gross income
 (-) 30 - work allowance
 (-) 300 - mandatory taxes
 (-) 200 - child care
 (-) 100 - medical
 (-) 50 - burial [Funeral]
\$ 520 - Adjusted Gross
 (-) 244 - EXCESS SHELTER COSTS
\$ 276 - NET FOOD STAMP INCOME

DECISION : FAMILY WOULD BE ELIGIBLE AND WOULD PAY \$77 TO RECEIVE \$224 IN FOOD STAMPS.

PROPOSED FOOD STAMP REGULATIONS

\$1200 - gross monthly
 (-) 100 - standard deduction

 \$ 1100 - NET FOOD STAMP INCOME

DECISION : FAMILY WOULD BE INELIGIBLE FOR FOOD STAMP ASSISTANCE. MUST HAVE NET INCOME OF