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# Alaska Youth Advocates, Incorporated

Marilee Fletcher

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EXECUTIVE DIRECTOR

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TELEPHONE (907) 274-6541

April 17, 1978

Charles Parr, Chairman  
House Health Education and  
Social Services  
State Capitol Building, Room 112  
Juneau, Alaska 99811

Re: SB 438

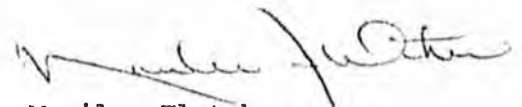
Dear Representative Parr:

The Board of Directors and staff of Alaska Youth Advocates, Inc. wish to go on record in support of the concept of SB 438, "an act increasing the amount of assistance to families with dependent children."

Section 2, AS 47.25.320 is amended by adding a new subsection (d) to allow the department to adjust the amounts payable, based on the percentage changes in the cost of living as determined by the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index for Anchorage, Alaska; up to the maximum amounts specified in Section 1(2). We feel this is a necessary and important change and should be enacted.

As one of the goals of Alaska Youth Advocates is legislative and legal reform, where indicated, after a thoughtful review of pending legislation, we feel the concept of SB 438 is good and we support its passage.

Cordially,



Marilee Fletcher  
Executive Director

MF/bb

BOARD OF DIRECTORS: JOHN HAVELOCK • RAE ANN HICKLING • WILLIAM H. JACOBS • CECILIA KLEINKAUF  
JACK KLEINKAUF • ANDREW B. LINN • JEAN MATHIS

MEMBER OF THE UNITED WAY OF ANCHORAGE • MEMBER OF THE ANCHORAGE YOUTH ALTERNATIVE SERVICE NETWORK

POSITION PAPER

ON

SENATE BILL NO. 438

"An Act increasing the amount of assistance to families with dependent children"

Senate Bill 438 proposes to continue the current monthly maximum payments for Aid to Families with Dependent Children (AFDC) households, in which a dependent child lives with a relative who is not needy in his own right. The bill would remove the \$520 maximum payment limit which applies to families with 7 or more such children, however. The current maximum monthly payments for eligible families which include a needy parent or other relative would be increased by \$100 per month. The 7-person \$520 maximum for these "adult included cases" would also be eliminated. In addition, for each year beginning on July 1, 1979, amounts payable under AFDC would be eligible for increase by a percentage equal to the annual percentage increase in the Department of Labor BLS Consumer Price Index for Anchorage.

Removal of the \$520 maximum for both types of AFDC-eligible families (adult included and adult not included) would have no significant effect upon program expenditures or numbers of AFDC recipients. Few Alaskan families contain more than 7 members, and still fewer of these meet the other AFDC eligibility criteria.

The \$100 per month increase in the maximum payment to families with a needy parent or other relative in the home would have a significant effect upon the number of persons eligible for AFDC and upon total program expenditures.

Currently, 75% of all AFDC families contain a parent. The FY 79 anticipation is that an average 3,296 such families would apply and be found eligible to receive monthly AFDC benefits. This bill would increase the average monthly payments per family by \$100. Thus the FY 79 increase in AFDC expenditures per month for currently anticipated recipients would be \$3,955.2 (3,296 families, times \$100 increase per family per month, times 12 months = \$3,955.2) \$1,977.6 State General Funds, \$1,977.6 Federal Matching Funds.

There would be a likely increase in the number of recipients as well. The \$100 increase in eligibility standards would result in current recipients remaining on the program longer and new applicants becoming eligible earlier due to the higher income standards.

There is no accurate method for estimating the number of potentially eligible family units who are now ineligible on grounds of income but who would be eligible at the higher proposed standards, nor is there any reliable method for estimating how many of those units would choose to apply. Census and economic data do not measure all of the complicated AFDC eligibility criteria factors (such as deprivation of the support and care of one or both parents and living with an AFDC "specified relative"), nor do they separately or collectively relate living situations to economic data.

POSITION PAPER / Department of Health and Social Services

SENATE BILL NO. 438/POSITION PAPER

There is little doubt that utilization of the program would expand with an increase in eligibility standards and payment levels. The Department estimates that a 1/3 increase in the standards for the most common AFDC family size would result in a 30% increase in the number of newly-eligible AFDC families with a parent (or 989 new families in an average month). It is assumed that each new family would have a net non-AFDC income between the old standard and the new standard, thus requiring an approximate AFDC payment of \$50 monthly. Therefore the cost of these new eligibles for FY 79 would be \$593.4 (989 families per month, times \$50 average payment per month, times 12 months), \$296.7 SGF, \$297.6 Federal Match.

Under the Legislative Staffing Formula agreed upon for eligibility workers, this projected AFDC caseload increase would necessitate adding four new eligibility workers, one supervisor, and one clerk to the Eligibility Determination BRU for FY 79, at an estimated FY 79 cost of \$137.3. This estimate is based upon Anchorage salary levels for all new positions, and includes equipment, contractual, and commodities costs. Though projections are unobtainable, concurrent increases in Medicaid costs would result with the increase in AFDC families.

For FY 80 and each subsequent year the Anchorage cost of living escalator provision of this measure would further increase the number of recipients and program expenditures, however, valid projections are not possible at this time. The average annual percentage increase in the CPI for Anchorage since July of 1970 has been 6.8%. Cost projections for FY 80 and subsequent years' are made by applying this percentage increase in the absence of a more accurate statistical methodology.

The Department supports the concept of an increase in AFDC payments to families with needy relatives. The Department also supports the periodic revision of AFDC payment levels in order to provide more adequately for the care of dependent children in their own homes. The Department cannot, however, support an increase in the Governor's Budget request for FY 79.

Approved By: Rod Beets 2/14/78

for Richard R. Wilson, Director  
Division of Public Assistance

Date

Helen D. Beirne 2/14/78

Helen D. Beirne, Commissioner  
Department of Health & Social Services

Date

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 438

Title An act increasing the amount of assistance to families with dependent children.

Requested by \_\_\_\_\_ Date 2/14/78

II. FISCAL DETAIL

Agency Affected HEALTH & SOCIAL SERVICES

Program Category Affected DIVISION OF PUBLIC ASSISTANCE

Budget Request Unit(s) Affected ELIGIBILITY DETERMINATION

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		124.4	132.9	141.9	151.5	161.8
200 TRAVEL						
300 CONTRACTUAL		5.1	5.4	5.8	6.2	6.6
400 COMMODITIES		1.2	1.3	1.4	1.5	1.6
500 EQUIPMENT		4.8	5.1	5.4	5.8	6.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>135.5</b>	<b>144.7</b>	<b>154.5</b>	<b>165.6</b>	<b>176.2</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		52.8	56.4	60.2	64.5	68.7
FEDERAL FUNDS		82.7	88.3	94.3	101.1	107.5
OTHER (Specify)						

POSITIONS

FULL TIME		6.0	6.0	6.0	7.0	7.0
PART TIME				1.0		
TEMPORARY						

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

Costs for FY 79 and FY 80 are for: 4 Eligibility Workers II  
1 Eligibility Worker IV  
1 Clerk Typist III

All at Anchorage salary levels.

The legislative staffing formula is No. of cases x .53 actions per case  
3 + 117 actions per worker x .9 vacancy factor = No. of staff required.

*Eric Hansen*

IV. DATE FEBRUARY 14, 1978

PREPARED BY ERIC HANSEN, TRAINING SPECIALIST

AGENCY HSS/Division of Public Assistance

PHONE (907) 465-3355

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 438  
 Title An act increasing the amount of assistance to families with dependent children  
 Requested by \_\_\_\_\_ Date 2/14/78

II. FISCAL DETAIL

Agency Affected HEALTH & SOCIAL SERVICES  
 Program Category Affected DIVISION OF PUBLIC ASSISTANCE  
 Budget Request Unit(s) Affected AFDC

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		4,548.6	4,857.9	5,188.2	5,540.9	5,917.7
<b>TOTAL</b>		4,548.6	4,857.9	5,188.2	5,540.9	5,917.7

FUNDING (Thousands of Dollars)

GENERAL FUND		2,274.3	2,428.9	2,594.1	2,770.4	2,958.8
FEDERAL FUNDS		2,274.3	2,429.0	2,594.1	2,770.5	2,958.9
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Of the above grant totals, amounts required to existing and new grants in FY 79 are:

Current cases 3,995.2  
 New cases 593.4

Costs of new eligibles constitutes approximately 13% of the total increase proposed in this legislation.

IV. DATE 2/14/78 PREPARED BY ERIC HANSE, TRAINING SPECIALIST *EH*  
 AGENCY HSS/DIVISION OF PUBLIC ASSISTANCE  
 PHONE (907) 465-3355  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)