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POSITION PAPER

ON

Committee Substitute for HOUSE BILL NO. 176 (HESS) am

"An Act relating to General Relief Assistance; and providing for an effective date."

This Act would revise AS 47.25.250, raising the maximum payment made on behalf of eligible persons for subsistence needs from \$80 per month to \$160. The original \$80 maximum payment limit was established over 20 years ago, when the costs of subsistence items were far lower than they are today. (Note that the maximum payment limit is established by statute. It is much lower than the qualifying standard for receiving assistance, which is the maximum income an applicant can have and still receive assistance. These maximum income limits are set administratively and vary by family composition.)

The effect of the current maximum payments and qualifying limits is best illustrated by a typical General Relief case example:

An urban family consisting of two parents and a child applies. They temporarily have no income. They present an eviction notice showing that their rent of \$450 is overdue. The family has no housing alternative. Under the current maximum, a General Relief vendor payment of only \$240 can be made to the landlord (3 persons times \$80 per person). A Department staff member must call the landlord and attempt to "deal", to find if he will allow the family to remain in its apartment with only this partial payment. In some cases, the landlord will not agree. If he does not, there is no point in making any payment to him. The family can only use the alternative of a very short motel stay.

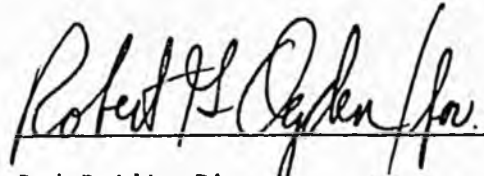
No statistics are kept on how frequently the \$80 maximum falls so short of actual need as to render the program useless to the applicant. However, since over 85% of General Relief Assistance is paid for rent needs, it is obvious that current rental costs are such that increasing the maximum payment per person to \$160 would virtually eliminate the program's occasional inability to meet shelter emergencies.

In addition to the maximum payment issue, the Department wishes to raise the concern that the General Relief statute have not been reviewed for over 20 years. We believe they are too vague and outdated to allow the Department adequate guidance in determining who is eligible and what types of assistance they should receive. It is clear to us that funding limitations over the years, coupled with significant changes in other assistance programs and in the needs of low-income Alaskans, have resulted in a General Relief program that may be significantly different from what was originally intended in the 1953 Session Laws.

We would therefore welcome a comprehensive legislative study of the current General Relief program and any resulting changes in AS 47.25.120-300 that would more specifically define the Legislature's wishes concerning the program.

The Department supports the concept of an increase in the maximum General Relief payment.

Recommended by:

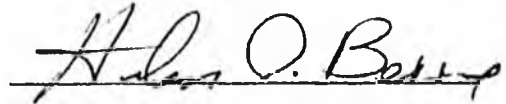


Rod Betit, Director  
Division of Public Assistance

Date:

3-18-81

Approved by:



Helen D. Beirne  
Commissioner

Date:

3-19-81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee Substitute for House Bill No. 176 (HESS) am  
 Title An Act Relating to General Relief Assistance  
 Requested by Clocks in Date 3/18/81

II. FISCAL DETAIL

Agency Affected Health & Social Services  
 Program Category Affected Social and Economic Assistance for the General Population  
 BRU, Program, or Subprogram(s) Affected Assistance Payments, General Relief Assistance  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		821.4	903.9	993.9	1093.3	1202.6
<b>TOTAL</b>		821.4	903.9	993.9	1093.3	1202.6

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		821.4	903.9	993.9	10093.3	1202.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

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

FY82 request calls for 1015 persons per month to receive cash or vendor payments averaging \$67.44 per person, for a total of 821.4 (1015 x \$67.44 x 12 months). Doubling the maximum allowable monthly payment from \$80 to \$160 per person would have no effect on the number of persons found eligible. A "worst case" assumption is that all eligible persons would experience a doubling of their payments, from \$67.44 to \$134.88 per month. This would simply double program expenditures for all items except burials, adding 821.4 in new expenditures.

IV. DATE

3/18/81

PREPARED BY

*[Signature]*

AGENCY

HESS

PHONE

3347

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

M&B Approval

*[Signature]*

Date

3/18/81

However a number of households receiving payments under the current payment maximum have their full emergency need met. The amount of their payments would not therefore increase with an increase in the maximum payment limit. No data is captured to indicate how many households fit in this category or how many households have "unmet needs" under the current maximum. However, based on an informal 1980 survey of actual case situations, a "best case" assumption could be made that only 50% of all recipients would experience a doubling of payments under CSHB No. 176. This would result in an additional cost of only 410.7.

