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SPONSOR SUBSTITUTE FOR SENATE BILL NO. 638

"An Act relating to a work experience program for persons who receive aid to families with dependent children; and providing for an effective date."

OVERVIEW

Sponsor Substitute for Senate Bill No. 638 would establish a pilot program that will require certain recipients of aid to families with dependent children (AFDC) to work in the public sector or private sector as a condition of eligibility for their benefits.

The Department concurs with the finding of need for a work experience program that will help employable recipients of AFDC benefits to become self-supporting. It would appear that the long-term interests of society are best served when welfare recipients are able to obtain and keep gainful employment. Studies have consistently shown that the most critical factors in determining their successful transition to unsubsidized employment are:

1. their expectations of achieving economic independence; and
2. the similarity of their work experience with available unsubsidized employment.

By providing the opportunity for successful experience in the work world, AFDC recipients may enhance their employability and raise their expectations of becoming self-supporting.

ISSUES/RECOMMENDATIONS

Because work experience that is similar to available or anticipated jobs is important, it is essential to have private sector participation in the program. Recent communications with Region X AFDC personnel have indicated that the development of work sites in the private sector would require a demonstration project waiver in order to avoid jeopardizing Federal Financial Participation.

Communications with the Alaska State Department of Administration staff have indicated that there may be problems with developing work sites in State service. Even non-permanent employees are subject to most requirements now imposed for regular State employment. In order to reduce potential fiscal impact and avoid other restrictions that would act as a barrier to welfare recipients' employment in State service (e.g., mandate to hire from the personnel registers), the Department would recommend changing the section pertaining to exempt service in the Alaska statutes.

Section 39.25.110 which begins: "The following positions in the state service constitute the exempt service and are exempt from the provisions of this chapter and the rules adopted under it:" may be amended by the addition of a new category as follows:

(26) people working in job classifications designed to provide work experience for designated categories of recipients of aid to families with dependent child.

A fiscal factor that must be raised is the very critical need for adequate day care services. Services such as those provided through the Department of Community and Regional Affairs' Day Care Assistance Program must not only be available, but readily accessible if welfare parents are to be expected to

participate in a work experience program. Existing Federal AFDC work experience programs permit job site development in private-for-profit day care facilities. It may, therefore, be possible to minimize the fiscal impact of day care needs by utilizing program participants in such facilities. It may also be possible to restrict participation to categories of clients that will minimize associated day care costs.

IMPLEMENTATION

The Department would recommend operating initial test sites in Anchorage, Fairbanks, and Juneau and utilizing the existing Work Incentive (WIN) Program operations in those cities for implementation of the work experience program. The Department would also favor an emphasis on work site development in the private sector that diverts what would have been an AFDC grant to help subsidize better paying, more skilled jobs with career potential as this approach would better ensure long-term program success while serving client needs and public interests. The regular unsubsidized work experience job sites appear to be best suited for development in the public sector. These recommendations would also minimize the costs associated with a work experience pilot program.

POSITION

Consistent with the foregoing, the Department supports the Bill as it appears to be consistent with the agency's objective of long-term, self-sufficiency for welfare recipients.

RECOMMENDED BY: *John R. Pugh*
John R. Pugh, Director
Division of Family and
Youth Services

DATE: 2/25/82

RECOMMENDED BY: *Rod Bell*
Rod Bell, Director
Division of Public
Assistance

DATE: 2/1/82

APPROVED BY: *Helen D. B.*
Helen D. B.
Commiss:

DATE: 3-2-82

**THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE**

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Sponsor Substitute for Senate Bill No. 638
 Title "relating to a work experience program for persons who receive AFDC..."
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected Social & Economic Asst. for the General Population
 BRU, Program, Or Subprogram(s) Affected Work Incentive (WII)
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

The Department projects zero fiscal impact with an employment program for AFDC recipients established as follows:

1. assignment to WII for implementation and administration;
2. initial test sites in Anchorage, Fairbanks, and Juneau; and
3. mandatory participation of designated categories of people currently required to register for WII.

The projected zero fiscal impact is further predicated upon the following presumptions:

1. reinstatement of the WII program in the federal FY 83 budget;
2. reinstatement of the State funded Fairbanks WII program in the State FY 83 budget; and

IV. DATE 4/10/82 PREPARED BY John R. Pugli, Director
 AGENCY Division of Family & Youth Services
 PHONE 465-3170
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

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3. funding of the Department of Community and Regional Affairs' Day Care Assistance Program sufficient to meet work experience program participant needs.

A change in any of the enumerated parameters would have a fiscal impact.

THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Sponsor Substitute for Senate Bill No. 638

Title "An Act relating to work experience program for persons who receive AFDC . . ."

Requested by Senate HESS Committee Date 2/22/82

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Social Services

BRU, Program, or Subprogram(s) Affected Employment Security Division (WIN)

(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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		77.9				
200 TRAVEL		2.4				
300 CONTRACTUAL		14.1				
400 COMMODITIES		1.0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL	0	95.4	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	95.4	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

One job developer would be required at each WIN project to develop work sites, handle client referrals, and monitor client progress. Existing PCM's, for which federal funds are no longer available, would be utilized.

Assumes WIN programs are operating in both Anchorage and Fairbanks.

Contractual Services includes 9.6 for management support.

An inflation rate of 10% has been included in the computation.

Assumes effective date of July 1, 1982 with both positions filled for FY '83 and terminating June 30, 1983.

IV. DATE 2/16/82 PREPARED BY Nico Bus

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)