

HOUSE
COMMITTEE REPORT

(11)

Date referred: 4/18/86

FURTHER REFERRALS:

DATE: 4-30-86

The FINANCE Committee has considered HB 99

"An Act relating to public assistance employment programs."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with AS HB 99 (FIN) same title
- new title

and recommends no individual recommendations

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

[Signature]

[Signature]

[Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature]

Donald J. Lee - No Rec.

Don't NO REC.

Rich Healy (NO REC)

Fat Fourshot

Chairman

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : 4/21/86

REQUEST

Bill/Resolution No. : HB No. 99
 Title : Public Assistance Employment Programs
 Sponsor : Rules by request
 Requestor : _____
 Date of Request : 1/24/85

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : Public Assistance/Administrative Programs
 Components : Work Incentive Component

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-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-

ANALYSIS : Attach a separate page if necessary

There is no fiscal impact from this legislation. HB99 supplements program authorities under which appropriations are already being provided and does not mandate additional effort. The provisions of the legislation can be complied with to the extent of available appropriations.

Prepared by : John P. Taber, Director Phone : 465-3347
 Division : Division of Public Assistance Date : 4-22-86

Approved by Commissioner : John R. Berg Date : 4/23/86
 Agency : Department of Health & Social Services

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 99 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public assistance employment
7 programs."

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

9 * Section 1. AS 47.05 is amended by adding a new section to read:

10 Sec. 47.05.070. AUTHORITY TO ESTABLISH EMPLOYMENT PROGRAMS. (a)

11 The department may establish programs that provide applicants for
12 public assistance and public assistance recipients with social ser-
13 vices, including child care and transportation, needed to participate in
14 an employment program and with incentives and training needed to
15 obtain employment, or with actual work experience.

16 (b) The department may require participation in an employment
17 program as a condition of eligibility for public assistance. Employ-
18 ment program activities may include job clubs, on-the-job training,
19 or work experience. The department may develop programs to assist an
20 applicant or recipient in the transition from public assistance to
21 unsubsidized employment. When appropriate, the department shall refer
22 a program participant for training and employment services in accor-
23 dance with 29 U.S.C. 1603(b)(3).

24 (c) The department may provide an applicant or recipient with
25 money or other resources it finds necessary to enable the applicant or
26 recipient to participate in a program. The total value of money or
27 other resources and aid payments may exceed maximum payment levels
28 established under this title.

29 (d) The department may not require an applicant or recipient to

1 participate in a program under this section as a condition of eligi-
2 bility for public assistance if the applicant or recipient is

3 (1) under 16 years of age or 65 years of age or older;

4 (2) a full-time student under 18 years of age;

5 (3) ill or incapacitated, if medical evidence or other
6 sound basis confirms that the illness or incapacity prevents entry
7 into employment or training;

8 (4) residing in a remote area that requires more than two
9 hours traveling time to complete a round trip between home and program
10 area or work or training site by reasonably available transport;

11 (5) with only brief and infrequent absence, the primary
12 caretaker of a child or children under six years of age residing in
13 the same household or of a household member who has a verified phys-
14 ical or mental impairment that requires the presence of the primary
15 caretaker in the home on a substantially continuous basis;

16 (6) the primary caretaker of a child in the household if
17 another adult in the same household is registered and participating in
18 the program;

19 (7) employed and working at least 30 hours a week at a job
20 expected to last at least 30 days.

21 (e) The job training coordinating council established under 29
22 U.S.C. 1532 shall coordinate and review programs conducted under this
23 section.

POSITION PAPER

CS FOR HOUSE BILL NO. 99 (Finance)

For an Act entitled: "An Act relating to public assistance employment programs."

BACKGROUND

Legislation is needed to facilitate the expansion of involvement in employment programs by the Division of Public Assistance. In 1968 state law enacted a Work Incentive Program (WIN) which is presently operated by the Division of Public Assistance, Department of Health and Social Services and the Employment Security Division of the Department of Labor. Since 1981 federal regulation changes have been made authorizing a variety of work programs as a regular part of public assistance agency activity. By utilizing these program options, Alaska could design a system of work programs to suit our particular demographic, economic, and sociological characteristics.

These programs include:

1. Employment Search, which has been a state optional program since 1982. Through implementation of this program, states may require those applicants and recipients of Aid to Families with Dependent Children (AFDC) who would be required to register for the WIN program and those who are excluded from registration requirements because of remoteness from a WIN site to participate in a structured search for work for up to eight weeks beginning at the date of their application for assistance and for up to eight weeks per year thereafter. In Alaska this program would be operated as a part of the regular WIN program, and would include a Job Club in areas with populations large enough to support that activity.

Employment Search would be used to provide a speedy and efficient transition to full employment for the most employable applicants and recipients. Under subsection (a) of CS for House Bill No. 99 (Finance) child care, and transportation assistance are assured when needed for participants of Employment Search. In addition, services such as instruction in interviewing techniques, methods of identifying jobs and filling out applications, as well as help and encouragement during the job-hunting process would also be provided. For those who find work quickly there is a reduced risk for the development of a long term dependence on public assistance.

This type of program has proven effective even in areas of high unemployment, with up to a 70% placement rate in some states. By using this program as an entry program in a work program system, the more costly programs would be reserved for those who need them most.

Employment Search would be limited to the urban areas of the state which could provide a reasonable employer market. As required by subsection (d) of CS for House Bill No. 99 (Finance) those persons

presently exempt from WIN registration requirements would also be exempt from participation in Employment Search. Only those adult applicants and recipients of AFDC who live in urban areas selected for the program, who have no children under 6 years of age, and who have no prohibitive health or family problems would be required to participate in Employment Search. The program would be available on a voluntary basis to other AFDC recipients, as resources permitted.

2. The Community Work Experience Program (CWEP) which gives state the option to require recipients of AFDC to accept unsalaried work in public agencies or non-profit organizations.

States choosing to implement this program must identify the groups or categories of AFDC recipients who will be required to participate. This Bill effectively requires the State to limit the requirement for participation in CWEP to those who are already required to participate in WIN.

Therefore, although Federal regulations for CWEP allow states the option to require participation of parents with children at least three years old when (and only when) appropriate child care can be secured to enable participation in the CWEP project, this Bill would assure the continued exemption of caretakers of children under six years of age.

When implementing this program, states must also specify the geographic areas in which the program will be operated. In Alaska the Community Work Experience Program would be operated by WIN offices, and therefore CWEP would only be operated in WIN areas. A prerequisite of requiring CWEP participation in WIN program areas, is that CWEP must be an agreed upon activity in the client's WIN Employability Plan. The general practice in Alaska WIN is to obtain the client's agreement prior to making placement in a work experience a part of a client's Employability Plan. To do otherwise would result in poor client participation and, as a result, fewer agencies offering quality work experience opportunities.

Since CWEP participants continue to receive their assistance payments during their work experience placements, this program provides a no risk way of developing work skills and self-confidence while also establishing a recent work history and reference. Recent studies show that work experience program participants not only have increased employment rates, but also are more likely to remain independent of public assistance.

In Alaska CWEP would be utilized in place of the very successful Work Experience component of the WIN program and would be operated, as it always has been in WIN, as a way of providing clients with useful experience and training in jobs that they wish to pursue. A very important aspect of this program is the opportunity it offers

participants to develop the confidence to make it on their own. A work experience that is less than full-time, would result in less than a real experience with the realities of working.

Federal regulations limit the maximum number of hours per month that a recipient may be required to work in a Community Work Experience Program to the number of hours which would result from the division of the family's AFDC grant amount divided by the State minimum wage, however, states may specify a lesser maximum. The base AFDC grant in Alaska for a parent with one child is \$657 per month. When this grant amount is divided by the State Minimum Wage of \$3.85, the hours of CWEP participation would be 170 per month. Full-time employment in public and private non-profit organizations in Alaska generally does not exceed 165 hours per month, and the state would specify 37.5 hours per week (or a maximum of 165 hours per month) as the maximum number of hours a recipient may be required to work in a work experience placement.

Participation in any one CWEP placement would be limited to 13 weeks. However, clients could choose to complete several CWEP placements if they wanted to try different jobs before making a choice of employment goal.

Supportive services, such as child care and transportation assistance are assured by subsection (a) of HB 99, in any work program. In addition, subsection (a) of CS FOR HOUSE BILL No. 99 (Finance) would allow for an incentive increase in the AFDC grant of clients participating in a work experience program. Thus, the incentive payments which have always accompanied participation in WIN work experience could also be provided for CWEP participants.

3. The Work Supplemental Program (WSP), which is the newest of the optional programs. This is a voluntary-only program where participants choose to receive a regular paycheck instead of their AFDC grant. WSP effectively operates like the On-The-Job Training component of WIN except that a client's public assistance grant is used to subsidize wages, instead of using separate public funds.

Work Supplementation has not constituted a large portion of the work program activities of any state, and we would not expect it to be utilized for large numbers of participants in Alaska. The program is staff intensive and technically complicated to administer. However, it is a useful tool for obtaining higher paying jobs for some clients. The average AFDC grant in Alaska would provide a 62% subsidy on a wage of \$6 per hour or a 37% subsidy on a \$10 per hour wage.

29 U. S. C. 1603 (b) (3) requires programs operated under the Job Training Partnership Act (JTPA) to serve WIN registrants on an equitable basis taking into account their proportion of the economically disadvantaged population (over age 16) in the service delivery area (SDA) of a JTPA program. CS FOR HOUSE BILL No. 99 (Finance), subsection

CS for House Bill No. 99 (Finance)
Page 4

(b), lines 21, 22, and 23 extend to any work program implemented under this legislation, the requirement to utilize the resources of the programs operated under the authority of the Job Training Partnership Act. This requirement is desirable for maximum utilization of resources and for the prevention of duplication of services.

CS FOR HOUSE BILL No. 99 (Finance), subsection (e) requires that programs conducted under this legislation be coordinated and reviewed by the Job Training Coordinating Council of JTPA. Recent Federal legislation requires or encourages coordinated planning of related program activities at the state and local level. The Job Training Partnership Act specifically calls for WIN to coordinate with JTPA activities at the state and local levels, and the Title IV-A Employment Search activity require coordination with WIN. The provisions of CS FOR HOUSE BILL No. 99 (Finance), subsection (e) are a logical extension of these requirements for coordination and review by related programs.

It is the intention of the Department to create a system of work programs that is responsive to the individual abilities and needs of welfare clients. That system will channel each participant into the program that is suited to his or her current education, training, and experience. Support services will be provided, as needed, to the greatest extent possible with available resources, including referral to generally available community services and the programs of other state and local agencies. Our goal will always be to place each participant in a meaningful career position offering income potential that provides a real alternative to continued poverty. We believe that CS FOR HOUSE BILL No. 99 (Finance) will further the achievement of that goal.

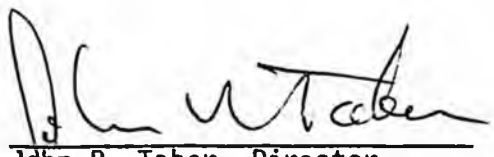
RECOMMENDATION

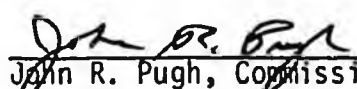
The proposed CS FOR HOUSE BILL No. 99 (Finance), paragraph (d) assures the extension of the current WIN program exemptions to any optional program implemented by the State. As it is our intention to operate humane work programs designed to promote an improvement in the quality of life of Public Assistance applicants and recipients, we recommend the addition of the following "Good Cause" exemption to paragraph (d), with the understanding that the application of this additional exemption would be limited by the fact that conformance with federal statutes and regulations is required.

- (8) is refusing or failing to participate for "good cause". "Good cause" is defined as, "Other situations in which the State agency determines, on a case-by-case basis, that a person could not reasonably or should not, for reasons of compelling social benefit, be required to participate in an employment program."

CS FOR HOUSE BILL No. 99 (Finance) should be enacted as quickly as possible. It will provide a legislative mandate to use available resources and federal program authorities to pursue a system of humane

welfare work programs in Alaska. Many of Alaska's welfare recipients will, thereby, receive the assistance they need and do not now receive to find meaningful employment. Alaska's needy will benefit through receipt of income that provides a better quality of life than is possible through welfare. The State of Alaska will benefit from a more economically healthy and contributing population and lower costs of welfare.

Recommended by: 
John R. Taber, Director
Division of Public Assistance
Date: 5-8-86

Approved by: 
John R. Pugh, Commissioner
Department of Health &
Social Services
Date: 5/8/86

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 4/21/86

REQUEST

Bill/Resolution No. : HB No. 99
 Title : Public Assistance Employment Programs
 Sponsor : Rules by request
 Requestor : _____
 Date of Request : 1/24/85

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : Public Assistance/Administrati
 Components : Work Incentive Component

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-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-

ANALYSIS : Attach a separate page if necessary

There is no fiscal impact from this legislation. HB99 supplements program authorities under which appropriations are already being provided and does not mandate additional effort. The provisions of the legislation can be complied with to the extent of available appropriations.

Prepared by : John R. Taber, Director Phone : 465-3347
 Division : Division of Public Assistance Date : 4-22-86

Approved by Commissioner : John R. Taber Date : 4/23/86
 Agency : Department of Health & Social Services

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

AMENDMENT
CS HB 500 (FIN)
APRIL 23, 1986

Department of Administration:

Office of the Commissioner
Office of the Commissioner

Add legislative intent as follows:

It is the intent of the legislature that the failure to adopt the separate appropriation item for the pay raise constitutes rejection of the monetary terms of the collective bargaining agreements in accordance with AS 23.40.215. Money otherwise appropriated for personal services is not intended to be used for implementation of the negotiated pay raise.

Department of Health & Social Services:

Public Assistance Administration
Work Incentive

Add federal funding as follows for work programs for recipients of AFDC

Pers Svcs	39.0
Contractual	156.6
Grants	50.0

Fed	245.6
GF Match	245.6
GF	(245.6)

Increase Staff Months by 5.

Purchased Services
Preventive Services

Replace existing intent regarding a runaway shelter in Anchorage with the following:

The sum of \$198,000 is appropriated as a direct grant to Alaska Youth Advocates for a runaway shelter in Anchorage.

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

April 23, 1986

BILL SHEFFIELD, GOVERNOR

POUCH H 01
JUNEAU, ALASKA 99811

PHONE: (907)
465-3030

DOCUMENT #86-67

The Honorable Al Adams, Chairman
House Finance Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

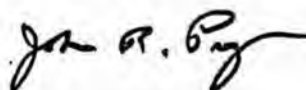
Dear Chairman Adams:

As discussed yesterday with Elmer Lindstrom and Louann Cutler of your staff, the Department has an opportunity to enhance the federal revenues flowing to the work programs for recipients of Aid to Families with Dependent Children (AFDC). These funds are budgeted in the Work Incentive component of the Public Assistance Administration BRU and had been identified in the fiscal note for CSHB 99. A recent Attorney General's Opinion has indicated that the Department has enough statutory authority to expand the work programs without the passage of CSHB 99. However, the opinion does recommend the Department acquire stronger legislative language. Therefore, the Department requests a budget amendment adding the additional federal funds to the FY87 budget (in case CSHB 99 does not pass). We would also appreciate a hearing on CSHB 99.

The additional 245.6 of funding will be used for three purposes: Personal services will be increased by 39.0 to permit increased use of permanent part-time positions now assigned to Wasilla and Kenai. No new positions will be established. 156.6 will be used to purchase professional employment and training services, primarily from the Department of Labor, Employment Security Division, which is our partner in the administration of the work programs. 50.0 will be used to make grants to eligible clients to obtain services, primarily child care, that are deemed necessary to permit the client's participation in the work programs.

Thank you for your favorable consideration of this request and for your assistance in spreading these additional federal funds in our FY87 budget.

Sincerely,



John R. Pugh
Commissioner

Division of Public Assistance
 FY87 Public Assistance/Administration BRU
 FY87 PA/Work Incentive Component

	<u>FY87 Gov Revised</u>	<u>Title IV-A Increment</u>	<u>FY87 Revised</u>
Personal Services	460.0	39.0	499.0
Travel	17.9	-0-	17.9
Contractual	21.8	156.6	178.4
Commodities	10.4	-0-	10.4
Grants	<u>128.5</u>	<u>50.0</u>	<u>178.5</u>
TOTAL	638.6	245.6	884.2
Funding Sources			
Fed	353.7	245.6	599.3
GFM	39.3	245.6	284.9
GF	245.6	(245.6)	-0-

Title IV-A Increment Summary

Personal Services: Increase staff-months by 5 months for Permanent Part-time positions in Wasilla and Kenai.

Contractual: Professional services for employment and training services to public assistance clients.

Grants: Benefits for required child care services.

POSITION PAPER

HOUSE BILL No. 99

For "An Act relating to public assistance employment programs."

BACKGROUND

Legislation is needed to allow the Division of Public Assistance to expand its involvement in employment programs. Current state law only mentions involvement in the Work Incentive Program (WIN). Federal regulations have recently changed to include various work programs as a regular part of public assistance agency activity. Expanded programs include:

1. Employment Search (Job Search") which allows states to require Aid to Families with Dependent Children (AFDC) applicants and recipients (unless exempt) to participate in job search activities. Food and Nutrition Service (FNS) regulations also permit job search requirements for food stamp applicants/recipients.

The goal of Job Search is to offer the necessary incentives for applicants/recipients to utilize the open job market for self-obtained employment as an alternative to welfare, or provide them with help in locating employment through "job clubs" or "group job search" activities. The Job Search program may also provide short-term remedial training for applicants/recipients who are not "job ready" and need training to become capable of performing basic tasks.

Job Search will not be a statewide program. It will be limited to urban areas which can provide a reasonable employer market. Exemption from Job Search will be available under certain conditions, including remoteness from available jobs.

Recruitment and development of an employer pool will be a part of the Job Search Program, but it will still be the applicant/recipients responsibility to seek and find his or her own job, either independently or through existing referral services (both private and public).

The Work Incentive (WIN) program presently provides employment and training services to less than one-third of the current AFDC caseload and does not serve Food Stamp applicants or recipients unless they also receive AFDC. The Job Search Program will augment the success of the WIN program by serving applicants/recipients who are currently not covered by WIN. No attempt will be made to compete with WIN, and we will continue to refer all mandatory and voluntary AFDC recipients to the WIN program.

Job Search will neither replace nor compete with the Department of Labor's Job Service. In Job Search, the focus of attention is on welfare applicants and participants who have turned to welfare as an alternative to work. Some will be discouraged job seekers, but many will have simply failed to actively pursue employment for a variety of personal or practical reasons. When Job Search has identified those clients with good employment potential and provided them with needed job seeking skills, many will be referred to Job Service as a key source of placement services. In addition, however, Job Search will go beyond the concept of Job Service by requiring all participants to personally initiate job placements by directly contacting employers, answering ads and in general, ferreting out jobs that traditionally are not listed with Job Service.

2. Community Work Experience Program (CWEP)- This program was made available under the Omnibus Budget Reconciliation Act (OBRA). In these programs, AFDC recipients perform unsalaried public service work as a condition of eligibility for AFDC benefits. The program generates "up-front" administrative and supportive services costs. However, CWEP studies are reporting long-range cost-savings, such as AFDC caseload reductions due to eventual placement of participants into unsubsidized employment. Intangible benefits, such as exposure to the labor market for long-term AFDC recipients, are also realized. Thus, the state might consider CWEP as an alternative for "hard-to-place" AFDC clients.

At present, the Division of Public Assistance is considering Job Search as a condition of eligibility for receipt of Food Stamps, AFDC, and General Relief. We are also considering adopting the CWEP as a follow-up to Job Search for AFDC recipients.


Attached is an article on West Virginia's Community Work Experience Program which is excerpted from the Welfare Management Institute Exchange (published by the Office of Family Assistance, Washington, D.C.). This article provides information on implementation and general acceptance of CWEP in West Virginia and is representative of the success stories heard from other states.

RECOMMENDATION

The proposed House Bill No. 99, Line 11 only covers applicants. Since requesting introduction of this bill we have realized that our intent is to establish the same requirements for current recipients and we suggest the substitution of "applicant/recipient" for the term "applicant." We believe that this change could significantly impact the effectiveness of the Job Search program.

The Department supports the proposed legislation with the suggested change. This bill is consistent with the program objections of the Department and should be enacted.

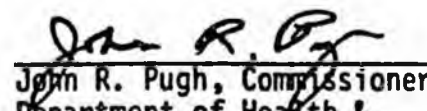
Recommended by:


John R. Taber, Director
Division of Public Assistance

Date:

2/4/85

Approved by:


John R. Pugh, Commissioner
Department of Health &
Social Services

Date:

2/6/85

MEMORANDUM

State of Alaska

TO: Honorable John R. Pugh
Commissioner
Department of Health
and Social Services

C. DATE: February 4, 1986

FILE NO: 366-297-86

TELEPHONE NO: 465-3603

FROM: Harold M. Brown
Attorney General

SUBJECT: Use of allocated
work incentive
program funds in
proposed Title
IV-A programs

By: George W. Edwards *GWC*
Assistant Attorney General
Human Services-Juneau

This memorandum is in response to your request for an opinion concerning your proposal to modify the work incentive program currently administered by the Department of Health and Social Services (DHSS) to provide for a higher level of federal matching funds under Title IV-A of the Social Security Act (42 U.S.C. §§ 601-615) than is presently available under Title IV-C of the Act (42 U.S.C. §§ 630-645).

Specifically, you have asked: (1) whether existing federal and Alaska statutes provide sufficient authority for the implementation and administration of the proposed job programs, and (2) whether legislative intent regarding general fund allocations allows you the flexibility to use a portion of allocated funds for state match to obtain federal funding for Title IV-A job programs rather than for the existing Title IV-C job program.

The programs you have proposed all provide a work incentive for welfare recipients and will enable the state to benefit from increased federal program funding. In seeking to maximize federal funds available for work incentive programs by directing funds from the Title IV-C work incentive (WIN) program to the Title IV-A generic work incentive programs, you are clearly furthering legislative intent in maximizing state benefits from federal matching funds while operating within state and federal statutory authority.

A work incentive program was enacted by the Alaska Legislature in 1968 and codified as AS 23.15.650. The intent of the legislature may appropriately be determined through the transmittal letters of then Governor Hickel which accompanied the program bill (HB 649) and the program appropriations bill (HB 648). United Faculty of Florida v. Board of Regents, 365 So.2d 1073 (Fla. App. 1979). That intent was to provide a program which would create work incentives among grant recipients under the Aid to Families with Dependent Children (AFDC) program and which

would be entitled to federal matching funds under the WIN program.

In 1968 the federal government's WIN share under Title IV-C was 90 percent of the state's program cost. That percentage has since been reduced to about 50 percent and is expected to drop precipitously this year. While the federal WIN program is not scheduled to go out of existence, its value to the state as a funding source is no longer what the legislature was relying upon in 1968. Presently, programs authorized under Title IV-A offer a higher percentage of federal matching funds.

The duty to administer work incentive programs and to seek matching funds from the federal government lies with DHSS pursuant to AS 47.05.010 which states that the department shall:

(1) administer adult public assistance, aid to families with dependent children, and all other assistance programs, and receive and spend funds made available to it;

. . . .

(8) cooperate with the federal government in adopting state plans to make the state eligible for federal matching in appropriate categories of assistance . . . ;

The duty to carry out work incentive programs in the most fiscally responsible manner is mandated by AS 37.07.080(a) which states:

(a) Except as limited by policy decisions of the governor, appropriations by the legislature, and other provisions of law, the several state agencies have full authority for administering their program service assignments and are responsible for their proper management.

The proposed programs clearly constitute work incentive programs as envisioned by the legislature since each has a parallel program within the existing WIN structure. 42 U.S.C. § 632(b) describes component WIN programs as including job search services, work experience training, public service employment, and on-the-job training.

The proposed programs are a job search program under 42 U.S.C. § 602(a)(35), a work experience program under 42 U.S.C.

§ 609, and a work supplementation program under 42 U.S.C. § 614. The latter two proposed programs are statutorily recognized as alternatives to the WIN program. See 42 U.S.C. §§ 609(a)(3) and 614(b)(2).

One matter of potential concern is found in 42 U.S.C. § 644. The section appears to limit the power to administer the Title IV-C program to state agencies not also administering Title IV-A programs. Since programs from both titles have apparently overlapped in the past, we presume this section is not expected to be a problem.

Since the proposed programs simply duplicate three components of the existing WIN program, and since that program will continue to exist in Alaska pursuant to AS 23.15.650, on a more limited scale, initiation of the proposed programs is lawful. The decision to initiate the proposed programs is properly one for the commissioner of DHSS unless the governor's approval is required as suggested below.

After 1968, the legislature didn't again appropriate funds specifically for the program created under AS 23.15.650. Allocations have since been made both to DHSS and the Department of Labor for work incentive programs. During fiscal 1985 just over \$600,000 was allocated to DHSS for what is described in the Governor's Component Budget Summary as a work incentive subprogram.

The fact that funds are no longer appropriated for a specific work incentive program but are allocated for a generic program places the discretion for application of the funds with the executive branch. If the proposed program changes require the transfer of an allocation within DHSS from one budgeted program to another, approval of the Governor's Office of Management and Budget (OMB) is necessary pursuant to AS 37.07.080 which states in part:

(e) Transfers or changes between objects of expenditures or between allocations may be made by the head of a state agency upon approval of the office. No transfers may be made between appropriations except as provided in an act making the transfers between appropriations.

If DHSS in fact proposes to transfer funds from one program into another such that the actual operation of the existing work incentive program within DHSS will be altered, we believe the approval of OMB must first be obtained.

Honorable John R. Pugh, Commissioner
Department of Health and Social Services

February 4, 1986
Page 4

If the proposed transfer will instead effect only the source of federal funding and not the actual operation of the existing work incentive program within DHSS, the approval of OMB will not be necessary.

The duty to maximize the federal contribution in this instance lies with DHSS. The discretion to use allocated funds within an existing program also lies with DHSS. The authority to transfer allocated funds between programs must come from the governor through OMB.

GWE:nb



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 23, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to public assistance employment programs. The bill authorizes the creation of programs that encourage public assistance applicants to work as an alternative to receiving aid.

The bill has three components: it authorizes the Department of Health and Social Services to establish employment and training programs; it allows the department to require participation in a program as a condition of eligibility or as recompense for aid payments; and it allows the department to give an applicant money or provide services that enable the applicant to participate in a program.

Under the first component, the department may establish programs that encourage persons to prepare for, seek, and retain employment so that they will not need public assistance. The Work Incentive Program administered by the Department of Labor under AS 23.15.250 has been successful and the Department of Health and Social Services needs the authority granted in this bill to enable it to adopt and administer similar programs.

The second component allows the department to mandate participation in a program it establishes as a condition of eligibility, or as recompense, for assistance. Participation in a program would give an applicant placement information, vocational skills, on-the-job training, or other assistance the applicant needs to become self-supporting.

The final component allows the department to provide an applicant with money or services the applicant needs in order to participate in employment programs (e.g. bus fare, day care), without having to reduce the applicant's assistance by the amount of money or the value of the services pro-

vided. Applicants' assistance payments need not be reduced as a consequence of receiving the money or services because the bill permits total benefits to exceed maximum payment levels.

The experience of other states indicates that training and employment programs have been successful in putting welfare applicants on their way to self-support. I urge you to adopt this bill.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield". The signature is written in dark ink and is positioned above the printed name.

Bill Sheffield
Governor

Offered: 3/26/86
Referred: Judiciary and
Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 99 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to public assistance employment
7 programs."

8

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

9

* Section 1. AS 47.05 is amended by adding a new section to read:

10

Sec. 47.05.070. AUTHORITY TO ESTABLISH EMPLOYMENT PROGRAMS. (a)

11

The department may establish programs that provide applicants for
12 public assistance and public assistance recipients with social ser-
13 vices, including child care and transportation, needed to participate in
14 the program and with incentives and training needed to obtain employ-
15 ment, or with actual work experience.

16

(b) The department may require participation in a program as a
17 condition of eligibility for public assistance.

18

(c) The department may provide an applicant or recipient with
19 money or other resources it finds necessary to enable the applicant or
20 recipient to participate in a program. The total value of money or
21 other resources and aid payments may exceed maximum payment levels
22 established under this title.

23

(d) The department may not require an applicant or recipient to
24 participate in a program under this section as a condition of eligi-
25 bility for public assistance if the applicant or recipient is

26

(1) under 16 years of age or 65 years of age or older;

27

(2) a full-time student under 18 years of age;

28

(3) ill or incapacitated, if medical evidence or other

29

sound basis confirms that the illness or incapacity prevents entry

1 into employment or training;

2 (4) residing in a remote area that requires more than two
3 hours traveling time to complete a round trip between home and program
4 area or work or training site by reasonably available transport;

5 (5) with only brief and infrequent absence, the primary
6 caretaker of a child or children under six years of age residing in
7 the same household or of a household member who has a verified phys-
8 ical or mental impairment that requires the presence of the primary
9 caretaker in the home on a substantially continuous basis;

10 (6) the primary caretaker of a child in the household if
11 another adult in the same household is registered and participating in
12 the program;

13 (7) employed and working at least 30 hours a week at a job
14 expected to last at least 30 days.

Offered: 4/18/86
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 99 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public assistance employment
7 programs."

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

9 * Section 1. AS 47.05 is amended by adding a new section to read:

10 Sec. 47.05.070. AUTHORITY TO ESTABLISH EMPLOYMENT PROGRAMS. (a)

11 The department may establish programs that provide applicants for
12 public assistance and public assistance recipients with social ser-
13 vices, including child care and transportation, needed to participate in
14 the program and with incentives and training needed to obtain employ-
15 ment, or with actual work experience.

16 (b) The department may require participation in a program as a
17 condition of eligibility for public assistance. However, the depart-
18 ment may not require an applicant or recipient to perform uncompen-
19 sated work as a condition of eligibility for public assistance.

20 (c) The department shall provide an applicant or recipient with
21 money or other resources it finds necessary to enable the applicant or
22 recipient to participate in a program. The total value of money or
23 other resources and aid payments may exceed maximum payment levels
24 established under this title.

25 (d) The department may not require an applicant or recipient to
26 participate in a program under this section as a condition of eligi-
27 bility for public assistance if participation will cause a substantial
28 hardship for the applicant or recipient, for other extraordinary
29 cause, or if the applicant or recipient is

- 1 (1) under 16 years of age or 65 years of age or older;
- 2 (2) a full-time student under 18 years of age;
- 3 (3) ill or incapacitated, if medical evidence or other
- 4 sound basis confirms that the illness or incapacity prevents entry
- 5 into employment or training;
- 6 (4) residing in a remote area that requires more than two
- 7 hours traveling time to complete a round trip between home and program
- 8 area or work or training site by reasonably available transport;
- 9 (5) with only brief and infrequent absence, the primary
- 10 caretaker of a child or children under six years of age residing in
- 11 the same household or of a household member who has a verified phys-
- 12 ical or mental impairment that requires the presence of the primary
- 13 caretaker in the home on a substantially continuous basis;
- 14 (6) the primary caretaker of a child in the household if
- 15 another adult in the same household is registered and participating in
- 16 the program;
- 17 (7) employed and working at least 30 hours a week at a job
- 18 expected to last at least 30 days.

Introduced: 1/23/85
Referred: Health, Education & Social
Services and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

HOUSE BILL NO. 99

2

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to public assistance employment
7 programs."

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

9 * Section 1. AS 47.05 is amended by adding a new section to read:

10 Sec. 47.05.012. AUTHORITY TO ESTABLISH EMPLOYMENT PROGRAMS. (a)

11 The department may establish programs that provide applicants for
12 public assistance with incentives, opportunities, training, or ser-
13 vices needed to obtain employment, or with actual work experience.

14 (b) The department may require participation in a program as a
15 condition of eligibility, or as recompense, for public assistance.

16 (c) The department may provide an applicant with money or other
17 resources it finds necessary to enable the applicant to participate in
18 a program. The total value of money or other resources and aid pay-
19 ments may exceed maximum payment levels established under this title.