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ALASKA'S FAMILY SUPPORT TASK FORCE

FINAL REPORT

December 1989

Co-Chairmen:
Senator Rick Uehling
Representative Johnny Ellis



The purpose of the welfare reform legislation (HB 171) is designed to keep families together and to provide incentives and sanctions for people on public assistance to move from welfare to gainful employment through education and training programs.

A major overhaul of the welfare system is occurring this year in most states as a result of federally mandated legislation. HB 171 is necessary for continued state compliance with federal law. Non-compliance will put the state in jeopardy for loss of federal funds, which provide approximately 50% of the funding.

The Alaska Family Support Task Force met for 7 months last year to prepare a number of recommendations relating to these welfare reform changes (you can find the report in your folder): HB 171 is the "largest piece of the welfare reform puzzle".

The federal Family Support Act of 1988 outlined mandatory components requiring states to:

- *Establish a state-based education training and work program

- *Provide child care services and Medicaid health coverage as supportive services for up to a year after a participant begins working.

- *Strengthen child support enforcement

HB 171 establishes the Job Opportunity and Basic Skills (JOBS) program which offers education and training and related supportive services.

- *JOBS requires coordination of existing education and training programs in the state:

- The Job Training Partnership Act (JPTA) will be the principal job training program utilized. (It authorizes grants to states to fund job training programs to prepare unskilled people to enter the labor force).

- The State Training & Employment Program (STEP) in the Dept. of Comm & Reg. Affairs (funded through a grant from the Dept. of Labor) will also be a program utilized.

The employment and training programs will enable the welfare recipient families to become self-supporting faster.

--For those who need additional education to reach their employment goal, education options that range from adult literacy programs to vocational education to post-secondary education programs can be utilized.

HB 171 also extends assistance to 2 parent households in which the principal wage earner is unemployed (the unemployed parent mandate) in an effort to keep families together.

Presently, many fathers, especially, will leave the mothers so that their children and wife can receive welfare benefits.

This legislation will work with families in an effort to assist them by providing tools to become self-supporting.

HOUSE COMMITTEE REPORT

3/28

(7)

Date Referred: March 12, 1990

FURTHER REFERRALS:

Date of Committee Action: 3/27/90

FINANCE

The LABOR & COMMERCE Committee considered:

HB 171

HOUSE BILL NO. 171

JOB TRAINING AND EDUCATION PROGRAM

"An Act establishing a training and education program to expand employment opportunities for low-income persons; repealing the work incentive program; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with RSIB 171 (New) the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact _____
- zero fiscal note _____
- zero with analysis _____

- fiscal note(s) NSS 3/12/90
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

	Do Not Pass	No Rec	Amend
<u>Karen A. Lemaw</u> Lemaw		<input checked="" type="checkbox"/>	
<u>Greenberg</u>			
<u>Boucher</u>			
<u>Collins</u>			
<u>Finkelstein</u>			
<u>Boyer</u>			
<u>Donley</u>			

David Donley

Chairman's Signature

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 13, 1989 FURTHER REFERRALS: LABOR & COMMERCE

FINANCE

Date of Committee Action: 3/8/90

The HEALTH, EDUCATION, & SOCIAL SERVICES Committee considered: HB 171

HOUSE BILL NO. 171 [JOB TRAINING AND EDUCATION PROGRAM]

"An Act establishing a training and education program to expand employment opportunities for low-income persons; repealing the work incentive program; and providing for an effective date."

RECOMMENDS:

- [X] replacing with CSHA 171 HESS [] the same title [X] a new title
[] the attached amendment(s)
[] do pass
[] do not pass
[] no recommendation
[] individual recommendations
[] additional referral to the Committee

ADOPTS: House HESS letter of intent

ATTACHES NEW FISCAL NOTE(S):

- [X] fiscal impact DHSS
[] zero fiscal note
[] zero with analysis

APPROVES PREVIOUS:

- [] fiscal note(s) published:
[] zero fiscal notes(s) published:

SIGNING DO PASS:

Handwritten signatures: J. Ellis, John Davis, Ken Stuber, Mark Baker

SIGNING OTHER THAN DO PASS:

(Do Not Pass, No Recommendation, Amend)

Handwritten signature: J. Ellis
Chairman's signature

parents participate in a work project.

It is estimated that some 625 new families will be included in this coverage in fiscal year 1991 and about twice that number the following year.

BENEFITS WHILE WORKING

To ensure that parents who find jobs can afford to continue working and to provide an incentive to find jobs, welfare reform offers child care assistance and Medicaid benefits for up to a full year after a client begins working. These benefits will be offered beginning April 1, 1990. Child care benefits will be administered through the Department of Community and Regional Affairs' existing child care programs.

It is estimated that these benefits will provide medical coverage and child care for some 1,170 children by 1992.

CHILD SUPPORT ENFORCEMENT

In keeping with its goal of encouraging families to be self sufficient, the Family Support Act implements several changes in child support. Chief among these are:

- * Guidelines for judges who set support orders must be periodically reviewed and updated.
- * Child support orders must be reviewed regularly and may be modified by the Child Support Enforcement Division at the request of either parent.
- * Employers must withhold child support payments from wages for nearly all support orders on a phased-in schedule beginning November 1990.
- * A greater effort must be made to establish paternity, including identifying both parents at the time of birth.

Published by the Alaska Department of Health and Social Services, Division of Public Assistance.

People Reaching Independence and Dignity through Employment

How welfare reform will affect Alaska



INTRODUCTION

The federal Family Support Act of 1988, often called welfare reform, mandates that states make massive changes in the way they handle almost every aspect of welfare. In Alaska those changes will begin taking place on April 1, 1990.

To prepare for these changes, some 150 Alaskans spent part of last summer holding hearings, gathering information and preparing reports. The final results are the recommendations from Alaska's Family Support Task Force, chaired by Sen. Rick Uehling and Rep. Johnny Ellis.

WHY THE CHANGE?

The Family Support Act's primary goal is to take people off welfare by providing them with education, training and the child care necessary to win and keep jobs. It is also intended to support families and children in need by extending benefits to two-parent families.

HOW MUCH WILL IT COST?

In the long run, federal and state governments believe welfare reform will bring down costs by taking people off welfare. Program implementation, however, is costly. Depending on the number of people who participate, which is driven by available funds, Alaska's combined state and federal budget for fiscal year 1991 is estimated to be between \$17.84 million and \$34.15 million. The State of Alaska's share of that will be between \$9.07 million and \$20.7 million.

WHAT WILL CHANGE?

J.O.B.S.

(Job Opportunity and Basic Skills)

JOBS, which will replace the current WIN program, will offer education, training, job search, on-the-job training and supportive services. These will include continuing child care and

family medical coverage for one year after the client leaves welfare for a job.

Under the Family Support Act, welfare clients will be under much greater pressure to train for and find jobs than they are now. In Alaska, the recommendation is that all Aid for Family with Dependent Children (AFDC) clients with children age three or older be required to participate in JOBS.

Services will focus on people and families who are seen as the least likely to leave welfare without them. Chief among these are teen-age parents without a high school diploma. Such clients will be required to attend school to receive AFDC benefits, as will any adult client who is found to test below an eighth grade literacy level. Other clients who will receive priority are those who have been on welfare for at least 36 of the past 60 months and those who will soon be ineligible for AFDC because their children are getting older.

JOBS also requires coordination of existing education and training programs in the state in order to make these services as accessible as possible to welfare clients.

Service to Alaska Natives will change dramatically under JOBS. Access to training, education and jobs will be increased greatly by offering JOBS through regional Native non-profit organizations, rather than at only a few urban sites. Twelve Native organizations have already begun offering JOBS in their areas.

JOBS will be available to non-Native clients beginning Oct. 1, 1990.

TWO-PARENT HOUSEHOLDS

Beginning Oct. 1, 1990, Alaska must offer assistance to two-parent households in which the principal wage earner is unemployed. The coverage will include year-round AFDC benefits, Medicaid and the requirement that one or both

WELFARE REFORM OVERVIEW

The Family Support Act of 1988 is the most comprehensive overhaul of the Aid to Families with Dependent Children (AFDC) program since it was enacted in 1935. Passage of the new Act was the result of a two year bipartisan effort by the nation's governors. It begins to change the current welfare system from an income maintenance program with minor work components, into a system that actively promotes family self-sufficiency and assists clients in leaving welfare for work.

KEY FEATURES OF THE FAMILY SUPPORT ACT:

A. Cash and Medical Benefits for Unemployed Parents:

For the past several years, states have had the option of covering two-parent households in which the principal age earner is unemployed. Alaska has not included these families in its AFDC program. The Act mandates AFDC unemployed parent (UP) coverage in all states beginning October 1, 1990.

B. Job Opportunities and Basic Skills Training (JOBS)

The Act repeals the WIN (Work Incentive) program in the work programs established under the old AFDC program and replaces it with JOBS. State programs begin October 1, 1990. The key differences between the old and the new program are:

1. Alaska Native organizations receive the direct federal funding to provide JOBS services to Alaska Native AFDC clients. Native grantees will begin their programs before the State begins its JOBS. Native funding for FY 91 is expected to be 38% of Alaska's total JOBS funding; no State or local match is required.
2. Services must be targeted to the long-term dependent and those most at risk of becoming long term dependent.
3. Because long-term dependent and at risk clients are also the hardest to serve they will require more in-depth services.
4. Supportive services such as child care, transportation, medical assistance, increase.
5. Federal funding levels will increase and match funds are available for new services, as long as federal funds are targeted to long-term dependent and at-risk individuals.
6. Phased-in performance standards increase the number of clients served.

C. Transitional Benefits While Working:

1. The Act creates a new entitlement to day care assistance for up to twelve months for anyone who leaves AFDC because of increased earnings, beginning April 1, 1990.
2. The Act also makes the current four-month extended Medicaid benefits available for up to a full year, beginning April 1, 1990.

D. Child Support Enforcement:

The Act addresses several child support enforcement issues, but the four main features are:

1. Each state establish guidelines by October 1989 which are a rebuttable presumption for judges who set support orders, with periodic review of the guidelines;
2. Support orders must also be reviewed regularly;
3. Employers must immediately withhold child support payments from wages for nearly all support orders on a phased in schedule beginning November 1990;
4. The identities of both parents must be established at the time a birth is recorded,

GOALS OF ALASKA'S FY 91 FAMILY SUPPORT ACT PACKAGE

UNEMPLOYED, TWO-PARENT FAMILIES

Cover the 1495 poor children in 623 intact families with AFDC cash benefits, and provide them and their parents with medical coverage, by October 1, 1990.

Why: Congress felt that poor children in intact families were being penalized in the 20 states who did not cover them.

Tools: Unemployed Parents AFDC, Medicaid.

Establish one pilot program each in urban and rural Alaska that allows parents in UP families to "work off" their AFDC grant and medical insurance.

Why: By definition, both parents in UP families are able bodied, and at least one has recent work experience. If no paying jobs are available, one parent may support the family by performing work or community service for their AFDC grant and health insurance. States with strong Work programs experience lower UP cash assistance payments than states without Work requirements.

Tools: State JOBS, Native Grantees.

JOB OPPORTUNITIES AND BASIC SKILLS TRAINING (JOBS)

Provide meaningful job training opportunities to 620 non-natives and 380 Alaska Natives on AFDC. AFDC clients whose youngest child is three years or older are mandatory participants if child care is available.

Why: In our society, work is tied to self-esteem. The work force has changed and more than 60% of women with young children work.

Tools: JTPA training funds, JOBS case management services, child care, medical coverage.

JOBS, cont'd.

Raise the literacy level of JOBS participants who do not perform above an 8th grade level.

Why: Any job which pays enough to support a family requires basic competency in English and math.

Tools: Adult Basic Education (A.B.E.) services, both urban and rural.

Ensure that young parents between ages of 13-24 on AFDC get a high school diploma. The law mandates education for those under 20 without a diploma and targets young parents under 24 for special attention.

Why: The single most predictable profile of a long-term welfare dependent is one of a young parent who lacks a high school education. Investing here will be our biggest pay off.

Tools: DOE pilot for 25 teen parents, other JOBS services, child care, medical, and supportive services.

Ensure clients with barriers to learning or training get help.

Why: One of the most frequent concerns of job training professionals is that clients' underlying problems, such as substance abuse, are not addressed during or before training. The result is another failure for the client and waste of precious training resources.

Tools: Specialized intensive case management and supportive services for 25 JOBS clients who are appropriate for treatment. (Treatment resources come from existing system).

JOBS, cont'd.

In exchange for parents' participation, guarantee cash assistance, child care and medical coverage to 1000 AFDC families participating in training or education.

Why: In this contract, if parents agree to try to improve themselves, then the government must give them the tools to do so. As a practical matter, the government is already paying cash and medical for this client. The new expense is for child care.

Tools: AFDC cash, JOBS, child care and medical.

Make sure there is enough supply of child care/of the right hours in the right places to meet the needs of FSA clients.

Why: Alaska must exempt parents from participation if child care cannot be found. Supply of part-time, weekend, evening care and care for very young children must be generated. Entry level jobs, especially in service sector may not be 8-5 pm.

Tools: Information and referral brokering service to recruit providers and match with client needs and to do ground work for licensing.

Ensure that 1400 children placed in child care while parents work or train get quality care, beginning April 1, 1990 and October 1, 1990.

Why: It is shortsighted to address the needs of a parent in poverty only to ignore the needs of their children. Quality care must be available to all clients.

Tools: JOBS component to educate the parent to choose good quality care, licensing resources.

JOBS, cont'd.

Ensure that parents have the tools to balance work and family.

Why: Being a good parent is the most important job most of us will ever do, yet it is the job for which we receive the least formalized training. Single parents, young parents, families with economic pressures, or low education levels could benefit greatly.

Tools: JOBS will provide parenting training during its orientation sessions. In future years, JOBS may offer scholarships to community-based parenting programs for AFDC clients.

TRANSITION BENEFITS WHILE WORKING

Help with child care expenses and medical coverage for up to one year for the working poor who leave AFDC for a job.

Why: Lack of affordable child care and medical coverage are two major reasons parents do not permanently make the transition from welfare to work. It seems safer to "do nothing."

Tools: Transitional child care and medical benefits beginning April 1, 1990, via Medicaid and DCRA.

CHILD SUPPORT ENFORCEMENT

Ensure that Alaska has ability to review and modify child support guidelines and all support orders periodically.

Why: It is important that child support payments reflect current economic conditions, needs, and family situations.

Tools: Child Support Enforcement Division staff within Department of Revenue; Court System's Child Support Guideline Committee.

CHILD SUPPORT ENFORCEMENT cont'd.

Beginning November 1990, immediately withhold child support payments for new and modified orders from paychecks.

Why: Experience indicates that collections are much higher when they are automatically withheld from wages. Current practice is to immediately withhold payments only for obligers whom the system has marked as being delinquent in their payments. This creates a stigma for those obligers.

Tools: CSED, employers.

Increase paternity establishment for AFDC cases.

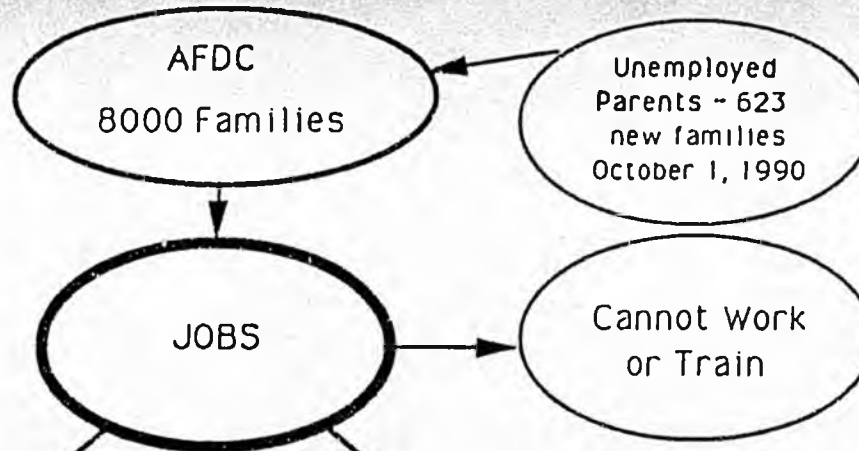
Obtain Social Security Numbers of both parents before Birth Certificate is issued.

Why: Parents should be responsible for their children, whether or not they live in the same home. AFDC cash outlays can be reimbursed by child support payments collected by CSED on behalf of AFDC clients.

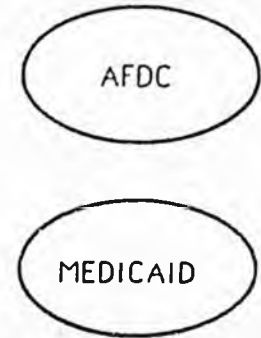
Tools: CSED staff, DPA eligibility workers, Bureau of Vital Statistics, sanctions if clients don't cooperate.

CASH ASSISTANCE

WELFARE REFORM

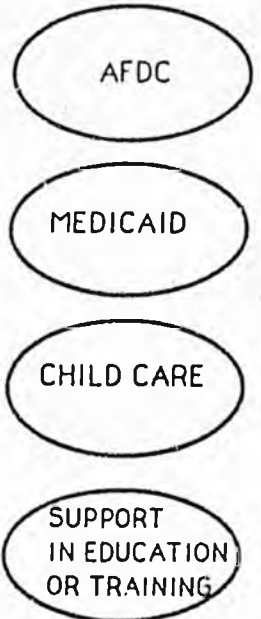
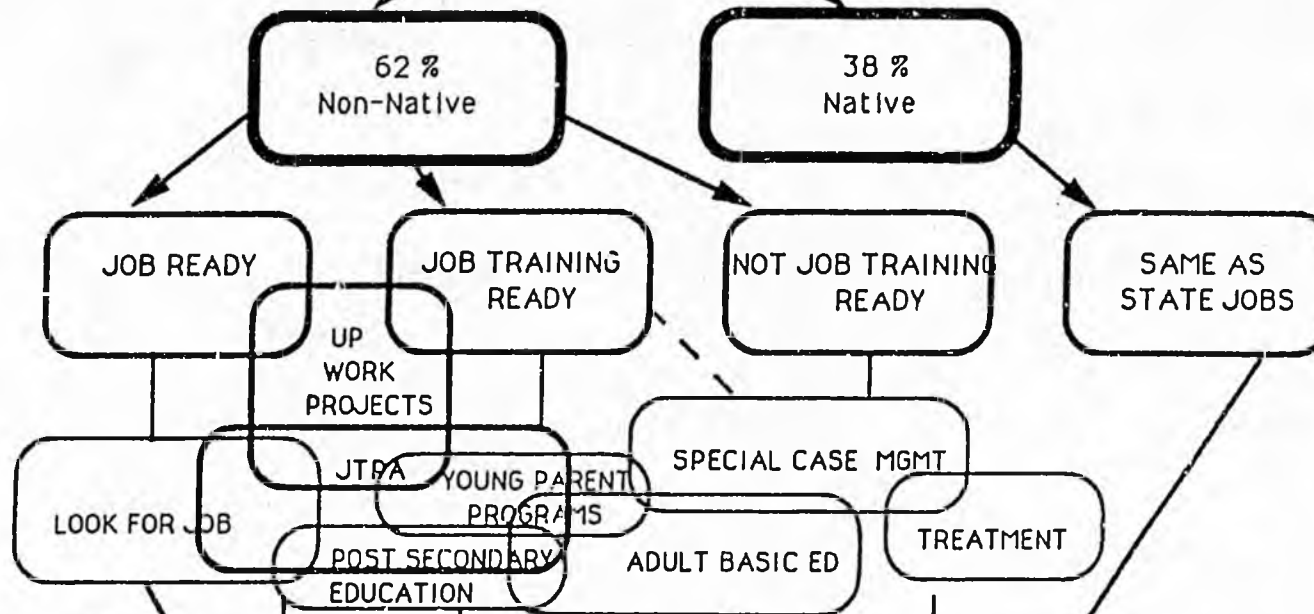


BENEFITS



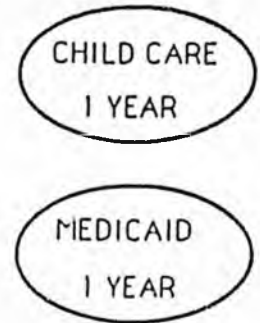
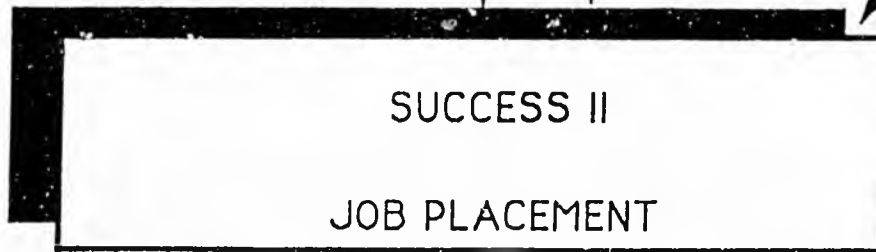
JOBS

October 1, 1990



TRANSITION BENEFITS

April 1, 1990



3111 C STREET, SUITE 455
ANCHORAGE, ALASKA 99503
(907) 561-7628

WHILE IN SESSION
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3704

ALASKA STATE HOUSE

OFFICE OF MAJORITY WHIP

CHAIR
HEALTH, EDUCATION & SOCIAL SERVICES

JUDICIARY

SPECIAL COMMITTEE ON
FOREIGN & DOMESTIC TRADE

REPRESENTATIVE JOHNNY ELLIS

To: Rep. Dave Donley
Chair, Labor and Commerce

From: Rep. Johnny Ellis *JE*

Date: March 19, 1990

Re: Request for a Committee Hearing of CSHB 171

I respectfully request a committee hearing on CSHB 171 during the week of March 26, if possible.

CSHB171 is based on the Family Support Act federal mandates and the Alaska Family Support Task Force's recommendations concerning welfare reform. It is imperative that we pass this bill through the Legislature this session because of the federal mandates and deadlines for implementation.

If you have any questions about the bill, please contact Kimberly in my office at 3704.

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



P.O. BOX V, JUNEAU 99811
(907) 465-3759

March 8, 1990

Letter of Intent to
CSHB 171 (HESS)

The purpose of this letter is to state that the House HESS Committee intends, under this legislation, to allow people who are participating in the Job Opportunities and Basic Skills (JOBS) program to attend a four year degree program if it will assist them in obtaining gainful employment.

CSHB 171 (HESS) will allow JOBS participants to access 4 year college programs as well as 2 year vocational or college programs. A four year program is acceptable if required to meet the client's employment goal, and if this employment goal is supported by the client's assessment results and labor market conditions. However, JOBS participants in the final two years of a four year program will receive child care assistance, case management and other supportive services on an as-available basis. JOBS funds will not be used to pay tuition or other direct costs for these final two years.

Clients will not be sanctioned for failure to complete Job Search or other JOBS program activities during this period of self-initiated education provided that they are attending a Pell Grant approved institution at least half time, and making satisfactory progress as defined by the institution.

A handwritten signature in cursive script, appearing to read "Johnny Ellis".

Rep. Johnny Ellis, Chair

#1

A M E N D M E N T

OFFERED IN THE HOUSE

BY REP. ELLIS

TO: CSHB 171 (HESS)

Page 2, line 23, after "(P.L. 97-300)":

Insert "or a training and employment program operated or funded by the State Job Training Coordinating Council in the Department of Community and Regional Affairs through a grant from the Department of Labor"

Page 5, line 20, after "682(i)":

Insert "and programs operated or funded by the State Job Training Coordinating Council in the Department of Community and Regional Affairs through a grant from the Department of Labor"

#2

Line 22 Page 7

(c) In administering the program, the department shall direct JOBS case managers to recommend and accept as appropriate component participation, reasonable client activities designed to promote and develop entrepreneurial ability and success.

reletter subsequent paragraphs

A M E N D M E N T # 3

OFFERED IN THE HOUSE

TO: CSHB 171 (HESS)

Page 1, line 12, after "program;":

Insert "establishing a pilot project relating to an alternative education program designed to meet the needs of persons of school age who are pregnant or are parents;"

Page 12, after line 16:

Insert a new bill section to read:

"* Sec. 10. PILOT PROJECT. (a) The Department of Education shall award a contract to a school district to establish a pilot project under which persons of school age who are either pregnant or are parents could attend an alternative education program designed to meet their needs for day care, transportation, and education related to parenting, job skills, health, and fitness.

(b) The department shall award the project contract described in (a) of this section to a school district that

- (1) is centrally located in the state;
- (2) has access to existing facilities to support the project;
- (3) will serve the highest number of persons of school age who are pregnant or are parents, including eligible school-aged persons from other areas of the state who are temporarily residing in the district in order to be near its specialized health facilities; and

(4) agrees to accept into the project all school-aged persons receiving assistance under AS 47.25.310 - 47.25.420 (aid to families with dependent children) who apply for acceptance into the project and meet project participation criteria.

(c) After determining where the project will be located according to the criteria set out in (b) of this section, the department shall retain oversight jurisdiction of the project.

(d) The department shall require the school district in which the project is located to submit information that will assist the department in evaluating the extent to which the project meets the needs of its participants for day care, transportation, and education. The department shall also analyze the project's operation to determine the extent to which its methodologies would be suitable for application in other school districts that vary in size and demographics. To the extent that the department determines that the project's methodologies are not suitable for statewide application, the department shall develop recommendations for other methodologies that would be applicable to other school districts.

(e) In this section, "school age" has the meaning given in AS 14.03.-070.

(f) This section is repealed June 30, 1992."

Renumber the following bill section accordingly.

FISCAL NOTE

REQUEST:

Revision Date: _____
Tide: An act relating to AFDC and
establishing an effective date.
Sponsor: Rep. Ellis, Bover, M. Davis et al
Requestor: Rep. Ellis

Agency Affected: DHSS/DPA, DCRA, DOE
BRU: Public Assistance Administration
Components: Alaska Work Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	128.9	133.8	138.8	144.0	149.5	155.1
TRAVEL	39.4	44.8	40.8	45.4	51.6	48.0
CONTRACTUAL	2657.7	4185.2	4685.2	4712.6	4746.9	4746.9
SUPPLIES	0.6	0.6	0.6	0.6	0.6	0.6
EQUIPMENT	6.0	6.0	6.0	6.0	6.0	6.0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	926.8	928.0	1026.2	1027.2	1028.9	1026.9
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	3759.4	5297.6	5897.6	5935.8	5983.5	5983.5

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	3659.4	5197.6	5797.8	5835.8	5883.5	5883.5
FEDERAL FUNDS	100.0	100.0	100.0	100.0	100.0	100.0
OTHER						
TOTAL	3759.4	5297.6	5897.6	5935.8	5983.5	5983.5

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) NO FISCAL IMPACT IN FY 90.

Increases in future years reflect required increases in clients served as stipulated in the federal law. See attached detail.

Prepared by: John R. Taber
Division: Division of Public Assistance
Approved by Commissioner: Myra M. Munson
Agency: Health & Social Services

Phone: 465-3347
Date: 3/6/90
Date: 3/6/90

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

Committee Substitute for House Bill 171 establishes two new public assistance programs which are mandated by the Federal Family Support Act of 1988, to be administered by Alaska's Department of Health and Social Services (DHSS), Division of Public Assistance (DPA). Both new programs begin October 1, 1990.

The bill authorizes the Unemployed Parent (UP) program, which provides that two parent families in which the primary wage earner is unemployed may be eligible for Aid to Families with Dependent Children (AFDC). Currently only single parent families are eligible unless the second parent is incapacitated.

It also creates the Job Opportunities and Basic Skills training program, (JOBS), to replace the existing Work Incentive (WIN) program, which is repealed. The purpose of JOBS is to assist AFDC clients to get jobs and leave welfare.

This bill establishes these programs in accordance with the federal Family Support Act of 1988 and the recommendations of Alaska's Family Support Task Force. The bill requires DPA to establish all components of these programs statewide in FY 91.

Governor's Budget Must Remain As Base

The Governor's proposed FY 91 budget includes funding for the new programs' entitlement and start up costs. The Governor's budget meets minimum federal mandates for the first year of welfare reform. Therefore to ensure compliance with federal requirements, the Governor's proposed welfare reform funding level must remain intact. It should serve as the base upon which fiscal note funding for H.B. 171 builds.

The proposed law requires earlier implementation of the services necessary to meet the federal mandates than does the Governor's budget. Therefore certain assumptions which formed the Governor's budget cannot be used to plan for this bill.

For example, the Governor's proposed JOBS and UP budgets assume:

1. JOBS will not offer a full menu of components in each JOBS geographical area in the state.
2. Some JOBS components will not be offered at all in FY 91, or offered to a few clients in one or two sites on a demonstration basis only. These will require future funding for implementation.

3. Alaska Native organizations JOBS programs' education, training, and work project plans and costs funded directly by the federal government have no State participation in the first year.
4. Alaska will not require UP clients to meet a work requirement this year. In FY 91, JOBS may develop one basic UP work project for a few clients.

The Governor's FY 91 budget proposal anticipates phasing in statewide JOBS funding through FY 94.

Also, although the UP program does have a mandatory work requirement for its recipients, this requirement does not begin until 1994. At that time Alaska must require a minimum of 40% of UP recipients to participate in work activity for 16 hours or more per week in addition to JOBS education and training activities. By 1997 the participation requirement increases to 75%. Because the Act stipulates no minimum starting level for FY 91, the base budget includes no funding to begin this UP work activity. It is anticipated by the Governor's budget that funding to meet these requirements will be phased in as earlier mandates are established administratively.

H.B. 171 states that DHSS shall provide all JOBS components to State JOBS participants statewide. It also requires the department to explore innovative education and training programs for UP families. These stipulations require that the base provided by the Governor's budget be expanded.

Fiscal Note Requirement

The following analysis describes \$3.7 million in additional funding needed to implement H.B. 171. The Department of Health and Social Services is presenting this fiscal note because it has overall responsibility for implementing JOBS. However, as with the Governor's base budget for welfare reform, not all of the fiscal note is actually DHSS funding.

The Department of Education would administer \$1,280,000 in contract and grant funds for young parent and Adult Basic Education Services. The remaining amount includes \$2.2 million in contract and grant funds for DHSS and DCRA to purchase services from community organizations. It includes \$240,000 for DhSS and DOL personal services and administration. (See graph, page 6).

Not shown in this analysis are program savings anticipated by implementing welfare reform. Although the program costs will always be required, if JOBS is effective, these costs will eventually result in savings to the actual cash benefits paid to AFDC clients. Because these are long term benefits and data does not yet exist to quantify the savings, the fiscal note cannot reflect these savings.

FY 1991
FAMILY SUPPORT ACT IMPLEMENTATION COSTS

ENTITLEMENTS	DEPT/S	GOVERNOR'S PROPOSED BUDGET (S's in thousands)			HB 171 FISCAL NOTES					
		State GF	FED	TOTAL	FY91	FY92	FY93	FY94	FY95	FY96
					7%	11%	11%	15%	20%	20%
				Participation Rate Required	Participation Rate Required	Participation Rate Required	Participation Rate Required	Participation Rate Required	Participation Rate Required	
1. UP Cash Benefits	DHSS	1952.2	2315.2	4267.4						
2. Transition & UP Medicaid	DHSS	2,076.2	2,485.2	4,561.4						
3. Transitional Child Care	DCRA/DHSS	875.8	875.8	1,751.6						
4. JOBS Child Care	DCRA/DHSS	999.4	999.4	1,998.8						
Subtotal		5,903.6	6,675.6	12,579.2						
Entitlement Administration										
5. DPA Eligibility	DHSS	392.2	308.2	700.4						
6. DCAP Eligibility/Mgmt	DCRA/DHSS	168.9	168.9	337.8						
7. DCAP Child Care Accounting	DCRA/DHSS	26.0	23.1	49.1						
8. Maniilaq Staff	DHSS/Maniilaq	15.8	11.0	26.8						
9. Local Administration	DCRA/DHSS	187.5	187.5	375.0						
10. Information & Referral Agencies Authorized Care	DCRA/DHSS	170.0	170.0	340.0						
Subtotal		960.4	868.7	1,829.1						
TOTAL AFDC & CHILD CARE ENTITLEMENTS		6,864.0	7,544.3	14,408.3	0.0					
11. CHILD SUPPORT ENFORCEMENT		206.5	400.8	700.4	0.0					
START UP/DATA PROCESSING										
12. Outreach/Evaluation/Reporting	DHSS	21.7	21.7	43.4						
Integrate Computer Systems										
13. JAS/EIS Expansion	DHSS	419.9	97.3	517.2						
14. DCRA Child Care Computer	DCRA/DHSS	154.0	154.0	308.0						
15. JTPA/EIS Interie	DCRA/DHSS	75.0	75.0	150.0						
16. DCRA Data System Integration	DCRA/DHSS	36.0	36.1	72.1						
17. Statewide Interie (DOE/DOL)	DHSS/DCE/DOL	50.0	50.0	100.0						
TOTAL START UP/DATA PROCESSING		756.6	434.1	1,190.7	0.0					

GOVERNOR'S PROPOSED BUDGET
(S's in thousands)

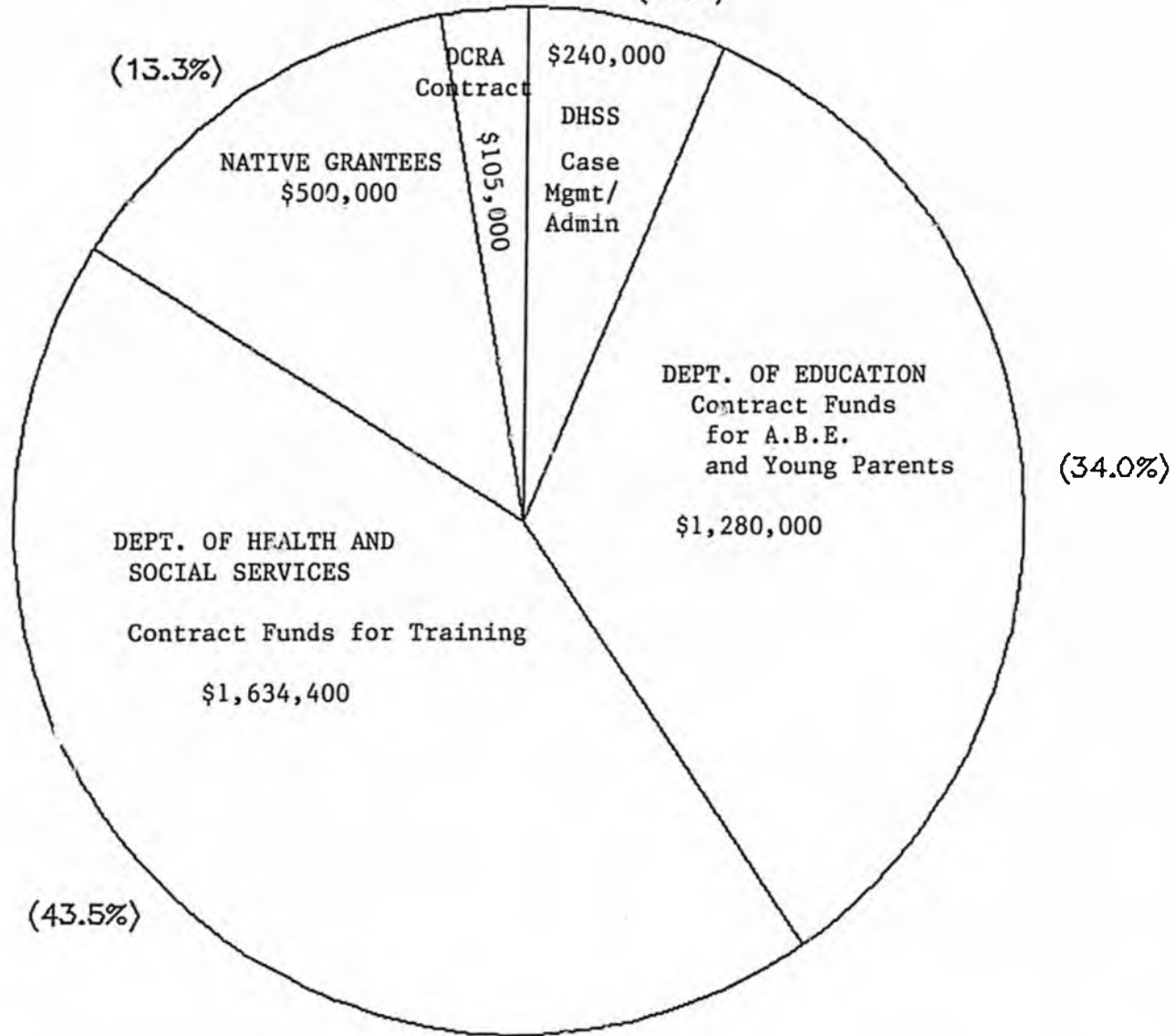
HB 171 FISCAL NOTES

CHILD CARE ENHANCEMENT	DEPT/S	State GF	FED	TOTAL	FY91	FY92	FY93	FY94	FY95	FY96
					7% Participation Rate Required	11% Participation Rate Required	11% Participation Rate Required	15% Participation Rate Required	20% Participation Rate Required	20% Participation Rate Required
18. Child Care Licensing	DHSS	126.0	10.6	136.6	134.2	139.6	139.6	145.0	151.7	151.7
19. Head Start Demos	DCRA	0.0	0.0	0.0						
20. True Cost of Care FSA	DCRA	0.0	0.0	0.0						
21. Guaranteed FSA clients in DCAP	DCRA	0.0	0.0	0.0						
22. Reserve Funds in DCAP for E&T	DCRA	0.0	0.0	0.0						
TOTAL CHILD CARE ENHANCEMENT		126.0	10.6	136.6	134.2	139.6	139.6	145.0	151.7	151.7
JOBS/UP WORK PROJECTS										
23. JOBS Staff Case Mgrs.	DHSS/DOL	168.6	190.4	359.0	62.0	64.5	64.5	67.0	70.1	70.1
24. Young Parents Support	DHSS/DOE	180.0	30.0	210.0	380.0	395.2	395.2	410.4	429.4	429.4
25. Substance Abuse Case Mgrs	DHSS/Contract	27.6	27.6	55.2	88.8	92.4	92.4	95.9	100.3	100.3
26. Supportive Services	DHSS/DOL	131.2	131.2	262.4	72.4	75.3	75.3	78.2	81.8	81.8
Vocational Education										
27. JTPA Case Mgmt & Administration	DCRA	257.5	0.0	257.5						
28. JTPA Client Services	DCRA	200.0	0.0	200.0	see line 35					
29. Entrepreneur Training	DHSS/DOE	0.0	0.0	0.0						
30. AVTEC Housing	DHSS/DOE	0.0	0.0	0.0						
31. Increase ABE	DHSS/DOE	150.0	0.0	150.0	900.0	1800.0	1800.0	1800.0	1800.0	1800.0
32. Parenting Education	DHSS	0.0	0.0	0.0	217.0	225.7	225.7	234.4	245.2	245.2
33. Caregiver Education	DCRA	0.0	0.0	0.0	80.0	80.0	80.0	80.0	80.0	80.0
34. Child Care as a Business	DCRA	0.0	0.0	0.0	25.0	25.0	25.0	25.0	25.0	25.0
35. All Components Statewide	DHSS/Contracts	0.0	0.0	0.0	900.0	1500.0	2000.0	2000.0	2000.0	2000.0
36. UP Work Projects Coordination	DHSS/DOL	0.0	0.0	0.0	400.0	400.0	500.0	500.0	500.0	500.0
37. Native UP Work Projects	DHSS/Native Grantees	0.0	0.0	0.0	500.0	500.0	500.0	500.0	500.0	500.0
TOTAL JOBS and UP WORK		1,114.9	379.2	1,494.1	3,625.2	5,158.0	5,758.0	5,790.8	5,831.8	5,831.8
TOTAL FY 91 WELFARE REFORM ALL DEPARTMENTS		\$9,068.0	\$8,769.0	\$17,930.1	\$3,759.4	\$5,297.6	\$5,897.6	\$5,935.8	\$5,983.5	\$5,983.5
	Administration				240.0	242.5	242.5	245.0	248.1	248.1
	DOE/Contract				1280.0	2195.2	2195.2	2210.4	2228.4	2229.4
	DHSS/Contract				1634.4	2254.9	2854.9	2875.4	2901.1	2901.1
	DHSS/Native Grant Funds				500.0	500.0	500.0	500.0	500.0	500.0
	DCRA/Contract				105.0	105.0	105.0	105.0	105.0	105.0
					3759.4	5297.6	5897.6	5935.8	5983.5	5983.5

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HB171 FISCAL NOTE

FY 1991 FUNDS \$3,759,400
(2.8%) (6.4%)



H.B. 171 Fiscal Note Line Explanations:

(Line numbers correspond to line numbers on fiscal summary)

This analysis organizes funding by categories which represent Task Force recommendations and builds on the Governor's proposed increments for those categories. Future year increases reflect only the increased participation rate requirements included in the federal Act.

18. Expanding the statewide nature of JOBS will require more licensed child care to be available in rural areas. The Governor's budget includes contract funds for urban organizations to evaluate facilities seeking child care licensing.

This fiscal note includes \$62,100 in contract funds for rural agencies to conduct facility licensing evaluations. It also includes \$72,144 for a Division of Family and Youth Services (DFYS) central office position and travel funds to oversee both the urban and rural contracts.

23. The Governor's budget assumes a 75-client caseload for State JOBS offices, serving only clients in close proximity to the six State sites: Anchorage, Fairbanks, Juneau, Wasilla, Kenai/Soldotna, and Ketchikan. To offer services to eligible clients in more remote locations requires a case manager able to communicate with them and service agencies by mail and phone, and to travel on a periodic basis to client communities.

This \$62,000 would fund a vocational counselor position and travel funds for a "circuit rider" case manager through an RSA with Department of Labor.

24. The Governor's budget funds intense case management for 25 young parents at one demonstration site. This fiscal note extends those services to two additional sites to serve at least 75 teen parents statewide, which is about half of the non-Native AFDC teen parents without diplomas in 1989.

When the agency proposed a 75-client caseload for JOBS case managers, it assumed that certain clients requiring more intensive services would be served by contractors with special expertise. This is especially true for young parents in high school. These students require much more time and attention than can be provided by a regular JOBS case manager.

25. Another JOBS target population which requires intense case management is the substance abuse group. The Governor's budget provides this vocational counseling support for 25 such clients in one treatment center.

The statewide requirement of H.B. 171 indicates that this service should be in more than one location. This fiscal note therefore would extend the service to an additional 50 clients in two sites. JOBS would contract with treatment centers to provide vocational counseling services to its referrals at the appropriate point in their treatment. This does not represent funding for treatment activities.

26. This line increases State JOBS supportive services by \$89,000 to provide transportation and housing for rural clients who wish to enroll in vocational training courses which are not offered in their communities. For example, students may attend nurses training in Anchorage, or skills training in Seward. It also provides basic support services to the additional statewide clients, which are offered to other clients. These services include books, video classes, tuition, etc. for coursework completed on an independent basis.

31. The federal law requires states to provide Adult Basic Education (A.B.E.) or English as a Second Language (ESL) services to participants who do not pass a literacy test. JOBS can offer these services only in those areas of the state where the Department of Education or other agencies already provide the opportunity, as available.

The Governor's proposed budget includes \$150,000 for A.B.E. to serve a base number of urban

JOBS clients. This is needed so that A.B.E. can meet federal participation requirements for clients to be in a program for 20 hours each week.

It is also needed because A.B.E.'s primary funding source does not allow AFDC clients to move to the head of waiting lists, and A.B.E. funding cuts have resulted in long waiting lists. Because clients often cannot move forward until they improve their basic reading and writing skills, A.B.E. waiting lists keep JOBS clients on AFDC longer.

This line in the fiscal note would further increase Adult Basic Education Services in Alaska as follows, to expand service and reduce waiting lists:

\$270,000

One additional 20 hours/week, 52 weeks/year staff at each of the 18 A.B.E. urban and regional centers to ensure AFDC client service;

\$320,000

Upgrade the current 71 A.B.E. outreach sites to total 20 hour per week programs (currently only 16 rural sites have 20 hour/week programs) to meet JOBS requirements;

\$265,000

Establish 10 new rural A.B.E. outreach sites to operate 20 hours/week, 52 weeks/year to meet statewide requirement;

\$ 45,000

Teacher staff development and teacher training for JOBS requirements (urban and regional A.B.E. staff).

This legislation requires State JOBS to provide basic educational opportunities to its non-Native clients throughout the State. This fiscal note ensures A.B.E. services to JOBS clients statewide.

The federal law requires states to provide educational activities, including high school or equivalent education (combined with training as needed), basic and remedial education to achieve a basic literacy level, and education for individuals with limited English proficiency. JOBS programs are administered by the State and Native grantees through separate federal funding. However, both State and Native JOBS programs must access some of the same services, especially high school, A.B.E. and ESL services.

Therefore, although the State need not fund Native JOBS administration or Native client support, its funding for basic educational and work project items must be adequate for both Native and non-Native JOBS clients. If the State funds A.B.E. in Bethel, for example, it must not be funded only for non-Native AFDC clients.

32. This funds the Task Force recommendation for Parenting Education for AFDC clients as a statewide component. Through contracts with local service providers, this line would enroll 25% of AFDC clients statewide in a 5-evening parenting course at \$200/client. Cost includes transportation and child care. Although not required by the Act, Parenting Training is critical to successful transition into the workforce.
33. The Task Force included Caregiver Education in its recommendations as a necessary accompaniment to "Authorized Care". Caregiver Education will be provided to clients and other unlicensed child care providers whom JOBS clients engage to care for their children while in education and training. It will also be offered to clients who wish to earn income by providing child care.

This \$40,000 item funds seminars and two video tape training programs to be circulated throughout the state.

34. JOBS will increase demand for quality child care. A current shortage of licensed care is attributed in part to the difficulty center operators experience in running cost effective operations. Also, this industry may represent business opportunities for JOBS clients.

This funds five workshops at \$5,000 each to assist providers in developing viable businesses.

35. The Governor's budget assumes that not all JOBS components will be offered statewide. This means JOBS would selectively offer services only in those areas of the state where they are available on a non-reimbursable basis, without purchasing priority service for JOBS clients.

Examples of such component services are vocational education, postsecondary education, work experience, entrepreneurial training, parent training, child care as a business, caregiver training, job clubs, and other peer groups.

The Governor's budget assumes that Job Training Partnership Act agencies will be the sole source of training funds. JTPA Service Delivery Areas (SDAs) have agreed to target serving 350 JOBS clients with its own funding; the Governor's budget includes funds for JTPA to serve an additional 100, for 450 clients statewide.

Not all JOBS components can be funded by JTPA, however.

This fiscal note requests \$900,000 in contract and grant funds so that JOBS can purchase component services from local service providers. These funds may also be used to help establish programs in communities where none exist. This funding will ensure equitable service statewide.

36. H.B. 171 requires the State JOBS programs to explore innovative work projects for UP clients. States with good work requirements have been able to reduce the cash outlay of AFDC benefits by up to 90%. The Governor's budget includes no funds for UP work project development.

This will require a person to work with community groups to develop meaningful, useful programs. It will also require trial periods with alternate payment and accounting systems which the computer cannot immediately accommodate.

The \$400,000 will fund one central office DPA position, travel funds, and demonstration project accounting support. It will also provide \$300,000 in grant funds for non-Native demonstration UP projects operated in conjunction with the private sector and State JOBS programs.

37. Since more than 50% of the UP caseload is expected to be Alaska Native, the Native JOBS organizations will be responsible for operating more than half of the work projects. However, the Native grantees have no particular incentive to establish these projects, unless the state encourages community projects through funding.

This line provides \$500,000 in grant funds for up to three community work projects developed by Native JOBS grantees for UP work projects.

FAMILY SUPPORT ACT OF 1988

HOW DOES IT CHANGE WELFARE IN ALASKA?

WELFARE REFORM

CURRENT

Includes intact, two parent families in AFDC when primary wage earner is unemployed.

Only single parent families are eligible.

On a phased-in schedule, these families must participate in work programs in order to receive benefits.

Alaska currently has no comparable work programs.

Creates "JOBS" - a new employment and training program. JOBS must provide in depth services to the hard to serve, to help families move off assistance.

"WIN" is replaced. WIN has become primarily a job search agency because of reduced funding levels.

Regional Native organizations serve Alaska Native clients in each of 12 ANCSA regions.

State WIN serves Natives in 5 State WIN locations.

Parents exempt until youngest child is 3 years (unless parents are teens).

All parents exempt until youngest child is 6 years.

Other training and education programs coordinate services for welfare clients.

Existing programs have no mandate to serve welfare clients.

JOBS must obtain public comments and SJTCC review of plan.

No review required.

JOBS must target its resources to the hard to serve welfare clients, especially young parents and long term dependent.

No targeted populations.

Teenage parents must work toward H.S. diploma or G.E.D.

No education mandate.

All participants must aim for basic literacy level of grade 8.

No literacy requirement.

Requires child care guarantee.

No child care required.

Requires public review of supportive services plan.

No review required.

Requires Transition Benefits when families leave welfare for work.

Up to 12 months of Medicaid.
Up to 12 months of child care on a sliding scale fee basis.

Up to 4 months.
No child care.



The impact of welfare dependency on the economic system

World markets are far more competitive today than ever before in our history. If we are to compete in them effectively and

maintain our nation's prosperity, we must have an adequate supply of well-trained, productive people in the labor force.

Why we need to help people become self-sufficient

Facts about the economy

Changes in the labor market

Without a better system for helping people to overcome barriers to employment, we are almost certain to face an economic crisis. A severe labor shortage is expected

soon as a result of the low birth rates of the 1970s, which will reduce the pool of entrants to the labor force.

□ In 1988, there were only 7.9 million 16-to-19-year-olds in the labor force vs. 9.9 million in 1978. Similarly, 16-to-24-year-olds represented 24% of the labor force in 1978, but will represent only 16% by 1995.

□ In 1988, the unemployment rate fell to 5.5%—the lowest rate in 14 years. Pockets of labor shortages have already appeared, particularly among entry-level workers, and in fields such as food service, nursing, and clerical/secretarial work.

□ An estimated 82% of the entrants to the labor force in the next 12 years will be women and minorities. The growth of the number of blacks in the labor force is double that of whites, and Hispanic growth is expected to be even greater. Although minorities now comprise only 21% of the labor force, they will fill 57% of the new jobs created during the next century. Many women and minorities lack the education and experience to fill the available jobs.

Increasing job skills

At the same time as the labor force will be shrinking, the skill level required for most jobs will be increasing. However, this new labor pool may not be qualified to fill the available jobs.

□ By 1990, more than 50% of all jobs will require education or technical training beyond high school. By the year 2000, the average skill level of all American jobs is expected to increase by 28%, requiring increased reading, writing, and math skills.

□ More than one in seven youths drop out of school. In many urban schools, the rates are 50% or more. Over 50% of all Hispanic youth will drop out of school. School dropouts are two-and-a-half times more likely to be unemployed than those who

graduate.

□ One of every eight 17-year-olds is functionally illiterate, as is one in three welfare recipients, and one in three unemployed people.

The cost of inaction

Helping individuals become productive not only benefits the economy but also reduces the direct fiscal and social costs of poverty. Allowing a separate underclass to develop is a tragic waste of human potential. Children trapped in a cycle of poverty might otherwise have made significant contributions to the quality of our lives in science, politics, commerce, the arts, or the humanities. What's more, by perpetuating the poverty cycle, we are allowing the costs of dependency and associated problems to increase.

The welfare system

□ The federal government spent \$120 billion on aid to the poor in 1987, compared with \$7.7 billion in 1964.

□ Despite today's increased spending, one in four children lives in poverty. Poor children are much less likely to be prepared adequately to enter the labor market.



□ More than one million teenage girls become pregnant each year. Over 50% of all teenage mothers end up on welfare. They remain there for an average of seven years, while 50% of all welfare recipients stay for only two years. Teenage pregnancies cost the United States over \$16 billion each year in welfare expenditures alone.

□ The lifetime cost of a single alcohol or drug abuser in terms of lost productivity, as well as direct economic burdens, is \$85,000. It is estimated that one in ten adults in the work force suffers from alcohol or drug abuse problems that may threaten their health, their jobs, or their families' safety or stability.

□ Remedial training and lost productivity cost U.S. businesses \$25 billion a year.

□ Each year, dropouts cost America \$240 billion in lost earnings and foregone taxes over their lifetimes.

□ Every \$1.00 spent on early prevention and intervention can save \$4.75 in costs of welfare, crime, and remedial education further down the road.

Aid to Families with Dependent Children (AFDC), typically referred to as welfare, was created during the Great Depression of the 1930s to support widows and orphans. The elderly and disabled are supported through Social Security and Supplemental Security Income. The newly unemployed receive unemployment compensation for a limited number of months through the Employment Security Program.

AFDC is run by the states which set their own eligibility rules and benefit levels within guidelines established by the federal government. Federal funds cover approximately 54% of the costs.

When AFDC was established, women were not expected to enter the labor force, thus income maintenance was an appropriate goal. Today, most welfare recipients are separated, divorced, or never married, and most women in our society, even those with small children, are in the labor force. The realities of life in America have changed, but the welfare system has not changed with them. What is needed today is not an income-maintenance program, but an employment program to help people overcome the barriers to employment, develop skills, and chart a career path out of poverty.



Characteristics of

□ Most welfare recipients rely on welfare for short-term crises—divorce, desertion, unemployment. Approximately half leave the program within two years.

□ However, approximately 17% of welfare recipients remain in the program for more than eight years. At any one time, these long-term recipients make up 50% of the welfare caseload.

□ Long-term welfare recipients are disproportionately black, female, single, teenage mothers, poorly educated, and lacking any work history. Three-fifths of adults on welfare are school dropouts and one-fourth have no work experience.

□ In 1969, only 28% of adults on welfare had never been married. By 1986 this figure had risen to 46%. In 19% of these families the husband has deserted, and in 21% the parents are divorced or legally separated. In only .8% of the families is the father deceased. The remaining families are two-parent families eligible for benefits under the Unemployed Parents Program.

□ In 1984, 37% of welfare recipients worked some portion of the year.

The bottom line

To preserve America's competitiveness and prosperity, and to fulfill the promise of our national values of equal opportunity for all, we need to invest in our human capital. We cannot allow people to fall into poverty and despair without giving them a helping hand. If we don't strive to achieve this goal, we undermine the very foundation of our social and political institutions. We cannot have a strong nation with-

out strong, productive people. We cannot ignore the plight of the millions of poor children who do not have an adequate start in life. They are our future.

To accomplish our goal, we need to form partnerships among the public, private, and voluntary sectors to turn the welfare program into a program that expects welfare recipients to work and truly helps them achieve that goal through appropriate training,

education, and job placement. We must address the problems that perpetuate dependency—problems such as illiteracy, teen parenthood, dropping out of school, and drug and alcohol abuse. We must reduce fear and ignorance and help people develop a strong belief in themselves and their ability to develop positive productive lives.

The impact of welfare dependency on the social system

Welfare recipients

□ Inflation has eroded the value of welfare benefits which are set by the states. They have declined 35% since 1970 when adjusted for inflation. Even when combined with other aid programs such as Food Stamps and low-income energy assistance, the decline is 25%.

□ Although welfare and other programs for the poor comprise only 10% of the federal budget, they bore 30% of the budget cuts made in 1981 and 1982.

□ Welfare recipients often don't take low-paying jobs because these do not provide health benefits for their children should they become ill. Families on welfare are covered by Medicaid, but benefits terminate abruptly several months after taking a job with no phaseout.

□ Similarly, child-care subsidies, rental assistance, and low-income energy assistance often terminate either at the time of full-time employment or shortly afterwards. By taking a job, welfare recipients can find themselves worse off financially than if they had stayed on welfare.

Poverty population

Poverty is widespread among women and children.



The cornerstone of this nation is a belief in the right to life, liberty, and the pursuit of happiness. We strive to provide everyone with an equal opportunity to achieve his or her hopes and dreams. The openness of our economic and social systems has

enabled many people to achieve great success no matter how humble their beginnings. But that promise is not being fulfilled for many people mired in poverty who need help in turning their dreams into reality.

Facts about poverty

PRESENT SCOPE

□ Today, approximately 34 million of all Americans live below the poverty line. In 1988, the federal poverty line was \$11,650 for a family of four.

□ In 1986, children under 18 represented 39% of the poverty population, while adults represented 50% and the elderly 10.5%.

□ The poverty population includes 8 million families, nearly half headed by a single parent. As many as 95% of the single heads of these households are women. Nearly 40% of all single-parent households are poor, four times as many as two-parent families.

□ Today, 25% of all American children are born into poverty but for Hispanics the figure is 40%; for blacks it is 50%.

□ The majority of those in poverty are white (24 million), 34% are black, and 26% are Hispanic.

□ Not all of the poor are unemployed. In 1984, 32% of all the poor worked some portion of the year. Two million parents, although working full time, lived in poverty.

□ Poverty is not confined to the largest urban areas. In 1980, while 31% of the nation's poor lived in the central cities of the 100 largest urban areas, 21% lived in the suburbs of those cities and 48% lived in smaller urban areas or in rural areas.

GROWTH OF POVERTY

Despite our prosperity, we have seen a stubborn rise in poverty in the past decade. Increasingly, the poverty population is made up of women and children in single-parent households. We need to determine the causes of

these trends, whatever they may be, and begin to take steps to reverse them.

□ In the 1980s, poverty rates have been rising. During the 1970s, the rates hovered between 11% and 12%. In 1982, they rose to a high of 15% and since have declined to 14%.

□ While the greatest decrease in poverty has been among the aged, the greatest increase has been among female-headed households and children. The proportion of blacks in the poverty population has remained relatively stable.

□ Single-parent households with incomes under the poverty level have increased from 2.4 million in 1975 to 3.4 million in 1985. Between 1982 and 1983, increases in the number of these households headed by women accounted for 95% of the increase of poverty among all families.

□ Sixty percent of children born today can expect to live at some time in a single-parent family, 90% of which are headed by women. Divorce accounts for 68% of these families; illegitimacy, 20%; separation, 8%; and death of a spouse only 3%.

□ The number of full-time working poor increased two-thirds between 1978 and 1986.

□ When adjusted for inflation, household income in middle- to low-income ranges has dropped. Between 1973 and 1985, average weekly wages fell 13%. At the same time, family income for those in the middle fifth of the U. S. income distribution dropped 10%, but for the next-to-the-bottom fifth, it fell 20%; for the bottom fifth, it dropped 34%.

□ Inflation has reduced the buying power of the minimum wage, also. When adjusted for inflation in 1986, the minimum wage had 25% less buying power than it did in 1981.

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Mary Van Nimwegen

HOUSE HESS

February 21, 1989

8:00 AM

HB 171

February 9, 1990

8:30 AM

HB 171

Original sponsor(s): REP. ELLIS, Boyer, M.Davis, Brown, Collins,
Spohnholz, Ulmer, Goll, Menard, Koponen, Navarre

1 IN THE HOUSE

BY THE HESS COMMITTEE

2 CS FOR HOUSE BILL NO. 171 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to eligibility requirements for, and
7 assistance granted under, the program of aid to
8 families with dependent children; establishing a
9 training and education program to expand employment
10 opportunities for persons who receive aid to families
11 with dependent children; repealing the work incentive
12 program; and providing for an effective date."

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

14 * Section 1. FINDINGS. (a) In AS 47.25.400, the legislature has
15 declared that a purpose of the program of aid to families with dependent
16 children is to strengthen family life. The legislature finds that this
17 purpose would be promoted by granting aid on behalf of children who are
18 deprived of parental support by reason of the unemployment of a parent. If
19 this aid were authorized, there would be no disincentive to keeping a
20 family intact because aid would be provided even if both parents were still
21 in the child's household. Therefore, one purpose of this Act is to expand
22 the eligibility of children and families to receive aid by including two-
23 parent families who meet the applicable standards.

24 (b) The legislature also finds that persons who receive aid to fam-
25 ilies with dependent children (AFDC) could decrease their dependence on the
26 federal and state welfare systems if they were provided with opportunities
27 for education and training that would facilitate their participation as
28 paid workers in the nation's economy. Therefore, in order to provide these
29 opportunities and to comply with federal law, this Act establishes a JOBS

1 (Job Opportunities and Basic Skills) program for AFDC recipients.

2 * Sec. 2. AS 47.25.310 is amended to read:

3 Sec. 47.25.310. ELIGIBILITY FOR ASSISTANCE. The department
4 shall grant assistance to the family of each dependent child and each
5 pregnant woman it determines is eligible for assistance under AS 47.-
6 25.310 - 47.25.420. The department shall apply sanctions authorized
7 under AS 47.25.421(d) for failure to comply with the requirements of
8 the JOBS program established under AS 47.25.421 - 47.25.429, or the
9 requirements of an Indian or Native program approved under 42 U.S.C.
10 682(i) [, OR TO EMPLOYERS UNDER A WORK INCENTIVE PROGRAM ESTABLISHED
11 BY AS 23.15.650, AND BY 42 U.S.C. 633(e)(1) (SOCIAL SECURITY ACT, WIN
12 PROGRAM), AS AMENDED].

13 * Sec. 3. AS 47.25.310 is amended by adding new subsections to read:

14 (b) When determining whether a person has sufficient work his-
15 tory for purposes of qualifying for benefits as the unemployed princi-
16 pal wage earner in a family that includes a dependent child, the
17 department shall consider as quarters of qualifying work up to four
18 calendar quarters in the proper time period in which the person (1)
19 attended on a full-time basis an elementary school, a secondary
20 school, or a federally approved vocational or technical training
21 course that is designed to prepare the person for gainful employment;
22 or (2) participated in an education or training program established
23 under the Job Training Partnership Act (P.L. 97-300). A person may
24 substitute quarters of education or training for quarters of work only
25 once in the person's lifetime to establish eligibility under AS 47.-
26 25.310 - 47.25.420.

27 (c) The department may not require as a condition of eligibility
28 under AS 47.25.310 - 47.25.420 that a minor parent or a minor who is
29 pregnant reside in a particular type of household or institutional

1 setting.

2 * Sec. 4. AS 47.25.320 is amended by adding new subsections to read:

3 (e) Until changed under (f) of this section, the department
4 shall determine the amount of assistance payable for a second adult in
5 a household where a child is dependent because of the unemployment of
6 the principal wage earner according to the same standards it uses to
7 determine the amount of assistance that is payable for a second adult
8 in a household where a child is dependent because of parental mental
9 or physical incapacity.

10 (f) In compliance with federal requirements, the department
11 shall periodically study the standards it uses for determining the
12 amounts of assistance that will be granted under this section. Based
13 on the studies, the department shall adjust the standards and amounts
14 within the maximums established by law. If statutory changes are
15 needed to make the adjustments otherwise required under this section,
16 the department shall report to the legislature its recommendations for
17 changes in law necessary to authorize the adjustments.

18 * Sec. 5. AS 47.25.410(3) is amended to read:

19 (3) "dependent child" means a needy child under 18 years of
20 age, or under the age of 19 and a full-time student in a secondary
21 school or an equivalent level of vocational or technical training that
22 the child is reasonably expected to complete before reaching age 19,
23 who is deprived of parental support or care by reason of the death,
24 continued absence from the home, unemployment, or physical or mental
25 incapacity of a parent, and who is living with a father, mother,
26 grandfather, grandmother, brother, sister, stepfather, stepmother,
27 stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece
28 in a place of residence maintained by one or more of these relatives
29 as the child's home or their own home, and includes a child

1 (A) who would come within the meaning of dependent
2 child except for removal of the child after April 30, 1961, from
3 the home of a relative as a result of a judicial determination to
4 the effect that continuation therein would be contrary to the
5 welfare of the child,

6 (B) for whose placement the department is responsible,

7 (C) who has been placed in a foster family home as a
8 result of such determination, and

9 (D) who received aid under this plan in and for the
10 month in which court proceedings leading to such determination
11 were initiated;

12 * Sec. 6. AS 47.25 is amended by adding new sections to read:

13 ARTICLE 3A. JOB OPPORTUNITY AND BASIC SKILLS PROGRAM (JOBS).

14 Sec. 47.25.421. AUTHORIZATION TO IMPLEMENT PROGRAM. (a) In
15 order to provide persons receiving aid under AS 47.25.310 - 47.25.420
16 (Aid to Families with Dependent Children) with incentives, opportuni-
17 ties, and necessary services for employment, training, and participa-
18 tion in the nation's economy and to relieve their dependence on the
19 federal and state social services and welfare system, the department
20 shall administer a program of education, training, and job placement
21 entitled JOBS, Job Opportunity and Basic Skills.

22 (b) In implementing the program, the department shall

23 (1) execute on behalf of the state the agreements or con-
24 tracts with appropriate state and federal agencies that are necessary
25 to enable the state to meet the requirements of federal law;

26 (2) receive and expend money made available for the program
27 by the state or federal government;

28 (3) supervise the expenditure of the money and the conduct
29 of the program, ensuring that it complies with state and federal law;

1 (4) make reports and supply certifications that are re-
2 quired in relation to the program; and

3 (5) otherwise cooperate with the federal government and its
4 departments and agencies in the administration of the program.

5 (c) The department may carry out the program directly or through
6 arrangements or under contracts with administrative entities involved
7 with the Job Training Partnership Act (P.L. 97-300), as amended, with
8 state and local education agencies, and with other public agencies or
9 private organizations, including community-based organizations accept-
10 able under federal regulations. The department shall contract for
11 services under the program when feasible and in the state's interest.
12 The department may adopt regulations to govern the operation of the
13 program components that are operated under contract by other entities.
14 Whether the department operates the program directly or through con-
15 tract, the department shall coordinate the program with programs
16 operated in the state under the Job Training Partnership Act and with
17 other relevant employment, training, and education programs available
18 in the state, including programs operated by Indian or Native organi-
19 zations that receive grants from the federal government to operate
20 their programs under 42 U.S.C. 682(i). The department shall consult
21 with the Department of Education, the Department of Labor, and the
22 Department of Community and Regional Affairs to promote coordination
23 of the planning and delivery of services under the program with pro-
24 grams operated by those departments.

25 (d) The department shall adopt regulations setting criteria for
26 determining whether a person is in noncompliance with participation
27 requirements of the program for the purpose of imposing sanctions
28 under the program for nonparticipation and for noncompliance with a
29 participation agreement. The department shall consult with Native

1 organizations that are operating similar programs when developing
2 regulations under this subsection.

3 Sec. 47.25.423. PROGRAM PARTICIPANTS. (a) The department shall
4 require participation in the program by persons required to partici-
5 pate under federal law. Except as provided in AS 47.25.425(f), the
6 department may not require participation in the program by the parent
7 or other relative of a child under three years of age if the person
8 personally provides care for the child.

9 (b) The department may allow applicants for and recipients of
10 aid under AS 47.25.310 - 47.25.420 to volunteer to participate in the
11 program whether or not they are required to participate under (a) of
12 this section.

13 (c) The department shall give priority in the program to the
14 following target populations in the order listed, with further priori-
15 ty in each group being given to persons in families where the depen-
16 dent child's custodial parent is under the age of 20:

17 (1) custodial parents under the age of 24 who have not
18 completed high school or its equivalent and are not enrolled in a
19 course of study;

20 (2) custodial parents under the age of 24 with little or no
21 paid work experience in the 12 months preceding their application
22 under the program;

23 (3) members of families in which the youngest child who is
24 receiving assistance under AS 47.25.310 - 47.25.420 is within two
25 years of becoming ineligible for assistance because of age;

26 (4) members of families who received aid to families with
27 dependent children in at least 36 of the 60 months preceding applica-
28 tion under the program established in AS 47.25.421 - 47.25.429.

29 Sec. 47.25.425. PROGRAM COMPONENTS. (a) The department shall

1 offer to a participant in the program the following types of services
2 and activities to the extent indicated as appropriate by the initial
3 assessment under AS 47.25.427(a):

4 (1) educational activities, including high school or equiv-
5 alent education combined with job training as needed, basic and reme-
6 dial education to achieve a basic literacy level, education for indi-
7 viduals with limited English proficiency, and career training through
8 post-secondary education;

9 (2) job skills training;

10 (3) job readiness activities to help prepare participants
11 for work;

12 (4) job development and job placement;

13 (5) job search requirements;

14 (6) on-the-job training;

15 (7) a work supplementation program;

16 (8) work experience; and

17 (9) other educational, training, or work-related services
18 and activities.

19 (b) The program components required under (a) of this section
20 must conform to the requirements of federal law so as to ensure the
21 maximum federal financial participation in the costs of the program.

22 (c) In consultation with the Department of Community and Region-
23 al Affairs and the Department of Labor, the department shall initiate
24 development of innovative public work programs designed to meet fed-
25 eral requirements related to work activity for a person in a family
26 that receives assistance on behalf of a dependent child who is depen-
27 dent because of the unemployment of the primary wage earner in a
28 two-parent family.

29 (d) To further the purposes of the work supplementation program,

1 the department may use the options allowed under federal law to

2 (1) adjust the levels of the standards of need set by the
3 department under AS 47.25.320(a) to the extent the department con-
4 siders it to be appropriate; the need standards in effect in areas of
5 the state in which the work supplementation program is in operation
6 may differ from the need standards in effect in other areas; the need
7 standards for categories of recipients may vary among the categories
8 to the extent appropriate on the basis of ability to participate in
9 the work supplementation program;

10 (2) adjust retrospective budgeting requirements and the
11 amount of earned income to be disregarded to the extent allowed by
12 federal law so as to encourage participation in the work supplemen-
13 tation program and to decrease disincentives for retaining employment;
14 and

15 (3) supplement jobs in the public and private sectors, as
16 appropriate.

17 (e) In implementing the program component under which a person
18 may pursue career training through post-secondary education, the
19 department shall

20 (1) give priority to participation by persons without a
21 post-secondary degree, persons who were in a post-secondary program of
22 training or education but whose participation was interrupted because
23 of family circumstances, persons who have graduated from high school
24 or hold an equivalent diploma, and persons who need retraining because
25 of changes in the labor market;

26 (2) establish guidelines under which

27 (A) other sources of educational assistance must be
28 exhausted before program money is used;

29 (B) the education must be consistent with the person's

1 employment goal, and the employment goal must be consistent with
2 the job market of the state;

3 (C) the education must take place in the state unless
4 a particular type of training is not available in the state; if
5 out-of-state education is approved, the department shall contract
6 for supportive services for the participant at the location of
7 the education, when feasible;

8 (D) the maximum training cost for books, tuition, and
9 associated education fees is \$2,000 a year;

10 (3) require full-time student status after the initial six
11 months for each participant and maintenance of a "C" average in graded
12 programs or "passing" grades in pass/fail programs.

13 (f) In the case of a person who is a custodial parent under the
14 age of 25, has not successfully completed a high school education or
15 its equivalent, and is receiving aid under AS 47.25.310 - 47.25.420,
16 the department shall require the person to participate in educational
17 activities directed toward the attainment of a high school diploma or
18 its equivalent on a full-time basis. This requirement is applicable
19 to a person who might otherwise be exempt from full-time participation
20 under regulations of the department because the person personally
21 provides care for a child under the age of six. Notwithstanding
22 AS 47.25.423, this requirement is also applicable to a person who
23 might otherwise be exempt from participation because the person per-
24 sonally provides care for a child under the age of three.

25 Sec. 47.25.427. PROGRAM OPERATION. (a) The department shall
26 ensure that the program is operated under a case management system.
27 Under an agreement described in (d) of this section, the department or
28 the appropriate contractor shall assign each participant to the vari-
29 ous components of the program based on an assessment of the

1 participant's

2 (1) family circumstances;

3 (2) needs for education, child care, and other supportive
4 services;

5 (3) skills, prior work experience, and employability.

6 (b) If the assessment required under (a) of this section indi-
7 cates that more than one available program component would be appro-
8 priate for a participant, the department shall assign the participant
9 to the available appropriate component chosen by the participant.

10 (c) To the extent allowed by federal law, the component options
11 available to persons who are members of families where two parents are
12 living in the household must be the same as those available to persons
13 who are members of families where only one parent is living in the
14 household.

15 (d) The department shall require the participant, or the adult
16 caretaker in the family of which the participant is a member, to
17 negotiate and enter into an agreement with the department that spec-
18 ifies the participant's obligations under the program, the duration of
19 participation in the program, and the activities to be conducted and
20 the services to be provided in the course of the participation. The
21 agreement must also include a description of what sanctions may be
22 imposed on the participant for noncompliance with the agreement and
23 how noncompliance will be determined. The department shall provide
24 the participant with whatever assistance is needed to review and
25 understand the agreement. The participant and an authorized represen-
26 tative of the department shall sign the agreement.

27 (e) Notwithstanding AS 47.25.423(a), the department may not
28 require a person to participate in the program unless the department
29 agrees to pay for

1 (1) costs of child care determined by the department to be
2 necessary for the person's program participation; and

3 (2) other work-related expenses or expenses related to
4 participation in a training program under AS 47.25.421 - 47.25.429, as
5 determined by the department; this paragraph does not require the
6 department to pay for the cost of tuition and books required for an
7 educational activity approved under the program.

8 (f) The department shall operate the program in a way that
9 complements, where possible, similar programs operated by Indian or
10 Native organizations under 42 U.S.C. 682(i). The department shall
11 avoid duplicating Indian or Native program efforts and, where appro-
12 priate, may negotiate agreements under which a client who is eligible
13 under either (1) an Indian or Native program or (2) the state program,
14 may be served by the other program without a change in funding source
15 for the services provided.

16 Sec. 47.25.429. DEFINITIONS. In AS 47.25.421 - 47.25.429

17 (1) "department" means the Department of Health and Social
18 Services;

19 (2) "participant" means a person who participates in the
20 program;

21 (3) "program" means the JOBS program established under
22 AS 47.25.421 - 47.25.429.

23 * Sec. 7. AS 23.15.650 is repealed.

24 * Sec. 8. DEMONSTRATION PROJECT. The Department of Health and Social
25 Services shall seek authority and funding from the federal Secretary of
26 Health and Human Services to conduct a demonstration project under sec. 503
27 of the Family Support Act of 1988 designed to evaluate the comparative cost
28 and employment effects of an alternative definition of unemployment that
29 could be used for purposes of granting aid to families with dependent

1 children who are dependent because of the unemployment of the family's
2 principal wage earner. In the demonstration program, if approved by the
3 federal government, the department shall explore the option of eliminating
4 from the definition any requirement relating to the number of hours worked
5 in a given time period.

6 * Sec. 9. The Department of Health and Social Services shall explore
7 the possibility of developing an innovative program of education and train-
8 ing designed for two-parent families who receive aid to families with
9 dependent children. The department shall consider including in the program
10 elements related to participation by both parents, participation for more
11 than 16 hours a week, combining work experience and education components to
12 satisfy work history requirements, and the use of alternative work experi-
13 ence programs. If the department determines that statutory changes are
14 needed to implement this type of innovative program, the department shall
15 recommend the necessary changes to the legislature if they involve state
16 law and seek federal approval if they involve federal law.

17 * Sec. 10. This Act takes effect October 1, 1990.
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THE FOLLOWING DOCUMENT HAS
NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL
FILE

ALASKA'S FAMILY SUPPORT TASK FORCE

FINAL REPORT

December 1989

Co-Chairmen:
Senator Rick Uehling
Representative Johnny Ellis

