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SB



Alaska State Legislature

Senate

Office of the Secretary

OFFICIAL BUSINESS

P.O. BOX V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

FOR YOUR IMMEDIATE ATTENTION

DATE: ~~April 15, 1990~~

TO SENATE COMMITTEE: Senate Finance

FROM: Office of the Senate Secretary

The Chairman of the above-referenced Committee has ~~referred~~ ^{withdrawn} the
Committee ~~referral on the following~~ bill(s):

~~SENATE BILL NO. 538~~

Cost-of-living increases for certain public assistance programs; efd.

Bill Withdrawn

Please give the bill file(s) to the page delivering this message
~~for forwarding to the next Committee of referral.~~

Thank you for your prompt attention to this request.

JR/s

BY THE FINANCE COMMITTEE

1 IN THE SENATE

2

SENATE BILL NO. 538

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 cost-of-living increases for
7 certain public assistance programs; and providing for
8 an effective date."

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

10 * Section 1. AS 47.25.320(d) is repealed and reenacted to read:

11 (d) On July 1 of each year, the department may, subject to the
12 availability of funds on July 1 that are appropriated specifically for
13 the purpose of increasing the monetary maximums in (a) of this sec-
14 tion, increase the monetary maximums in (a) of this section by a
15 percentage equal to the percentage increase in the Consumer Price
16 Index for Urban Consumers All Items for Anchorage, Alaska, during the
17 previous calendar year as determined by the United States Department
18 of Labor, Bureau of Labor Statistics.

19 * Sec. 2. AS 47.25.430(b) is amended to read:

20 (b) The department shall determine the amount of assistance with
21 regard to the resources and needs of the person and the conditions
22 existing in each case. Assistance shall be in an amount that will
23 provide the applicant with reasonable subsistence compatible with
24 decency and health in accordance with standards established by the
25 department and with the standards established under 42 U.S.C. 1381 -
26 1385 (Title XVI, Social Security Act Supplemental Security Income
27 Program). When benefit amounts under 42 U.S.C. 1381 - 1385 are in-
28 creased as a result of an increase in the cost of living, the state
29 shall pass along the increase to recipients and, on July 1 of each

1 year, the department may, subject to the availability of funds on
2 July 1 that are appropriated specifically for the purpose of increas-
3 ing the amount of the state contribution, [SHALL] increase the amount
4 of the state contribution to recipients by a percentage equal to the
5 percentage increase in the Consumer Price Index for Urban Consumers
6 All Items for Anchorage, Alaska, during the previous calendar year as
7 determined by the United States Department of Labor, Bureau of Labor
8 Statistics [OF THE STATE CONTRIBUTION EQUAL TO THE PERCENTAGE INCREASE
9 IN THE BENEFIT AMOUNTS UNDER 42 U.S.C. 1381 - 1385]. Direct payments
10 for medical services and remedial care may not be considered in deter-
11 mining the maximum amount payable.

12 * Sec. 3. This Act takes effect July 1, 1990.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to cost-of-living increases for certain PA programs.

Agency Affected: Health & Social Services
BRU: Assistance Payments BRU

Sponsor: _____
Requestor: _____

Components: AFDC and Adult Public Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	634.0	(657.0)	(2063.0)	(3543.0)	(5090.0)	(6851.0)
MISCELLANEOUS						
TOTAL OPERATING	634.0	(657.0)	(2063.0)	(3543.0)	(5090.0)	(6851.0)
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	398.5	(413.0)	(1264.5)	(2174.0)	(3138.5)	(4188.5)
FEDERAL FUNDS	235.0	(244.0)	(798.5)	(1369.0)	(1951.5)	(2662.5)
OTHER						
TOTAL	634.0	(657.0)	(2063.0)	(3543.0)	(5090.0)	(6851.0)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No Fiscal Impact in FY90.

See Attached

Prepared by: John R. Taber, Director
Division: Public Assistance

Phone: 465-3347
Date: 4/2/90

Approved by Commissioner: _____
Agency: Department of Health & Social Services

Date: _____

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

The Division of Public Assistance administers two assistance programs which have statutory provisions for annual cost-of-living payment increases: Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA). Under existing statutes, benefit levels for both of these entitlement programs are increased by the same percentage as any cost-of-living adjustment (COLA) in the federal Supplemental Security Income program. These benefit adjustments are made in January of each year.

The proposed legislation provides for a cost-of-living adjustment in both the AFDC and APA programs equal to the percentage increase in the CPI for urban consumers all items for Anchorage, Alaska, during the previous calendar year. The benefit adjustments would be implemented on July 1, of each year.

Assumptions used in fiscal note calculation

1. The Federal SSI COLA will average 4.0% (actual SSI COLA average in the last eight years)
2. The Anchorage CPI will average 2.7% (actual average CPI increase in the last eight years)
3. AFDC and APA program caseload constant FY93-FY96
4. First adjustment under SB 538 will be on July 1, 1990, and on each July 1 thereafter using the Anchorage CPI
5. Legislature will fund the COLA each year
6. Projected costs under existing law based on January 1, COLA adjustments and equal to federal SSI increase

Aid to Families with Dependent Children (AFDC) Program

Currently maximum benefit levels are set by AS 47.25.320(a). These benefit levels vary according to the size and composition of the assisted family. In accordance with AS 47.25.320(d), AFDC benefits (funded 50 percent General Fund, 50 percent federal match) are adjusted upward in January of each year by the same percentage as the federal Supplemental Security Income (SSI) program cost-of-living adjustment.

This fiscal note estimates the FY91-FY96 formula difference between an annual adjustment each July 1 using an estimated ANCH CPI factor of 2.7% vs. an annual adjustment each January 1 using an estimated federal SSI COLA factor of 4.0%.

Fiscal Note
 Senate Bill No. 538
 Page 3

	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>
Total difference between ANCH CPI (Jul 1) and estimated SSI (Jan 1)	471.0	(488.0)	(1597.0)	(2738.0)	(3903.0)	(5325.0)
Funding Source						
Federal	235.5	(244.0)	(798.5)	(1369.0)	(1951.5)	(2662.5)
GF	235.5	(244.0)	(798.5)	(1369.0)	(1951.5)	(2662.5)

Adult Public Assistance

Adult Public Assistance payment levels are set in regulation at 7 AAC 40.310, as authorized by AS 47.25.430(b). These benefit levels vary according to the composition of the household and the type of living arrangement. Current statute at AS 47.25.430(b), provide for COLA adjustments at the same percentage as the SSI program. APA payments are funded with 100 percent General Fund monies.

The APA program is essentially supplemental to federal Social Security and SSI benefits; APA applicants are required to apply for payments from the Social Security Administration, and nearly all APA recipients receive federal payments which are subtracted from the APA maximum payment standard to determine the amount of their APA payments. Under current state law, both federal benefit levels and APA benefit levels are adjusted concurrently each January.

Senate Bill No. 538 continues to pass along the Federal increase allowed in the federal SSI program each January, but increases the state supplemental contribution to recipient by a percentage equal to the CPI for Anchorage, Alaska on July 1, of each year.

The FY91-96 formula difference between an annual adjustment each July 1 using an estimated Anch CPI factor of 2.7% vs. an annual adjustment each January 1, using an estimated federal SSI COLA factor of 4.0% is as follows:

	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>
TOTAL Difference (GF)	163.0	(169.0)	(466.0)	(805.0)	(1187.0)	(1526.0)

SB 538

Nancy J. Groszek
1025 "H" Street
Anchorage, Alaska 99501

April 2, 1990

Senator Uehling
Senator John Binkley
Co-Chairs, Senate Finance Committee
P.O. Box V
Juneau, AK 99811

Fax No. 465-4455

Re: SB 538 - "An act relating to
~~cost-of-living~~ increases for
certain Public Assistance
Programs; and providing for an
effective date."

Dear Senator Uehling and Senator Binkley:

I am opposed to SB 538 or any bill/amendment which repeals or changes the current cost-of-living (COLA) program for AFDC and APA recipients. 8,000 AFDC families, 3,838 disabled (including the chronically mentally ill), 3,385 elderly poor and 76 blind people would be negatively affected by the change. All of us would be hard pressed to live on \$716.00 per month which is the monthly allotment for a person on Adult Public Assistance. An AFDC family of three only receives a monthly allotment of \$846.00. The average COLA over the last 3 years was only 4%.

It is unconscionable to balance the budget on the backs of poor people. I do not understand why, in an effort to cut the budget, the group targeted is a group which is least able to advocate for themselves. Please do all you can to see that this bill or any form of it is not passed this session.

If you have any questions or desire further information, please do not hesitate to contact me at 279-7541 or 272-0056.

Sincerely,

Nancy J. Groszek

NJG/sd

AFDC and APA

Adult Public Assistance and AFDC are the on! operating budget programs in Alaska which have automatic inflation adjustments.

According to a memo from John Tabor, Director of the Division of Public Assistance, dated May 2, 1989, Alaska is one of five states which have automatic COLA's for AFDC and Adult Public Assistance. The other four are California, Connecticut, Illinois, and Louisiana. Alaska is, however, the only state to use the U.S COLA. rather than the local cost-of-living.

Because of using the U.S. CPI, payments under AFDC are 14.2% higher and payments under APA are 16.2% higher than they would have been had the Anchorage CPI been used: in other words, measured in real dollars, recipients are about 15% better off now, in real dollar terms, than they were in 1980, because of the use of the U.S. CPI.

A second memo from John Tabor, dated February 20, 1990, compares Alaska payments with those of other Northwestern states. Some representative examples are as follows:

AFDC for 1 Adult and 1 Child:

Alaska	\$752
California	560
Washington	404
Oregon	369
Idaho	258

Alaska payments are between 34 and 191% higher than other nearby states. In addition to the AFDC program, there are other

forms of assistance available to recipients, such as Food Stamps, energy assistance (average of \$380 per client), child care, Medicaid, and other programs. Additionally, the state makes up any lost benefits which would otherwise occur because of the Permanent Fund Dividend.

Adult Public Assistance for an Individual, Living Independently:

(Note: this is the state supplement added to the standard \$386 payment from the Federal Government under SSI)

Alaska	\$331.00
California	244.00
Washington	7.55-28.00 (Geographic diff.)
Oregon	1.70
Idaho	73.00

There are other programs available to APA recipients, such as the Renter's Rebate Program, energy assistance (average of \$380 per client), Food Stamps, Medicaid, and other programs. Additionally, the state makes up any benefits which would otherwise be lost as a result of Longevity Bonuses or the Permanent Fund Dividend.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

STEVE COWPER, GOVERNOR

P.O. BOX H-07
JUNEAU, ALASKA 99811-0600
PHONE:

907-
465-3347

February 20, 1990

Honorable John Binkley
Co-Chairman, Senate Finance Committee
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

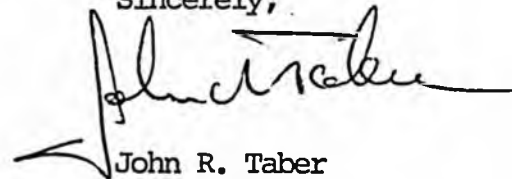
RECEIVED FEB 27 1990

Dear Senator Binkley:

The enclosed tables have been prepared by my staff in response to the request of the Senate Finance Committee for a parallel comparison of current Alaska eligibility and payment standards in the AFDC and Adult Public Assistance programs with those of other western states. Standards for Alaska, Washington, Oregon, Idaho, and California are presented in a format which should facilitate your analysis.

Please let me know if we can provide any clarification or any additional information.

Sincerely,



John R. Taber
Director

Enclosures

cc: Myra M. Munson
Commissioner

AFDC PROGRAM

STANDARDS COMPARISON - BASED ON JANUARY, 1990 ELIGIBILITY/PAYMENT LEVELS

<u>STATE</u>	<u>QUALIFYING STANDARD</u>		<u>PAYMENT STANDARD</u>	
	<u>1 adult, 1 child</u>	<u>1 adult, 2 children</u>	<u>1 adult, 1 child</u>	<u>1 adult, 2 children</u>
Alaska	\$752	\$846	\$752	\$846
Washington	733	907	404	501
Oregon	369	432	369	432
Idaho	453	570	258	324
California	560	694	560	694

Note 1: Standards are statewide, for all states.

Note 2: All payments are funded at 50% Federal (Title IV-A), 50% state match.

ADULT PUBLIC ASSISTANCE PROGRAM - STANDARDS COMPARISON

BASED ON JANUARY, 1990 ELIGIBILITY/PAYMENT LEVELS

Note: Adult Public Assistance payments are state-only payments which supplement Federal Supplemental Security Income (SSI) payments to the needy aged, blind, and disabled.

<u>STATE</u>	<u>Living Arrangement</u>	<u>SSI Payment Standard</u>	<u>State Supplemental Payment Standard (1)</u>	<u>Total Max. Payment Standard (2)</u>
Alaska	Indiv., Independent Living	\$386	\$331	\$717
	Indiv., Another's Hsehd.	257.34	337	594
	Couple, Indep., Both Elig.	579	484	1063
	Cpl., Another's H H, Both Elig.	386	497	883
	Cpl., Indep., One Elig.	386	476	862
	Cpl., Anoth. H H, One Elig.	257.34	424	681
	Nursing Home Personal Needs	30	45	75

Note 1: If income after disregards exceeds SSI payment standard, no SSI payment is made and state payment is reduced by amount in excess of SSI standard.

Note 2: Total income after disregards must be less than total maximum payment standard to qualify for benefits.

	<u>Living Arrangement</u>	<u>SSI Payment Standard</u>	<u>State Supplemental Payment Standard (3)</u>	<u>Total Max. Payment Standard (3)</u>
Washington	Indiv., Independent Living	\$386	\$28/7.55	\$414/393.55
	Indiv., Another's H H	257.34	5.81	263.15
	Cpl., Indep., Both Elig.	579	22/0	601/579
	Cpl., Anoth. H H, Both Elig.	386	6.30	392.30
	Cpl., Indep., One Elig.	386	192/160.15	578/546.15
	Cpl., Anoth. H H, One Elig.	257.34	119.63	376.97
	Nursing Home Personal Needs	30	11.62	41.62

Note 3: Where two standards are shown for a category, two different standards exist for different geographic areas.

<u>STATE</u>	<u>Living Arrangement</u>	<u>SSI Payment Standard</u>	<u>State Supplemental Payment Standard (4)</u>	<u>Total Max. Payment Standard (4)</u>
Oregon -	Indiv., Independent Living	\$386	\$1.70	\$387.70
	Indiv., Another's Household	257.34	1.70	259.04
	Cpl., Indep., Both Elig.	579	-0-	579.00
	Cpl., Anoth. H H, Both Elig.	386	-0-	386
	Cpl., Indep., One Elig.,	386	1.70	387.70
	Cpl., Anoth. H H, One Elig.	257.34	1.70	259.04
	Nursing Home Personal Needs	30	NA	30

Note 4: \$25.00 is added if a blind person is included.

	<u>Living Arrangement</u>	<u>SSI Payment Standard</u>	<u>State Supplemental Payment Standard (5)</u>	<u>Total Max. Payment Standard (5)</u>
Idaho -	Indiv., Independent Living	\$386	\$ 73	\$439
	Indiv., Another's Household	257.34	201.66	439
	Cpl., Indep., Both Elig.	579	45	604
	Cpl., Anoth. H H, Both Elig.	386	238	604
	Cpl., Indep., One Elig.	386	73	439
	Cpl., Anoth. H H, One Elig.	257.34	201.66	439
	Nursing Home Personal Needs	30	NA	30

Note 5: Idaho has additional, separate standards for persons in additional living arrangements: room and board facility; licensed shelter home; unlicensed shelter home; adult foster home; specialized shelter home.

Idaho subtracts \$20 from all income, including SSI payments

<u>STATE</u>	<u>Living Arrangement</u>	<u>SSI Payment Standard</u>	<u>State Supplemental Payment Standard (6)</u>	<u>Total Max. Payment Standard (6)</u>
California	Individual, Independent	\$386	\$244	\$630
	Indiv., Another's H H	257.34	244	501
	Cpl., Indep., Both Elig.	579	588	1167
	Cpl., Anoth. H H, Both Elig.	386	588	974
	Cpl., Indep., One Elig.	386	244	630
	Cpl., Anoth. H H, One Elig.	257.34	244	501
	Nursing Home Personal Needs	30	12	42

Note 6: California has higher payment standards for the blind, and separate standards for persons in additional living arrangements: Nonmedical out-of-home care; living independently without cooking facilities; disabled minor in home of parent; disabled minor in the household of another.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

STEVE COWPER, GOVERNOR

P.O. BOX H-07
JUNEAU, ALASKA 99811-0600

PHONE:
907-
465-3347

May 2, 1989

Honorable John Binkley
Senator
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

RECEIVED MAY 9 1989

Attn: Tom Bergstrom

Dear Senator Binkley:

You requested information regarding other states' statutory provisions for annual cost-of-living adjustments to AFDC benefit levels. The enclosed information, extracted from an analysis of AFDC benefit levels prepared by The Center for Welfare Policy and Law in March, 1988, provides information about this issue. Enclosure #1 shows that eleven states annually index their standards of need and/or benefit levels in the AFDC program - and that Alaska is among five states which have statutory provisions for annual indexation of benefit levels.

I have also enclosed a listing (Enclosure #2) showing when, as of March 1, 1988, all of the states had last adjusted their AFDC benefit levels and need standards. What is not evident from either enclosure is that many states which do not have statutory provision for automatic indexing have tended to adjust their benefit levels annually in response to cost-of-living increases even though not required to do so under state statutes. These states include Maine, Michigan, Pennsylvania, Delaware, Kansas, Maryland, Massachusetts, Oregon, Rhode Island, and Vermont.

I hope that this satisfies your need for information on this issue. Please let me know if you need any additional materials or any clarification of what is presented here.

Sincerely,

John R. Taber
Director

Enclosures

Enclosure #1

This is one of 11 states where annual indexing of needs standards and/or benefit levels, that is, annual adjustment to reflect cost-of-living increases, is statutorily required. These states are:

Alaska	standards adjusted January 1 based on Title II cola
California	standards adjusted July 1 based on California Necessities Index
Connecticut	standards adjusted July 1 based on CPI
Dist of Columbia	benefit levels adjusted October 1 based on CPI
Illinois	needs standards alone adjusted in January based on CPI
Louisiana	needs standards alone adjusted in January based on CPI
Ohio	needs standards alone adjusted in July to equal 89% of the HHS poverty income guidelines
South Carolina	needs standards alone adjusted in July to equal 50% of the HHS poverty income guidelines
Tennessee	needs standards adjusted in July on basis selected by state agency, state law requires that maximum payment be set at at least 45% of the standard of need
Vermont	needs standards alone adjusted in July based on CPI
Washington	needs standards alone updated about every four or five years based on an actual cost of living survey with annual adjustments in July of each interim year based on the CPI

DATE OF STATES' LAST ADJUSTMENTS IN AFDC STANDARDS*

Prepared by the Center on Social Welfare Policy and Law

Benefit Level Adjustment				Needs Standard Adjustment			
State	Date	State	Date	State	Date	State	Date
Alaska	1/1/88	Oregon	7/1/87	Utah	3/1/88	Oregon	7/1/87
Colorado	1/1/88	Rhode Island	7/1/87	Alaska	1/1/88	Rhode Island	7/1/87
Florida	1/1/88	South Carolina	7/1/87	Hawaii	1/1/88	South Carolina	7/1/87
Hawaii	1/1/88	Tennessee	7/1/87	Illinois	1/1/88	Tennessee	7/1/87
Maine	1/1/88	Vermont	7/1/87	Louisiana	1/1/88	Vermont	7/1/87
Michigan	1/1/88	Ohio	2/1/87	Maine	1/1/88	Florida	6/1/87
New York	1/1/88	Illinois	1/1/87	Michigan	1/1/88	D. of Columbia	10/1/86
North Carolina	1/1/88	Minnesota	7/1/86	New York	1/1/88	Minnesota	7/1/86
Pennsylvania	1/1/88	South Dakota	7/1/86	North Carolina	1/1/88	Mississippi	7/1/86
Kentucky	12/1/87	Washington	7/1/86	Pennsylvania	1/1/88	South Dakota	7/1/86
Delaware	10/1/87	Arizona	1/1/86	Kentucky	12/1/87	Arizona	1/1/86
D. of Columbia	10/1/87	Iowa	1/1/86	Washington	12/1/87	Oklahoma	11/1/85
Nevada	10/1/87	Oklahoma	11/1/85	Delaware	10/1/87	Texas	9/1/85
New Hampshire	10/1/87	Texas	9/1/85	Nevada	10/1/87	Virginia	7/1/85
Wisconsin	9/1/87	Mississippi	7/1/85	New Hampshire	10/1/87	West Virginia	7/1/85
Arkansas	7/1/87	Virginia	7/1/85	Wisconsin	9/1/87	North Dakota	10/1/84
California	7/1/87	West Virginia	7/1/85	Arkansas	7/1/87	Colorado	7/1/84
Connecticut	7/1/87	Utah	5/1/85	California	7/1/87	Iowa	7/1/84
Georgia	7/1/87	North Dakota	10/1/84	Connecticut	7/1/87	Wyoming	7/1/84
Indiana	7/1/87	Wyoming	7/1/84	Indiana	7/1/87	Alabama	10/1/81
Kansas	7/1/87	Virgin Islands	7/1/83	Kansas	7/1/87	Georgia	10/1/81
Maryland	7/1/87	Puerto Rico	11/1/81	Maryland	7/1/87	Idaho	7/1/81
Massachusetts	7/1/87	Louisiana	8/1/81	Massachusetts	7/1/87	Nebraska	7/1/81
Missouri	7/1/87	Idaho	7/1/81	Montano	7/1/87	Puerto Rico	10/1/80
Montana	7/1/87	Nebraska	7/1/81	New Jersey	7/1/87	Virgin Islands	4/1/80
New Jersey	7/1/87	Guam	pre '79	New Mexico	7/1/87	Missouri	2/16/76
New Mexico	7/1/87	Alabama	12/1/76	Ohio	7/1/87	Guam	10/1/72

* In most instances the dates appearing below reflect the dates on which the state last increased its standards. However, there are two states that are exceptions to this rule: 1) the 9/1/87 entries for Wisconsin reflect the date that state reduced its standards and 2) the 3/1/88 entry for Utah in the second listing reflects the date that state reduced its needs standards. In addition, the 7/1/84 entries for Wyoming reflect the date that state restored its standards to their 7/1/82 levels following a prior reduction.

EXPLANATORY NOTES

Basis of information about AFDC benefit levels and needs standards

Information with respect to state AFDC needs standards and benefit levels was compiled by means of a telephone survey of state welfare officials.

Meaning of the term "states"

Generally, a reference to "states" in the narrative or the tables includes 54 jurisdictions: the District of Columbia, Guam, Puerto Rico, the Virgin Islands and the 50 states. Whenever one or all of these jurisdictions is not included in a table or in a textual reference, that fact is noted.

Meaning of the terms "AFDC needs standard" or "needs standard"

The AFDC needs standard in a state is the amount used by the state to determine whether a family is eligible for any aid. In theory, this standard of need represents the amount the state considers necessary to obtain basic living items such as food, clothing, and shelter, without any allowance for medical costs. There is no requirement that the state base the standard of need on any realistic assessment of the cost of basic needs items, however. In addition, a state is not required to use the amount in the needs standard to determine the actual payment a family will receive and many states do not.

Meaning of the terms "AFDC benefits" or "AFDC benefit level"

The amount that we characterize as the AFDC benefit or AFDC benefit level is the payment that would be made by the state to a family without any other nonassistance income. As illustrated in Table I, this is usually less than the amount set in the needs standard. Of the 35 states that "pay less than full need", 26 subtract income from a "payment standard" that is less than the needs standard and pay some or all of the difference between income and that payment standard. The other 9 are "fill the gap" states, which means they subtract income from the needs standard and pay a portion of the difference. Colorado, Indiana, North Carolina and South Carolina pay a percentage of the difference between the needs standard and countable income. Maine, Tennessee and Utah pay the deficit up to a percentage of the needs standard. Georgia pays the deficit up to a maximum that varies by family size. Mississippi pays a percentage of the deficit up to a maximum that varies by family size.

Basis for food stamp calculations

For areas other than Guam and the Virgin Islands, the amount we have used as the Food Stamp benefit for a particular family size is the dollar value of the stamps that would be provided to such a family if it had no income other than the AFDC benefit shown in column 2, did not live with others and qualified for an excess shelter deduction of \$80. (\$80 is the average of all shelter deductions allowed for AFDC and GA households in the summer of 1985, including those households with a zero deduction.)

Families claiming an excess shelter deduction of more than \$80 might be eligible for a larger food stamp benefit than the amount we used. (March '88 maximum allowable excess shelter deductions were \$164 in the 48 states and D.C., \$285 in Alaska, \$234 in Hawaii, \$199 in Guam, \$121 in Virgin Islands.)

EXPLANATORY NOTES (cont'd)

The amount used as the Food Stamp benefit for Guam and the Virgin Islands does not allow for a shelter deduction because of insufficient data on shelter costs in those areas. Therefore, these estimates may somewhat underestimate the food stamp benefits available.

No food stamp benefits are shown for Puerto Rico because we could not obtain information about the cash payments now provided in lieu of stamps.

No food stamp benefits are shown for AFDC child only units since those children would usually be part of a larger household for food stamp purposes.

Meaning of the percentage of poverty figures

The poverty measurement used is the federal poverty income guidelines published by the U.S. Department of Health and Human Services for the 48 contiguous states and D.C. in February 1988, which are usually also used for Puerto Rico, Guam, and the Virgin Islands -- \$807.50 per month (\$9690/year) for a family of 3. (These figures reflect cost-of-living increases through December 1987.) The figures for Alaska and Hawaii are \$1009.17 and \$929.17 per month, respectively.

The percentage shown in Table I as the "% of poverty" shows the relationship between the total of the AFDC and Food Stamp benefit amounts payable to a family and the amounts in the federal poverty income guidelines.

No "% of poverty" information is shown for child only units or for Puerto Rico because we do not have food stamp information for those entries.

Meaning of the term "standard" or "standards"

These materials provide information about states' AFDC benefit levels and needs standards. Where we are referring to only one of these items, we use the terms "benefit levels" or "needs standards". Where we are noting information common to both we use the term "standard" or "standards".

Meaning of the terms "family" and "assistance unit"

Generally, eligibility for and the amount of assistance provided under AFDC depend on the number of individuals in the home who are included in the application for aid. This grouping may or may not be the same as the number of persons in the household or the number of people in the household who might generally be referred to as the family. In these materials we use the term "family" and "assistance unit" interchangeably. Both denote only the members of the household who are receiving AFDC as one unit.

Significance of "child only" entries in Table I

These entries identify and provide information about those states which vary their needs standards and benefit levels by both the size of the assistance unit and the presence or absence of adults in the unit. Some of these states use two standards for each family size -- one for an assistance unit consisting only of children, a second for a unit with children and

EXPLANATORY NOTES (cont'd)

adults. Others use three -- one for an assistance unit consisting only of children, a second for a unit with children and one adult, and a third for units that include a child(ren) and two adults.

Where a state uses two standards, the amounts for child only units are shown as "child only" and the amounts for units with children and adults are shown as "with adult(s)".

Where a state uses three standards, there are two separate entries for units that include both children and adults -- "one adult" and "two adults". For example, the family of three information for Texas shows the needs standards and benefit levels that apply to a) an assistance unit consisting of three children -- "child only", b) an assistance unit consisting of one adult and two children -- "one adult", and (c) an assistance unit consisting of two adults and one child -- "two adults".

Standards used for the Summary and Tables II through VI

The Summary Of Findings and Tables II through VI set out various analyses based on the state AFDC standards. For these purposes, we have used only one amount for each state even if the entries in Table I show more than one needs standard or more than one benefit level for a state.

Where a unitary standard is shown in Table I, that standard has been used in the summary and the remaining tables. Where a state has separate standards for child only units and units with one or more adults, we have used the standards that apply to assistance units that include children and one adult for the summary and Tables II through VI. Where a state has or had separate standards for the winter and nonwinter months, we have used an amount equal to the average of these two standards as the basis for the summary and Tables II through VI.

Significance of median income as a measure of poverty

Table V shows the relationship between benefits and a state's median income. For a discussion of the merits of using median income as a relative measure of poverty, see: "Background Materials on Poverty", Subcommittee on Oversight and Subcommittee on Public Assistance and Unemployment Compensation of the House Committee on Ways and Means, WMCP 98-15, 10/17/83, p.116; "The Measure of Poverty: Technical Papers XIII and XIV, Relative Poverty and Relative Measure of Poverty", HEW, 1976; "All Our Children", The Carnegie Council on Children, 1977.

Rounding of figures

The dollar amounts in Tables III and V have been rounded. All dollar amounts of more than \$1.00 have been rounded to the nearest dollar. Percentages in these tables are carried out to one decimal place and rounded to the nearest tenth.

DIVISION OF PUBLIC ASSISTANCE

ANCHORAGE CPI vs. SSA COLA

Since July 1, 1980 AFDC and APA need standards and maximum payment levels have been automatically increased annually by the same percentage as Social Security and SSI benefits increase. Listed below are the SSI COLA increases and AFDC maximum payment levels for an adult and two children and an Adult Public Assistance (APA) client in Alaska. This information is compared to a maximum payment series for the same family using the Anchorage CPI over the same period. In each series the COLA factor used is the actual inflation in a period preceding the actual implementation date.

AFDC Family of Three

Effective Date COLA Implemented	ACTUAL STANDARD		STANDARD WITH ANCH CPI		Payment Difference	Percent Difference
	SSI COLA	AFDC Standard	ANCH CPI	AFDC Standard		
July 1, 1980	14.3%	\$457	10.4%	\$441	\$16	3.5%
Jan 1, 1981 Stand Chg	\$57	514	\$57	498	16	3.2%
July 1, 1981	11.2%	571	10.2%	548	23	4.0%
July 1, 1982	7.4%	614	8.1%	592	22	3.6%
Jan 1, 1983 Stand Chg	\$60	674	\$60	652	22	3.3%
Jan 1, 1984	3.5%	696	1.8%	663	33	4.7%
Jan 1, 1985	3.5%	719	4.1%	690	29	4.1%
Jan 1, 1986	3.1%	740	2.4%	706	34	4.6%
Jan 1, 1987	1.3%	749	1.9%	719	30	4.0%
Jan 1, 1988	4.2%	779	.4%	722	57	7.3%
Jan 1, 1989	4.0%	809	.4%	725	84	10.4%
Jan 1, 1990	4.7%	846	2.3%	741	105	12.5%

APA Client Single, Independent Living Standard

Effective Date COLA Implemented	ACTUAL STANDARD		STANDARD WITH ANCH CPI		Payment Difference	Percent Difference
	SSI COLA	APA Standard	ANCH CPI	APA Standard		
July 1, 1980	14.3%	\$473	10.4%	\$457	\$16	3.4%
July 1, 1981	11.2%	526	10.2%	504	22	4.2%
*July 1, 1982	7.4%		8.1%			
*Jan 1, 1983	*	546	*	524	22	4.2%
Jan 1, 1984	3.5%	566	1.8%	533	33	5.8%
Jan 1, 1985	3.5%	586	4.1%	555	31	5.3%
Jan 1, 1986	3.1%	604	2.4%	568	36	6.0%
*July 1, 1986 Wasky Suit	\$19	623	\$19	587	36	5.8%
Jan 1, 1987	1.3%	631	1.9%	598	33	5.3%
Jan 1, 1988	4.2%	658	.4%	600	58	8.8%
Jan 1, 1989	4.0%	684	.4%	602	82	12.0%
Jan 1, 1990	4.7%	716	2.3%	616	100	14.0%

*In FY83 the APA standard and maximum payments were integrated to a single standard. Prior to FY83 a payment differential of \$100 existed between a two tier standard.

**CONSUMER PRICE INDEXES
PAIFIC CITIES AND U. S. CITY AVERAGE**

**ALL ITEMS INDEXES
(1982=100 unless otherwise noted)
JANUARY 1990 AND 2ND HALF 1989**

MONTHLY DATA	ALL URBAN CONSUMERS						URBAN WAGE EARNERS AND CLERICAL WORKERS					
	INDEXES			PERCENT CHANGE			INDEXES			PERCENT CHANGE		
	JAN. 1989	DEC. 1989	JAN. 1990	DEC. 1989	JAN. 1990	JAN. 1990	JAN. 1989	DEC. 1989	JAN. 1990	DEC. 1989	JAN. 1990	JAN. 1990
U. S. City Average.....	121.1	124.1	127.4	4.6	3.2	1.0	119.7	124.4	125.9	4.3	3.2	1.0
(1967=100).....	342.7	377.6	381.3	-	-	-	336.7	371.1	375.0	-	-	-
Los Angeles-Anaheim-Riverside..	124.4	130.4	132.1	5.2	4.0	1.1	121.4	127.0	128.3	4.9	3.8	1.2
(1967=100).....	348.2	385.8	390.3	-	-	-	358.9	375.3	379.7	-	-	-
San Francisco-Oakland-San Jose.	124.0	127.4	128.3	3.9	3.4	0.9	122.8	124.4	127.4	4.2	3.9	0.8
(1967=100).....	381.2	391.7	395.1	-	-	-	374.0	383.3	388.4	-	-	-
West	121.7	126.8	127.8	4.9	3.0	0.8	120.3	123.3	124.3	4.3	3.0	0.8
(Dec. 1977 = 100)	194.7	203.0	204.4	-	-	-	193.4	201.7	203.3	-	-	-
West - A	123.3	128.3	129.3	4.7	3.0	0.9	120.5	123.4	126.4	4.8	3.1	1.0
(Dec. 1977 = 100)	201.0	209.2	211.2	-	-	-	193.0	203.0	204.9	-	-	-
West - C	119.8	123.3	123.4	3.3	4.7	0.1	119.3	124.4	124.4	5.1	4.4	0.2
(Dec. 1977 = 100)	183.8	194.4	194.3	-	-	-	183.9	191.8	192.1	-	-	-

SEMIANNUAL DATA	INDEXES			PERCENT CHANGE TO			INDEXES			PERCENT CHANGE TO		
	2ND HALF 1988	1ST HALF 1989	2ND HALF 1989	2ND HALF 1988	1ST HALF 1989	2ND HALF 1989	2ND HALF 1988	1ST HALF 1989	2ND HALF 1988	1ST HALF 1989	2ND HALF 1989	
	Anchorage	108.9	110.9	112.5	3.3	1.4	-	108.5	110.5	112.1	3.3	1.4
(Oct. 1967=100).....	290.7	294.1	300.2	-	-	-	282.4	287.5	291.8	-	-	
Honolulu	123.4	126.4	131.1	6.2	3.7	-	124.5	127.4	132.0	4.0	3.6	
(1967=100).....	339.8	347.9	360.9	-	-	-	347.8	353.9	368.9	-	-	
Portland	115.9	119.3	121.6	4.9	1.9	-	113.0	116.4	118.7	5.0	2.0	
(1967=100).....	339.1	349.2	355.9	-	-	-	325.9	333.6	342.2	-	-	
San Diego	123.0	128.9	132.3	5.8	2.4	-	118.0	122.0	123.0	3.9	2.3	
(1967=100).....	422.3	433.8	447.3	-	-	-	380.3	393.3	403.2	-	-	
Seattle	113.8	116.7	119.4	3.1	2.3	-	112.0	114.7	117.4	5.0	2.3	
(1967=100).....	344.9	355.8	364.3	-	-	-	332.1	340.3	348.4	-	-	

Size classes: A = 1,250,000 and over, B = Not available for West, C = 50,000 to 330,000, D = Not available for West.

Release date February 21, 1990. Next release March 20, 1990. For more information call (415) 744-6600 or (213) 252-7521. CPI 24 hour hotline numbers for the Pacific cities are as follows:

San Francisco (415) 744-6605 Anchorage (907) 371-2770 Portland (503) 326-4132 Seattle (206) 442-0645
 Los Angeles (213) 252-7528 Honolulu (808) 541-2808 San Diego (619) 557-6338

FED guess on 1/1/91 COLA 4.5 - 5.2%
 (as of today 3/29/90)

ANCH CPI 1st half 1989 2.3%
 2nd half 1989 3.3%

1st half 1990

? (would be the rate DHS/DPA would use if statute change Right?)

FY91 Budget COLA factor used 3.6%

Table 9.F2.—Number and percentage distribution of blind and disabled persons under age 65 receiving federally administered payments and not transferred from prior State programs, by diagnostic group, age, and sex, December 1988
(Based on 1-percent sample)

Diagnostic group	Total	Age							
		Under 10	10-17	18-21	22-29	30-39	40-49	50-59	60-64
Total									
Total.....	2,188,400	128,800	183,800	109,800	371,100	288,800	307,600	411,500	277,100
Diagnoses available, number.....	1,879,200	112,400	140,700	80,400	296,800	285,500	226,100	314,800	212,000
Diagnoses available, percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Infectious and parasitic diseases.....	1.0	.7	.4	...	.8	1.5	1.9	1.1	1.0
Neoplasms.....	1.9	3.2	2.3	2.0	.9	1.1	2.4	2.4	2.0
Endocrine, nutritional, and metabolic diseases.....	4.2	2.3	1.1	1.3	.9	2.6	8.0	7.9	8.3
Diseases of blood and blood-forming organs.....	.7	2.3	1.8	.6	1.0	.9	.1	.3	.2
Mental disorders (other than mental retardation).....	24.9	8.0	7.9	12.9	24.0	41.3	38.8	24.9	15.3
Mental retardation.....	27.1	28.2	51.9	54.9	48.9	28.2	16.1	9.2	7.2
Diseases of—									
Nervous system and sense organs.....	12.4	29.1	21.8	17.4	14.1	9.9	9.1	7.6	6.7
Circulatory system.....	8.0	1.8	.8	.7	1.0	2.3	7.8	17.4	22.8
Respiratory system.....	3.1	2.2	1.8	.4	.3	.8	2.8	6.7	7.8
Digestive system.....	1.1	.8	.3	.2	.1	.6	1.7	2.3	1.6
Genitourinary system.....	1.0	.4	.3	1.9	.9	1.3	1.2	1.0	.8
Skin and subcutaneous tissue.....	.2	.1	...	...	1	.2	.3	.2	.2
Musculoskeletal system.....	7.4	1.2	1.8	2.0	2.1	3.4	7.0	14.1	19.6
Congenital anomalies.....	2.4	13.8	6.2	2.6	2.2	1.0	.6	.3	.9
Injuries.....	3.2	1.1	.8	2.1	3.9	4.3	4.4	2.8	3.5
Other.....	1.8	8.0	1.3	1.1	.9	1.1	1.9	1.6	1.7
Men									
Total.....	974,100	74,100	94,400	63,800	209,700	196,300	124,600	130,300	80,900
Diagnoses available, number.....	781,800	64,200	81,800	63,500	188,100	143,100	88,400	83,800	59,000
Diagnoses available, percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Infectious and parasitic diseases.....	1.3	.8	.4	...	1.0	1.9	2.8	1.5	1.4
Neoplasms.....	1.8	3.3	2.4	2.8	.8	.5	2.0	3.0	1.9
Endocrine, nutritional, and metabolic diseases.....	2.3	2.0	1.2	1.5	.8	2.2	3.2	4.1	4.7
Diseases of blood and blood-forming organs.....	.8	2.2	1.7	.9	1.1	.5	...	.1	...
Mental disorders (other than mental retardation).....	25.2	5.8	8.9	14.8	27.2	44.9	36.3	20.1	15.8
Mental retardation.....	31.2	30.2	52.2	54.2	43.8	25.9	18.4	12.4	9.0
Diseases of—									
Nervous system and sense organs.....	13.0	27.9	20.5	16.1	13.3	8.7	8.1	8.8	7.8
Circulatory system.....	8.9	1.6	.8	.4	1.0	1.8	7.1	19.7	22.5
Respiratory system.....	2.4	2.3	2.4	.2	.2	.5	1.6	8.8	9.0
Digestive system.....	1.0	.8	.4	.2	.1	.3	2.4	2.3	2.4
Genitourinary system.....	.9	.5	...	1.6	1.1	1.0	1.1	.9	.8
Skin and subcutaneous tissue.....	.1	...	...	...	1	.2	.5	.2	.2
Musculoskeletal system.....	4.8	1.1	1.6	1.7	1.5	3.1	6.2	12.5	16.8
Congenital anomalies.....	2.7	12.9	5.7	2.4	1.7	1.2	.5	.4	.7
Injuries.....	4.7	1.2	.7	2.6	5.3	8.4	8.0	4.7	5.1
Other.....	2.0	7.8	1.1	.9	1.1	.9	1.7	2.7	2.0
Women									
Total.....	1,194,300	84,500	89,500	46,000	161,400	192,500	183,000	281,200	196,200
Diagnoses available, number.....	827,300	48,200	58,900	36,900	128,500	142,400	137,700	220,700	153,000
Diagnoses available, percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Infectious and parasitic diseases.....	.9	.8	.3	...	.8	1.1	1.2	.9	.8
Neoplasms.....	2.0	3.0	2.2	1.1	1.1	1.6	2.8	2.2	2.1
Endocrine, nutritional, and metabolic diseases.....	5.8	2.8	1.0	1.1	.9	2.9	7.8	9.4	9.7
Diseases of blood and blood-forming organs.....	.8	2.4	1.9	...	1.0	.8	.1	.4	.3
Mental disorders (other than mental retardation).....	24.0	4.1	6.5	10.3	19.8	37.6	37.2	28.9	15.4
Mental retardation.....	23.7	28.8	51.4	55.8	51.0	33.6	14.7	7.8	8.5
Diseases of—									
Nervous system and sense organs.....	11.9	30.7	22.9	19.2	16.2	11.2	9.7	7.4	6.3
Circulatory system.....	8.7	1.4	.8	1.1	.9	2.9	8.2	16.4	23.0
Respiratory system.....	3.7	2.0	.9	.8	.4	1.1	3.3	6.7	7.4
Digestive system.....	1.2	1.0	.2	.3	.2	.8	1.2	2.3	1.3
Genitourinary system.....	1.0	.4	.7	2.4	.7	1.5	1.2	1.0	.8
Skin and subcutaneous tissue.....	.2	.2	...	...	2	.2	.8	.2	.3
Musculoskeletal system.....	9.3	1.4	2.2	2.4	2.9	3.7	7.5	14.8	20.7
Congenital anomalies.....	2.2	16.0	7.1	2.7	2.9	.8	.7	.3	1.0
Injuries.....	1.9	.8	.9	1.4	1.8	2.2	2.1	1.7	2.6
Other.....	1.8	8.3	1.5	1.4	.5	1.2	2.0	1.5	1.6

Excludes 254,000 \$5 recipients who were transferred from the prior State programs of Aid to the Blind and Aid to the Permanently and Totally Disabled

Diagnoses are for the most part not available for these recipients.

CONTACT: Arthur Kahn/Shirley Queen (301) 988-0188/0189 for further information.

9.F SSI: Disability

Table 9.F1.—Number and percentage distribution of blind and disabled persons under age 65 receiving federally administered payments and not transferred from prior State programs, by diagnostic group, December 1988
 (Based on 1-percent sample)

Diagnostic group	Number				Percentage distribution			
	Total	Adults		Blind and disabled children	Total	Adults		Blind and disabled children
		Blind	Disabled			Blind	Disabled	
Total.....	2,158,400	39,200	1,820,900	298,300	...	..	...	..
Diagnosis available.....	1,879,200	31,500	1,387,400	260,300	100.0	100.0	100.0	100
Infectious and parasitic diseases.....	17,600	300	18,100	1,200	1.0	1.0	1.2	2
Neoplasms.....	31,900	200	24,800	6,900	1.8	6	1.8	1
Endocrine, nutritional, and metabolic diseases.....	70,800	3,200	63,400	4,300	4.2	10.2	4.6	1
Diseases of blood and blood-forming organs.....	11,900	...	7,000	4,900	.7	...	.5	1
Mental disorders (other than mental retardation).....	411,800	200	394,800	16,800	24.5	6	25.5	6
Mental retardation.....	454,800	900	348,300	106,600	27.1	2.9	24.9	41
Diseases of—								
Nervous system and sense organs.....	208,400	23,800	118,700	86,100	12.4	74.9	8.6	25
Circulatory system.....	133,600	800	130,800	2,400	8.0	1.9	9.4	1
Respiratory system.....	52,100	100	47,100	4,900	3.1	.3	3.4	1
Digestive system.....	18,100	...	18,700	1,400	1.1	...	1.2	...
Genitourinary system.....	18,400	100	18,400	900	1.0	.3	1.1	...
Skin and subcutaneous tissue.....	3,400	(2)	(2)	(2)	.2	(2)	(2)	...
Musculoskeletal system.....	122,500	100	11,400	4,000	7.4	.3	8.8	...
Congenital anomalies.....	40,800	1,800	14,800	24,800	2.4	4.8	1.1	...
Injuries.....	53,200	500	80,500	2,200	3.2	1.8	3.8	...
Other.....	31,000	...	19,900	11,100	1.8	...	1.4	...

* Excludes 254,000 SSI recipients who were transferred from the prior State programs of Aid to the Blind and Aid to the Permanently and Totally Disabled

Diagnoses are for the most part not available for these recipients.
 * Detailed data not shown where total is fewer than 5,000 recipients.

SSI categories of disability