

**SCR**

**2**

SENATE COMMITTEE REPORT

FURTHER

3/13/89

DATE TURNED INTO OFFICE

3/16/89

Mr. President:

FINANCE

Committee considered

SCR 2

Family Support Task Force

and recommended

- replace with CS SCR 2 (Fin) )  same title
- or adopt CS )  new title
- attached amendment(s) and  technical title change (HB only)
- letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

Fin CS  
New FN  
coming

FISCAL NOTE(S)  zero  fiscal impact  appropriation no FN  
 new  updated <sup>SFC 12.5</sup>  previous  
 same as previous fiscal note(s) published <sub>(6.25 GF/6.25 FF)</sub> \_\_\_\_\_

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]  
[Signature]  
[Signature]

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

[Signature] (Do Pass)

[Signature] (Do Pass)  
 Chairman signature and recommendation

Committee Backup attached

[Signature] Co-Chair  
 Do Pass

STATE OF ALASKA  
 1989 LEGISLATIVE SESSION

BILL VERSION: CS SCR 2 (Finance)  
 PUBLISH DATE: \_\_\_\_\_

**FISCAL NOTE**

REQUEST: \_\_\_\_\_

REVISION DATE: \_\_\_\_\_  
 TITLE: Establishing a Family Support Task Force  
 SPONSOR: Uehling, Sturgulewski  
 REQUESTOR: Senate Finance

AGENCY: Dept/Health & Social Services  
 BRU: Public Assistance Administration  
 COMPONENTS: \_\_\_\_\_

**EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERS. SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL		12.5	-0-	-0-	-0-	-0-
CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LAND/BUILD.		-0-	-0-	-0-	-0-	-0-
GRANTS/CLAIMS		-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS		-0-	-0-	-0-	-0-	-0-
TOTAL		12.5	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

**FUNDING: (THOUSANDS OF DOLLARS)**

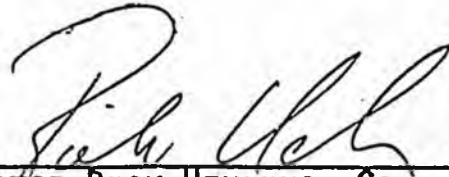
GENERAL FUNDS		6.25	-0-	-0-	-0-	-0-
FEDERAL FUNDS		6.25	-0-	-0-	-0-	-0-
OTHER		-0-	-0-	-0-	-0-	-0-
TOTAL		12.5	-0-	-0-	-0-	-0-

**POSITIONS:**

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

**ANALYSIS:**

PREPARED BY:

  
 SENATOR RICK UEHLING, CO-CHAIRMAN  
 SENATE FINANCE COMMITTEE

DATE: March 16, 1989

PHONE No.: 465-4821

Original sponsors: Uehling, Sturgulewski,  
and Pearce

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE CONCURRENT RESOLUTION NO. 2 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Establishing a Family Support Task  
6 Force.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS Congress enacted the Family Support Act of 1988 which changes  
9 many federal laws related to paternity actions, child support, Aid to  
10 Families with Dependent Children, Medicaid, and other programs; and

11 WHEREAS the Act requires the state to make changes in Alaska Statutes,  
12 rules, and regulations related to these same areas and allows the state to  
13 make other changes if the state chooses to do so; and

14 WHEREAS changes made to comply with the Act may have significant  
15 fiscal ramifications as well as an effect on the day-to-day operations of  
16 state programs; and

17 WHEREAS a comprehensive review of statutes, rules, regulations, and  
18 policies related to family support is needed in order to determine how the  
19 state can comply with the changes required by federal law and use the  
20 options allowed so that the goals of the Family Support Act and the pol-  
21 icies of the State of Alaska can be most effectively met in relation to  
22 family support;

23 BE IT RESOLVED by the Alaska State Legislature that a Family Support  
24 Task Force is established to

25 (1) study Alaska Statutes, rules, regulations, and policies  
26 related to family support;

27 (2) recommend to the legislature any changes to the statutes  
28 appropriate and necessary for complying with the Family Support Act of  
29 1988, using options granted by that Act, or otherwise improving state laws

1 and programs related to family support issues; and

2 (3) investigate the feasibility of applying for demonstration  
3 projects under Title V of that Act; and be it

4 FURTHER RESOLVED that the task force shall consist of a public member  
5 to be appointed by the Governor; the persons who chair the Senate and House  
6 Finance and Health, Education, and Social Services Committees; and the  
7 commissioners, or their designees, of the following departments:

8 (1) Department of Labor;

9 (2) Department of Education;

10 (3) Department of Health and Social Services;

11 (4) Department of Community and Regional Affairs; and

12 (5) Department of Revenue; and be it

13 FURTHER RESOLVED that the task force shall involve members of the  
14 public during the course of its work and shall actively seek testimony and  
15 advice from clients of state agencies who are affected by Titles I - V of  
16 the Family Support Act; and be it

17 FURTHER RESOLVED that the terms of task force members shall begin  
18 immediately and that the task force shall expire upon the convening of the  
19 First Session of the Seventeenth Alaska State Legislature; and be it

20 FURTHER RESOLVED that the task force shall submit to the legislature  
21 upon its convening in 1990 a report containing

22 (1) findings with respect to previous changes made by the legis-  
23 lature, the judicial system, and the affected departments in response to  
24 the Family Support Act of 1988;

25 (2) recommendations for future legislative, judicial, and execu-  
26 tive actions in response to the Act; and

27 (3) specific legislative proposals to implement the changes  
28 required or allowed by the Act or to otherwise implement a comprehensive  
29 and cost effective policy related to family support issues in the state;

1 and be it

2        FURTHER RESOLVED that the administrative and legal services of the  
3 Legislative Affairs Agency shall be made available to the task force.  
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Adopted  
3/15/89  
SFC



# Senator Rick Uehling

Downtown, Elmendorf, Northeast Anchorage

Proposed Amendments  
Senate Finance Committee  
March 15, 1989

Co-Chairman, Senate Finance Committee  
International Trade & Tourism Committee  
State Affairs Committee

## SCR 2

Amendment #1: *to CS SCR 2 (Hess)*

Line 25 "...family support [and], to recommend...

Line 28 "...support issues[;] and to investigate the feasibility of applying for demonstration projects under Title V of the Act;...and be it..."

Amendment #2:

Line 10 Add new section to read

Further resolved that the task force shall involve members of the public during the course of its work and shall actively seek input from clients of state agencies affected by Titles I-V of the Family Support Act;  
and be it

*Amendment on  
page 2, lines 4-7*

6-0250JV  
Lauterbach  
3/15/89

Original sponsors: Uehling, Sturgulewski,  
and Pearce

*Please return final  
to Nicki, Cap Bldg,  
Rm #413*

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE CONCURRENT RESOLUTION NO. 2 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Establishing a Family Support Task  
6 Force.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS Congress enacted the Family Support Act of 1988 which changes  
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10 Families with Dependent Children, Medicaid, and other programs; and

11 WHEREAS the Act requires the state to make changes in Alaska Statutes,  
12 rules, and regulations related to these same areas and allows the state to  
13 make other changes if the state chooses to do so; and

14 WHEREAS changes made to comply with the Act may have significant  
15 fiscal ramifications as well as an effect on the day-to-day operations of  
16 state programs; and

17 WHEREAS a comprehensive review of statutes, rules, regulations, and  
18 policies related to family support is needed in order to determine how the  
19 state can comply with the changes required by federal law and use the  
20 options allowed so that the goals of the Family Support Act and the pol-  
21 icies of the State of Alaska can be most effectively met in relation to  
22 family support;

23 BE IT RESOLVED by the Alaska State Legislature that a Family Support  
24 Task Force is established to

25 (1) study Alaska Statutes, rules, regulations, and policies  
26 related to family support;

27 (2) recommend to the legislature any changes to the statutes  
28 appropriate and necessary for complying with the Family Support Act of  
29 1988, using options granted by that Act, or otherwise improving state laws

3/16/89  
Kehling  
(Smit)

SCR 2

Finance CS Draft

Proposed amendment 3/16/89

Page 2, Line 1: Further resolved that the task force shall  
consist of a public member to be appointed by  
the Governor...

SF Am

SF: y

FZ: FN?

No Ob

Adopted

1 and programs related to family support issues; and

2 (3) Investigate the feasibility of applying for demonstration  
3 projects under Title V of that Act; and be it

4 FURTHER RESOLVED that the task force shall consist of the persons who  
5 chair the Senate and House Finance and Health, Education, and Social Ser-  
6 vices Committees and the commissioners, or their designees, of the follow-  
7 ing departments:

- 8 (1) Department of Labor;  
9 (2) Department of Education;  
10 (3) Department of Health and Social Services;  
11 (4) Department of Community and Regional Affairs; and  
12 (5) Department of Revenue; and be it

13 FURTHER RESOLVED that the task force shall involve members of the  
14 public during the course of its work and shall actively seek testimony and  
15 advice from clients of state agencies who are affected by Titles I - V of  
16 the Family Support Act; and be it

17 FURTHER RESOLVED that the terms of task force members shall begin  
18 immediately and that the task force shall expire upon the convening of the  
19 First Session of the Seventeenth Alaska State Legislature; and be it

20 FURTHER RESOLVED that the task force shall submit to the legislature  
21 upon its convening in 1990 a report containing

22 (1) findings with respect to previous changes made by the legis-  
23 lature, the judicial system, and the affected departments in response to  
24 the Family Support Act of 1988;

25 (2) recommendations for future legislative, judicial, and execu-  
26 tive actions in response to the Act; and

27 (3) specific legislative proposals to implement the changes  
28 required or allowed by the Act or to otherwise implement a comprehensive  
29 and cost effective policy related to family support issues in the state;

1 and be it

2       FURTHER RESOLVED that the administrative and legal services of the  
3 Legislative Affairs Agency shall be made available to the task force.  
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POSITION PAPER

SENATE CONCURRENT RESOLUTION NO. 2

Senate Concurrent Resolution 2 provides for the creation of a Family Support task force comprised of the Chairs of the Senate and House Health, Education and Social Services Committees and the Senate and House Finance Committees, and the Commissioners, or their designees, of the Departments of Health and Social Services, Revenue, Community and Regional Affairs, Education, and Labor to plan the implementation of the Family Support Act of 1988 (Welfare Reform).

The resolution notes that the Act may have significant fiscal and operational impacts on a number of state programs and will require a comprehensive review of statutes, rules, regulations, and policies related to family support. It clearly sets forth an expectation that the State will both comply with the Act and use the options that it allows to achieve the goals of the Act and the policies of the State in an effective manner.

In response to passage of the Family Support Act of 1988 by the U.S. Congress and its signing into law on October 13, 1988, the Department began its own assessment of the resources that it would need in order to meet the ambitious implementation objectives that the Act requires. Among the conclusions reached was a basic tenet which is embodied in this resolution: to effectively implement the Family Support Act of 1988 in Alaska, the concerted efforts of all five Executive Branch departments named in the resolution would be required. Fortunately, four of the five departments have already agreed to work together under the aegis of the Governor's Mini Cabinet on Employment and Training. Thus a foundation already exists for the interdepartmental cooperation that is needed. In this environment, we are pleased to receive this expression of interest in the welfare reform implementation process from the legislature and welcome the suggested legislative participation. As part of planning welfare reform implementation, we also hope to include representation from the public and such private, non-profit agencies as the Alaska Legal Services Corporation, the Alaska Federation of Natives, one or more non-profit ANCSA corporations, and other, similar interest groups. We would hope that the wording of the resolution would not be interpreted to limit the task force membership to the individuals named in the resolution, but would be read broadly enough to include additional participation by other individuals and organizations.

We would also point out that a fiscal note accompanies the resolution to provide a small amount of funding which is not otherwise available to pay the cost of bringing non-legislative members of the task force to the task force meetings. All other



# Senator Rick Uehling

Downtown, Elmendorf, Northeast Anchorage



Co-Chairman, Senate Finance Committee  
International Trade & Tourism Committee  
State Affairs Committee

## Summary for SCR 2

SCR 2 is a member of a group of companion bills which replace the AFDC program with a new Family Support program which emphasizes work, child support, and need based family support supplements.

The program also encourages and assists parents of children in need to obtain the education, training and employment needed to avoid long term welfare dependence.

SCR 2 creates a Task Force which will facilitate interdepartmental cooperation in crafting a Family Support program which meets the needs of Alaskans receiving public assistance and meets federal mandates.

This Task force is necessary due to the complex nature of the federal mandates. Federal requirements cross department lines over issues of childcare, child support, education, medicaid and Family Support payments. The failure of one Department to comply with federal law can result in loss of federal funding for a different Department. Thus, the Family Support program needs the systems wide perspective that this task force provides.

- BILL SUMMARY -

# Alaska State Legislature

SENATOR PAUL FISCHER, Chairman  
SENATOR JIM DUNCAN, Vice Chairman  
SENATOR AL ADAMS  
SENATOR LLOYD JONES  
SENATOR TIM KELLY



P.O. BOX V  
ROOM 508  
STATE CAPITOL  
(907) 465-3762

## Senate Committee on Health, Education and Social Services

### Letter of Intent CSSCR 2 (HESS)

It is the intent of the HESS committee that the family support task force be directed to review the feasibility of applying to the federal government for funding to conduct the demonstration projects listed in Title V of the Family Support Act of 1988.

A report on the findings of the task force with respect to the demonstration projects shall be included as part of the final report of the task force.

- CS (HESS) LETTER OF INTENT -

STATE OF ALASKA

BILL VERSION: CS SCR 2 (Finance)

1989 LEGISLATIVE SESSION

PUBLISH DATE: \_\_\_\_\_

### FISCAL NOTE

REQUEST: \_\_\_\_\_

REVISION DATE: \_\_\_\_\_  
TITLE: Establishing a Family Support Task Force

AGENCY: Dept/Health & Social Services  
BRU: Public Assistance Administration

SPONSOR: Uehling, Sturgulewski  
REQUESTOR: Senate Finance

COMPONENTS: \_\_\_\_\_

**EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERS. SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL		12.5	-0-	-0-	-0-	-0-
CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LAND/BUILD.		-0-	-0-	-0-	-0-	-0-
GRANTS/CLAIMS		-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS		-0-	-0-	-0-	-0-	-0-
TOTAL		12.5	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

**FUNDING: (THOUSANDS OF DOLLARS)**

GENERAL FUNDS		6.25	-0-	-0-	-0-	-0-
FEDERAL FUNDS		6.25	-0-	-0-	-0-	-0-
OTHER		-0-	-0-	-0-	-0-	-0-
TOTAL		12.5	-0-	-0-	-0-	-0-

**POSITIONS:**

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

ANALYSIS: This ~~funding~~ represents ~~travel~~ and ~~per diem~~ for the ~~public member~~.

PREPARED BY: SENATOR RICK UEHLING, CO-CHAIRMAN  
SENATE FINANCE COMMITTEE

DATE: March 16, 1989

PHONE No.: 465-4821

# Draft

STATE OF ALASKA                      BILL VERSION: CSSCR 2 (Finance)  
1989 LEGISLATIVE SESSION      PUBLISH DATE: \_\_\_\_\_

## FISCAL NOTE

REQUEST: \_\_\_\_\_

REVISION DATE: \_\_\_\_\_  
TITLE: Establishing a Family  
Support Task Force

AGENCY: Dept. of Health & Social Service  
BRU: P.A. Administration

SPONSOR: Uehling, Sturgulewski  
REQUESTOR: Senate Finance

COMPONENTS: \_\_\_\_\_

### EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERS. SERVICES	0	0	0	0	0	0
TRAVEL	0	25.0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND/BUILD.	0	0	0	0	0	0
GRANTS/CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL	0	25.0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

### FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUNDS	0	12.5	0	0	0	0
FEDERAL FUNDS	0	12.5	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	25.0	0	0	0	0

### POSITIONS:

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

### ANALYSIS:

PREPARED BY: \_\_\_\_\_

SENATOR RICK UEHLING, CO-CHAIRMAN  
SENATE FINANCE COMMITTEE

DATE: March 16, 1989

PHONE No.: 465-4821

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: An Act Establishing a Family Support Task Force  
Sponsor: Uehling, Sturgulewski  
Requestor: \_\_\_\_\_

Agency Affected: Health & Social Services  
BRU: PA Administration  
Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	45.5	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL OPERATING</b>	-0-	45.5	-0-	-0-	-0-	-0-

<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
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<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	22.7	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	22.8	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	45.5	-0-	-0-	-0-	-0-

**POSITIONS:**

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

ANALYSIS : (Attach a separate page if necessary)

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

Phone: 465-3347  
Date: 2/15/89

Approved by Commissioner: Marya M. Munson  
Agency: Department of Health & Social Services

Date: 3/15/89

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

Department of Health & Social Services  
Division of Public Assistance

Given the absolute need for an integrated approach to welfare reform the proposed Family Support Task Force would serve to strengthen and complement the activity of the Welfare Reform Team within the Department of Health and Social Services.

In order to fully coordinate development and implementation of welfare reform the task force members and other designated individuals will need to meet for problem solving sessions and resolution of welfare reform design options. This fiscal note budgets a one-time allocation for travel of 45.5 to fund transportation and per diem for task force members and other individuals directly assigned with reform task force activity.

The proposed travel allocation does not include legislative travel and assumes approval of the Division of Public Assistance (DPA) reform team increment included in the FY90 Governor's budget. This fiscal note does not duplicate funding identified in the DPA FY90 increment.

One-time travel allocation for welfare reform task force activity:

Transportation for task force meetings Ten participants to four meetings at \$366.00 per trip	\$14,640
Transportation for welfare reform sub-committee meetings Five participants to ten meetings at \$366 per trip	18,300
Per Diem for participants at \$90 per day	<u>12,600</u>
TOTAL Travel Allocation	\$45,540

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CS SCR 2 (FIN)

PUBLISH DATE:

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "Establishing a Family  
Support Task Force."  
Sponsor: Uehling, Sturgulewski & Pearce  
Requestor: Senate Finance

Agency Affected: Labor  
BRU: Employment Security  
Components: Employment Services  
Work Incentive

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: July Knight, Deputy Director  
Division: Employment Security

Phone: 465-2712  
Date: 3/17/89

Approved by Commissioner: Jim Sampson  
Agency: Department of Labor

Date: 3/17/89

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

RECEIVED  
MAR 20 1989

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CS for SCR 2 (HESS)

PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Labor  
 Title: "Establishing a Family  
Support Task Force." BRU: Employment Security  
 Sponsor: Uehling, Sturgulewski & Pearce Components: Employment Services  
 Requestor: Senate Finance Work Incentive

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Judy Knight, Deputy Director  
 Division: Employment Security

Phone: 465-2712

Date: 3/14/89

Approved by Commissioner: Jim Sampson  
 Agency: Department of Labor

Date: 3/14/89

Distribution (by preparer) :  
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 Office of Management and Budget  
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LEGISLATIVE FINANCE

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Department of Revenue  
 Title: Establishing a Family Support BRU: Child Support Enforcement Division  
 Task Force \_\_\_\_\_  
 Sponsor: Uehling, Sturgulewski, Pearce Components: \_\_\_\_\_  
 Requestor: Senate HESS

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
<b>OPERATING</b>						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Linda Langston Phone: 276-3441  
 Division: Child Support Enforcement Division Date: March 14, 1989  
 Approved by Commissioner: Hugh Malone Date: 3/14/89  
 Agency: Department of Revenue

Distribution (by preparer):  
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 Impacted Agency(ies)

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Education  
 Title: Establishing a Family Support Task Force BRU: \_\_\_\_\_  
 Sponsor: Uehling, Sturgulewski & Pearce Components: \_\_\_\_\_  
 Requestor: Senate Finance

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING						

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

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

**FUNDING: (Thousands of Dollars)**

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

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

This zero fiscal note is predicated upon the Department of Health and Social Services fiscal note; the Health and Social Services fiscal note includes Department of Education costs under SCR2.

Prepared by: Mary Hakala Phone: 465-2800  
 Division: Commissioner's Office Date: March 14, 1989  
 Approved by Commissioner: William G. Demmert Date: March 14, 1989  
 Agency: Education

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

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: "Establishing a Family Support Task Force."  
 Sponsor: Uehling, Sturqulewski & Pearce  
 Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
 BRU: \_\_\_\_\_  
 Components: \_\_\_\_\_

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

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

ANALYSIS : (Attach a separate page if necessary)

*Jim Plasman*  
 Prepared by: Jim Plasman, Deputy Director Phone: 465-4750  
 Division: Municipal & Regional Assistance Date: 2-15-89

Approved by Commissioner: *[Signature]* Date: \_\_\_\_\_  
 Agency: Community & Regional Affairs

Distribution (by preparer):  
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FEB 21 1989 page 1 of 1

LEGISLATIVE FINANCE

522

THE FOLLOWING DOCUMENT HAS  
NOT BEEN FILMED BUT IS  
AVAILABLE IN THE ORIGINAL  
FILE

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**

**FAMILY SUPPORT ACT of 1988**

*(P.L. 100-485)*

**WELFARE REFORM**

November 11, 1988

- Dept. of HESS REPORT ON WELFARE REFORM -

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FAMILY SUPPORT ACT of 1988  
(P.L. 100-485)

On October 13, 1988, when President Reagan signed into law the Family Support Act of 1988 (PL 100-485), the legislation was billed as the most comprehensive overhaul of the Aid to Families with Dependant Children (AFDC) program since it was enacted in 1935. Passage of the bill was the culmination of a two year bipartisan effort by the nation's governors to change the current welfare system from what is now primarily an income maintenance system with a minor work component into a system that fosters self-sufficiency.

The governors, in their reform package, stressed the importance of strengthening the nation's child support enforcement system and creating a new national education, training, and employment program to provide critical services to welfare clients to enable them to become self-sufficient, economically independent citizens. Child and medical care and a minimum level of support to families were also viewed as fundamental.

Why the welfare reform debate?

Simplistically, three factors drove this effort:

- a. a view that the current system was archaic, not having kept pace with societal norms, especially with regard to growing female participation in our work force;
- b. that the current system increased poverty rather than cured it; and
- c. because of that, the current system was socially and economically too expensive.

With liberals, conservatives and moderates generally agreeing about what was wrong with the system, consensus was created for the first time in decades about what direction a reform should take. This created a hospitable environment and considerable momentum for Congress to move forward with reform legislation.

Will welfare reform succeed?

The bill that passed Congress was the product of tremendous compromise. The final price tag, \$3.4 billion is a significant reduction from the House version of \$7 billion and a slight rise from the Senate's goal of \$2.8 billion. Many client-oriented provisions were dropped from both measures because they were

considered too expensive. Thus the bill, while a significant step forward, does not meet all the original policy tests of the nation's governors. Its passage cannot be expected to eradicate poverty or cure disenfranchisement experienced by welfare clients today. However, the bill does address some basic deficiencies of the current system by aiding a person in the "transition zone" from welfare dependency to economic independence. Lack of affordable child care, health insurance, and marketable job skills create barriers to getting off public assistance. Welfare reform tries to remove those barriers and increase incentives for a transition to self-sufficiency.

## THE FUNDAMENTAL CONCEPTS OF THE WELFARE REFORM LAW

### 1. Children's basic needs must be protected:

Welfare exists because it provides for the most basic needs of food, shelter, clothing, and medical care to the nation's poorest people, mostly children. Every child has a right of access to a certain standard of living, and that commitment must be maintained. Alaska's welfare system does a good job of providing basic needs. Each month in Alaska, some 12,000 young Alaskans under the age of 18 get their basic needs met from the state in the form of an AFDC check, food stamps, or medical coverage. Nearly \$170 million in benefits will be distributed this year through these programs.

#### Law Changes

This commitment to maintain an existing level of benefits is stated in the law and cannot be retrenched upon for fiscal reasons.

### 2. The family has the primary responsibility:

Both parents are primarily responsible for their children and should have an obligation to strive to become self-supporting. In return, government has a reciprocal responsibility to help families get access to training (if needed), support services, and employment opportunities so they can be successful at meeting their obligations. The current system provides many barriers to helping families - and few incentives.

#### Law Changes

Since both parents are responsible for the well-being of their child, the legislation beefs up collection of child support payments.

The law mandates certain parents to participate in education, employment, or training. In return, they are guaranteed help with medical costs, child care, and transportation during their training and for one year after they are in the work force.

3. The system should strengthen the family:

Welfare systems should strengthen the family. Study after study shows that divorce and out-of-wedlock births are key ingredients to poverty and welfare dependency. Twenty four states award benefits to single-parent families only, denying services to poor children who live with both parents, and perhaps creating an incentive for family break up.

Law Changes

Alaska does not currently have the unemployed parent option. The law mandates all states adopt this option by October 1990. As many as 1,100 new families may participate in services in Alaska.

4. An emphasis on education and training is essential:

Reform requires a shift in emphasis from income maintenance to a focus on skills improvement. Single mothers can't afford to work at low paying jobs because child care and health costs gobble up their margin of savings. They must enter the job market at a level which will provide adequate income to overcome dependency permanently. A good job is seen as a legitimate goal of the program. A majority of Alaska mothers today work outside the home. Reform measures presume AFDC moms will join the national mainstream of the labor force. Work is seen as a way to cut the feeling of powerlessness, by developing personal dignity, self confidence, and identity.

Law Changes

The law expands the ability to help clients who need education and training before working. It mandates education and work for single parents whose youngest child is over two, and for one parent in a two parent family regardless of age of child (subject to participation rates determined by the law).

SUMMARY OF BASIC NEW PROVISIONS OF WELFARE REFORM

PROVISION	SFY IMPLEMENTED	# OF NEW CLIENTS	COST
1) Benefits must be paid to two parent families.	SFY 91	861	\$3.8 million
	SFY 92	1,148	\$5.0 million
2) Access to basic skills development, education, and training is provided.	SFY 91	4,000	\$700,000 jobs \$300,000 child care
3) Guaranteed child care and medical coverage while transitioning into the work force. Federal funds are available when matched with state funds.	=====Child Care=====		
	SFY 90 (4th quarter)	75	\$733,000
	SFY 91	550	
	=====Medical=====		
	unknown	unknown	unknown
4) Stronger child support enforcement powers.	SFY 89	unknown	unknown

KEY FEATURES OF THE FAMILY SUPPORT ACT

What follows is a more detailed analysis on the provisions of the law and the impacts of Alaska where available.

A. Cash and Medical Benefits For Unemployed Parents:

For many years, states have had the option of covering two-parent households in which the principal wage earner is unemployed, under the old AFDC program. Twenty-six states have adopted this coverage. The Act now requires states to provide

coverage to unemployed parents at least six months out of every twelve. To qualify, the unemployed parent must have worked fewer than 100 hours per month in the month prior to the time of application, and must have worked during six or more of the previous 13 quarters. The state may elect to substitute certain education attendance for up to four of the six quarters.

#### Alaska Impact

Alaska has not elected to exercise the "unemployed parent" option in the past. The State will be required to add these families by October 1, 1990. The preliminary estimate is that adding this group to the AFDC program will increase the caseload by about fifteen percent (1,148 cases per month), at a cost of ten to eleven million dollars for cash benefits and additional costs for Medicaid (see composite estimate of new Medicaid costs below). All of these costs will be shared 50/50 with the federal government. These estimates assume full, 12-month cash and medical coverage.

#### 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 them with JOBS. The key differences between the old programs and the new are:

1. more clients must participate,
2. supportive services must now be increased,
3. federal funding levels will increase and match funds are available for new services,
4. federal funds are targeted to long-term dependent individuals, and
5. phased-in performance standards are imposed on the states.

Former law exempted parents whose youngest child was under the age of six from work programs participation. JOBS requires those whose youngest child is three (or, at state option, one) or older to participate.

The state must allow exempt individuals to participate as volunteers.

Based on an employability plan, which must be developed for each participant, in consultation with the participant, the state must provide the required

1. basic education and skills training,
2. job skills training,
3. job readiness activities, and
4. job development and placement.

Each state must also offer at least two of the four following program components:

1. grant diversion,
2. community work experience/other work experience
3. job search, and
4. on the job training.

No individual may be required to participate in any JOBS program activity unless adequate child care is provided and payment or reimbursement is made for transportation or other work-related expenses as necessary for participation.

All of the incentives to go to work that were in the old AFDC law remain in the new and some have been increased allowing the family to retain more of their earnings in the calculation of their remaining welfare entitlement. The basic work-related expenses allowance has been increased from \$75 to \$90. The child care allowance has been increased from \$165 per child to \$175 per child (\$200 for infants under age 2).

The Act mandates that the state first serve volunteers within the targeted groups. It also retains some fairly strict limitations in the old welfare to work laws on the jobs in which a participants may be placed for training purposes. The ability of the Alaskan economy to generate the new jobs that will be required will be a significant factor in our ability to respond.

Federal funding to help support the JOBS program has been substantially increased over the amounts available under WIN and the AFDC work programs. This funding is phased in over an eight year period, intended to correspond to the phased-in performance standards that are imposed on the states. The funding for operating the basic program is capped, forcing the states to either operate within those limits or provide 100 percent of the additional cost out of state funds. This cap does not apply to the child care costs or the transitional child care and medical

costs, both of which are open-ended entitlements at the usual 50/50 match rate.

The 90/10 match rate that applied to WIN funding has been retained for part of the cost of JOBS, with additional direct program costs matched at 60/40 and administrative costs matched at 50/50. A state can lose its rights to these favorable match ratios, however, if it either:

1. fails to expend at least 55 percent of the funds for services to certain groups that the law defines as "long-term dependent," or
2. fails to achieve the mandated participation standards. Those standards start at 7 percent of the eligible participants in 1990 and increase to 20 percent in 1995.

### Alaska Impact

Very preliminary estimates indicate that the JOBS program will more than double the present 3,275 mandatory WIN and Employment Search clients to a total of 7,000 in 1990. The largest increase comes from reducing the youngest child's age from six to three for exemption. Unemployed parents will also increase the participant universe. Alaska's share of the national JOBS funding in FY 91 is \$2.2 million. The state match requirement is roughly estimated at \$1 million. Of this amount, \$300,000 is already available in the DHSS and DOL WIN components. These amounts do not include child care costs. Matched 50/50 with the federal government, child care is estimated at \$606,000 in FY91 (\$303,000 state share). It would be permissible under federal law to meet Alaska's match requirement for child care costs either out of new appropriations or out of funding presently available to the state Day Care Assistance Program.

### C. Transition Benefits While Working

Study after study has shown that the two greatest barriers to a successful transition from welfare to work are the lack of adequate, affordable child care and the sudden emergence of medical needs for which the new employee has neither sufficient earnings nor medical insurance coverage. The Family Support Act seeks to remedy this problem in two ways:

1. by creating a new entitlement to day care assistance for up to twelve months for anyone who leaves assistance due to increased earnings and
2. by revising the current extended Medicaid benefits

to make them available for up to a full year as well.

Participants must share in the cost of child care on a sliding scale tied to income and may also be required to participate in the cost of their medical benefits, after the first six months.

#### Alaska Impact

The first full year in which these provisions are effective is state fiscal year 91. The preliminary estimate is that 530 children will qualify for transition child care in that year, at a total cost of \$1,466,000 (\$733,000 state funds) some or all of the required state funds could come from already appropriated state day care assistance funding, since most of the participants would be eligible for that program. The combined total estimate of new Medicaid costs for "Unemployed Parent" households and work transition is \$7 million (\$3.5 million state fund.)

#### D. Child Support Enforcement

The Act addresses a number of needs in child support enforcement, but the three main features are:

1. a mandate that each state establish guidelines which are a rebuttable presumption for judges who set support orders, with periodic review of the guidelines and regular review of the orders themselves;
2. mandatory wage withholding by employers for nearly all support orders; and
3. new requirements that the identities of both parents be established at the time a birth is recorded, and 90/10 match for the costs of establishing paternity.

#### Alaska Impact:

No estimates from the Department of Revenue at this time.

### KEY IMPLEMENTATION DATES

The Act specifies that states may begin to use some of its new, more liberal standards for running their JOBS programs as early as July 1, 1989. The earliest requ red implementation date is July 1, 1989, when the state welfare agency becomes responsible for ensuring that cash benefits, child support, and JOBS services are furnished in an "integrated" manner. The other implementation dates that have been spotted thus far are as follows:

<u>Date</u>	<u>State Year</u>	
Oct 1, 1989	FY 90	New work incentives effective
Apr 1, 1990	FY 90	Transition Med. and Child Care
Oct 1, 1990	FY 91	Two-parent coverage effective
Oct 1, 1990	FY 91	JOBS program in place
Oct 1, 1992	FY 93	JOBS program extended statewide

### NEW COSTS ASSOCIATED WITH WELFARE REFORM

It is too early to state the actual amount of the costs that will result from the Family Support Act, but the key areas in which state general fund costs will increase are:

- \* AFDC Assistance Payments - to cover the costs of two-parent family coverage and the impact of the more liberal earned income disregards; (Est. \$3.8 million in SFY91 and \$5 million in SFY92)
- \* Medicaid - to cover the enlarged AFDC caseload and to provide work transition medical services (Est. \$2.9 million in SFY 91 and \$3.5 million in SFY 92)
- \* JOBS - to pay the state's share of the expanded employment and training effort that the law requires; (Est. \$700,000 in SFY 91 and 92)
- \* Day Care Assistance - to pick up the child care costs associated with JOBS and work transition; (new costs dependent upon relationship to state day care assistance program)
- \* Child Support Enforcement - to pay the state share of increased paternity establishments, more support order establishment activity, and more frequent modification of support orders; (no estimate available from Department of Revenue)

- \* **Public Assistance Eligibility Determination** - to pay the state's share of the administrative costs associated with the increased caseload that will result when Unemployed Parent coverage and the new work transition cases (Medicaid and Child Care) are added. There may also be a short-term increase in the number of regular AFDC cases, related to the impacts of the improved work incentives (income disregards) and the availability of longer term training opportunities. This should diminish as the dependency-reducing impacts of JOBS are felt in the caseload. (Impacts will begin in SFY 91 and have not yet been estimated)
  
- \* **Implementation** - to pay the state share of the administrative costs of bringing up the mandated changes in the AFDC program and creating the JOBS program. (estimated to be \$112,000 in SFY 89 and \$390,000 in SFY 90)

Some of these increased costs may be partially offset by new revenues associated with increased child support collections, and federal participation in child care costs.

#### IMPLEMENTATION PLAN

Implementation of the Act will require the input and cooperation of several departments in state government, interested job training organizations, Alaska Native groups, child care experts, client advocate groups such as Alaska Legal Services, the Legislature and, of course, clients themselves. The department feels the program will be best designed and implemented if those with a stake in the outcome are actively involved in the planning process.

The task is very large, but luckily FY 90 can largely be viewed as a year of program design and planning as many of the major provisions do not take effect until FY 91. This gives the department this one legislative session and the next to accomplish law changes and to seek funding increases for the major provisions.

Some provisions take effect in FY 90, and the department will prioritize examination of these issues first.

## I. Program Coordination

Within state government, five departments have key roles in welfare reform, as follows:

### A. Department of Health & Social Services

#### 1. Division of Public Assistance (DPA) -

DPA is the "state IV-A agency." It is responsible for administering the AFDC program (Title IV-A of the Social Security Act) and, by federal law, is responsible for assuring the "integrated delivery of services under Title IV-A, Title IV-D (Child Support Enforcement), and Title IV-F (JOBS)." Under present law, DPA co-administers the WIN program with the Employment Security Division of the Department of Labor (ESD), and, with ESD as its principle partner, administers the AFDC Employment Search Program and the Food Stamps Employment and Training program.

#### 2. Division of Medical Assistance (DMA) -

DMA controls the state health care financing programs, determines policy for the state Medicaid and General Relief Medical programs and manages the provider reimbursement process.

#### 3. Division of Family and Youth Services (DFYS) -

DFYS licensing staff set the standards for licensing of child care facilities and perform licensing reviews. Licensing is a condition of participation in the state Day Care Assistance program.

### B. Department of Labor

#### 1. Employment Security Division (ESD) -

ESD co-administers the WIN program with DPA under existing law and performs similar functions as a subcontractor to DPA for the AFDC Employment Search Program and the Food Stamps Employment and Training Program. ESD also provides DPA client wage and earnings and unemployment insurance information which is essential for accurate AFDC eligibility decisions and provides similar

information on obligor parents to the Department

of Revenue's Child Support Enforcement Division  
(CSED).

C. Department of Revenue

1. Child Support Enforcement Division (CSED) -

CSED is the state IV-D agency. As part of its overall mission of enforcing child support obligations on parents, it represents the state in enforcement procedures relating to children who receive AFDC. CSED locates absent parents, establishes paternity, establishes support orders, either administratively or judicially, and enforces support orders on obligors who live in Alaska.

D. Department of Community and Regional Affairs

1. Rural Development Division (RDD) -

RDD administers the state Day Care Assistance program (DCA). One of the key decisions which Alaska must make is whether to manage the provision of child care which is mandated by the new federal law during both JOBS participation and work transition through the state DCAP. Federal matching funds for both program dollars and administration are available at 50/50 on an open-ended, entitlement basis.

RDD also administers the state's largest employment and training program, the 100% federally-funded Job Training Partnership Act program (JTPA). JTPA is mandated to serve certain minimum percentages of welfare clients and has discretion to increase that percentage to any level set by the state. State JTPA policy is set by the statewide Job Training Coordinating Committee, which must also review the state JOBS plan before it is submitted for federal approval. Local JTPA policy is set by three Private Industry Councils (PIC's), located in Anchorage, Fairbanks, and Juneau. JTPA is administered locally by Service Delivery Area (SDA) staff and subcontractors.

E. Department of Education

1. Adult and Vocational Education (OAVE) -

Through its Adult Basic Education and Vocational Education program authorities and funding, OAVE provides much of the educational opportunity on which JOBS participants will rely. OAVE has targeted the Carl Perkins Act set-aside funds for welfare participants under one Kenai-area contract. OAVE must be consulted as part of the JOBS state plan process.

2. Commission on Post Secondary Education -

Alaska has the option of permitting JOBS participants to enroll in full-time post-secondary education program to meet their education or training needs. The cost of such enrollment (tuition, books, fees, supplies, etc.) is not federally matchable, but related child care and transportation costs are. Most importantly, the student can remain eligible for AFDC cash assistance and Medicaid while going to school. Coordination between the Commission, the student, JOBS, and DPA is necessary to ensure that students do not inadvertently disqualify themselves from cash assistance and Medicaid through loan amounts that meet their living needs as well as their educational needs.

Outside of state government, Alaska Native organizations have an opportunity to claim a part of Alaska's federal JOBS allocation to set up their own programs. This option must be exercised by April 13, 1989. Local governments that administer the JTPA and Day Care Assistance programs, as well as other human services programs will also be important participants. Options to contract out for services can involve these and other entities in many different capacities. Their interests, desires, and concerns will be actively solicited, considered, and incorporated, as feasible.

Department of Health and Social Services

FAMILY SUPPORT ACT of 1988  
(P.L. 100-485)

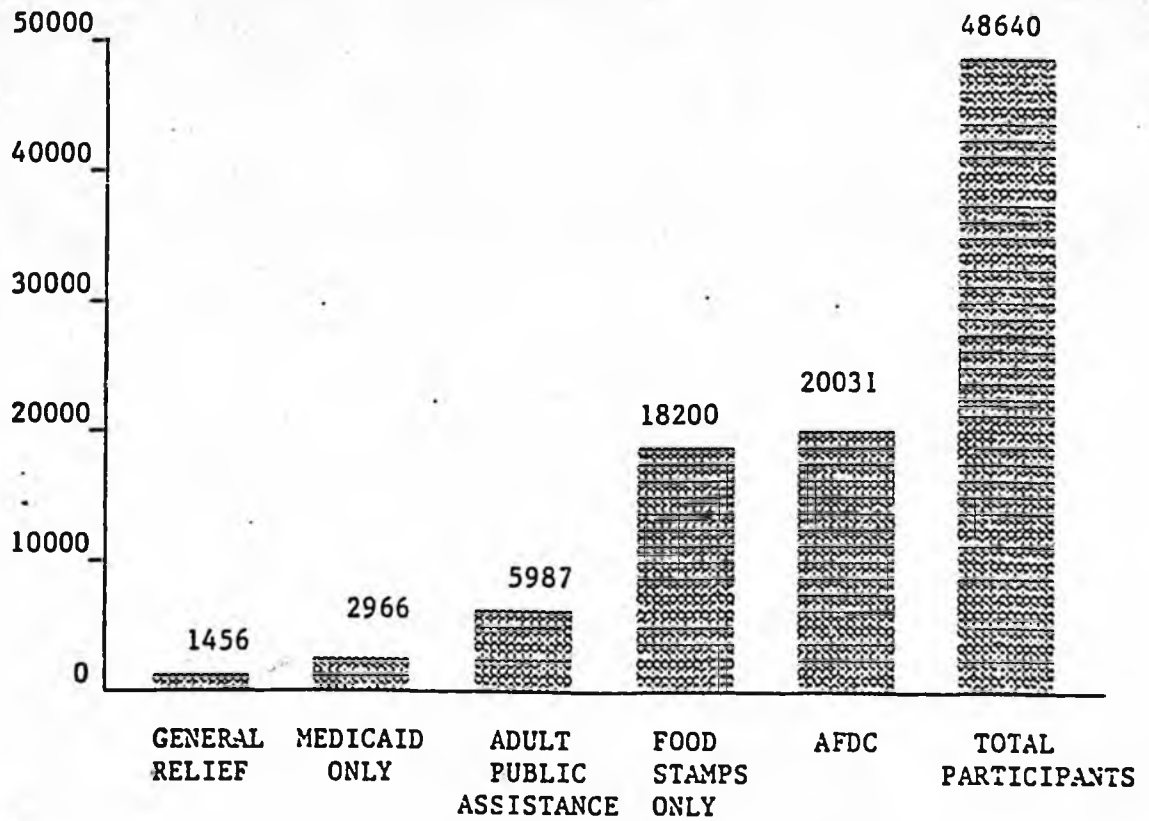
THE FUNDAMENTAL CONCEPTS OF THE WELFARE REFORM LAW

1. Children's basic needs must be protected
2. The family has the primary responsibility
3. The system should strengthen the family
4. An emphasis on education and training is essential

# ALASKA WELFARE PARTICIPATION

IN MONTH APRIL 1988

PERSONS



THE AUGUST 1988 ALASKA DEPARTMENT OF LABOR "ALASKA ECONOMIC TRENDS" REPORTED ON POVERTY IN ALASKA. IT ESTIMATED THAT BETWEEN 10-14% OF THE ESTIMATED TOTAL POPULATION IN ALASKA LIVES BELOW THE POVERTY INCOME LEVEL. ASSUMING A CURRENT POPULATION OF 540,000 THERE WOULD BE ABOUT 57,800 PERSONS IN POVERTY IN ALASKA.

Each month approximately 12,900 children receive benefits under the current AFDC program in Alaska.

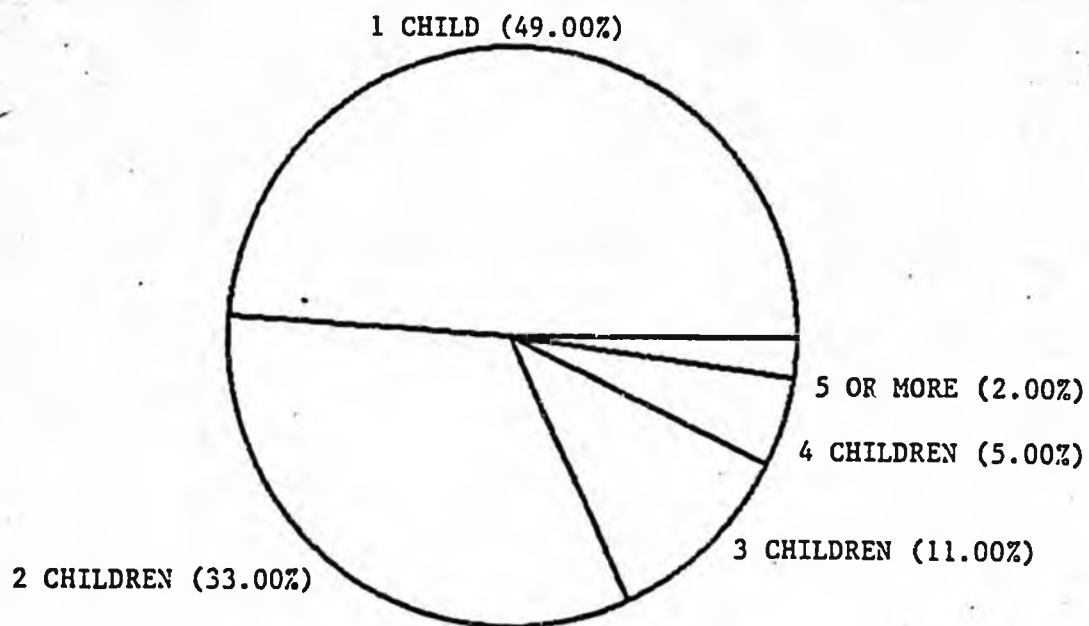
<u>District Area</u>	<u>Average Number of Children Served Monthly</u>	<u>Percent of Total</u>
Anchorage	5,097	39%
Fairbanks	1,541	12%
Bethel	1,136	9%
Wasilla	1,134	9%
Kenai	882	7%
Ketchikan	580	4%
Northern Rural	569	4%
Southcentral Rural	523	4%
Juneau	518	4%
Kotzebue	365	3%
Nome	338	3%
Sitka	210	2%
TOTAL Children	12,893	

In all of FY88 30,123 adults and children (unduplicated) received benefits under the current AFDC-Basic program in Alaska.

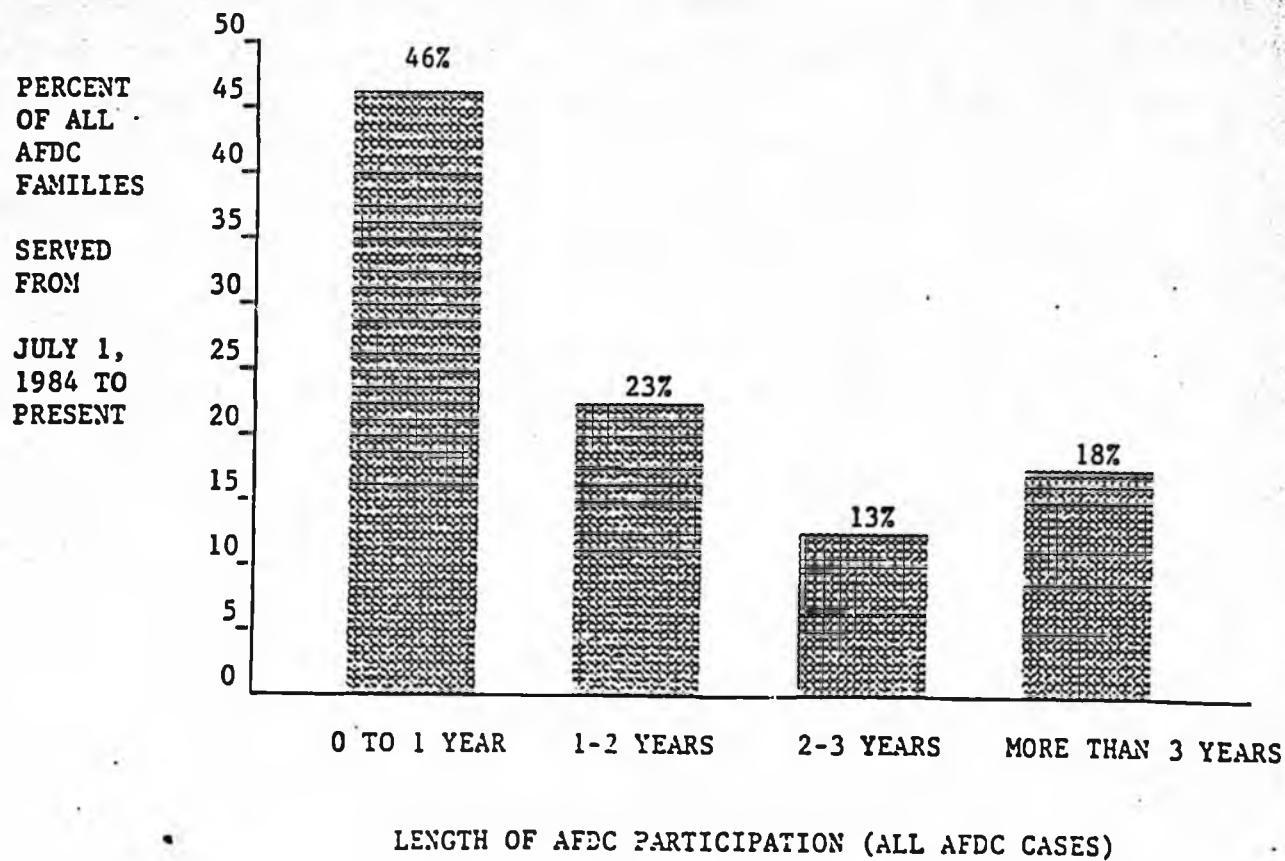
<u>District Area</u>	<u>FY88 Total AFDC Participants</u>	<u>Percent of Total</u>
Anchorage	11,875	39%
Fairbanks	3,575	12%
Wasilla	2,636	9%
Bethel	2,473	8%
Kenai	2,199	7%
Juneau	1,388	5%
Northern Rural	1,320	4%
Ketchikan	1,286	4%
Southcentral Rural	1,269	4%
Kotzebue	778	3%
Nome	769	3%
Sitka	555	2%
TOTAL Persons	30,123	

49% OF ALL AFDC FAMILIES HAVE ONLY ONE CHILD. ONLY 7% OF THE AFDC FAMILIES IN ALASKA HAVE MORE THAN THREE CHILDREN. THE AVERAGE NUMBER OF CHILDREN PER FAMILY IS 1.6.

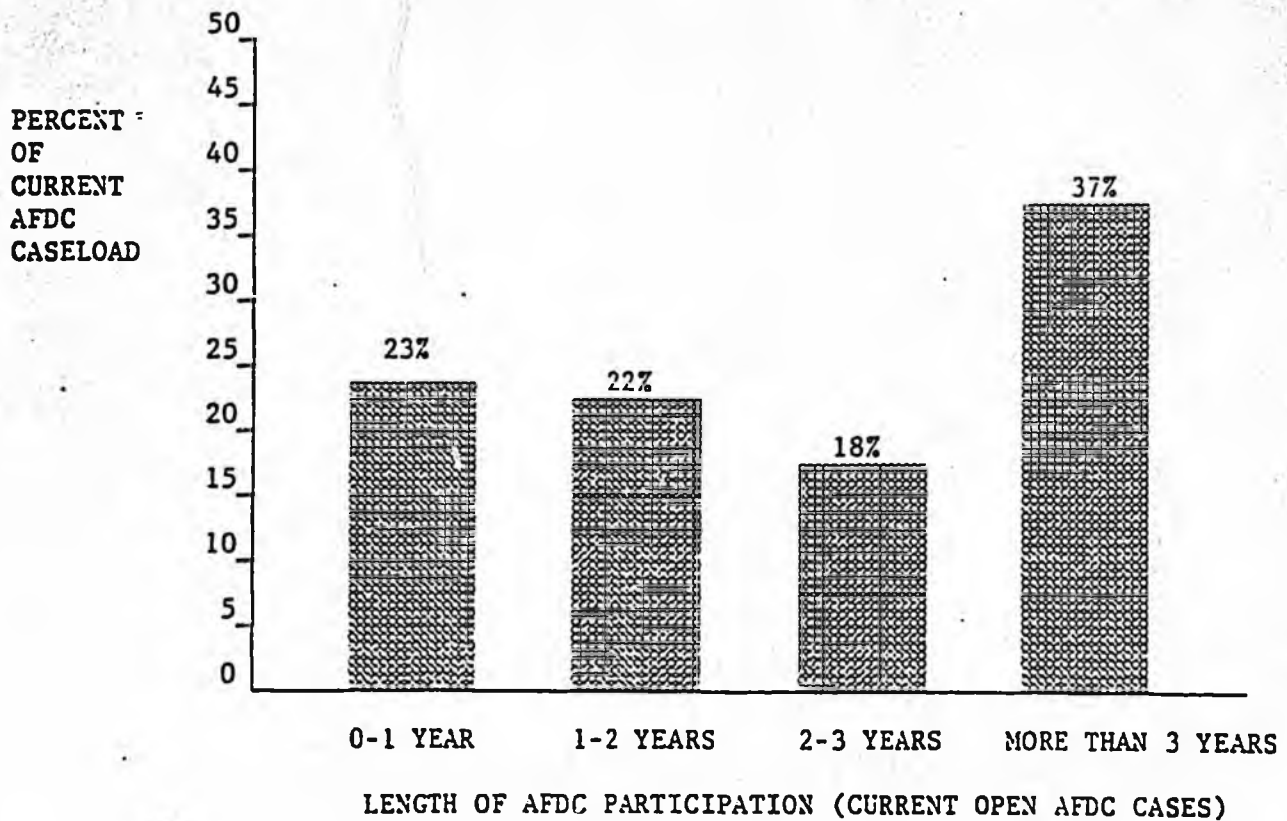
AVERAGE NUMBER OF CHILDREN  
IN AFDC FAMILIES IN ALASKA



THE AVERAGE LENGTH OF PARTICIPATION FOR MOST AFDC FAMILIES IS LESS THAN ONE YEAR. OF THE TOTAL NUMBER OF AFDC FAMILIES SERVED SINCE JULY 1984, ONLY 18% HAVE PARTICIPATED FOR MORE THAN 36 MONTHS.

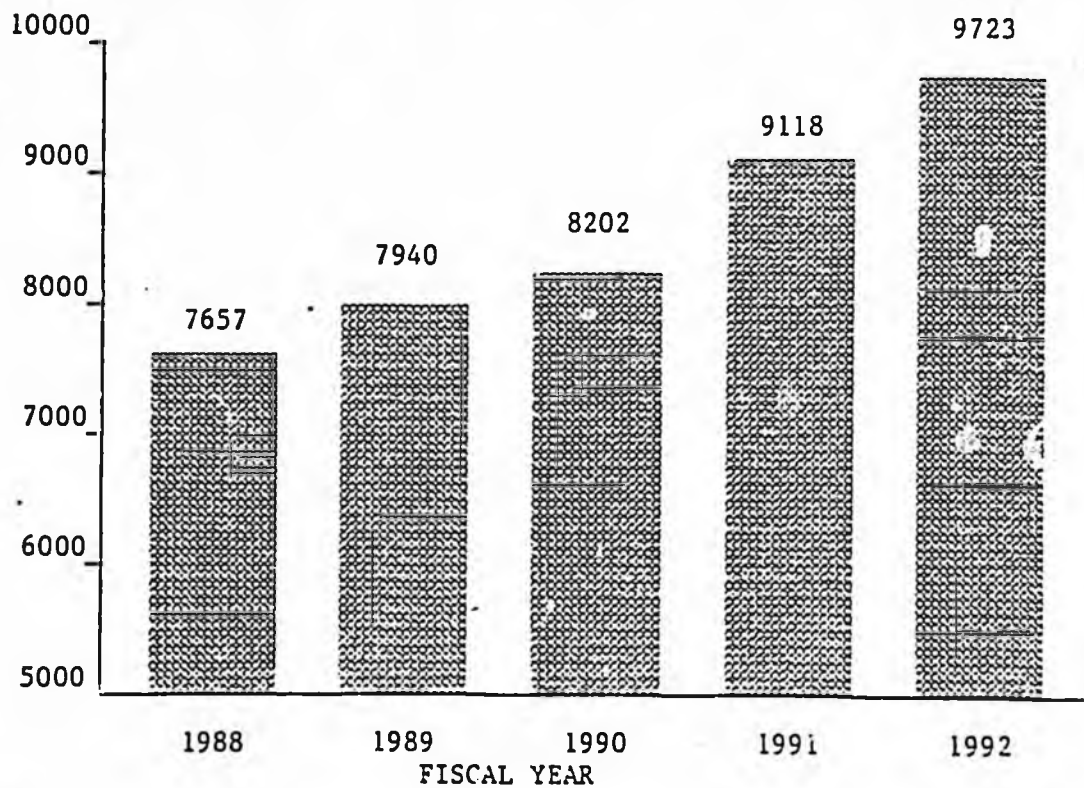


IN ALASKA, 37% OF THE CURRENT AND OPEN AFDC CASELOAD HAVE BEEN ON WELFARE FOR MORE THAN 3 YEARS. NATIONALLY, 44% OF THE CURRENT CASELOAD HAVE RECEIVED 3 OR MORE YEARS OF AFDC ENTITLEMENT.



## AFDC BASIC AND TWO PARENT PROGRAM

AFDC AVERAGE MONTHLY CASELOAD BY FISCAL YEAR PROJECTS A 2-3% CASELOAD GROWTH IN THE AFDC BASIC PROGRAM AND ADDS THE AFDC TWO-PARENT CASELOAD BEGINNING OCTOBER 1990.



- EFFECTIVE OCTOBER 1990 (FY91) STATES WERE REQUIRED TO IMPLEMENT AN AFDC TWO-PARENT PROGRAM
- THIS TWO-PARENT PROGRAM WILL ADD APPROXIMATELY 1148 AFDC FAMILIES TO THE CURRENT AFDC BASIC PROGRAM CASELOAD
- ESTIMATED ANNUAL ENTITLEMENT BUDGET NEED FOR AFDC TWO-PARENT. IF BENEFITS ARE LIMITED TO 6 MONTHS PARTICIPATION IN A 12 MONTH PERIOD FOR OTHERWISE ELIGIBLE TWO PARENT FAMILIES THEN APPROXIMATE COST IS \$5-6 MILLION.
- IF MONTHS OF PARTICIPATION ARE NOT LIMITED THEN THE ANNUAL COST FOR THE PROJECTED AFDC TWO-PARENT FAMILIES IS \$10-11 MILLION

## BENEFITS FOR TWO-PARENT FAMILIES

### Existing Law

At state option, benefits provided to two-parent families where principal earner is unemployed.

Alaska provides benefits to two-parent families only if one parent is disabled.

### Welfare Reform

Benefits to two-parent families with unemployed parent mandatory.

Alaska will provide benefits to about 1100 additional two-parent families under new mandatory provision.

### Two-Parent Coverage:

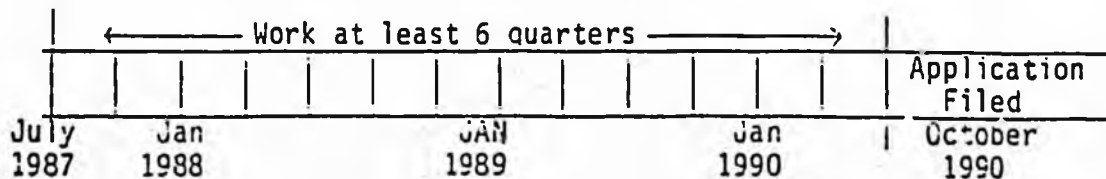
- \* encourages families to remain intact
- \* assures that children in poverty receive benefits whether or not both parents live with them
- \* provides support to families when Unemployment Benefits insufficient to meet need, or exhausted.

### Optional Payment Limitation:

- \* State can choose to limit cash payments to unemployed-parent households to six months per year
- \* If cash payments limited, child care, medical, and JOBS benefits must continue

### ELIGIBILITY CRITERIA:

- \* Unemployment is defined as working less than 100 hours per month.
- \* Recent employment history is required. This may be met by:
  - working during 6 of 13 quarters during a period ending within 1 year prior to application. (School or training may substitute for up to 4 quarters)



- eligibility for Unemployment Insurance within 1 year prior to application also satisfies this requirement

## AFDC - EARNINGS DISREGARDS

### Existing Law

In calculating monthly countable income, disregards, applied in order are:

Basic Work Expense: \$75  
 Child Care Expense, up to: \$160 per child

\$30 Incentive (up to 12 months): \$30  
 33% Work Incentive (up to 4 months):  
 1/3 of remainder

### Welfare Reform

Order and amount of disregards changes.

In calculating monthly countable income, disregards, applied in order, are:

Basic Work Expense: \$90  
 \$30 Incentive (up to 12 months): \$30  
 33% Work Incentive (up to 4 months):  
 1/3 of remainder  
 Child Care Expense, up to: \$175 per child  
 (up to \$200 for child under age 2)

Net effect of changes is an increase in amount of income available to families with a working adult.

Sample Benefit Calculation: Working mother with 2 children, ages 4 and 8. Works 40 hours per week at minimum wage, first 4 months of work. Pays \$250 monthly child care for the younger child. (using 1989 AFDC payment levels).

### Existing Law

\$660	Gross Wages
- 75	Earnings Disregard
-160	Child Care Expense
- 30	Incentive
<u>-131</u>	33% Work Incentive

\$264 Countable Income

AFDC Payment Standard	\$810
Less Countable Income	<u>-264</u>

AFDC Benefit \$546

Nonreimbursable child care expense: \$90

TOTAL Income from wages and AFDC: \$1,206

### Welfare Reform

\$660	Gross Wages
- 90	Earnings Disregard
- 30	Incentive
-180	33% Work Incentive
<u>-175</u>	Child Care Expense

\$185 Countable Income

AFDC Payment Standard	\$810
Less Countable Income	<u>-185</u>

AFDC Benefit \$625

Nonreimbursable child care expense: \$50

TOTAL Income from wages and AFDC: \$1,285

### AFDC EARNED INCOME CASE STUDIES

Based on 1 adult, 2 children. Child care paid for 1 child at rate equal to maximum disregard. Receiving \$30 and 1/3 disregards. 1988 AFDC payment levels.

	Monthly AFDC Payment	
	<u>Current Law</u>	<u>Welfare Reform</u>
EXAMPLE 1: Part-time Employment	\$810	\$810
Working 15 hours/week at \$5.85/hour Gross monthly earnings = \$250		
EXAMPLE 2: Part-time Employment	\$710	\$788
Working 25 hours/week at \$3.85/hour Gross monthly Earnings = \$415		
EXAMPLE 3: Full-time Employment	\$546	\$691
Working 40 hours/week at \$3.85/hour Gross Monthly Earnings = \$660		
EXAMPLE 4: Full-time Employment	\$13	\$91
Working 40 hours/week at \$8.50/hour Gross Monthly Earnings = \$1460		
EXAMPLE 5: Part-time Employment	\$603	\$613
(Same as #2, except no out-of-pocket child care cost)		
Working 25 hours/week at \$3.85/hour Gross monthly Earnings = \$415		

## OTHER AFDC PROGRAM PROVISIONS

### Need/Payment Standard Reevaluation:

- \* State must evaluate every three years

### Quality Control Sanctions:

- \* moratorium on collections of fiscal sanctions for excess payment error rates extended 1 year, to July 1, 1989

### Earned Income Tax Credits:

- \* Tax credit payments no longer treated as income for AFDC eligibility and payment determinations

### Preeligibility Fraud Detection:

- \* State required to develop/implement preeligibility fraud detection unit by October 1, 1989.

### Payment After Performance:

OPTIONAL: State may defer payment to unemployed parent households until after mandatory JOBS activity completed for the month.

### Minor Parent:

OPTIONAL: State May require parent under 18 to live with parent or legal guardian

- \* Payment issued to minor's parent or guardian
- \* Exceptions if suitable home unavailable, or has lived apart for one year
- \* Adult parents financially responsible

## ALASKA WORK PROGRAMS

The following is based upon actual Work Incentive Program (WIN) and Employment Search Program (ESP) participant population during September 1988 and performance for the period from October 1, 1987 through September 30, 1988.

The typical WIN/ESP participant is:

Female	90%
White	60%
22 to 44 years old	85%
High school graduate or higher education	78%

2187 AFDC recipients entered WIN/ESP during fiscal year 1988.

568 (30%) of those individuals had been in WIN/ESP in the past.

675 WIN/ESP participants became employed.

171 (25%) of the jobs obtained came from referrals on Job Service job orders.

498 (75%) of the jobs were found by WIN/ESP participants.

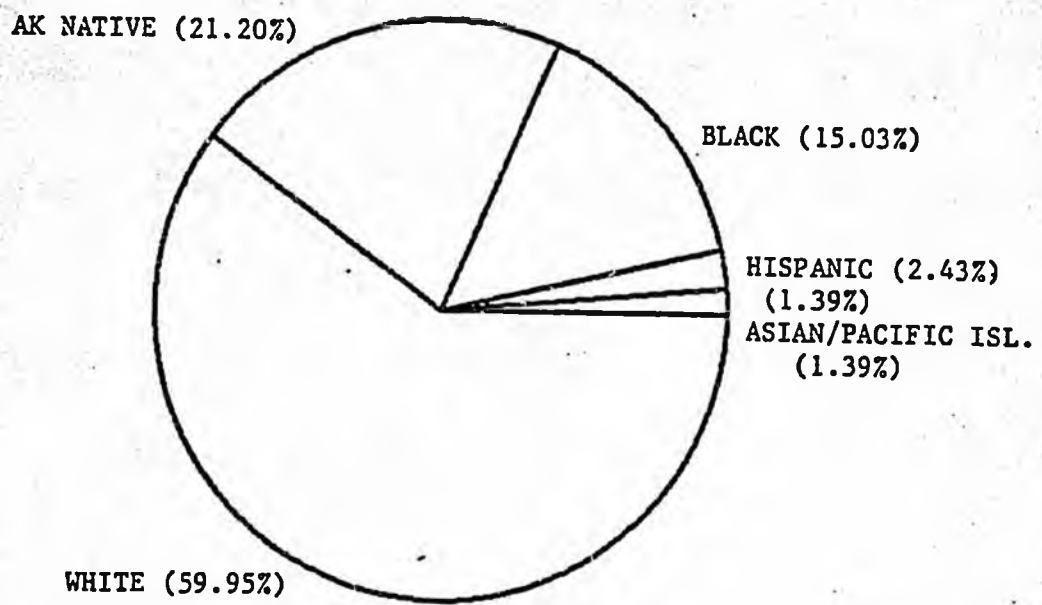
470 (70%) of the jobs were full-time.

90.7% of the WIN/ESP participants were still employed after 30 days.

The average starting wage for these jobs was \$6.19.

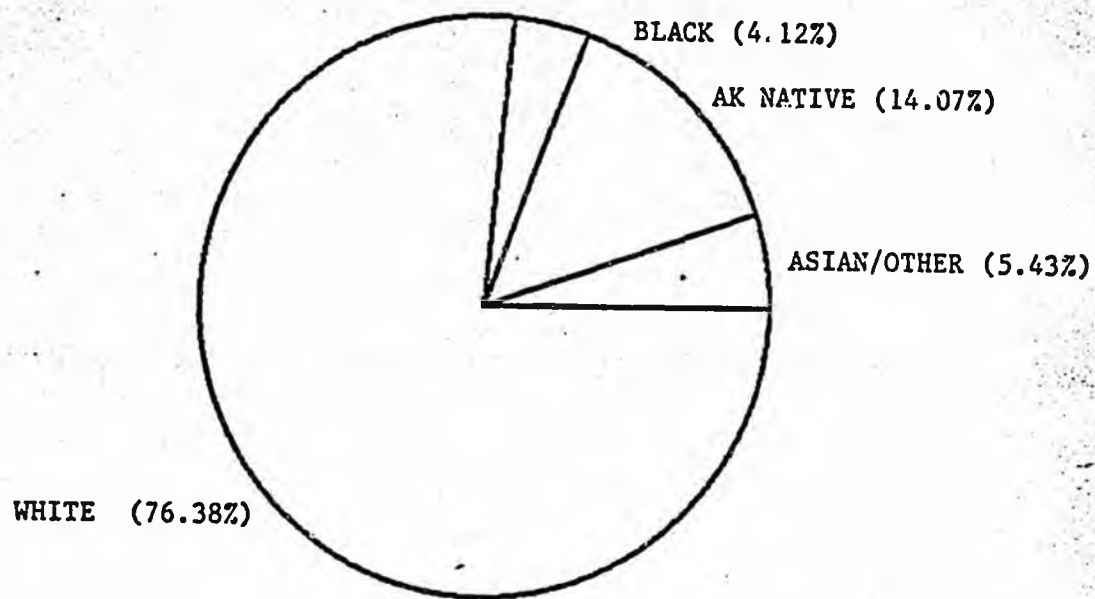
AK WORK PROGRAM PARTICIPANTS

BY  
ETHNICITY



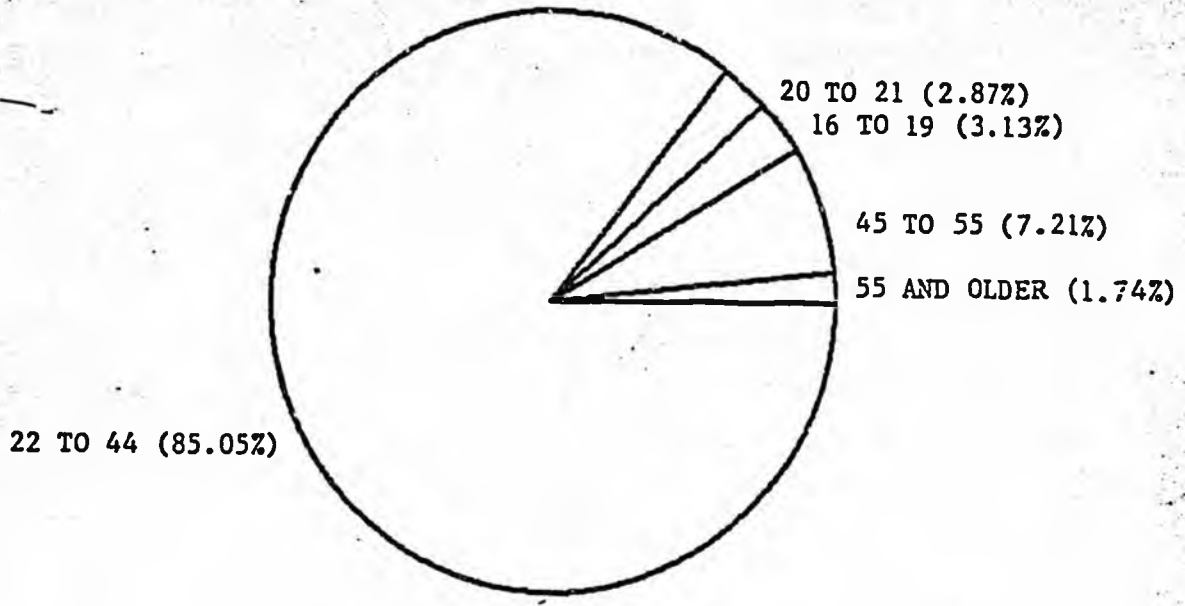
ALASKA 1984 CENSUS UPDATE

ETHNICITY



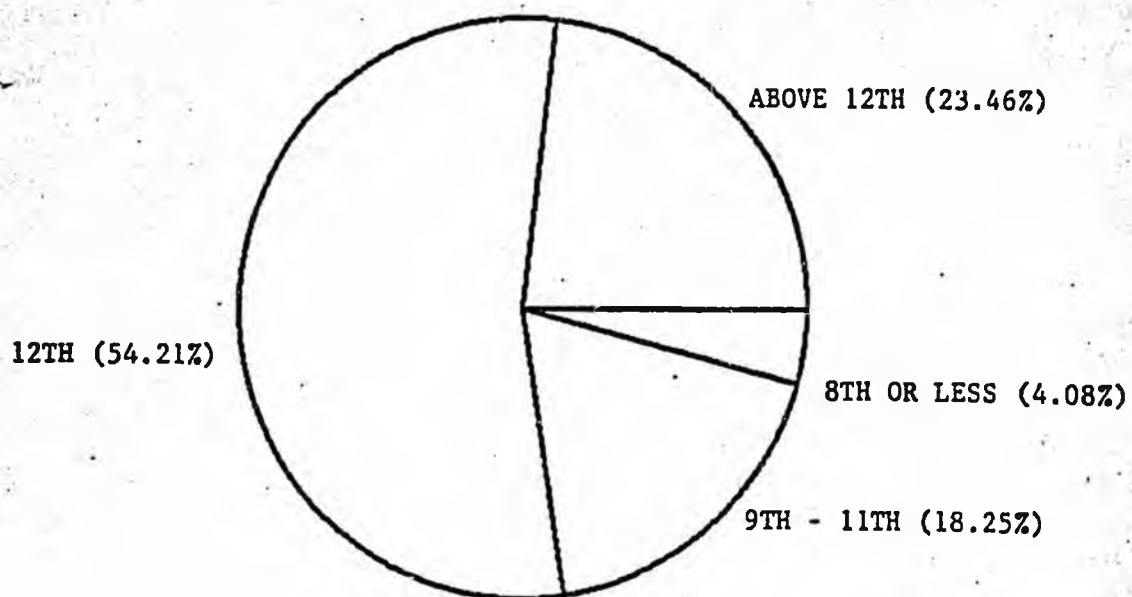
AFDC WORK PROGRAMS PARTICIPANTS

BY  
AGE GROUPS



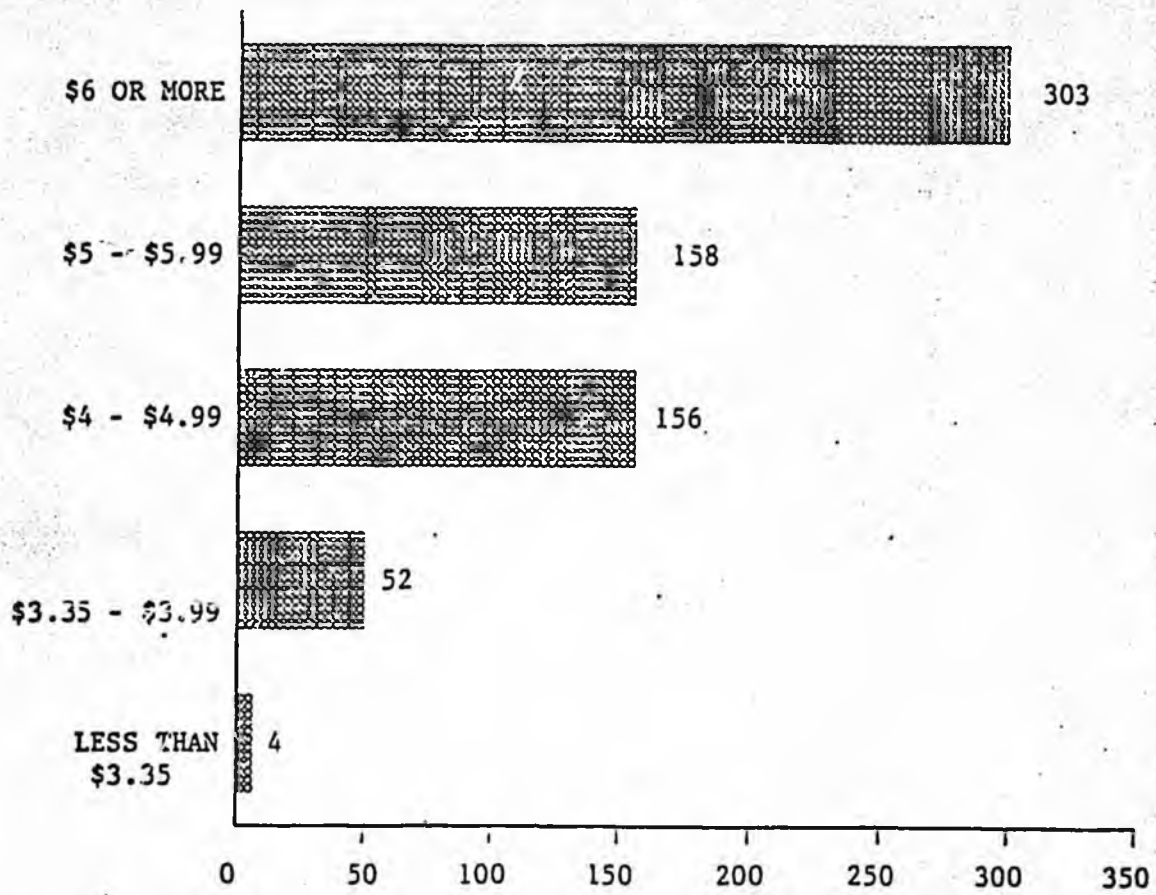
DATA FOR SEPTEMBER 1988 PROGRAMS POPULATION

AFDC WORK PROGRAMS PARTICIPANTS  
EDUCATIONAL ATTAINMENT BY  
HIGHEST GRADE COMPLETED



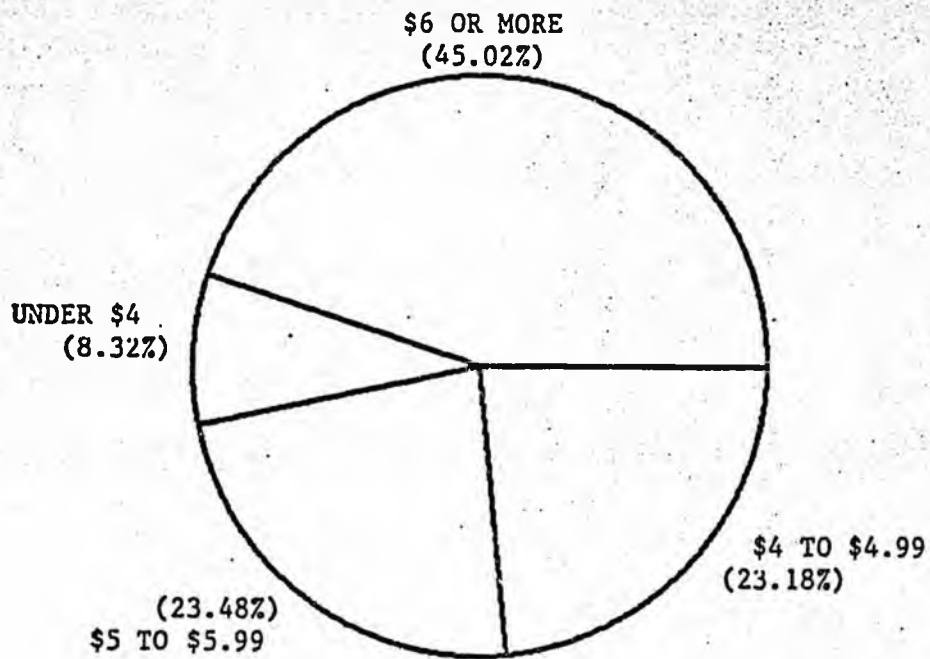
DATA FOR SEPTEMBER 1988 PROGRAMS POPULATION

STARTING WAGES  
OF PARTICIPANTS IN  
AFDC WORK PROGRAMS



DATA IS FOR FEDERAL FISCAL YEAR 1988

STARTING WAGES  
FOR  
AFDC WORK PROGRAM PARTICIPANTS



CHARACTERISTICS OF ALASKA FAMILIES RECEIVING AFDC

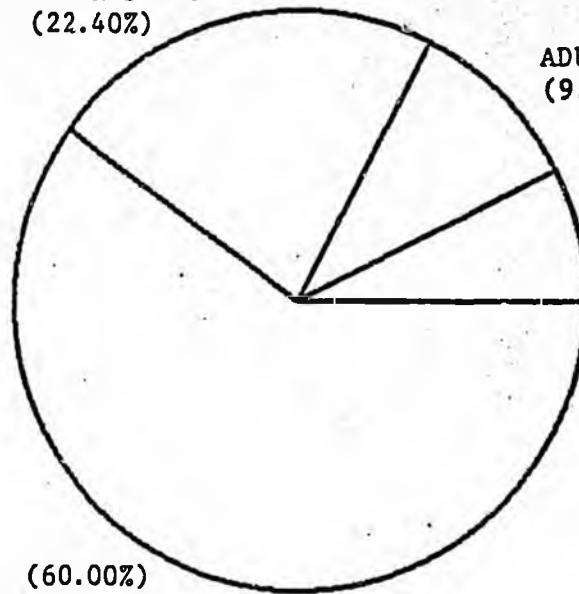
60% OF ALL AFDC PARENTS WILL BE MANDATORY PARTICIPANTS IN  
JOB OPPORTUNITIES AND BASIC SKILLS (JOBS)

PERCENT OF POTENTIAL JOBS PARTICIPANTS  
ANNUALLY (STATEWIDE)

POTENTIAL JOBS VOLUNTEERS  
AFDC CASE WITH  
CHILD UNDER 3 YRS  
(22.40%)

ADULT NOT INCLUDED CASES  
(9.90%)

(7.70%)  
UNABLE TO WORK



(60.00%)  
MANDATORY JOBS  
PARTICIPANTS

NUMBER OF FAMILIES:

ESTIMATED AFDC BASIC PROGRAM - FAMILIES	10,145
ESTIMATED AFDC TWO-PARENT FAMILIES	<u>1,520</u>

TOTAL NUMBER OF AFDC FAMILIES IN A FISCAL YEAR	11,665
--	--------

EXEMPT STATUS:

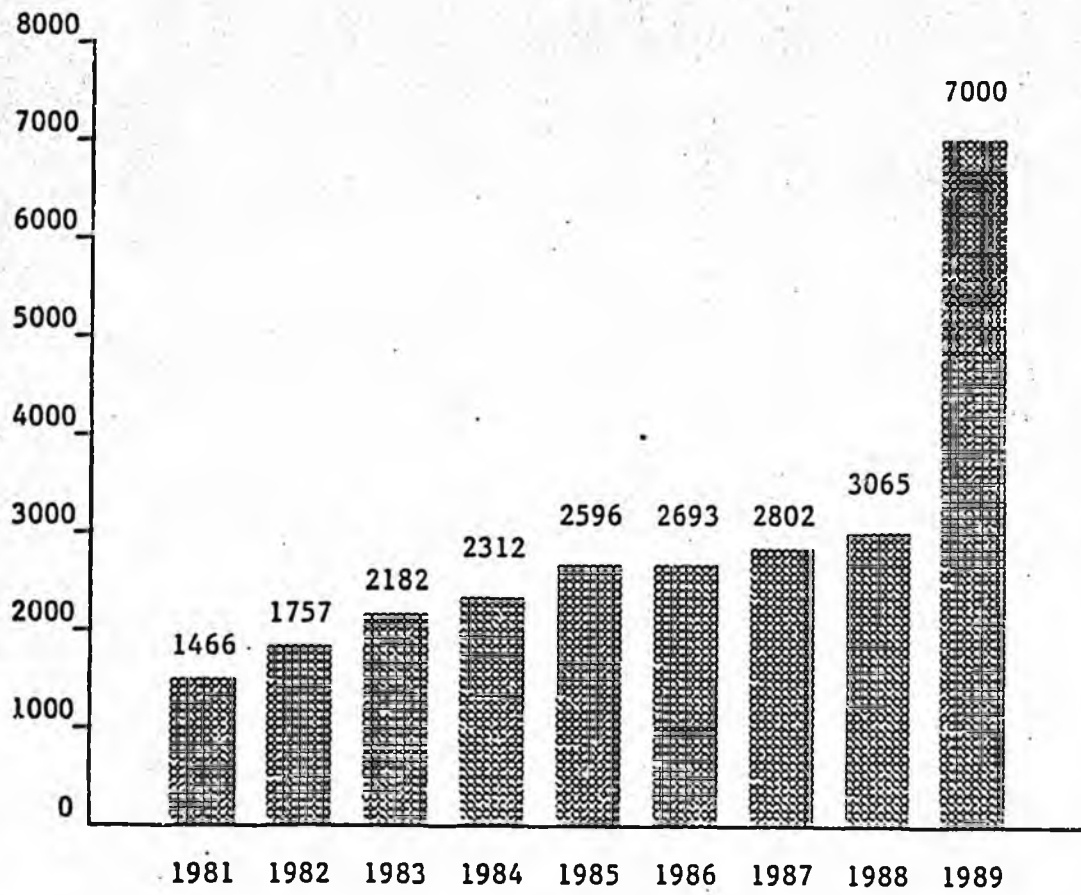
LESS AFDC FAMILIES EXEMPT FOR UNABLE TO WORK	( 900)
LESS ADULT NOT INCLUDED (NO ADULT IN AFDC CASE)	<u>(1,150)</u>

TOTAL POTENTIAL JOBS PARTICIPANTS	9,616
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JOBS VOLUNTEER FAMILIES (WITH CHILD UNDER 3 YRS OLD)	2,615
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JOBS MANDATORY PARTICIPANT FAMILIES	7,000
-------------------------------------	-------

ALASKA WORK PROGRAMS  
NUMBER OF PROGRAM PARTICIPANTS  
PRESENT PROGRAMS VS. POTENTIAL FOR JOBS



## CHANGES IN EXEMPT PERSONS

A Recipient is exempt:

- If personally providing care for child under 3, or at state option age 1
- If a child is under 6 (unless state guarantees child care)  
Participation is limited to 20 hours per week

If Pregnant in 2nd Trimester or later

In an AFDC-UP case state may require second parent to participate if child care is guaranteed

## YOUNG PARENTS

Custodial Parents Under 20 Without a High School Diploma Must:

Participate in Educational Activities

- Full-time at state option
- State may exempt under 18

If 18 or 19, must work or attend training if:

- Good academic progress is not made or,
- Further education is inappropriate.

TARGETED JOBS POPULATION

1. Persons who have received AFDC for any 36 of the preceding 60 months, or
2. Custodial parents under age of 24 who:
  - a. have not completed high school and are not enrolled in high school at the time of application for AFDC, or
  - b. had little or no work experience in the previous year, or
3. Members of a family whose youngest child is within 2 years of being ineligible for AFDC.

55% OF JOBS FUNDS MUST BE SPENT FOR THESE TARGETED POPULATIONS

A COMPARISON OF WORK PROGRAM ACTIVITIES  
BETWEEN  
JOBS AND PRESENTLY AUTHORIZED WORK PROGRAMS

	<u>Activities Present Law Allows</u>	<u>Activities Alaska Presently Provides</u>	<u>Required JOBS Activities</u>	<u>Optional JOBS Activities</u>
Individual Assessment	X	X	X	
Individual Employability Plan	X	X	X	
Client/Agency Contract	X	X		X
Case Management	X			X
Information and Referral	X	X	X	
Help Locate Child Care	X	X	X	
Provide Child Care	X	X	X	
Transportation Reimbursement	X	X	X	
Incentive Allowance	X	X		
Basic Education	X		X	
Postsecondary Education	X			X
Job Skills Training	X		X	
Tuition	X			X
Job Readiness Activities	X	X	X	
Job Development & Placement	X	X	X	
Grant Diversion	X		#	X
Work Experience	X	X	#	X
Job Search	X	X	#	X
On the Job Training	X		#	X
Public Service Employment	X			
Conciliation Process	X	X	X	
Transitional Medical Assistance	X	X	X	

# State is required to provide at least two of these four activities.

## MAJOR DIFFERENCES BETWEEN JOBS AND PRESENT PROGRAM BENEFITS

### ADVANCED TRAINING OR EDUCATION

JOBS permits long term vocational or postsecondary education. Present programs limit training to one year.

### WORK PROGRAM ACTIVITIES

JOBS requires the operation of a larger number of work program activities. Present funding severely limits the number of program activities operated even though the present Work Programs allow operation of all the activities that are allowed or required by JOBS.

### CHILD CARE

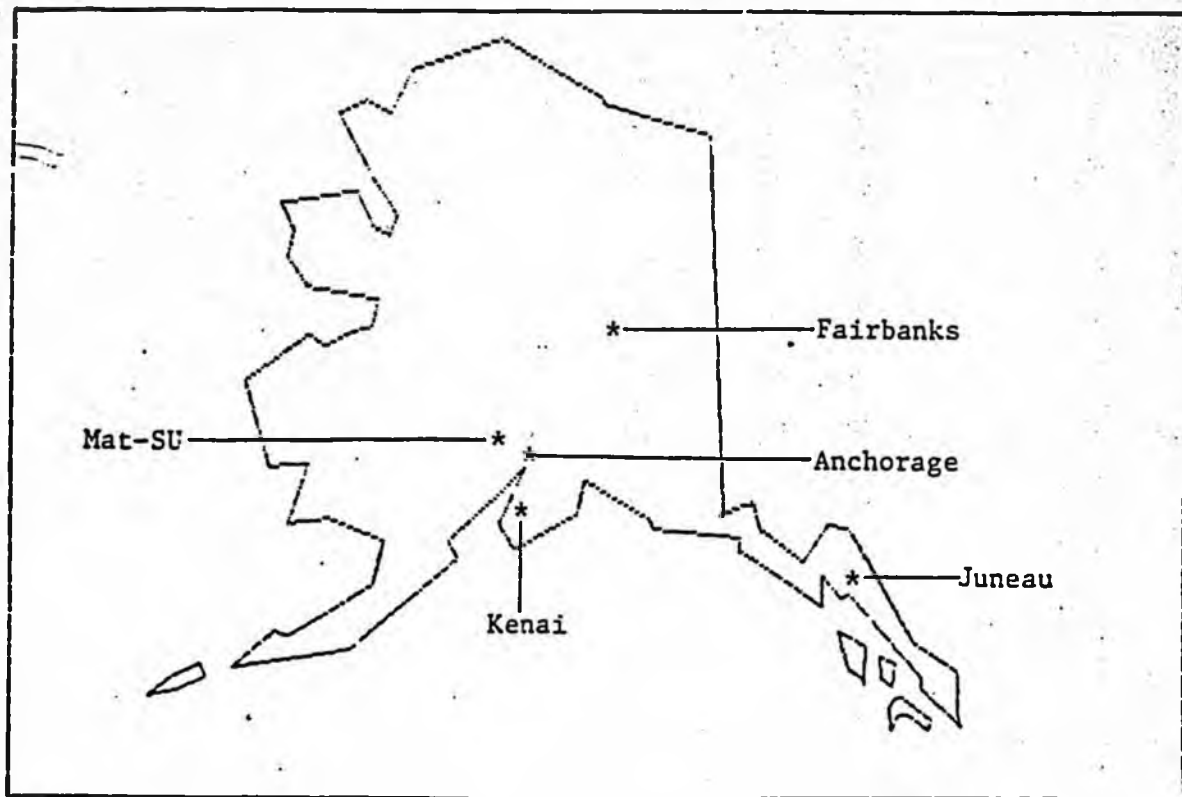
JOBS provides funding for child care costs incurred during JOBS participation and guarantees child care for 12 months after a family leaves welfare for work. Present Work Programs are not funded to permit payment of child care needs for many participants and only allow up to 90 days of child care after a family leaves welfare for work.

### MEDICAL

JOBS provides medical assistance for 12 months after a family leaves welfare for work. Present Work Programs make no provision for medical assistance, but families may be eligible for four to nine months of medical care through the Medicaid Program when leaving welfare for work.

PRESENT WORK PROGRAM AREAS

ANCHORAGE BOROUGH  
FAIRBANKS BOROUGH  
JUNEAU BOROUGH  
KENAI BOROUGH  
MAT-SU BOROUGH



## TRANSITIONAL MEDICAL AND CHILD CARE:

### The Benefits a Family Receives When They Go From Welfare to Work

#### EXISTING LAW

##### Child Care

- \* No child care offered except for families who apply for State Day Care Assistance
- \* WIN clients can get 3 months of child care when leaving welfare for work.

##### Medicaid

- \* Most families who leave welfare for work get 4 more months of Medicaid coverage
- \* A few families under special circumstances receive 9 months of Medicaid coverage.

##### Child Support

- \* Child Support Enforcement collection activity continues, but support payments are sent directly to the family

#### WELFARE REFORM

##### Child Care

- \* A parent who leaves welfare for work will receive 12 months of child care
- \* Child care costs will be covered on a sliding scale based on income
- \* Providing affordable child care to families leaving welfare will support their transition into the workforce

##### Medicaid

- \* Families who leave welfare for work will get 12 months of Medicaid coverage
- \* Providing transitional Medicaid coverage will allow welfare recipients entering the work force to remain there without worrying about unanticipated medical expenses

##### Child Support

- \* Child support collections will greatly increase due to expanded and strengthened provisions of Child Support Enforcement.

## ALASKA NATIVE ORGANIZATIONS

- \* Alaska Native Organizations May Participate Separately in JOBS
- \* Application Submitted by 4/13/89
- \* Direct Funding to the Native Organization
  - Will Reduce State JOBS Funding
  - Matching Funds not required from Alaska Native Organization (100% Funding)
- \* Share of funding based on % of adult Native AFDC recipients as a % of State's adult AFDC population
- \* Only one organization will be approved in each of the 12 regions

## IMMEDIATE INCOME WITHHOLDING IN IV-D CASES

By November 1990, States must have laws requiring immediate income withholding:

1. In ALL IV-D cases with new or modified orders

UNLESS

- \* There is a written agreement between the parties for an alternative arrangement
- \* The court finds good cause not to implement withholding (for these exceptions, as required under existing law, a 30-day arrearage triggers withholding)

2. In ALL IV-D cases with existing orders

WHEN

- \* The absent parent requests withholding
- \* The custodial parent requests, and state approves, withholding
- \* The state chooses to implement withholding

**\$50 PASS THROUGH CLARIFICATION**

Effective January 1, 1989, the first \$50 of current child support collected in an AFDC case must be paid to the family

**WHENEVER**

the absent parent makes the payment in the month when due

- \* This eliminates the situation in which the \$50 pass through was not made when the payment was made on time but there was a delay in transferring the payment from the receiving entity to the distributing entity.

## MANDATORY GUIDELINES

By October, 1989, states must have mandatory guidelines which are a rebuttable presumption,

THAT IS:

the guidelines must apply unless:

- \* A written finding is made, based on state-developed criteria, that application of the guidelines would be unjust or inappropriate in a particular case

GUIDELINES MUST BE REVIEWED AT LEAST ONCE EVERY 4 YEARS

## REVIEW AND MODIFICATION OF ORDERS

By October, 1990, states must have a plan to review and modify orders in IV-D cases at the request of:

- \* the absent parent;
- \* the custodial parent; or
- \* the IV-D agency

By October, 1993, with respect to orders in IV-D cases, states must implement a process of periodic review and modification in accordance with the guidelines, if appropriate

### UNLESS

- \* in AFDC cases, the state determines it would not be in the best interest of the child and neither parent has requested review
- \* in non-AFDC cases, neither parent has requested a review

The State must notify parties of:

- \* their right to a review;
- \* the date of a review, 30 days in advance;
- \* any proposed modification and allow 30 days to challenge the modification

## PATERNITY ESTABLISHMENT

### 1. AUDIT PENALTY FOR FAILURE TO MEET PERFORMANCE STANDARD

\* Beginning October 1, 1991, a state's paternity establishment percentage must equal or exceed:

\* 50%; or

\* the national average; or

\* be 6 percentage points more than it was in FY88 and increase by an additional 3 percentage points for each year after FY92.

\* The paternity establishment percentage is:

Number of all children in IV-D cases born out of wedlock FOR WHOM PATERNITY  
HAS BEEN ESTABLISHED

- DIVIDED BY -

Number of children in IV-D cases born out of wedlock

\* The Secretary must include data on which paternity establishment percentage is based in the annual report to congress

2. GENETIC TESTS

- \* Beginning November 1, 1989, any party may request, and the state must provide, genetic tests in a contested paternity case
- \* States may charge any party not receiving AFDC for the costs of the tests
- \* Beginning October 1, 1988, federal reimbursement is available at 90% of the laboratory costs of paternity testing

3. STATES ENCOURAGED TO ADOPT CIVIL PROCEDURES FOR PATERNITY ESTABLISHMENT, INCLUDING VOLUNTARY ACKNOWLEDGEMENT.

4. CLARIFICATION OF 1984 AMENDMENTS REQUIREMENT

- \* Paternity must be established for any individual who was under age 18 on August 15, 1984, regardless of whether a prior action for paternity establishment was dismissed because of a former statute of limitations

SOCIAL SECURITY NUMBERS PROVIDED AT BIRTH

Effective November, 1990, states must require parents to provide SSNs to state when Birth Certificate is issued

- \* SSNs are to be provided to IV-D agencies for child support enforcement purposes
- \* SSNs are not to appear on birth certificates

**IMPLEMENTATION OF WELFARE REFORM PROVISIONS**

PROVISIONS	State FY89				State FY90				State FY91		
	JUL 88	OCT 88	JAN 89	APR 89	JUL 89	OCT 89	JAN 90	APR 90	JUL 90	OCT 90	JAN 91
AFDC Earnings Disregard											
Transitional Medical/Child Care											
Two Parent Family Coverage											
JOBS Program											