

**HB**

**171**

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: An Act relating to AFDC and  
establishing an effective date.  
 Sponsor: Rep. Ellis, Bover, M. Davis et al  
 Requestor: House Finance Committee

Agency Affected: \_\_\_\_\_  
 BRU: Public Assistance Administration  
 Components: Alaska Work Program

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	750.0	750.0	750.0	750.0	750.0	750.0
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>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	750.0	750.0	750.0	750.0	750.0	750.0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

FY 91 funding includes: Adult Basic Education 500.0  
Parenting Education 250.0 H/S

Prepared by: House Finance Committee Phone: 465-3727  
 Division: Co-Chairman Ron Larson Date: 4/4/90  
 Approved by Co. Chairman Lyman Hoffman Date: 4/4/90  
 Agency: \_\_\_\_\_

**Distribution (by preparer):**

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

# Alaska State Legislature

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SENATOR LLOYD JONES  
SENATOR TIM KELLY



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## Senate Committee on Health, Education and Social Services

Amendment to CS HB 171 (Fin)

by Fischer

#1 Page 13, Line 20, Delete line "(1) is centrally located."

#2 Page 13, Line 22, Delete "The highest number of".

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3111 C STREET, SUITE 455  
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WHILE IN SESSION  
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# ALASKA STATE HOUSE

OFFICE OF MAJORITY WHIP


CHAIR  
HEALTH, EDUCATION & SOCIAL SERVICES

JUDICIARY

SPECIAL COMMITTEE ON  
FOREIGN & DOMESTIC TRADE

## REPRESENTATIVE JOHNNY ELLIS

TO: Sen. Paul Fischer, Chair,  
Health, Social Services and Education Committee

FROM: Rep. Johnny Ellis 

RE: Request for a Committee Hearing of CSHB 171 (Finance)

DATE: April 20, 1990

I respectfully request a committee hearing on CSHB 171 (Finance) during the week of April 30, if possible.

HB 171 is based on the Family Support Act federal mandates and the Alaska Family Support Task Force's recommendations concerning welfare reform. It is imperative that we pass this bill through the Legislature this session because of the federal mandates and deadlines for implementation.

After the HB 171 passed out of the House HESS committee, the only changes to the bill and the fiscal note occurred in the Finance Committee. A committee substitute was adopted which basically changed most of the "shall's" directed at the Dept. Health and Social Services to "may's". They can be found on page 6, line 21; pg. 7, line 8; pg. 8, line 3; pg.10, line 16, 19, and 26; and pg. 13, line 3. The \$3.7 million fiscal note was then able to be reduced to \$750,000.

I've attached a sectional analysis for CS HB 171 (Finance). If you have any questions about the bill, please contact me or Kimberly of my staff at 465-3704. Thank you very much.

STATE OF ALASKA  
THE LEGISLATURE

POLCH V STATE CAPITOL  
JUNEAU ALASKA 99811  
707 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 20, 1990

SUBJECT: Sectional Analysis  
(CSHB 171(Finance))

TO: Representative Johnny Ellis  
Chair, House HESS Committee

FROM: Terri Lauterbach *TL*  
Legislative Counsel

Following is a brief sectional analysis of CSHB 171(Finance). If you have specific questions about any section, please let me know.

Section 1. Statement of findings.

Sec. 2. Deletes obsolete language relating to the WIN program. Authorizes sanctions for failure to comply with the JOBS program.

Sec. 3. Adds specific language relating to AFDC eligibility of unemployed parents and minor parents.

Sec. 4. Provide direction to DHSS on setting standards for the amount of assistance that will be granted under the AFDC program.

Sec. 5. Amends the definition of "dependent child" so that 18-year-olds in school and children with two parents in the household where the principal wage earner is unemployed are eligible for AFDC.

Sec. 6. Establishes the JOBS program, which replaces the WIN program.

Sec. 7. Repeals the WIN program statute.

Sec. 8. Directs DHSS to seek federal funding for a demonstration program relating to alternative definitions of "un-

Representative Johnny Ellis  
Page 2  
April 20, 1990

employment" for use in the AFDC program when granting aid for children in two-parent families where the principal wage earner is unemployed.

Sec. 9. Directs DHSS to explore JOBS program alternatives for dealing with two-parent families that receive AFDC because of the unemployment of the principal wage earner.

Sec. 10. Allows DHSS to establish a temporary pilot project relating to education and training of pregnant teenagers and teenage parents.

Sec. 11. Makes the bill take effect October 1, 1990.

TL:gc  
G14/016

## INTRODUCTION

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

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

## WHY THE CHANGE?

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

## HOW MUCH WILL IT COST?

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

## WHAT WILL CHANGE?

**J.O.B.S.**  
(Job Opportunity and Basic Skills)

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

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

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

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

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

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

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

## TWO-PARENT HOUSEHOLDS

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

parents participate in a work project.

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

### **BENEFITS WHILE WORKING**

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

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

### **CHILD SUPPORT ENFORCEMENT**

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

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

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

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## **People Reaching Independence and Dignity through Employment**

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### **How welfare reform will affect Alaska**

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FAMILY SUPPORT ACT OF 1988

HOW DOES IT CHANGE WELFARE IN ALASKA?

WELFARE REFORM

CURRENT

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

Only single parent families are eligible.

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

Alaska currently has no comparable work programs.

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

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

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

State WIN serves Natives in 5 State WIN locations.

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

All parents exempt until youngest child is 6 years.

Other training and education education programs coordinate services for welfare clients.

Existing programs have no mandate to serve welfare clients.

JOBS must obtain public comments and SJTCC review of plan.

No review required.

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

No targeted populations.

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

No education mandate.

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

No literacy requirement.

Requires child care guarantee.

No child care required.

Requires public review of supportive services plan.

No review required.

Requires Transition Benefits when families leave welfare for work.

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

Up to 4 months.  
No child care.



# The impact of welfare dependency on the economic system

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

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

## Why we need to help people become self-sufficient

### Facts about the economy

#### Changes in the labor market

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

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

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

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

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

#### Increasing job skills

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

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

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

graduate.

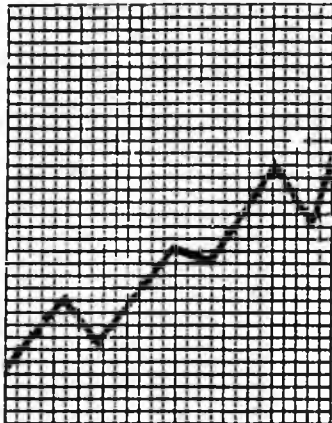
□ One of every eight 17-year-olds is functionally illiterate, as is one in three welfare recipients, and one in three unemployed people.

#### The cost of inaction

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

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

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



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

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

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

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

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

# The welfare system

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

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

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



## Characteristics of

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

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

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

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

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

## The bottom line

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

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

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

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

# The impact of welfare dependency on the social system

## Welfare recipients

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

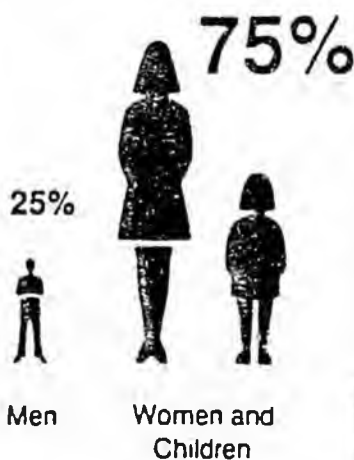
□ Although welfare and other programs for the poor comprise only 10% of the federal budget, they bore 30% of the budget cuts made in 1981 and 1982.

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

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

## Poverty population

Poverty is widespread among women and children.



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

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

## Facts about poverty

### PRESENT SCOPE

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

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

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

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

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

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

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

### GROWTH OF POVERTY

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

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

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

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

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

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

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

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

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

## WELFARE REFORM OVERVIEW

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

### KEY FEATURES OF THE FAMILY SUPPORT ACT:

#### A. Cash and Medical Benefits for Unemployed Parents:

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

#### B. Job Opportunities and Basic Skills Training (JOBS)

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

1. Alaska Native organizations receive the direct federal funding to provide JOBS services to Alaska Native AFDC clients. Native grantees will begin their programs before the State begins its JOBS. Native funding for FY91 is expected to be 38% of Alaska's total JOBS funding; no State or local match is required.
2. Services must be targeted to the long-term dependent and those most at risk of becoming long term dependent.
3. Because long-term dependent and at risk clients are also the hardest to serve they will require more in-depth services.
4. Supportive services such as child care, transportation, medical assistance, increase.
5. Federal funding levels will increase and match funds are available for new services, as long as federal funds are targeted to long-term dependent and at-risk individuals.
6. Phased-in performance standards increase the number of clients served.

#### C. Transitional Benefits While Working:

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

#### D. Child Support Enforcement:

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

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

## GOALS OF ALASKA'S FY 91 FAMILY SUPPORT ACT PACKAGE

### UNEMPLOYED. TWO-PARENT FAMILIES

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

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

Tools: Unemployed Parents AFDC, Medicaid.

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

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

Tools: State JOBS, Native Grantees.

### JOB OPPORTUNITIES AND BASIC SKILLS TRAINING (JOBS)

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

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

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

JOBS, cont'd.

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

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

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

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

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

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

Ensure clients with barriers to learning or training get help.

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

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

JOBS, cont'd.

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

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

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

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

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

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

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

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

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

JOBS, cont'd.

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

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

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

TRANSITION BENEFITS WHILE WORKING

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

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

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

CHILD SUPPORT ENFORCEMENT

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

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

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

CHILD SUPPORT ENFORCEMENT cont'd.

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

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

Tools: CSED, employers.

Increase paternity establishment for AFDC cases.

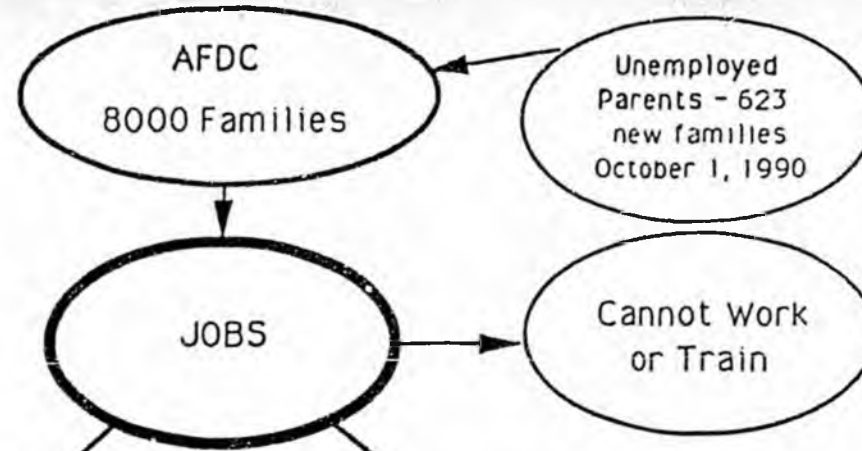
Obtain Social Security Numbers of both parents before Birth Certificate is issued.

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

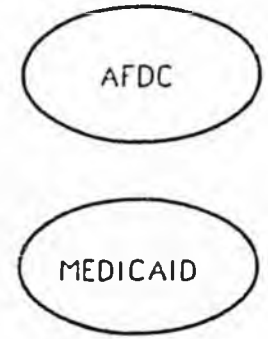
Tools: CSED staff, DPA eligibility workers, Bureau of Vital Statistics, sanctions if clients don't cooperate.

CASH ASSISTANCE

WELFARE REFORM

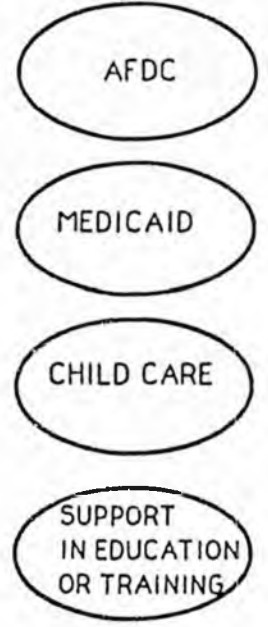
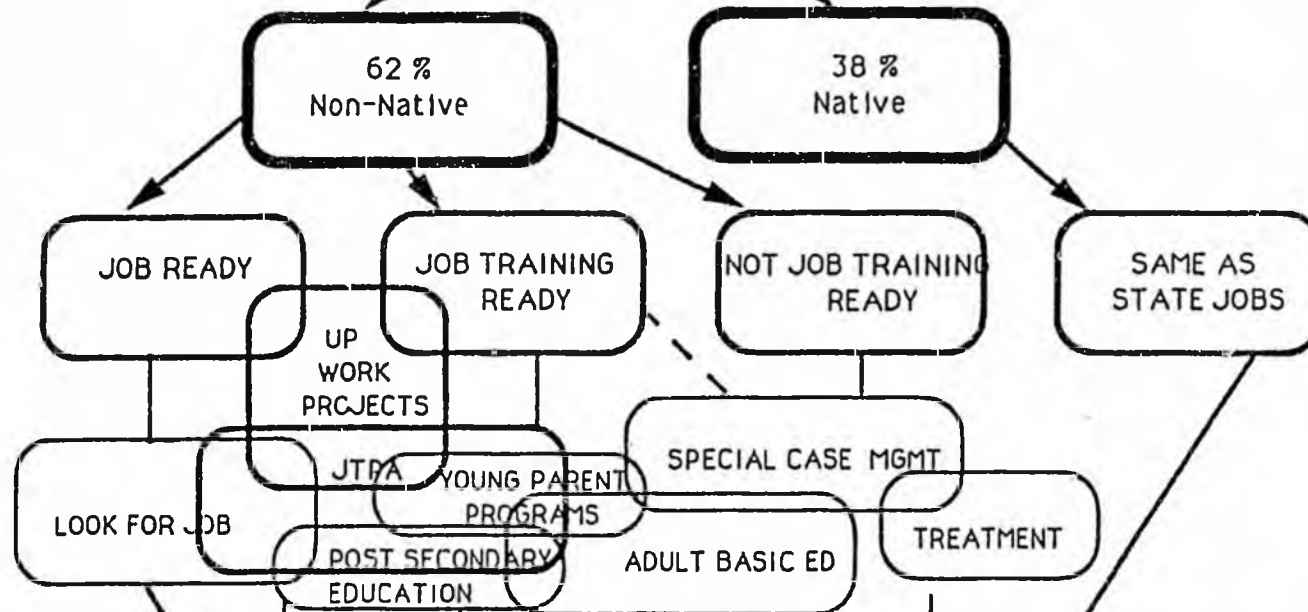


BENEFITS



JOBS

October 1, 1990



TRANSITION BENEFITS

April 1, 1990

