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HOUSE COMMITTEE REPORT

(9)

Date Referred: January 28, 1994

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/2/94

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HB 409

HOUSE BILL NO. 409 AFDC DEMO PROJECT AND DECREASE

"An Act relating to the maximum amount of assistance that may be granted under the adult public assistance program and the program of aid to families with dependent children; proposing a special demonstration project within the program of aid to families with dependent children and directing the Department of Health and Social Services to seek waivers from the federal government to implement the project; and providing for an effective date."

RECOMMENDATIONS: |] the same title
 be replaced with CS HR 409 (HESS) |] a new title

[] have attached amendments(s)

[] do pass

[] do not pass

[X] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

[X] fiscal impact H+SS ^(C)

[] fiscal note(s) _____

[] zero fiscal note _____

[] zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Car Bende</i>	✓	<i>[Signature]</i>		✓	
<i>[Signature]</i>	✓	<i>[Signature]</i>		✓	
		<i>[Signature]</i>		✓	
		<i>[Signature]</i>		✓	

[Signature]
 CHAIRMAN'S SIGNATURE



Alaska State Legislature

House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

DATE: 3/2/94

PLACE: Capitol Room 106

SUBJECT OF MEETING:
 * HB 340: NO FORFEITURE FOR CERTAIN SEX OFFENDERS
 * HB 337: DRUG FREE RECREATION AND YOUTH CENTERS
 * HJR 52: INCREASE IN FEDERAL MEDICAL FUNDING
 * INDIGENOUS (NATIVE) PUBLIC HEARING

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Madene Ewing ✓	SELF	203 W 3 RD B Juneau, AK	99804	586-2231	465-3205	(Y) N	HB 340
Gerald W. Bailey ✓	GHHS	5597 Aisek Juneau, AK	99801	780-4338	780-4338	(Y) N	HB 340
Cindy Smith ✓	NETWORK on Arm. Violence	#130 Seward H 501	99801	4633350	5863250	(Y) N	340
Diane Schenker ✓	DOC	2200 E. 42 ND Ave. Anch. AK	99508		561-4424 465-4643	(Y) N	HB 340
Caren Thomson ✓		PO BOX 37702 Juneau, AK 99803		586-1101	same	(Y) N	HB 340
Kim Burch ✓	DHSS	AOB Juneau		465-3355		(Y) N	HJR 52
Jayne Anderson ✓	CDVSA	P.O. # 117200 - Juneau	99811		465-4356	(Y) N	HB 340
						Y N	
						Y N	
						Y N	
						Y N	



Alaska State Legislature

House of Representatives

COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

SUBJECT OF MEETING:

DATE: 3-2-94

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
SHERIE GOLL	V Alaska Womens Lobby	P.O. Box 22156 Juneau	99802		113-6744	<input checked="" type="radio"/> Y	<input type="radio"/> N	11B 340
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	

FISCAL NOTE ANALYSIS
HOUSE BILL 409

Prepared by the Department of Health and Social Services
Division of Public Assistance
February 10, 1994

DPA #1
" #2
" #3
" #4
" #5
" #6
" #10

	FY95	FY96	FY97	FY98	FY99	TOTAL
OPERATING EXPENDITURES						
AFDC Payments - Project	0.0	276.5	(413.8)	(957.6)	(2453.3)	(3,548.2)
Eligibility Determination	0.0	563.1	644.1	644.1	644.1	2,495.4
PA Administration	142.1	159.1	144.1	144.1	174.1	763.5
PA Data Processing	309.1	376.1	183.9	183.9	183.9	1,236.9
Alaska Work Programs	0.0	155.9	189.5	189.5	94.8	629.7
Child Care Benefits	0.0	614.4	1228.8	1228.8	614.4	3,686.4
Medical Assistance	0.0	(15.8)	(284.7)	(503.3)	(465.2)	(1,269.0)
Net Project Expenditures (General Fund)	451.2	2,129.3	1,691.9	929.5	(1,207.2)	3,994.7
RATABLE REDUCTION SAVINGS						
AFDC/APA - GF Match	(829.5)	(1742.2)	(1829.4)	(1920.8)	(2016.7)	(8,338.6)
AFDC - Federal Receipt	(526.6)	(1106.4)	(1161.8)	(1219.9)	(1280.7)	(5,295.4)
AFDC/APA - I/A Receipt (PFD Hold Harmless)	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	(1,260.3)

#7
#9

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSIONBILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration BRU: Assistance Payments
project within the AFDC program - project costs Component: AFDC
 Sponsor: Hanley
 Requestor: _____ COMPONENT SERIAL NO. 0270

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	276.5	(413.8)	(957.6)	(2,453.3)	(3,771.8)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	276.5	(413.8)	(957.6)	(2,453.3)	(3,771.8)

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Rcpts.		276.5	(413.8)	(957.6)	(2,453.3)	(3,771.8)
TOTAL	0.0	276.5	(413.8)	(957.6)	(2,453.3)	(3,771.8)

POSITIONS:

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

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 impacts the AFDC program in several ways. Section 5 of the bill makes certain changes in AFDC eligibility provisions for purposes of operating a demonstration project as directed under section 4. Section 5 provides for an increase in the AFDC earned income disregard from the current time-limited disregard of \$30 and one third of the remainder to \$200 plus one third of the remainder for 24 months.

Prepared by: Jan L. Hansen, Director *Jan Hansen* Phone: 465-2680
 Division: Division of Public Assistance Date: 2/8/94
 Approved by Commissioner: Margaret R. Lowe *Margaret R. Lowe* Date: 2/10/94
 Agency: Department of Health & Social Services

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Health + Social Services - Assistance Payments - AFDC

ANALYSIS (cont.):

Section 5 also provides for waiver of the AFDC Unemployed Parent "100-hour rule" and increases the total amount of equity in vehicles a family may own. These modified requirements apply only to AFDC families living in the project area defined by section 7. The requirements of section 5 are repealed at the end of FY 99 under the sunset provision in section 10.

Section 6 of the bill establishes requirements for AFDC recipients in the demonstration project to participate in workfare activities for 21 hours per week. Individuals who are required to participate in workfare are subject to fiscal sanction if they do not comply with the requirement. The requirements of section 6 are repealed at the end of FY 99 under the sunset provision in section 10.

Assumptions:**Basis of project:**

Federal approval is secured to operate an AFDC demonstration project under the authority of section 1115 (b) of the Social Security Act, including all of the provisions of sections 4 - 7 of HB 409.

Project is operational effective January 1, 1996.

For purposes of this analysis, the project area is assumed to include the Municipality of Anchorage, the Matanuska Susitna Borough, and the Northwest Arctic Borough.

Federal financial participation is available only for total project costs which do not exceed baseline costs of operating the AFDC program without the demonstration project.

Cost and Savings:**Savings Assumptions:**

The increased earned income disregards, waiver of the 100-hour rule, and the workfare requirement will cause the number of AFDC recipients who are working to increase over the course of the project. We project that the following numbers of recipients will become employed as a result of the demonstration provisions: 571 in FY 96, 406 more in FY 97, and 66 more in FY 98. At the end of the three-year demonstration, a total of 1043 recipients who would not otherwise be employed are expected to be receiving regular earnings.

ANALYSIS (cont.):

The average monthly earnings of AFDC recipient families in the project area as of September 1993 are as follows:

	AFDC-Basic	AFDC-UP
Anchorage	\$547.49	\$541.03
Mat-Su Borough	\$450.21	\$431.92
NW Arctic Borough	\$281.17	\$551.66

We assume that the earnings of recipients in the project area will be at these levels, adjusted by 2.5 percent per year to account for inflation.

The benefit costs for these newly working recipients will decrease because their earnings will reduce their AFDC grant amounts. The total savings because of such benefit reductions is projected at about \$10.4 million over the three-year term of the demonstration.

These program modifications are also expected to cause some families which would otherwise remain on AFDC to leave the rolls each year during the project: 27 in FY 96, 54 in FY 97, 52 in FY 98, and 27 more in FY 99. This reduction in the caseload is expected to generate a total savings of about \$3.2 million over the term of the demonstration.

Sanction penalties for failure to participate in workfare will also generate savings. We assume that 3 percent of the total number of families subject to workfare would be subject to sanction each month. Most cases required to participate would be AFDC Unemployed Parent cases where both parents would be required to participate. The average sanction per case is projected at \$350.00 per month.

After the demonstration project ends, we project a reduction in the number of recipients who are working as a result of the demonstration. The decrease in the earned income disregards will cause some individuals to leave work. Other individuals will leave work to avoid becoming ineligible because of the reimposition of the unemployed parent 100-hour-rule. In the last 6 months of FY 99, we project that the average monthly number of working recipients will decrease by 322. We project that the average monthly number of working individuals will decrease by 644 in FY00.

ANALYSIS (cont.):

Savings Calculations:

AFDC BENEFIT SAVINGS						
	FY95	FY96	FY97	FY98	FY99	FY00
\$200 + 1/3 Earned Income Disregard & 100- Hour Rule	0	(1047.2)	(3530.5)	(3856.7)	(2956.3)	(2043.0)
Clients off AFDC (# persons)	0	(140.1)	(849.3)	(1424.1)	(1728.8)	(1728.8)
	0	27	81	133	160	160
Workfare Sanction Penalties	0	(34.7)	(138.6)	(138.6)	(69.3)	0
Total Gross Savings	0	(1222.0)	(4518.4)	(5419.4)	(4754.4)	(3771.8)

Cost Assumptions:

AFDC recipients who are already working will receive increased benefits because the amount of the existing earned income disregard increases from 4 months at \$30 + 1/3 of the remainder and 8 months at \$30 to 2 years at \$200 + 1/3 of the remainder.

AFDC benefits to recipients who go to work as a result of the increased disregards will cost more than they would under the existing rules. These increased costs are partially offset by the savings generated through grant reductions and terminations. Those savings are accounted for above.

Approximately 886 families in the project area have at least one member who is working now. We project that the same proportion of the caseload, or 1025 families, will have a working member at the beginning of the project in January 1996. We expect that the proportion of working families would remain constant in the absence of the waiver provisions, with the baseline number of working families increasing as the caseload increases.

We project that an additional 571 recipients will go to work in FY 96 as a result of the policy waivers, that an additional 406 will go to work in FY 97, and an additional 66 in FY 98.

ANALYSIS (cont.):

On average, cases receiving normal \$30 and one third of remainder disregard receive 2 months per year of 1/3 of remainder disregard and 6 months per year of \$30 disregard.

On average, cases receiving extended \$200 and one third of remainder disregard under demonstration waiver receive the full disregard for 8 months of each year.

Cost Calculations:

AFDC BENEFIT COSTS						
\$200 + 1/3 EARNINGS DISREGARD						
	FY95	FY96	FY97	FY98	FY99	FY00
Recipients Already Working	972	1025	1092	1160	1230	1300
Additional Working Recipients	0	571	977	1043	1043	379
Total Working Recipients in project area	972	1596	2069	2203	2273	1679
Total AFDC Benefit Costs	0	1498.5	4104.6	4461.8	2301.1	0

Automobile value allowance increase:

Federal law currently allows exclusion of the first \$1500 of the equity of one vehicle. Remaining equity is applied toward the \$1000 maximum asset limit. HB 409 provides for application of a federal waiver in the project area to increase the vehicle equity exclusion to \$5000 and allow it to be applied to any number of vehicles necessary for specific purposes.

We project that the vehicle provision will result in an average of 12 additional families per month being eligible for AFDC benefits over the period of the demonstration. An equal number of families is expected, as a result of their improved transportation resources, to earn enough to leave the AFDC rolls each month during the course of the demonstration.

The benefit costs are expected to be offset by benefit savings. No net change in program costs is anticipated as a result of the vehicle value provision.

ANALYSIS (cont.):

Net AFDC Savings produced by HB 409:

TOTAL AFDC BENEFIT COSTS AND SAVINGS						
	FY95	FY96	FY97	FY98	FY99	FY00
Gross Savings	0.0	(1222.0)	(4518.4)	(5419.4)	(4754.4)	(3771.8)
Gross Costs	0	1498.5	4104.6	4461.8	2301.1	0
Net Benefit Savings	0.0	276.5	(413.8)	(957.6)	(2453.3)	(3771.8)

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSIONBILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program BRU: PA Administration
 Component: Eligibility Determination
 Sponsor: Haaley
 Requestor: _____ COMPONENT SERIAL NO. 0236

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	432.9	576.9	576.9	576.9	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	67.2	67.2	67.2	67.2	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	63.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	563.1	644.1	644.1	644.1	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	563.1	644.1	644.1	644.1	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	563.1	644.1	644.1	644.1	0.0

POSITIONS:

FULL-TIME	0	10	10	10	10	0
PART-TIME	0	4	4	4	4	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Margaret R. Lowe
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 2/8/94
 Date: 2/10/94

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H+SS - PA Administration - Eligibility Determination

ANALYSIS (cont.):

Staff will also spend time informing applicants about the demonstration and their options under it.

Assumptions:**Urban project sites**

Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.

Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.

In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.

Seven additional eligibility worker positions produce a need for an urban eligibility supervisor (ET IV) position and 1.5 urban clerical support positions.

Rural project site

Need for rural project staff is based on the same basic assumptions used to analyze need at urban sites, adjusted downward to reflect the generally lower caseload sizes managed by rural eligibility workers because of the additional complexity of rural casework. We assume for purposes of this analysis that there will be an average of about 200 families in the rural site who are either employed as a result of the project or subject to Workfare. This produces a need for two eligibility case managers and one half-time support clerk.

ANALYSIS (cont.):

Calculations:

FY 96: Eligibility case managers/support staff (9 months)

Urban

1	Eligibility Tech IV	R16	39.0
2	Eligibility Tech III	R15	73.2
4	Eligibility Tech II FT	R14	137.0
2	Eligibility Tech II HT	R14	34.4
1	Clerk III FT	R08	24.9
1	Clerk III HT	R08	12.5

Rural

1	Eligibility Tech III	R15	49.6
1	Eligibility Tech II	R14	45.8
1	Clerk III HT	R08	16.5

Equipment	63.0
Office space	<u>67.2</u>
Total	563.1

FY 97 -

FY 99: Urban eligibility case managers/support staff (per year)

1	Eligibility Tech IV	R16	52.0
2	Eligibility Tech III	R15	97.4
4	Eligibility Tech II FT	R14	182.8
2	Eligibility Tech II HT	R14	45.7
1	Clerk III FT	R08	33.2
1	Clerk III HT	R08	16.6

Rural

1	Eligibility Tech III	R15	66.1
1	Eligibility Tech II	R14	61.1
1	Clerk III HT	R08	22.0

Office space	<u>67.2</u>
Total	644.1

Position Title Eligibility Technician IV		No. of Positions 1	Range/Step R16	Bargaining Unit SS
Time Status FT	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		39.0		
Benefits				
Premium Pay				
Other				
Total Personal Services		39.0		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		48.3		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	48.3		
1005	GI/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification:</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for an Eligibility Technician supervisor.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.</p> <p>Seven additional eligibility worker positions produce a need for an urban eligibility supervisor (ET IV) position and 1.5 urban clerical support positions.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

BRU: Public Assistance Administration

COMPONENT: Public Assistance Administration

FY96

Page 1 of 1

Revised Date:

Position Title Eligibility Technician III		No. of Positions 1	Range/Step R15	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		36.6		
Benefits				
Premium Pay				
Other				
Total Personal Services		36.6		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		45.9		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	45.9		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
		<p>Justification</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for an Eligibility Technician leadworker/caseworker.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.</p>		

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

BRU: Public Assistance Administration

COMPONENT: Public Assistance Administration

FY96

Page 1 of 1

Revised Date:

Position Title Eligibility Tehcnician II		No. of Positions 4	Range/Step R14	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Anchorage	Election District	
TYPE of EXPENDITURE		AMOUNT		
Salary		137.0		
Benefits				
Premium Pay				
Other				
Total Personal Services		137.0		
Travel				
Contractual		19.2		
Commodities				
Equipment		18.0		
Other				
Total Cost		174.2		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	174.2		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for four Eligibility Technician caseworkers.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

BRU: Public Assistance Administration

COMPONENT: Public Assistance Administration

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Revised Date:

Position Title Eligibility Technician II		No. of Positions 1	Range/Step R14	Bargaining Unit GGU
Time Status HT	Staff Months 9 months	Location Anchorage	Election District	
TYPE of EXPENDITURE		AMOUNT		
Salary		17.2		
Benefits				
Premium Pay				
Other				
Total Personal Services		17.2		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		26.5		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	26.5		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification:</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for one half-time Eligibility Technician caseworker.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

BRU: Public Assistance Administration

COMPONENT: Public Assistance Administration

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Revised Date: _____

Position Title Clerk III		No. of Positions 1	Range/Step R08	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Anchorage	Election District	
TYPE of EXPENDITURE		AMOUNT		
Salary		24.9		
Benefits				
Premium Pay				
Other				
Total Personal Services		24.9		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		34.2		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	34.2		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for one clerical support staff.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

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 Revised Date:

Position Title Eligibility Technician III		No. of Positions 1	Range/Step R15	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Wasilla		Election District
TYPE of EXPENDITURE		AMOUNT		Justification House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers. Staff will also spend time informing applicants about the demonstration and their options under it. This request is for an Eligibility Technician leadworker/caseworker. Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions. Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions. In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.
Salary		36.6		
Benefits				
Premium Pay				
Other				
Total Personal Services		36.6		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		45.9		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	45.9		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
BRU: Public Assistance Administration
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Position Title Eligibility Technician II		No. of Positions 1	Range/Step R14	Bargaining Unit GGU
Time Status HT	Staff Months 9 months	Location Wasilla	Election District	
TYPE of EXPENDITURE		AMOUNT		
Salary		17.2		
Benefits				
Premium Pay				
Other				
Total Personal Services		17.2		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		26.5		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund		26.5	
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification:</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for one half-time Eligibility Technician caseworker.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.</p>				

**REQUEST for
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Position Title Clerk III		No. of Positions 1	Range/Step R08	Bargaining Unit GGU
Time Status HT	Staff Months 9 months	Location	Wasilla	Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		12.5		
Benefits				
Premium Pay				
Other				
Total Personal Services		12.5		
Travel				
Contractual		4.8		
Commodities				
Equipment				
Other		4.5		
Total Cost		21.8		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	21.8		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP1 pts			
Other				
<p>Justification</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for one half-time clerical support staff.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

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Position Title Eligibility Technician III		No. of Positions 1	Range/Step R15	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Bethel	Election District	
TYPE of EXPENDITURE		AMOUNT		
Salary		49.6		
Benefits				
Premium Pay				
Other				
Total Personal Services		49.6		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		58.9		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	58.9		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				

Justification

Urban project sites

House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation, will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.

Staff will also spend time informing applicants about the demonstration and their options under it.

This request is for an Eligibility Technician leadworker/caseworker.

Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.

Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.

In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.

**REQUEST for
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Position Title Eligibility Technician III		No. of Positions 1	Range/Step R15	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Bethel	Election District	
TYPE of EXPENDITURE		AMOUNT		
Salary				
Benefits				
Premium Pay				
Other				
Total Personal Services		0.0		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		0.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification:</p> <p>Rural project site</p> <p>Need for rural project staff is based on the same basic assumptions used to analyze need at urban sites, adjusted downward to reflect the generally lower caseload sizes managed by rural eligibility workers because of the additional complexity of rural casework. We assume for purposes of this analysis that there will be an average of about 200 families in the rural site who are either employed as a result of the project or subject to Workfare. This produces a need for two eligibility case managers and one half-time support clerk.</p>				

**REQUEST for
NEW POSITION**

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Position Title Eligibility Technician II		No. of Positions 1	Range/Step R14	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Bethel	Election District	
TYPE of EXPENDITURE		AMOUNT		
Salary		45.8		
Benefits				
Premium Pay				
Other				
Total Personal Services		45.8		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		55.1		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	55.1		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
		<p>Justification</p> <p>Urban project sites</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for an Eligibility Technician caseworker.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.</p>		

**REQUEST for
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Position Title Eligibility Technician II		No. of Positions 1	Range/Step R14	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Bethel		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary				
Benefits				
Premium Pay				
Other				
Total Personal Services		0.0		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		0.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>Rural project site</p> <p>Need for rural project staff is based on the same basic assumptions used to analyze need at urban sites, adjusted downward to reflect the generally lower caseload sizes managed by rural eligibility workers because of the additional complexity of rural casework. We assume for purposes of this analysis that there will be an average of about 200 families in the rural site who are either employed as a result of the project or subject to Workfare. This produces a need for two eligibility case managers and one half-time support clerk.</p>				

**REQUEST for
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 Revised Date:

Position Title Clerk III		No. of Positions 1	Range/Step R08	Bargaining Unit GGU
Time Status HT	Staff Months 9 months	Location Bethel		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		16.5		
Benefits				
Premium Pay				
Other				
Total Personal Services		16.5		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		25.8		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	25.8		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CLP Receipts			
Other				
<p>Justification</p> <p>Urban project sites</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for one half-time clerical support staff.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.</p>				

**REQUEST for
NEW POSITION**

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Position Title Clerk II		No. of Positions 1	Range/Step R08	Bargaining Unit GGU
Time Status HT	Staff Months 9 months	Location Bethel		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary				
Benefits				
Premium Pay				
Other				
Total Personal Services		0.0		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		0.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Mat.			
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
Justification Rural project site Need for rural project staff is based on the same basic assumptions used to analyze need at urban sites, adjusted downward to reflect the generally lower caseload sizes managed by rural eligibility workers because of the additional complexity of rural casework. We assume for purposes of this analysis that there will be an average of about 200 families in the rural site who are either employed as a result of the project or subject to Workfare. This produces a need for two eligibility case managers and one half-time support clerk.				

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the APDC program BRU: PA Administration
 Component: PA Administration
 Sponsor: Hanley
 Requestor: _____ COMPONENT SERIAL NO. 0233

Expenditures/Revenues:		(Thousands of Dollars)				
	FY95	FY96	FY97	FY98	FY99	FY00
OPERATING						
PERSONAL SERVICES	85.9	114.5	114.5	114.5	114.5	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	47.2	44.6	29.6	29.6	59.6	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	9.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	142.1	159.1	144.1	144.1	174.1	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE		(Thousands of Dollars)				
	FY95	FY96	FY97	FY98	FY99	FY00
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	142.1	159.1	144.1	144.1	174.1	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	142.1	159.1	144.1	144.1	174.1	0.0

POSITIONS:						
	FY95	FY96	FY97	FY98	FY99	FY00
FULL-TIME	2	2	2	2	2	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 authorizes DHSS to design and operate a waiver project under the authority of section 1115 (b) of the Social Security Act.

Prepared by: Jan L. Hansen, Director Phone: 465-2690
 Division: Division of Public Assistance Date: 2/8/94
 Approved by Commissioner: Margaret R. Lowe Date: 2/10/94
 Agency: Department of Health & Social Services

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H+SS - PA Administration - PA Administration

ANALYSIS (cont.):

Project development and management include planning, negotiating, and preparing the demonstration project application(s), including requesting waiver of the pertinent federal law provisions. Development also includes coordinating the necessary program and system changes and dealing with requests for information about the project as well as negotiation and administration of the evaluation contract and monitoring of the project. Project management staff would also be responsible to oversee the operation and monitoring of the project and maintain the necessary relationships with federal officials throughout its duration.

The project assistant will be assigned to the Juneau project manager during pre-implementation development and planning. This position will be reassigned to the Anchorage field operations management office as a field project liaison once the project becomes operational in January 1996.

The federal Department of Health and Human services requires that a demonstration project evaluation be performed by an independent contractor. The evaluation would test the effects of the demonstration on program costs and recipient outcomes. The Clinton administration is adamant in its insistence that demonstration project designs meet scientific standards for experimental design and statistical analysis.

Assumptions:

An independent contractor will review project design, review the design and evaluation of similar projects in other states, construct the evaluation design, coordinate EIS programming necessary to comport with evaluation design parameters, and produce interim and final reports of project results. Total estimated evaluation cost of \$140,000. is based on what other states have paid for evaluation of projects of similar scope.

Regulatory authority will be necessary for DHSS to operate the project in compliance with the Administrative Procedure Act. The services of a private law firm will be retained to develop regulation language, prepare the necessary documents, analyze public comments, and prepare the regulations for submission to the Attorney General.

Calculations:

FY 95 (9 months):

1	Project Coordinator	R19	46.9
1	Project Assistant	R16	39.0
	Equipment		9.0
	Office space		7.2
	Regulations contract		10.0
	<u>Evaluation contract</u>		<u>30.0</u>
	Total		142.1

ANALYSIS (cont.):

FY 96

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office space		9.6
	Regulations contract		15.0
	<u>Evaluation Contract</u>		<u>20.0</u>
	Total		159.1

FY 97 - FY 98 (per year):

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office space		9.6
	<u>Evaluation Contract</u>		<u>20.0</u>
	Total		144.1

FY 99:

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office space		9.6
	<u>Evaluation Contract</u>		<u>50.0</u>
	Total		174.1

Position Title Project Coordinator			No. of Positions 1	Range/Step 19A	Bargaining Unit GGU
Time Status PFT	Staff Months 9 months		Location Juneau		Election District
TYPE of EXPENDITURE			AMOUNT		
Salary			46.9		
Benefits					
Premium Pay					
Other					
Total Personal Services			46.9		
Travel					
Contractual			3.6		
Commodities					
Equipment			4.5		
Other					
Total Cost			55.0		
FUNDING SOURCE for TOTAL COST					
1002	Federal Receipts				
1003	GF Match		55.0		
1004	General Fund				
1005	GF/Program Receipts				
1006	GF/Mental Health Trust				
1007	I/A Receipts				
1061	CIP Receipts				
Other					
<p>Justification</p> <p>House Bill 409 authorizes DHSS to design and operate a demonstration project under the authority of section 1115(b) of the Social Security Act. Project management staff will be necessary to operate the demonstration. This is a request for the project manager position. This position will be responsible for overall project design and management.</p> <p>Project development and management include planning, negotiating, and preparing the demonstration project application(s), including requesting waiver of the pertinent federal law provisions. Development also includes coordinating the necessary program and system changes and dealing with requests for information about the project as well as negotiation and administration of the evaluation contract and monitoring of the project. The project manager will also be responsible to oversee the operation and monitoring of the project and maintain the necessary relationships with federal officials throughout its duration.</p>					

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

BRU: Public Assistance Administration

COMPONENT: Public Assistance Administration

FY95

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Revised Date:

Position Title Project Assistance			No. of Positions 1	Range/Step 16A	Bargaining Unit GGU
Time Status PFT	Staff Months 9 months		Location Juneau	Election District	
TYPE of EXPENDITURE		AMOUNT	Justification House Bill 409 authorizes DHSS to design and operate a demonstration project under the authority of section 1115(b) of the Social Security Act. Project management staff will be necessary to operate the demonstration. This is a request for a position to function as assistant to the project manager. This position will assist the project manager with overall project design and management. Project development and management include planning, negotiating, and preparing the demonstration project application(s), including requesting waiver of the pertinent federal law provisions. Development also includes coordinating the necessary program and system changes and dealing with requests for information about the project as well as negotiation and administration of the evaluation contract and monitoring of the project. Project management will also be necessary to oversee the operation and monitoring of the project and maintain the necessary relationships with federal officials throughout its duration. The project assistant will be assigned to the Juneau project manager during pre-implementation development and planning. This position will be relocated to the Anchorage field operations management office as a field project liaison once the project becomes operational in January 1996.		
Salary		39.0			
Benefits					
Premium Pay					
Other					
Total Personal Services		39.0			
Travel					
Contractual		3.6			
Commodities					
Equipment					
Other		4.5			
Total Cost		47.1			
FUNDING SOURCE for TOTAL COST					
1002	Federal Receipts				
1003	GF Match				
1004	General Fund	47.1			
1005	GF/Program Receipts				
1006	GF/Mental Health Trust				
1007	I/A Receipts				
1061	CIP Receipts				
Other					

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
BRU: Public Assistance Administration
COMPONENT: Public Assistance Administration

Page 1 of 1

Revised Date:

FY95

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSIONBILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program BRU: PA Administration
 Component: PA Data Processing
 Sponsor: Hanley
 Requestor: _____ COMPONENT SERIAL NO. 0240

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	260.5	347.3	169.5	169.5	169.5	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	21.6	28.8	14.4	14.4	14.4	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	27.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	309.1	376.1	183.9	183.9	183.9	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE

(Thousands of Dollars)

	FY95	FY96	FY97	FY98	FY99	FY00
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	309.1	376.1	183.9	183.9	183.9	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	309.1	376.1	183.9	183.9	183.9	0.0

POSITIONS:

	FY95	FY96	FY97	FY98	FY99	FY00
FULL-TIME	6	6	6	6	6	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 creates a need for major modifications to the Division of Public Assistance Eligibility Information System. Operation of a federally approved demonstration project will require that the DPA apply two different, parallel sets of eligibility rules to cases which are part of the demonstration project and cases which fall under normal AFDC program rules. Demonstration project methodology will also require special collection and compilation of data for program monitoring and evaluation purposes.

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S.
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 2/7/94
 Date: 2/10/94

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H+SS - PA Administration - PA Data Processing

ANALYSIS (cont.):

The EIS is fundamental to DPA's administration of public assistance. Full automation of the demonstration project will be necessary to comply with federal requirements and to minimize the need for additional field staff to operate the project.

Modifications to the EIS system will require extensive programming and testing by PA data processing staff. This is a major systems development project which must be completed within a very short timeline. Once the programming modifications are in place, a reduced level of staff effort will be required to maintain the special programming, generate monitoring data, and produce the information necessary for completion of the final project evaluation.

Assumptions:

HB 409 is enacted effective July 1, 1994. The EIS modification project begins as soon as possible thereafter, presuming federal approval of the demonstration project.

Project staff is hired effective October 1, 1994.

Demonstration project evaluation is performed by a contractor. PA data processing staff are responsible to generate data needed for the evaluation.

EIS programming for demonstration project is on-line January 1, 1996. Full system staffing is necessary through FY 96 to complete system de-bugging and complete development of monitoring components.

From FY 97 through FY 99, 3 PA data processing positions will be needed to maintain the system, generate monitoring reports, and produce data for the program evaluation.

ANALYSIS (cont.):

Calculations:

FY 95: (9 months)

1	Project Manager	AP V	R21	53.1
1	Lead Programmer	APIV	R19	46.9
2	Programmers	APIII	R17	82.5
2	Testers/Analysts	PAAI	R1C	78.0
	Equipment			27.0
	Office Space			<u>21.6</u>
	Total			309.1

FY 96:	1	Project manager	AP V	R21	70.8
	1	Lead Programmer	APIV	R19	62.5
	2	Programmers	APIII	R17	110.0
	2	Testers/Analysts	PAAI	R16	104.0
		Office space			<u>28.8</u>
		Total			376.1

FY 97:	1	Lead Programmer	APIV	R19	62.5
	1	Programmer	APIII	R17	55.0
	1	Tester/Analyst	PAAI	R16	52.0
		Office space			<u>14.4</u>
		Total			183.9

FY 98:	1	Lead Programmer	APIV	R19	62.5
	1	Programmer	APIII	R17	55.0
	1	Tester/Analyst	PAAI	R16	52.0
		Office space			<u>14.4</u>
		Total			183.9

FY 99:	1	Lead Programmer	APIV	R19	62.5
	1	Programmer	APIII	R17	55.0
	1	Tester/Analyst	PAAI	R16	52.0
		Office space			<u>14.4</u>
		Total			183.9

Position Title Analyst/Programmer V		No. of Positions 1	Range/Step 21/B	Bargaining Unit SS
Time Status Full Time	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		53.1		
Benefits				
Premium Pay				
Other				
Total Personal Services		53.1		
Travel				
Contractual		3.6		
Commodities				
Equipment		4.5		
Other				
Total Cost		61.2		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	61.2		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
Justification The EIS requires maintenance on a daily basis to implement federal mandates, make corrections, implement performance enhancements, and ensure accurate daily issuances. Existing staff levels are necessary to perform the operational duties. This project will require complex modifications to the existing system and extensive acceptance testing to ensure accurate tracking of results. This position is the project manager for system development necessary to operate the AFDC demonstration project authorized by HB 409.				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: PA Administration
 COMPONENT: PA Data Processing

FY95

Page 1 of 1

Revised Date:

Position Title Analyst/Programmer IV		No. of Positions 1	Range/Step 19/B	Bargaining Unit GG
Time Status Full Time	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		46.9		
Benefits				
Premium Pay				
Other				
Total Personal Services		46.9		
Travel				
Contractual		3.6		
Commodities				
Equipment		4.5		
Other				
Total Cost		55.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	55.0		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
Justification				
<p>The EIS requires maintenance on a daily basis to implement federal mandates, make corrections, implement performance enhancements, and ensure accurate daily issuances. Existing staff levels are necessary to perform the operational duties. This project will require complex modifications to the existing system and extensive acceptance testing to ensure accurate tracking of results.</p> <p>This position is a lead programmer analyst to research each system impact involved and work with lower level programmers on the system development necessary to operate the demonstration project authorized by HB 409.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: PA Administration
 COMPONENT: PA Data Processing

FY95

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Revised Date:

Position Title Analyst/Programmer III		No. of Positions 2	Range/Step 17/B	Bargaining Unit GG
Time Status Full Time	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		82.5		
Benefits				
Premium Pay				
Other				
Total Personal Services		82.5		
Travel				
Contractual		7.2		
Commodities		1.0		
Equipment		8.0		
Other				
Total Cost		98.7		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	98.7		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>The EIS requires maintenance on a daily basis to implement federal mandates, make corrections, implement performance enhancements, and ensure accurate daily issuances. Existing staff levels are necessary to perform the operational duties. This project will require complex modifications to the existing system and extensive acceptance testing to ensure accurate tracking of results</p> <p>These positions are journeyman-level programmers necessary for development of the system modifications needed to operate the demonstration project authorized by HB 409.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

BRU: PA Administration

COMPONENT: PA Data Processing

FY95

Page 1 of 1

Revised Date:

Position Title Public Assistance Analyst I		No. of Positions 2	Range/Step 16/B	Bargaining Unit GG
Time Status Full Time	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		78.0		
Benefits				
Premium Pay				
Other				
Total Personal Services		78.0		
Travel				
Contractual		7.2		
Commodities		1.0		
Equipment		8.0		
Other				
Total Cost		94.2		
FUNDING SOURCE for TOTAL COST				
1002 Federal Receipts				
1003 GF Match				
1004 General Fund		94.2		
1005 GF/Program Receipts				
1006 GF/Mental Health Trust				
1007 I/A Receipts				
1061 CIP Receipts				
Other				
<p>Justification</p> <p>The EIS requires maintenance on a daily basis to implement federal mandates, make corrections, implement performance enhancements, and ensure accurate daily issuances. Existing staff levels are necessary to perform the operational duties. This project will require complex modifications to the existing system and extensive acceptance testing to ensure accurate tracking of results.</p> <p>These positions are user level analysts/testers that are necessary for the development of the system modifications necessary to operate the demonstration project authorized by HB 409.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

BRU: PA Administration

COMPONENT: PA Data Processing

Page 1 of 1

Revised Date:

FY95

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program BRU: PA Administration
 Component: Alaska Work Programs
 Sponsor: Hanley
 Requestor: _____ COMPONENT SERIAL NO. 0238

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	39.0	52.0	52.0	26.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	106.7	137.3	137.3	68.7	0.0
SUPPLIES	0.0	0.2	0.2	0.2	0.1	0.0
EQUIPMENT	0.0	10.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	155.9	183.5	189.5	94.8	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	155.9	189.5	189.5	94.8	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	155.9	189.5	189.5	94.8	0.0

POSITIONS:

FULL-TIME	0	1	1	1	1	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 generates a need for recruitment, development, monitoring and maintenance of unpaid-community work sites for AFDC recipients participating in the workfare activity set out in section 6 of the bill.

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Margaret R. Lowe
 Agency: Department of Health & Social Services

Phone: 465-2580
 Date: 2/8/94
 Date: 2/10/94

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H+SS - PA Administration - Alaska Work Programs

ANALYSIS (cont.):

Assumptions:

AFDC recipients without paid employment will be required to participate in unpaid (uncompensated) work activities at least 21 hours per week.

Unpaid-work sites need to be developed, monitored, and maintained in two urban and one rural area for client referrals in FY96-99.

One Project Assistant position will develop, monitor, and maintain agreements with unpaid-work sites in the 2 urban areas.

Development, monitoring, and maintenance of rural project sites will be conducted by a contractor.

Development of work sites begins 10/1/1995, then continues with monitoring of placement agreements; recruitment of new sites to replace filled or discontinued sites; and termination with end of project 12/31/1999.

The state-equivalent insurance for Workmen's Compensation must be maintained for each work site, providing medical for accidental injury, death, and dismemberment.

Participants of Workfare will require intensive 4-hr employment assistance workshops, covering resumes, interviewing skills and work ethics.

Development and presentation of Workfare Workshops in all 3 areas will be contracted out to the Department of Labor, to include development, materials, travel, and personal services.

ANALYSIS (cont.):Costs:**FY95**

No Costs

FY96

Personal Services (9 months Project Assistant)	\$ 39.0
Contractual (9 months Facilities)	1.7
Contractual (6 months Insurance)	18.0
Contractual (6 months Dept. Labor)	12.0
Contractual (Rural Project Development & Management)	75.0
Supplies	.2
Equipment	<u>10.0</u>
	\$155.9

FY97

Personal Services (12 months Project Assistant)	\$ 52.0
Contractual (12 months Facilities)	2.3
Contractual (12 months Insurance)	36.0
Contractual (12 months Dept. Labor)	24.0
Contractual (Rural Project Development & Management)	75.0
Supplies	<u>.2</u>
	\$189.5

FY98

Personal Services (12 months Project Assistant)	\$ 52.0
Contractual (12 months Facilities)	2.3
Contractual (12 months Insurance)	36.0
Contractual (12 months Dept. Labor)	24.0
Contractual (Rural Project Development & Management)	75.0
Supplies	<u>.2</u>
	\$189.5

FY99

Personal Services (6 months Project Assistant)	\$ 26.0
Contractual (6 months Facilities)	1.2
Contractual (6 months Insurance)	18.0
Contractual (6 months Dept. Labor)	12.0
Contractual (Rural Project Development & Management)	37.5
Supplies	<u>.1</u>
	\$ 94.8

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program BRU: PA Administration
 Component: Child Care Benefits
 Sponsor: Hanley
 Requestor: _____ COMPONENT SERIAL NO. 1897

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	614.4	1,228.8	1,228.8	614.4	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	614.4	1,228.8	1,228.8	614.4	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	614.4	1,228.8	1,228.8	614.4	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	614.4	1,228.8	1,228.8	614.4	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

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 generates a need for child care services for AFDC recipients who are participating in the workfare activity set out in section 6 of the bill. Subsection (c) (1) requires that DHSS pay for child care services necessary for an individual to participate in workfare.

Under current AFDC program operations, the Department does not pay for child care services for individuals who are participating in unpaid work activities unless the individual is participating in the JOBS program

Prepared by: Jan L. Hansen, Director Phone: 465-2680
 Division: Division of Public Assistance Date: 2/7/94
 Approved by Commissioner: Margaret R. Lowe Date: 2/10/94
 Agency: Department of Health & Social Services

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H+SS - PA Administration - Child Care Benefits

ANALYSIS (cont.):

Assumptions:

Workfare participants will be required to work 21 hours per week.

300 urban families and 20 rural families per month will require child care services to participate in workfare.

Need for child care begins on January 1, 1996 and ends December 31, 1998. FY 96 and FY 99 costs represent 6 months' benefits.

Calculations:

FY 95: No child care benefits paid, workfare not operational.

FY 96: 320 families x \$320 per family/month x 6 months = \$614.4.

FY 97-

FY 98: 320 families x \$320 per family/month x 12 months = \$1,228.8/year.

FY 99: 320 families x \$320 per family/month x 6 months = \$614.4.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program - ratable reductions BRU: Assistance Payments
 Component: AFDC
 Sponsor: _____
 Requestor: _____ COMPONENT SERIAL NO. 0220

Expenditures/Revenues: (Thousands of Dollars)

	FY95	FY96	FY97	FY98	FY99	FY00
OPERATING						
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(1,160.0)	(2,437.0)	(2,559.0)	(2,687.0)	(2,821.0)	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(1,160.0)	(2,437.0)	(2,559.0)	(2,687.0)	(2,821.0)	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(526.6)	(1,106.4)	(1,161.8)	(1,219.9)	(1,280.7)	0.0
1003 GF Match	(526.7)	(1,106.4)	(1,161.8)	(1,219.9)	(1,280.8)	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Receipts	(106.7)	(224.2)	(235.4)	(247.2)	(259.5)	0.0
TOTAL	(1,160.0)	(2,437.0)	(2,559.0)	(2,687.0)	(2,821.0)	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

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

Section 1 of HB 409 reduces AFDC maximum payment levels by approximately 1.7 percent below the current payment levels. This benefit reduction becomes effective upon federal approval of the AFDC waivers contained in Section 4 of this bill.

(Please see page 2 for additional information)

Prepared by: Jan L. Hansen, Director Phone: 465-2680
 Division: Division of Public Assistance Date: 2/8/94
 Approved by Commissioner: Margaret R. Lowe Date: 2/10/94
 Agency: Department of Health & Social Services

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H+SS- Assistance Payments - AFDC

ANALYSIS (cont.):

Section 2 of HB 409 restores AFDC payment maximums to current levels at the end of the AFDC demonstration project described in section 5 of the bill. Section 11 establishes an effective date of June 30, 1999 for section 2.

Assumptions:

Reductions in AFDC payment maximums produce a 1.7 percent savings in AFDC formula costs effective January 1, 1995.

Ratable reductions are imposed statewide.

Savings for FY95 represent 6 months of benefit reductions.

AFDC caseload size will increase by 5 percent each year.

The average amount of the monthly AFDC benefit decrease as a result of ratable reductions will be \$13.00.

Calculations:

	<u>Average AFDC Caseload</u>	<u>Average monthly payment reduction</u>	<u>Total FY Reduction</u>
FY95	14,882	\$13	\$1160.0
FY96	15,626	\$13	\$2437.0
FY97	16,407	\$13	\$2559.0
FY98	17,228	\$13	\$2687.0
FY99	18,089	\$13	\$2821.0
FY00	18,993	\$0	\$ 0.0

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSIONBILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: No Act proposing a special demonstration project within the AFDC program BRU: Assistance Payments
 Component: Adult Public Assistance
 Sponsor: Hanley
 Requestor: _____ COMPONENT SERIAL NO. 0222

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(321.4)	(674.9)	(708.7)	(744.1)	(781.3)	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(321.4)	(674.9)	(708.7)	(744.1)	(781.3)	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(302.8)	(635.8)	(667.6)	(700.9)	(736.0)	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Receipts	(18.6)	(39.1)	(41.1)	(43.2)	(45.3)	0.0
TOTAL	(321.4)	(674.9)	(708.7)	(744.1)	(781.3)	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

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

Section 3 of HB 409 reduces Adult Public Assistance benefits by setting the amount of the maximum state contribution to Adult Public Assistance recipients at 1.7 percent less than the amount payable on January 1, 1992. This benefit reduction becomes effective upon federal approval of the AFDC waivers contained in Section 4 of this bill, and is repealed effective June 30, 1999. (See page 2 for additional information.)

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Margaret R. Lowe
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 2/8/94
 Date: 2/10/94

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H + SS - Assistance Payments - Adult Public Assistance

ANALYSIS (cont.):

Assumptions:

- APA benefit reductions will become effective January 1, 1995. Savings for FY 95 represent 6 months of benefit reductions.
- Benefit reductions are imposed statewide.
- The average amount of the monthly APA benefit decrease will be \$5.45. The APA benefit payment to an individual SSI recipient will be \$6 less per month.
- APA caseload size will increase by 5 percent each year.
- Recipients of APA Interim Assistance payments will not be affected by the benefit reductions.

Calculations:

	<u>Average APA Caseload</u>	<u>Average monthly payment reduction</u>	<u>Total FY Reduction</u>
FY95	9,829	\$5.45	\$321.4
FY96	10,320	\$5.45	\$674.9
FY97	10,836	\$5.45	\$708.7
FY98	11,378	\$5.45	\$744.1
FY99	11,947	\$5.45	\$781.3
FY00	12,544	\$0.00	\$ 0.0

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program BRU: PPD Hold Harmless
 Component: PPD Hold Harmless
 Sponsor: Hanley
 Requestor: _____ COMPONENT SERIAL NO. 0225

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	'98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	0.0
MISCELLANEOUS						
TOTAL OPERATING	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE

(Thousands of Dollars)

	FY95	FY96	FY97	'98	FY99	FY00
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1050 PFD Fund	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	0.0
TOTAL	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	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

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

PPD Hold Harmless payments replace AFDC and Adult Public Assistance benefits when receiving the dividend causes individuals to lose eligibility or to have benefits reduced. The rateable reductions provided for in HB 409 reduce costs in the AFDC and APA assistance payments BRUs. PPD Hold Harmless costs change in direct proportion to the costs of the programs held harmless. (See page 2 for additional information.)

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S.
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 2/7/94
 Date: 2/10/94

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H+SS - PFD Hold Harmless - PFD Hold Harmless

ANALYSIS (cont.):

Assumption:

PFD Hold Harmless costs for AFDC and APA benefits will decrease in direct proportion to the decreases produced by the reductions in AFDC and APA expenditures for each fiscal year.

Calculations:

PFD HOLD HARMLESS SAVINGS PRODUCED BY HB 409

	<u>AFDC</u>	<u>APA</u>	<u>PFDHH</u>
FY95	(\$106.7)	(\$18.6)	(\$125.3)
FY96	(\$224.2)	(\$39.1)	(\$263.3)
FY97	(\$235.4)	(\$41.1)	(\$276.5)
FY98	(\$247.2)	(\$43.2)	(\$290.4)
FY99	(\$295.5)	(\$45.3)	(\$304.8)
FY00	\$ 0.0	\$ 0.0	\$ 0.0

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. House Bill 409

Revision Date: _____ Dept. Affiliated: Health and Social Services
 Title: An Act relating to the maximum amount of assistance that may be granted under the adult public ... BRU: Medical Assistance
 Sponsor: HANLEY, Therriault Component: Medicaid Non-Facility
 Requestor: _____ COMPONENT SERIAL NO. 229

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	(15.8)	(284.7)	(503.3)	(465.2)	(360.2)
MISCELLANEOUS						
TOTAL OPERATING	0.0	(15.8)	(284.7)	(503.3)	(465.2)	(360.2)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	(7.9)	(142.3)	(251.6)	(232.6)	(180.1)
1003 GF Match	0.0	(7.9)	(142.4)	(251.7)	(232.6)	(180.1)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	(15.8)	(284.7)	(503.3)	(465.2)	(360.2)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)

Reduction in Medicaid spending would result from adults being removed from AFDC cases due to sanctions and losing Medicaid eligibility as a consequence and from families leaving the AFDC caseload due to employment and adult family members and some children losing Medicaid eligibility as a result. Some children losing eligibility may have incomes below or near the poverty level.

See attached page for additional analysis.

Prepared by: Jon Sherwood
 Division: Medical Assistance

Phone: 465-3355
 Date: 02/10/94

Approved by Commissioner: Margaret R. Lowe
 Agency: Department of Health & Social Services

Date: 2/10/94

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H+SS - Medical Assistance - Medicaid Non-Facility

ANALYSIS (cont.):

Assumptions:

Average Annual Cost of Medical Assistance – FY 93

AFDC Adult	\$2,560
AFDC Child	\$1,573

Growth = 11% per year

Adults ineligible due to sanctions remain off Medicaid for the whole year, except FY 96 and FY 99. In FY 96 the program starts midyear and the sanction is projected to last for 3 months. In FY 99, the program ends mid year and the sanction is projected to last six months.

No adults or children will drop off Medicaid in FY 96 as a result of dropping off the AFDC caseload because of Transitional Medicaid providing extended coverage for one year. The average length of time without Medicaid benefits for other fiscal years is one-half year.

Number of Clients Affected

	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>
Sanctioned Adults	0	18	33	33	33	0
Adults Going Off Caseload	0	0	51	101	98	98
Children Going Off Caseload	0	0	48	108	103	103

Savings

Sanctioned Adults	\$0	\$15,755	\$128,247	\$142,354	\$79,006	\$0
Adults Going Off Caseload	\$0	\$0	\$99,100	\$217,844	\$234,625	\$260,434
Children Going of Caseload	\$0	\$0	\$57,310	\$143,132	\$151,521	\$99,812
TOTAL SAVINGS	<u>\$0</u>	<u>\$15,755</u>	<u>\$284,657</u>	<u>\$503,330</u>	<u>\$465,152</u>	<u>\$360,246</u>

Note: Assumptions for the number of people losing eligibility for Medicaid and for how long are based on estimates provided by the Division of Public Assistance.

TCR: 40390 DATE & TIME: 02/28/94 15:00 TO 17:00 STATUS:7 STATS. IN

PARTICIPANTS IN: JUNEAU JNU

4 REP	P	KOTT		TSFY, ALL ITEMS
	JUNEAU		AK	(907)000-0000
5 REP	T	BRICE		TSFY, ALL ITEMS
	JUNEAU		AK	(907)000-0000
6 REP	I	NICHOLIA		TSFY, ALL ITEMS
	JUNEAU		AK	(907)000-0000
7 REP	A	VEZEY		TSFY, ALL ITEMS
	JUNEAU		AK	(907)000-0000
8 REP	M	HANLEY		TSFY, ALL ITEMS
	PRESENTING CS		AK	(907)000-0000
9 MS.	JAN	HANSEN		TSFY, ALL ITEMS
	DIV. OF PUBLIC ASSISTANC E		AK	(907)000-0000
10 MR.	PATRICK	CUNNINGHAM		TSFY, ALL ITEMS
	NAT'L ASSOC. OF SOCIAL W ORKERS		AK	(907)000-0000
11 MS.	SHERRY	GOLL		TSFY, ALL ITEMS
	AK WOMEN'S LOBBY/KIDPAC		AK	(907)000-0000
12	TO	OBSERVE		OBSV. ALL ITEMS
13	TO	OBSERVE		OBSV. ALL ITEMS
14	TO	OBSERVE		OBSV. ALL ITEMS
15	TO	OBSERVE		OBSV. ALL ITEMS
16	TO	OBSERVE		OBSV. ALL ITEMS
17	TO	OBSERVE		OBSV. ALL ITEMS
18	TO	OBSERVE		OBSV. ALL ITEMS
19	TO	OBSERVE		OBSV. ALL ITEMS
20	TO	OBSERVE		OBSV. ALL ITEMS
21	TO	OBSERVE		OBSV. ALL ITEMS
22	TO	OBSERVE		OBSV. ALL ITEMS
23	TO	OBSERVE		OBSV. ALL ITEMS
24	TO	OBSERVE		OBSV. ALL ITEMS
25	TO	OBSERVE		OBSV. ALL ITEMS
26	TO	OBSERVE		OBSV. ALL ITEMS
27	TO	OBSERVE		OBSV. ALL ITEMS
28	TO	OBSERVE		OBSV. ALL ITEMS
29	TO	OBSERVE		OBSV. ALL ITEMS
30	TO	OBSERVE		OBSV. ALL ITEMS
31	TO	OBSERVE		OBSV. ALL ITEMS

PARTICIPANTS IN: KOTZEBUE KOT

1 MR.	VICTOR	KARHUN	SELF	OBSV. HB 409
	BOX 343		KOTZEBUE	AK 99752 (907)442-2779
2 MS.	LORETTA	THOMPSON	PUBLIC ASSIST.	OBSV. HB 409
	BOX 994		KOTZEBUE	AK 99752 (907)442-3451

PARTICIPANTS IN SEWARD SEW

1 MR.	KENNETH	BLATCHFORD	SELF	TSFY, HB 409
	PO BOX 1816		SEWARD	AK 99664 (907)224-5679

TCN: 40390 DATE & TIME: 02/28/94 15:00 TO 17:00 STATUS:7 STATS. IN

**** ORDER SUMMARY ****

SPONSOR: HHES HOUSE HEALTH, EDUL. ION AND SOCIAL SERVI CHAIRS: TOOHEY
PURPOSE: PUB PUBLIC HEARING LEGISLATIVE BUNDE
CONTACT: LYNNE SMITH TEL#: (907)465-3759
CHAIRING SITE: JUNEAU CAPITOL CAP103

SPONSOR REMARKS(PUB): TESTIMONY:Y ALLOWED 4 MINUTE LIMIT
TCN REQUESTED ON 02/28/94 AND HAS 3 UPDATES

**** AGENDA ****

1 HB 409 AFDC DEMO PROJECT AND DECREASE

**** PARTICIPATING LIOS ****

ANC ANCHORAGE	716 W 4TH. #200	LOCATION STAFF
FBX FAIRBANKS	119 N CUSHMAN ST	LOCATION STAFF
* JNU JUNEAU	CAPITOL CAP106	LOCATION STAFF
KOT KOTZEBUE	333 FRONT STREET	LOCATION STAFF
SEW SEWARD	2901 SEWARD HWY	LOCATION STAFF

PARTICIPANTS IN: ANCHORAGE

ANC

1 REP	BETTYE DAVIS	TSFY. HB 409
		AK (907)000-0000
2	PUDGE KLEINKAUF	TSFY. HB 409
	4201 MACINNES ANCHORAGE	AK 99508 (907)561-7113

PARTICIPANTS IN: FAIRBANKS

FBX

1 MS.	ANN SWIFT	WOMEN VOTERS	TSFY. HB 409
	3181 ANELLA AVE.	FAIRBANKS	AK 99709 (907)479-2524
2 MS.	RENECCA ROSSON		TSFY. HB 409
	330 3RD AVE. #310	FAIRBANKS	AK 99701 (907)458-7257
3 MS.	ROBIN WICKHAM		TSFY. HB 409
	3550 AIRPORT RD. #3	FAIRBANKS	AK 99709 (907)479-7940
4 MS.	LOUISE CHARLES		TSFY. HB 409
	1609 MADISON DR.	FAIRBANKS	AK 99701 (907)452-8251
5 MR.	DAN LABROSSE		TSFY. HB 409
	1405 KELLUM ST.	FAIRBANKS	AK 99701 (907)456-5913
6 MR.	MIKE DEPOUR		ORSV. HB 409
	330 3RD AVE. #210	FAIRBANKS	AK 99701 (907)452-1944
7 MS.	VIVIAN HULL		ORSV. HB 409
	330 3RD AVE. #303	FAIRBANKS	AK 99701 (907)452-3966
8 MR.	DAVE HARRINGTON		ORSV. HB 409
	805 AIRPORT WAY	FAIRBANKS	AK 99701 (907)456-8901
9 MR.	TIME PARKER	DAILY NEWS MINER	ORSV. HB 409
	200 N. CUSHMAN	FAIRBANKS	AK 99701 (907)456-6661
10 MS.	JUDY BUSH		ORSV. HB 409
	1648 CUSHMAN SUITE 300	FAIRBANKS	AK 99701 (907)452-5181

PARTICIPANTS IN: JUNEAU

JNU

1 REP	C TOOHEY	TSFY. ALL ITEMS
	JUNEAU	AK (907)000-0000
2 REP	C BUNDE	TSFY. ALL ITEMS
	JUNEAU	AK (907)000-0000
3 REP	G DAVIES	TSFY. ALL ITEMS
	JUNEAU	AK (907)000-0000

H/HESS ROLL CALL FORM

BILL HB 4101 DATE 3/2/94
TAPE 94-34 NUMBER 553

SUBJECT OF VOTE move to drop back DATABLES
SID ORIGINAL - DATE IF DEMO PROJECT IS DECONTINUED

MEMBER	YEA	NAY	ABS
Rep. Cynthia Toohey	—	✓	—
Rep. Con Bunde	—	✓	—
Rep. Gary Davis	—	✓	—
Rep. Al Vezey	—	✓	—
Rep. Pete Kott	—	—	—
Rep. Harley Olberg	—	✓	—
Rep. Bettye Davis	—	—	EXCUSED
Rep. Irene Nicholia	✓	—	—
Rep. Tom Brice	✓	—	—
TOTAL	—	—	—

+++++

BILL HB 4109 DATE 3/2/94
TAPE 94-~~34~~34 NUMBER 0391

SUBJECT OF VOTE TO PASS HB 4109 OUT OF COMMITTEE

MEMBER	YEA	NAY	ABS
Rep. Con Bunde	✓	—	—
Rep. Gary Davis	✓	—	—
Rep. Al Vezey	✓	—	—
Rep. Pete Kott	✓	—	—
Rep. Harley Olberg	✓	—	—
Rep. Bettye Davis	—	—	—
Rep. Irene Nicholia	—	✓	—
Rep. Tom Brice	—	✓	—
Rep. Cynthia Toohey	✓	—	—
TOTAL	—	—	—

A M E N D M E N T

OFFERED IN THE HOUSE
TO: HB 409

BY REPRESENTATIVE LANLEY

Page 3, lines 6 - 7:

Delete "If the federal government approves only part of the project, the department shall implement that part."

Insert "To the extent that the federal government approves the necessary waivers, the department shall implement the project."

(((This amendment is intended to address DHSS's concern that there was no clear direction in sec. 4 to implement the project.)))

A M E N D M E N T

OFFERED IN THE HOUSE
TO: HB 409

BY REPRESENTATIVE HANLEY

Page 3, line 9, after "determining the":

Insert "initial or continued"

Page 3, line 10, after ",":

Insert "and when determining the amount of assistance to which an assistance unit in the project area is entitled,"

Page 3, lines 11 - 12:

Delete "after the date of the assistance unit's application for AFDC"

Page 3, line 14, after ";":

Insert "for an assistance unit that applies for AFDC after this paragraph has been implemented, this 24 months begins with the month for which the assistance unit is first granted AFDC; for an assistance unit that is already receiving assistance when this paragraph is implemented, this 24 months begins with the first month during which this paragraph is implemented;"

((This amendment is intended to address DHSS's concern that the new income disregard provisions seem directed only at applicants.)))

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: HB 409

Page 3, line 25, after "activity":

Insert "if"

Page 3, line 26:

After "assigned":

Insert "to the activity"

After ".":

Insert "The department shall assess the availability of activities that satisfy the purposes of this subsection in each part of the project area and attempt to develop additional activities where necessary."

((This amendment is intended to address DHSS's concern about the availability of workfare slots and the lack of clear direction to DHSS to develop workfare slots.)))

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: HB 409

Page 5, line 9:

Delete "and secs."

Insert "is repealed January 1, 2000."

* Sec. 11. Sections"

Renumber the following bill sections accordingly.

Page 5, line 11:

Delete "June 30, 1999"

Insert "January 1, 2000"

Page 5, lines 13 - 16:

Delete all material and insert:

** Sec. 14. Sections 1 and 3 of this Act take effect January 1, 1996.

* Sec. 15. Sections 5 - 9 of this Act take effect upon the approval of, and to the extent that approval is received for, applicable waivers applied for under sec. 4 of this Act. The commissioner of health and social services shall promptly notify the revisor of statutes as to when any waivers applied for under sec. 4 of this Act are approved and the sections of this Act to which the approved waivers apply."

((((This amendment is intended to address DHSS's concerns about the preparation costs that will precede project implementation.)))



Alaska State Legislature

House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

SUBJECT OF MEETING:
 HB 409: AFDC DEMO PROJECT AND DECREASE

DATE: 2/28/94

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Patrick M. Cunningham	National Assoc. of Soc Wkrs	4 AA - Dept of Soc Wk 3211 Prov. Dr. Anch.	99508	337-8690	786-1255	<input checked="" type="radio"/> Y <input type="radio"/> N	HB 409
Angela Salerno	NASW	1727 Wickersham Dr. Anchorage, AK	99507	563-4502	52w.c	<input type="radio"/> Y <input checked="" type="radio"/> N	HB 409
Mayjane Stasch	NASW	1620 WASHINGTON DR #6 76KS, AK	99701	474-8124	N/A	<input type="radio"/> Y <input checked="" type="radio"/> N	HB 409
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	



Alaska State Legislature

House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

SUBJECT OF MEETING:

DATE:

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
SHERRIE GOU-	RK. Womens Lobby	P.O. Box 22156 Jno	99802		463-6744	<input checked="" type="radio"/> Y	<input type="radio"/> N	HB 409
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: CSHB 409(); Draft 8-LS1211NR

Page 3, line 4, after "APPLICATION.":

Insert "(a)"

Page 3, after line 7:

Insert a new subsection to read:

"(b) Notwithstanding (a) of this section, if changes in federal statutes or regulations occur after the effective date of this section and would have a major effect on the design, implementation, or operation of the project, the department shall

(1) apply for and implement only the waivers that relate to the parts of the project that are not substantially affected by the changes in federal statutes or regulations; if the department determines that the parts of the project that are not substantially affected by the federal changes do not comprise a fiscally responsible project, the department is not required to apply for or implement waivers under this Act and may discontinue operation of the project under waivers that were implemented before the federal changes occurred;

(2) report to the legislature its recommendations for changes in its statutory authority that may be needed in order to authorize implementation of a fiscally responsible project in light of the changes in federal statutes or regulations."

STATE OF ALASKA
1994 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO. HB 409

DPA #1

Revision Date: 2/25/94 Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program - project costs BRU: Assistance Payments
 Sponsor: Haaley Component: AFDC
 Requestor: House HES COMPONENT SERIAL NO. 0220

Expenditures/Revenues:		(Thousands of Dollars)					
OPERATING	FY95	FY96	FY97	FY98	FY99	FY00	
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0	
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0	
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0	
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0	
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0	
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0	
GRANTS, CLAIMS	0.0	(163.4)	(1,553.7)	(2,051.7)	(2,531.0)	(2,411.5)	
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL OPERATING	0.0	(163.4)	(1,553.7)	(2,051.7)	(2,531.0)	(2,411.5)	
CAPITAL EXPENDITURES	0.0	0.0	3.0	0.0	0.0	0.0	
CHANGES IN REVENUES	0	0	0	0	0	0	

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0	
1007 I/A Rcpts.		(163.4)	(1,553.7)	(2,051.7)	(2,531.0)	(2,411.5)	
TOTAL	0.0	(163.4)	(1,553.7)	(2,051.7)	(2,531.0)	(2,411.5)	

POSITIONS:							
FULL-TIME	0	0	0	0	0	0	
PART-TIME	0	0	0	0	0	0	
TEMPORARY	0	0	0	0	0	0	

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 impacts the AFDC program in several ways. Section 5 of the bill makes certain changes in AFDC eligibility provisions for purposes of operating a demonstration project as directed under section 4. Section 5 provides for an increase in the AFDC earned income disregard from the current time-limited disregard of \$30 and one third of the remainder to \$200 plus one third of the remainder for 24 months.

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Margaret R. Lowe
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 2/27/94
 Date: 2-28-94

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ANALYSIS (cont.):

Section 5 also provides for waiver of the AFDC Unemployed Parent "100-hour rule" and increases the total amount of equity in vehicles a family may own. These modified requirements apply only to AFDC families living in the project area defined by section 7. The requirements of section 5 are repealed at the end of FY 99 under the sunset provision in section 10.

Section 6 of the bill establishes requirements for AFDC recipients in the demonstration project to participate in workfare activities for 21 hours per week. Individuals who are required to participate in workfare are subject to fiscal sanction if they do not comply with the requirement. The requirements of section 6 are repealed at the end of FY 99 under the sunset provision in section 10.

Assumptions:**Basis of project:**

Federal approval is secured to operate an AFDC demonstration project under the authority of section 1115 (b) of the Social Security Act, including all of the provisions of sections 4 - 7 of HB 409.

Project is operational effective January 1, 1996.

Field operation of the project ends 12/31/98.

For purposes of this analysis, the project area is assumed to include the Municipality of Anchorage, the Matanuska Susitna Borough, and the Northwest Arctic Borough. 65% of AFDC families in Anchorage and Mat-Su are included in project experimental group, 35% in control group. Control group members participate under normal AFDC rules. 100% of recipients in rural project area included in experimental group.

Federal financial participation is available only for total project costs which do not exceed baseline costs of operating the AFDC program without the demonstration project.

Cost and Savings:**Savings Assumptions:**

The increased earned income disregards, waiver of the 100-hour rule, and the workfare requirement will cause the number of AFDC recipients who are working to increase over the course of the project. We project that the following numbers of recipients will become employed as a result of the demonstration provisions: 397 in FY 96, 281 more in FY 97, and 46 more in FY 98. At the end of the three-year demonstration, a total of 724 recipients who would not otherwise be employed are expected to be receiving regular earnings.

ANALYSIS (cont.):

The average monthly earnings of AFDC recipient families in the project area as of September 1993 are as follows:

	AFDC-Basic	AFDC-UP
Anchorage	\$547.49	\$541.03
Mat-Su Borough	\$450.21	\$431.92
NW Arctic Borough	\$281.17	\$551.66

We assume that the earnings of recipients in the project area will be at these levels, adjusted by 2.5 percent per year to account for inflation.

The benefit costs for these newly working recipients will decrease because their earnings will reduce their AFDC grant amounts. The total savings because of such benefit reductions is projected at about \$7.2 million over the three-year term of the demonstration.

These program modifications are also expected to cause some families which would otherwise remain on AFDC to leave the rolls each year during the project: 21 in FY 96, 51 in FY 97, 42 in FY 98, and 25 more in FY 99. This reduction in the caseload is expected to generate a total savings of about \$4.1 million over the term of the demonstration.

Sanction penalties for failure to participate in workfare will also generate savings. We assume that 3 percent of the total number of families subject to workfare would be subject to sanction each month. Most cases required to participate would be AFDC Unemployed Parent cases where both parents would be required to participate. The average sanction per case is projected at \$350.00 per month.

After the demonstration project ends, we project a reduction in the number of recipients who are working as a result of the demonstration. The decrease in the earned income disregards will cause some individuals to leave work. Other individuals will leave work to avoid becoming ineligible because of the reimposition of the unemployed parent 100 hour-rule. In the last 6 months of FY 99, we project that the average monthly number of working recipients will decrease by 319. We project that the average monthly number of working individuals will decrease by 293 in FY00.

ANALYSIS (cont.):

Savings Calculations:

AFDC BENEFIT SAVINGS						
	FY95	FY96	FY97	FY98	FY99	FY00
\$200 + 1/3 Earned Income Disregard & 100- Hour Rule	0	(626.8)	(2097.4)	(2298.4)	(1990.9)	(1205.7)
Clients off AFDC (# persons)	0	(98.1)	(595.1)	(992.3)	(1205.8)	(1205.8)
	0	21	72	114	139	139
Workfare Sanction Penalties	0	(34.7)	(138.6)	(138.6)	(69.3)	0
Total Gross Savings	0	(759.6)	(2831.1)	(3429.3)	(3266.0)	(2411.5)

- Cost Assumptions: -

AFDC recipients who are already working will receive increased benefits because the amount of the existing earned income disregard increases from 4 months at \$30 + 1/3 of the remainder and 8 months at \$30 to 2 years at \$200 + 1/3 of the remainder.

AFDC benefits to recipients who go to work as a result of the increased disregards will cost more than they would under the existing rules. These increased costs are partially offset by the savings generated through grant reductions and terminations. Those savings are accounted for above.

Approximately 886 families in the project area have at least one member who is working now. We project that the same proportion of the caseload, or 1025 families, will have a working member at the beginning of the project in January 1996. We expect that the proportion of working families would remain constant in the absence of the waiver provisions, with the baseline number of working families increasing as the caseload increases.

We project that an additional 397 recipients will go to work in FY 96 as a result of the policy waivers, that an additional 281 will go to work in FY 97, and an additional 46 in FY 98.

ANALYSIS (cont.):

On average, cases receiving normal \$30 and one third of remainder disregard receive 2 months per year of 1/3 of remainder disregard and 6 months per year of \$30 disregard.

On average, cases receiving extended \$200 and one third of remainder disregard under demonstration waiver receive the full disregard for 8 months of each year.

Cost Calculations:

AFDC BENEFIT COSTS						
\$200 + 1/3 EARNINGS DISREGARD						
	FY95	FY96	FY97	FY98	FY99	FY00
Recipients Already Working	972	1025	1092	1160	1230	1300
Additional Working Recipients	0	397	678	724	724	361
Total Working Recipients in project area	972	1422	1770	1884	1954	1661
Total AFDC Benefit Costs	0	596.2	1277.4	1377.6	735.0	0

Automobile value allowance increase:

Federal law currently allows exclusion of the first \$1500 of the equity of one vehicle. Remaining equity is applied toward the \$1000 maximum asset limit. HB 409 provides for application of a federal waiver in the project area to increase the vehicle equity exclusion to \$5000 and allow it to be applied to any number of vehicles necessary for specific purposes.

We project that the vehicle provision will result in an average of 12 additional families per month being eligible for AFDC benefits over the period of the demonstration. An equal number of families is expected, as a result of their improved transportation resources, to earn enough to leave the AFDC rolls each month during the course of the demonstration.

The benefit costs are expected to be offset by benefit savings. No net change in program costs is anticipated as a result of the vehicle value provision.

ANALYSIS (cont.):

Net AFDC Savings produced by HB 409:

TOTAL AFDC BENEFIT COSTS AND SAVINGS						
	FY95	FY96	FY97	FY98	FY99	FY00
Gross Savings	0.0	(759.6)	(2831.1)	(3429.3)	(3266.0)	(2411.5)
Gross Costs	0	596.2	1277.4	1377.6	735.0	0
Net Benefit Savings	0.0	(163.4)	(1553.4)	(2051.7)	(2531.0)	(2411.5)

FISCAL NOTE

DPA #2

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: 2/25/94 Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program BRU: PA Administration
 Component: Eligibility Determination
 Sponsor: Haaley
 Requestor: House HES COMPONENT SERIAL NO. 0236

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	415.7	554.1	554.1	554.1	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	67.2	67.2	67.2	67.2	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	63.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	545.9	621.3	621.3	621.3	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	545.9	621.3	621.3	621.3	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	545.9	621.3	621.3	621.3	0.0

POSITIONS:

FULL-TIME	0	10	10	10	10	0
PART-TIME	0	3	3	3	3	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers. Staff will also spend time informing applicants about the demonstration and their options under it.

Prepared by: Jan L. Hansen, Director Phone: 465-3680
 Division: Division of Public Assistance Date: 2/27/94
 Approved by Commissioner: Margaret R. Lowe Date: 2-28-94
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):Assumptions:**Urban project sites**

Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for 4 additional urban eligibility worker positions.

Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for 2 additional urban eligibility worker positions.

In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for one half-time urban eligibility worker position.

Seven additional eligibility worker positions produce a need for an urban eligibility supervisor (ET IV) position and 1.5 urban clerical support positions.

Rural project site

Need for rural project staff is based on the same basic assumptions used to analyze need at urban sites, adjusted downward to reflect the generally lower caseload sizes managed by rural eligibility workers because of the additional complexity of rural casework. We assume for purposes of this analysis that there will be an average of about 200 families in the rural site who are either employed as a result of the project or subject to Workfare. This produces a need for two eligibility case managers and one half-time support clerk.

ANALYSIS (cont.):

Calculations:

FY 96: Eligibility case managers/support staff (9 months)

Urban

1	Eligibility Tech IV	R16	39.0
2	Eligibility Tech III	R15	73.2
4	Eligibility Tech II FT	R14	137.0
1	Eligibility Tech II HT	R14	17.2
1	Clerk III FT	R08	24.9
1	Clerk III HT	R08	12.5

Rural

1	Eligibility Tech III	R15	49.6
1	Eligibility Tech II	R14	45.8
1	Clerk III HT	R08	16.5

Equipment			63.0
Office space			<u>67.2</u>
Total			545.9

FY 97 -

FY 99: Urban eligibility case managers/support staff (per year)

1	Eligibility Tech IV	R16	52.0
2	Eligibility Tech III	R15	97.4
4	Eligibility Tech II FT	R14	182.8
1	Eligibility Tech II HT	R14	22.9
1	Clerk III FT	R08	33.2
1	Clerk III HT	R08	16.6

Rural

1	Eligibility Tech III	R15	66.1
1	Eligibility Tech II	R14	61.1
1	Clerk III HT	R08	22.0

Office space			<u>67.2</u>
Total			621.3

Position Title Eligibility Technician IV		No. of Positions 1	Range/Step R16	Bargaining Unit SS
Time Status FT	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE:		Justification		
Salary		House Bill 409 produces a need for a Jditional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.		
Benefits		Staff will also spend time informing applicants about the demonstration and their options under it.		
Premium Pay		This request is for an Eligibility Technician supervisor		
Other		Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.		
Total Personal Services		39.0	Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.	
Travel		4.8	In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.	
Contractual		4.5	Seven additional eligibility worker positions produce a need for an urban eligibility supervisor (ET IV) position and 1.5 urban clerical support positions.	
Commodities				
Equipment				
Other				
Total Cost		48.3		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	48.3		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
BRU: Public Assistance Administration
COMPONENT: Public Assistance Administration

Page 1 of 1
Revised Date:

FY96

Position Title Eligibility Technician III		No. of Positions 1	Range/Step R15	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Anchorage	Election District	
TYPE of EXPENDITURE		Justification		
Salary		House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.		
Benefits		Staff will also spend time informing applicants about the demonstration and their options under it.		
Premium Pay		This request is for an Eligibility Technician leadworker/caseworker.		
Other		Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.		
Total Personal Services	36.6	Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.		
Travel		In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.		
Contractual	4.0			
Commodities				
Equipment	4.5			
Other				
Total Cost	45.9			
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	45.9		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1001	CIP Receipts			
Other				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

FY96

Page 1 of 1

Revised Date:

Position Title Eligibility Technician II		No. of Positions 4	Range/Step R14	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE		Justification		
Salary		<p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for four Eligibility Technician caseworkers.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.</p>		
Benefits				
Premium Pay				
Other				
Total Personal Services	137.0			
Travel		19.2		
Contractual				
Commodities		18.0		
Equipment				
Other				
Total Cost		174.2		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	174.2		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

FY96

Page 1 of 1
 Revised Date:

Position Title Clerk III	No. of Positions 1	Range/Step H08	Beginning Unit GGU
Time Status FT	Staff Months 9 months	Location Anchorage	Election District
TYPE of EXPENDITURE	AMOUNT	Justification	
Salary	24.9	<p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p>	
Benefits			
Premium Pay			
Other			
Total Personal Services	24.9	<p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for one clerical support staff.</p>	
Travel			
Contractual	4.8		
Commodities			
Equipment	4.5	<p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.</p>	
Other			
Total Cost	34.2		
FUNDING SOURCE for TOTAL COST			
1002 Federal Receipts	34.2		
1003 GF Match			
1004 General Fund			
1005 GF/Program Receipts			
1006 GF/Mental Health Trust			
1007 I/A Receipts			
1061 CIP Receipts			
Other			

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

FY96

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Revised Date:

Position Title Eligibility Technician III		No. of Positions 1	Range/Step R15	Organizing Unit GGU
Time Status FT	Staff Months 9 months	Location Wasilla	Election District	
TYPE of EXPENDITURE		AMOUNT		
Salary		36.6		
Benefits				
Premium Pay				
Other				
Total Personal Services		36.6		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		45.9		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	45.9		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
		<p>Justification</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for an Eligibility Technician leadworker/caseworker.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.</p>		

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
BRU: Public Assistance Administration
COMPONENT: Public assistance Administration

FY96

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Revised Date:

Position Title Eligibility Technician II		No. of Positions 1	Range/Step R14	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Wasilla		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		17.2		
Benefits				
Premium Pay				
Other				
Total Personal Services		17.2		
Travel				
Contractual		4.0		
Commodities				
Equipment		4.5		
Other				
Total Cost		26.5		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	26.5		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for one half time Eligibility Technician caseworker.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.</p>				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

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 Revised Date:

FY96

Position Title Eligibility Technician III		No. of Positions 1	Range/Step R15	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Belhel		Election District
TYPE of EXPENDITURE		Justification		
Salary		Urban project sites		
Benefits		House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.		
Premium Pay		Staff will also spend time informing applicants about the demonstration and their options under it.		
Other		This request is for an Eligibility Technician leadworker/caseworker.		
Total Personal Services	49.6	Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.		
Travel		Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.		
Contractual	4.8	In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.		
Commodities				
Equipment	4.5			
Other				
Total Cost	58.9			
FUNDING SOURCE for TOTAL COST				
1002 Federal Receipts				
1003 GF Match				
1004 General Fund	58.9			
1005 GF/Program Receipts				
1006 GF/Mental Health Trust				
1007 I/A Receipts				
1061 CIP Receipts				
Other				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
BRU: Public Assistance Administration
COMPONENT: Public Assistance Administration

FY96

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Printed Date:

Position Title Eligibility Technician III		No. of Positions 1	Range/Step R15	Bargaining Unit GGU	
Time Status FT	Staff Months 9 months	Location Bethel		Election District	
TYPE of EXPENDITURE		Justification			
Salary		Rural project site Need for rural project staff is based on the same basic assumptions used to analyze need at urban sites, adjusted downward to reflect the generally lower caseload sizes managed by rural eligibility workers because of the additional complexity of rural casework. We assume for purposes of this analysis that there will be an average of about 200 families in the rural site who are either employed as a result of the project or subject to Workfare. This produces a need for two eligibility case managers and one half-time support clerk.			
Benefits					
Premium Pay					
Other					
Total Personal Services	0.0				
Travel					
Contractual					
Commodities					
Equipment					
Other					
Total Cost	0.0				
FUNDING SOURCE for TOTAL COST					
1002	Federal Receipts				
1003	GF Match				
1004	General Fund				
1005	GF/Program Receipts				
1006	GF/Mental Health Trust				
1007	I/A Receipts				
1061	CIP Receipts				
Other					

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
BRU: Public Assistance Administration
COMPONENT: Public Assistance Administration

FY96

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Revised Date

Position Title Eligibility Technician II		No. of Positions 1	Range/Step R14	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Belhel		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		45.8		
Benefits				
Premium Pay				
Other				
Total Personal Services		45.8		
Travel				
Contractual		4.0		
Commodities				
Equipment		4.5		
Other				
Total Cost		55.1		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	55.1		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1001	CIP Receipts			
Other				
<p>Justification</p> <p>Urban project sites</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for an Eligibility Technician caseworker.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.</p>				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

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Position Title Eligibility Technician II		No. of Positions 1	Range/Step B14	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Belhel		Election District
TYPE of EXPENDITURE		Justification		
Salary		Rural project site Need for rural project staff is based on the same basic assumptions used to analyze need at urban sites, adjusted downward to reflect the generally lower caseload sizes managed by rural eligibility workers because of the additional complexity of rural casework. We assume for purposes of this analysis that there will be an average of about 200 families in the rural site who are either employed as a result of the project or subject to Welfare. This produces a need for two eligibility case managers and one half-time support clerk.		
Benefits				
Premium Pay				
Other				
Total Personal Services	0.0			
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost	0.0			
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

FY96

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 Revised Date:

Position Title Clerk III		No. of Positions 1	Range/Step R08	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Bethel		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		16.5		
Benefits				
Premium Pay				
Other				
Total Personal Services		16.5		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		25.8		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	25.8		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>Urban project sites</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, entering, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for one half time clerical support staff.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.</p>				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

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 Revised Date

Position Title Clerk III		No. of Positions 1	Range/Step R08	Bargaining Unit GGU
Time Status HT	Staff Months 9 months	Location Bethel		Election District
TYPE of EXPENDITURE		Justification		
Salary		Rural project site		
Benefits		Need for rural project staff is based on the same basic assumptions used to analyze need at urban sites, adjusted downward to reflect the generally lower caseload sizes managed by rural eligibility workers because of the additional complexity of rural casework. We assume for purposes of this analysis that there will be an average of about 200 families in the rural site who are either employed as a result of the project or subject to Workfare. This produces a need for two eligibility case managers and one half-time support clerk.		
Premium Pay				
Other				
Total Personal Services		0.0		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		0.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
BRU: Public Assistance Administration
COMPONENT: Public Assistance Administration

FY96

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Revised Date:

FISCAL NOTE

DFA #3

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: 2/25/94 Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the APDC program BRU: PA Administration
 Component: PA Administration
 Sponsor: Haaley
 Requestor: House HES COMPONENT SERIAL NO. 0233

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	85.9	114.5	114.5	114.5	114.5	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	47.2	44.6	29.6	29.6	59.6	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	9.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	76.6	169.9	177.4	92.8	0.0
TOTAL OPERATING	142.1	235.7	314.0	321.5	266.9	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	66.0	72.0	10.0	10.0	25.0	0.0
1003 GF Match	76.1	87.1	134.1	134.1	149.1	0.0
1004 GF	0.0	76.6	169.9	177.4	92.8	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	142.1	235.7	314.0	321.5	266.9	0.0

POSITIONS:

FULL-TIME	2	2	2	2	2	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 authorizes DHSS to design and operate a waiver project under the authority of section 1115 (a) of the Social Security Act.

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Margaret R. Lowe
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 2/27/94
 Date: 2-28-94

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ANALYSIS (cont.):

Project development and management include planning, negotiating, and preparing the demonstration project application(s), including requesting waiver of the pertinent federal law provisions. Development also includes coordinating the necessary program and system changes and dealing with requests for information about the project as well as negotiation and administration of the evaluation contract and monitoring of the project. Project management staff would also be responsible to oversee the operation and monitoring of the project and maintain the necessary relationships with federal officials throughout its duration.

The project assistant will be assigned to the Juneau project manager during pre-implementation development and planning. This position will be reassigned to the Anchorage field operations management office as a field project liaison once the project becomes operational in January 1996.

The federal Department of Health and Human services requires that a demonstration project evaluation be performed by an independent contractor. The evaluation would test the effects of the demonstration on program costs and recipient outcomes. The Clinton administration is adamant in its insistence that demonstration project designs meet scientific standards for experimental design and statistical analysis.

This bill also requires DHSS to pay transportation costs for individuals who need it to participate in workfare. — —

Assumptions:

An independent contractor will review project design, review the design and evaluation of similar projects in other states, construct the evaluation design, coordinate EIS programming necessary to comport with evaluation design parameters, and produce interim and final reports of project results. Total estimated evaluation cost of \$140,000. is based on what other states have paid for evaluation of projects of similar scope.

Regulatory authority will be necessary for DHSS to operate the project in compliance with the Administrative Procedure Act. The services of a private law firm will be retained to develop regulation language, prepare the necessary documents, analyze public comments, and prepare the regulations for submission to the Attorney General.

Transportation costs are needed by 75 percent of participants in workfare. Average monthly costs per recipient = \$15.50.

Costs for project start-up and evaluation are federally matchable. PA Admin personnel costs in FY95 and first half of FY96 are federally matchable at 50 percent state/50 percent federal. Evaluation contract costs are matchable at 50 percent state/50 percent federal each year.

ANALYSIS (cont.):

Calculations:

FY 95 (9 months):

1	Project Coordinator	R19	46.9
1	Project Assistant	R16	39.0
	Equipment		9.0
	Office space		7.2
	Regulations contract		10.0
	<u>Evaluation contract</u>		<u>30.0</u>
	Total		142.1

FY 96

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office space		9.6
	Regulations contract		15.0
	Evaluation Contract		20.0
	<u>Workfare Transportation</u>		<u>76.6</u>
	Total		235.7

FY 97

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office space		9.6
	Evaluation Contract		20.0
	<u>Workfare Transportation</u>		<u>169.9</u>
	Total		314.0

FY 98

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office Space		9.6
	Evaluation Contract		20.0
	<u>Workfare Transportation</u>		<u>177.4</u>
	Total		321.5

FY 99

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office space		9.6
	Evaluation Contract		50.0
	<u>Workfare Transportation</u>		<u>92.8</u>
	Total		266.9

FISCAL NOTE

DPA #4

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: 2/25/94 Dept. Affected: Health and Social Services
 Title: No Act proposing a special demonstration project within the AFDC program BRU: PA Administration
 Component: PA Data Processing
 Sponsor: Hanley
 Requestor: House HES COMPONENT SERIAL NO. 0240

Expenditures/Revenues:		(Thousands of Dollars)					
OPERATING	FY95	FY96	FY97	FY98	FY99	FY00	
PERSONAL SERVICES	260.5	347.3	169.5	169.5	169.5	0.0	
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0	
CONTRACTUAL	21.6	28.8	14.4	14.4	14.4	0.0	
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0	
EQUIPMENT	27.0	0.0	0.0	0.0	0.0	0.0	
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0	
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0	
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL OPERATING	309.1	376.1	183.9	183.9	183.9	0.0	
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	
CHANGES IN REVENUES	0	0	0	0	0	0	

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	154.5	188.0	91.9	91.9	91.9	0.0	
1003 GF Match	154.6	188.1	92.0	92.0	92.0	0.0	
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0	
Other	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL	309.1	376.1	183.9	183.9	183.9	0.0	

POSITIONS:		FY95	FY96	FY97	FY98	FY99	FY00
FULL-TIME	6	6	6	6	6	0	
PART-TIME	0	0	0	0	0	0	
TEMPORARY	0	0	0	0	0	0	

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 creates a need for major modifications to the Division of Public Assistance Eligibility Information System. Operation of a federally approved demonstration project will require that the DPA apply two different, parallel sets of eligibility rules to cases which are part of the demonstration project and cases which fall under normal AFDC program rules. Demonstration project methodology will also require special collection and compilation of data for program monitoring and evaluation purposes.

Prepared by: Jan L. Hansen, Director *Jan L. Hansen* Phone: 465-2680
 Division: Division of Public Assistance Date: 2/27/94
 Approved by Commissioner: Margaret R. Lowe *Margaret R. Lowe* Date: 2-28-94
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):

The EIS is fundamental to DPA's administration of public assistance. Full automation of the demonstration project will be necessary to comply with federal requirements and to minimize the need for additional field staff to operate the project.

Modifications to the EIS system will require extensive programming and testing by PA data processing staff. This is a major systems development project which must be completed within a very short timeline. Once the programming modifications are in place, a reduced level of staff effort will be required to maintain the special programming, generate monitoring data, and produce the information necessary for completion of the final project evaluation.

Assumptions:

HB 409 is enacted effective July 1, 1994. The EIS modification project begins as soon as possible thereafter, presuming federal approval of the demonstration project.

Project staff is hired effective October 1, 1994.

Demonstration project evaluation is performed by a contractor. PA data processing staff are responsible to generate data needed for the evaluation.

EIS programming for demonstration project is on-line January 1, 1996. Full system staffing is necessary through FY 96 to complete system de-bugging and complete development of monitoring components.

From FY 97 through FY 99, 3 PA data processing positions will be needed to maintain the system, generate monitoring reports, and produce data for the program evaluation.

ANALYSIS (cont.):

Calculations:

FY 95: (9 months)

	1	Project Manager	AP V	R21	53.1
	1	Lead Programmer	APIV	R19	46.9
	2	Programmers	APIII	R17	82.5
	2	Testers/Analysts	PAAI	R16	78.0
		Equipment			27.0
		Office Space			<u>21.6</u>
		Total			309.1
FY 96:	1	Project manager	AP V	R21	70.8
	1	Lead Programmer	APIV	R19	62.5
	2	Programmers	APIII	R17	110.0
	2	Testers/Analysts	PAAI	R16	104.0
		Office space			<u>28.8</u>
		Total			376.1
FY 97:	1	Lead Programmer	APIV	R19	62.5
	1	Programmer	APIII	R17	55.0
	1	Tester/Analyst	PAAI	R16	52.0
		Office space			<u>14.4</u>
		Total			183.9
FY 98:	1	Lead Programmer	APIV	R19	62.5
	1	Programmer	APIII	R17	55.0
	1	Tester/Analyst	PAAI	R16	52.0
		Office space			<u>14.4</u>
		Total			183.9
FY 99:	1	Lead Programmer	APIV	R19	62.5
	1	Programmer	APIII	R17	55.0
	1	Tester/Analyst	PAAI	R16	52.0
		Office space			<u>14.4</u>
		Total			183.9

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. House Bill 409

Revision Date: 02/25/94 Dept. Affected: Health and Social Services
 Title: An Act relating to the maximum amount BRU: Medical Assistance
of assistance that may be granted under the adult public ... Component: Medicaid Non-Facility
 Sponsor: HANLEY, Th riault
 Requestor: House HESS COMPONENT SERIAL NO. 229

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	(15.8)	(267.0)	(453.3)	(413.4)	(312.1)
MISCELLANEOUS						
TOTAL OPERATING	0.0	(15.8)	(267.0)	(453.3)	(413.4)	(312.1)

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	(7.9)	(133.5)	(226.6)	(206.7)	(156.0)
1003 GF Match	0.0	(7.9)	(133.5)	(226.7)	(206.7)	(156.1)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	(15.8)	(267.0)	(453.3)	(413.4)	(312.1)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)

Reduction in Medicaid spending would result from adults being removed from AFDC cases due to sanctions and losing Medicaid eligibility as a consequence and from families leaving the AFDC caseload due to employment and adult family members and some children losing Medicaid eligibility as a result. Some children losing eligibility may have incomes below or near the poverty level.

See attached page for additional analysis.

Assumptions provided by Division of Public Assistance for 2/10/94 fiscal note have changed. All other assumptions remain constant.

Prepared by: Jon Sherwood
 Division: Medical Assistance
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S.
 Agency: Department of Health & Social Services

Phone: 465-3355
 Date: 02/28/94
 Date: 2-28-94

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ANALYSIS (cont.):**Assumptions:**

Average Annual Cost of Medical Assistance -- FY 93

AFDC Adult	\$2,560
AFDC Child	\$1,573

Growth = 11% per year

Adults ineligible due to sanctions remain off Medicaid for the whole year, except FY 96 and FY 99. In FY 96 the program starts midyear and the sanction is projected to last for 3 months. In FY 99, the program ends mid year and the sanction is projected to last six months.

No adults or children will drop off Medicaid in FY 96 as a result of dropping off the AFDC caseload because of Transitional Medicaid providing extended coverage for one year. The average length of time without Medicaid benefits for other fiscal years is one-half year.

Number of Clients Affected

	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>
Sanctioned Adults	0	18	33	33	33	0
Adults Going Off Caseload	0	0	45	87	85	85
Children Going Off Caseload	0	0	43	93	89	89

Savings

Sanctioned Adults	\$0	\$15,755	\$128,247	\$142,354	\$79,006	\$0
Adults Going Off Caseload	\$0	\$0	\$87,441	\$187,648	\$203,501	\$225,886
Children Going of Caseload	\$0	\$0	\$51,340	\$123,253	\$130,926	\$86,245
TOTAL SAVINGS	<u>\$0</u>	<u>\$15,755</u>	<u>\$267,028</u>	<u>\$453,255</u>	<u>\$413,433</u>	<u>\$312,131</u>

Note: Assumptions for the number of people losing eligibility for Medicaid and for how long are based on estimates provided by the Division of Public Assistance.

8-LS1211NR
Lauterbach
2/25/94

CS FOR HOUSE BILL 409()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES HANLEY, Therriault

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the maximum amount of assistance that may be granted
2 under the adult public assistance program and the program of aid to families
3 with dependent children; proposing a special demonstration project within the
4 program of aid to families with dependent children and directing the Department
5 of Health and Social Services to seek waivers from the federal government to
6 implement the project; and providing for an effective date."

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

8 * Section 1. AS 47.25.320(a) is amended to read:

9 (a) The department shall determine the amount of assistance for a dependent
10 child, and the relative with whom the dependent child is living, with regard to the
11 resources and necessary expenditures of the family and the condition existing in each
12 case. Assistance is sufficient if, when added to all other income and support available
13 to the child, the child and relative have reasonable subsistence compatible with

1 decency and health. However, the amount of assistance may not exceed the following:

2 (1) dependent child living with nonneedy relative: for a dependent child
3 who is living in the home of a nonneedy relative, \$451 [S452], plus \$100 [S102] for
4 each additional child;

5 (2) dependent child living with parent:

6 (A) for a parent and one dependent child, a maximum of
7 \$806 [S821];

8 (B) for each additional dependent child, or for a second parent,
9 \$100 [S102] a month per individual;

10 (3) pregnant woman who is otherwise eligible for assistance under this
11 section, or a single-person household that does not consist of a dependent child:

12 \$505 [S514] a month.

13 * Sec. 2. AS 47.25.320(a) is repealed and reenacted to read:

14 (a) The department shall determine the amount of assistance for a dependent
15 child, and the relative with whom the dependent child is living, with regard to the
16 resources and necessary expenditures of the family and the condition existing in each
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18 to the child, the child and relative have reasonable subsistence compatible with
19 decency and health. However, the amount of assistance may not exceed the following:

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21 child who is living in the home of a nonneedy relative, \$452, plus \$102 for each
22 additional child:

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24 (A) for a parent with one dependent child, a maximum of \$821;

25 (B) for each additional dependent child, or for a second parent,
26 \$102 a month per individual;

27 (3) pregnant woman who is otherwise eligible for assistance under this
28 section, or a single-person household that does not consist of a dependent child: \$514
29 a month.

30 * Sec. 3. AS 47.25.430 is amended by adding a new subsection to read:

31 (f) Notwithstanding other provisions of AS 47.25.430 - 47.25.615, the monthly

1 state contribution to a recipient under AS 47.25.430 - 47.25.615 may not exceed the
2 amount of state assistance granted to a similarly situated recipient for the month of
3 January 1992, reduced by 1.7 percent.

4 * Sec. 4. WAIVER APPLICATION. The Department of Health and Social Services shall
5 seek appropriate waivers from the federal government to implement the AFDC demonstration
6 project described in secs. 4 - 9 of this Act. To the extent that the federal government
7 approves the necessary waivers, the department shall implement the project.

8 * Sec. 5. EARNED INCOME DISREGARD; WAIVER OF "100-HOUR" RULE; AUTO
9 ALLOWANCE. When determining the AFDC eligibility of an assistance unit in the project
10 area and when determining the amount of assistance to which an assistance unit in the project
11 area is entitled, the department shall

12 (1) disregard, for 24 months, \$200 plus one-third of the remainder of the
13 earned income of each person in the assistance unit unless federal regulations require that
14 more earned income of a person must be disregarded; for an assistance unit that applies for
15 AFDC after this paragraph has been implemented, this 24 months begins with the month for
16 which the assistance unit is first granted AFDC; for an assistance unit that is already receiving
17 assistance when this paragraph is implemented, this 24 months begins with the first month
18 during which this paragraph is implemented;;

19 (2) waive the requirement that, for purposes of assistance for a dependent child
20 of unemployed parents, the principal wage-earning parent must be employed less than 100
21 hours a month; and

22 (3) allow the exclusion of \$5,000 of the combined equity of motor vehicles
23 used by the assistance unit for basic family transportation, transportation of a disabled child
24 in the household, or transportation of a member of the assistance unit to or from employment,
25 training, or participation in an activity required under sec. 6 of this Act; if the combined
26 equity of vehicles described in this paragraph exceeds \$5,000, the department shall apply the
27 excess equity amount toward the asset limit otherwise applicable to the assistance unit.

28 * Sec. 6. WORKFARE. (a) Each member of an assistance unit in the project area who
29 is 18 years of age or older shall participate for 21 hours a week in an uncompensated activity
30 if assigned to the activity by the department. The department shall assess the availability of
31 activities that satisfy the purposes of this subsection in each part of the project area and

1 attempt to develop additional activities where necessary. The department shall penalize the
2 assistance unit for failure of a person to comply with this subsection by disregarding that
3 person as a member of the unit for purposes of determining the amount of AFDC assistance
4 given to the unit.

5 (b) The requirement to participate in an uncompensated activity under (a) of this
6 section does not apply to a person who

7 (1) has paid employment of at least 10 hours a week; a person who has paid
8 employment of less than 10 hours a week shall participate in an uncompensated activity
9 assigned under (a) of this section for the number of hours that, when added to the hours of
10 paid employment, equals 21;

11 (2) is participating in an activity under AS 47.25.421 - 47.25.429 (JOBS
12 program);

13 (3) is participating in an activity under a program operated by an Indian or
14 Native organization under 42 U.S.C. 682(i) unless the Indian or Native organization agrees
15 to the person's inclusion in the project;

16 (4) is exempt from participating in an activity under AS 47.25.421 - 47.25.429
17 (JOBS program); or

18 (5) is determined, according to regulations of the department, to be physically
19 or mentally unable to perform any reasonable activity that may be assigned under this section.

20 (c) Notwithstanding (a) of this section, the department may not require a person to
21 participate in an uncompensated activity under (a) of this section unless the department agrees
22 to pay for

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

25 (2) other expenses, such as transportation expenses, determined by the
26 department to be necessary for the person's participation in the activity.

27 * Sec. 7. PROJECT AREA. The department shall determine the area in which the project
28 will be implemented by choosing three municipalities as follows:

29 (1) the municipality that had the highest number of households receiving
30 AFDC in fiscal year 1992;

31 (2) a municipality contiguous to the municipality determined under (1) of this

1 section; and

2 (3) a municipality in an area not connected by road to the Anchorage-Fairbanks
3 road system, whose boundaries are substantially coextensive with an area served by a Native
4 organization under 42 U.S.C. 682(i).

5 * Sec. 8. COOPERATION. State agencies shall cooperate with the department to the
6 extent necessary to implement secs. 4 - 9 of this Act.

7 * Sec. 9. DEFINITIONS. In secs. 4 - 9 of this Act,

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12 modifications of sec. 5 of this Act and the work requirements of sec. 6 of this Act, to the
13 extent that the federal government approves those modifications and requirements;

14 (4) "project area" means the area established by the department under sec. 7
15 of this Act.

16 * Sec. 10. AS 47.25.430(f), added by sec. 3 of this Act, and secs. 4 - 9 of this Act are
17 repealed July 1, 1999.

18 * Sec. 11. Section 2 of this Act takes effect July 1, 1999.

19 * Sec. 12. Sections 1 and 3 of this Act take effect January 1, 1995.

20 * Sec. 13. Section 4 of this Act takes effect immediately under AS 01.10.070(c).

21 * Sec. 14. Sections 5 - 9 of this Act take effect upon the approval of, and to the extent that
22 approval is received for, applicable waivers applied for under sec. 4 of this Act. The
23 commissioner of health and social services shall promptly notify the revisor of statutes as to
24 when any waivers applied for under sec. 4 of this Act are approved and the sections of this
25 Act to which the approved waivers apply.

8-LS12110
Lauterbach
2/23/94

CS FOR HOUSE BILL NO. 409()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES HANLEY, Therriault

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24 when any waivers applied for under sec. 4 of this Act are approved and the sections of this
25 Act to which the approved waivers apply.

**REVISED COST/SAVINGS ANALYSIS
HOUSE BILL 409**

Prepared by the Department of Health and Social Services
Division of Public Assistance
FEBRUARY 22, 1994

	FY95	FY96	FY97	FY98	FY99	TOTAL
OPERATING EXPENDITURES						
AFDC Payments - Project	0.0	(163.4)	(1,553.7)	(2,051.7)	(2,531.0)	(6,299.8)
Eligibility Determination	0.0	545.9	621.3	621.3	621.3	2,409.8
PA Administration	142.1	235.7	314.0	321.5	266.9	1,280.2
PA Data Processing	309.1	376.1	183.9	183.9	183.9	1,236.9
Alaska Work Programs	0.0	155.9	189.5	189.5	94.8	629.7
Child Care Benefits	0.0	614.4	1,228.8	1,228.8	614.4	3,686.4
Medical Assistance	0.0	(15.8)	(266.6)	(451.8)	(399.9)	(1,134.1)
Gross Project Cost	451.2	1,748.8	717.2	41.5	(1,149.6)	1,809.1
Less Federal Receipts for Project Costs	(220.5)	(260.0)	(101.9)	(101.9)	(116.9)	(801.2)
Net Project Cost	230.7	1,488.8	615.3	(60.4)	(1,266.5)	1,007.9
Less Ratable Reduction GF/GF Match Savings	(829.5)	(1,742.2)	(1,829.4)	(1,920.8)	(2,016.7)	(8,338.6)
Net GF Budget Impact	(598.8)	(253.4)	(1,214.1)	(1,981.2)	(3,283.2)	(7,330.7)

RATABLE REDUCTION SAVINGS						
AFDC - GF Match	(526.7)	(1,106.4)	(1,161.8)	(1,219.9)	(1,280.7)	(5,295.5)
APA - GF	(302.8)	(635.8)	(667.6)	(700.9)	(736.0)	(3,043.1)
Total GF	(829.5)	(1,742.2)	(1,829.4)	(1,920.8)	(2,016.7)	(8,338.6)
AFDC - Federal Receipts	(526.6)	(1,106.4)	(1,161.8)	(1,219.9)	(1,280.7)	(5,295.4)
AFDC/APA - I/A Receipts (PFD Hold Harmless)	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	(1,260.3)

Explanation of Changes from February 10, 1994 Fiscal Note Analysis

AFDC Payments:

New assumption: 65 percent of AFDC families in Anchorage and Mat-Su are included in project experimental group, 35 percent in control group. Control group members participate under normal AFDC rules. 100 percent of recipients in rural project area included in experimental group.

Projected savings reduced based on fewer additional working recipients in smaller experimental group. Revised caseload impacts shown below:

	FY95	FY96	FY97	FY98	FY99
Recipients Already Working	972	1025	1092	1160	1230
Additional Working Recipients	0	397	678	724	724
Total Working Recipients in project area	972	1422	1770	1884	1954

Projected costs of increased earnings disregard reduced substantially because of discovery of major flaw in previous calculation methodology.

Correction: We assume that field operation of the project ends on December 31, 1998. This assumption was inadvertently omitted from the original fiscal note.

Eligibility Determination:

Need for project eligibility determination staff reduced by one half-time eligibility technician because of reduction in cases with earned income.

Revised Cost/Savings Analysis
House Bill 409
February 22, 1994
Page 3

PA Administration:

New assumption: Costs for project start-up and evaluation are federally matchable. PA Admin personnel costs in FY 95 and first half of FY 96 are federally matchable at 50 percent state/50 percent federal. Evaluation contract costs are matchable at 50 percent state/50 percent federal each year.

Correction: Costs for transportation needed by workfare participants was inadvertently omitted in original fiscal note and are added here. Costs are:

FY 96: 76.6 FY 97: 169.9 FY 98: 177.4 FY 99: 92.8

PA Data Processing:

New Assumption: All PA Data Processing costs are for either project start-up or evaluation and as such are federally matchable at 50 percent state/50 percent federal.

Medical Assistance:

Projected savings reduced based on fewer additional working recipients in experimental group.

Net Project Costs:

Projected federal receipts based on revised assumptions about federal participation in project start-up and evaluation costs are now reflected in net project costs.



Alaska State Legislature

House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

DATE: 2/11/94

PLACE: Capitol Room 106

SUBJECT OF MEETING:

HB 84 : IMPLEMENTING AK 2000 RECOMMENDATIONS
 *HB 409: AFDC DEMO PROJECT AND DECREASE
 (* INDICATES FIRST PUBLIC HEARING)

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Vernon Marshall						<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	HB 84
						<input type="checkbox"/> Y <input type="checkbox"/> N	
						<input type="checkbox"/> Y <input type="checkbox"/> N	
						<input type="checkbox"/> Y <input type="checkbox"/> N	
						<input type="checkbox"/> Y <input type="checkbox"/> N	
						<input type="checkbox"/> Y <input type="checkbox"/> N	
						<input type="checkbox"/> Y <input type="checkbox"/> N	
						<input type="checkbox"/> Y <input type="checkbox"/> N	
						<input type="checkbox"/> Y <input type="checkbox"/> N	
						<input type="checkbox"/> Y <input type="checkbox"/> N	



Alaska State Legislature

Please enter into the record my testimony to the HESS
committee name

committee on HB409, dated 2-22-94
bill/subject

Good Afternoon. My name is Joni Whitmore -- I am the Child Care Programs Coordinator for South Peninsula Women's Services, in Homer. I administer the Day Care Assistance Program, the At-Risk Assistance Program, the Transitional Child Care benefits program, and the Child care food program for the lower kenai peninsula.

With respect to this bill:

- I believe the largest impediment to moving families off welfare is the loss of health insurance. Minimum wage jobs and child care assistance will not afford parents the ability to purchase private health insurance - and many will stay on welfare until this choice/dilemma changes.
- I do believe however it is important for welfare recipients to have an opportunity to garner wages from meaningful work experiences - experience they can begin to build a bridge to a higher paying occupation and a career.
- I do believe waivers may be appropriate - standards for those waivers are appropriate - but flexibility for individual case management is essential to decisions in the recipients best interest.
- I don't support creating another regulatory bureaucracy to move legislation like this beyond a pilot projet. As a lesson to us... the TCCB has enormous potential to give working parents a jump start off welfare. As program administrator however, my experience has been that the red tape surrounding the application process(ing) has prevented us from serving very many people thus far (at considerable expense given all the agencies involved).
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- fulltime students working for degree/or increased employability should be waived.

Signed: Joni Whitmore Joni Whitmore

Testifier

South Peninsula Women's Services

Representing (Optional)

3776 Lake St. Suite 100

Address

907 235-7712

Phone No.

COSTS VS. SAVINGS COMPARISON OF FISCAL NOTES FOR HB 409

	FY 95 (0 Mo.)	FY 96 (6 Mo.)	FY 97 (12 Mo.)	FY 98 (12 Mo.)	FY 99 (6 Mo.)	FY 00	Totals
AFDC Benefit Costs							
\$200 +1/3 Eamed Income Disregard & 100 Hr. Rule	\$0.0	\$1,498.5	\$4,104.6	\$4,461.8	\$2,301.1	\$0.0	\$12,366.0
Workfare Costs							
Child Care	0.0	614.4	1,228.8	1,228.8	614.4	0.0	3,686.4
Transportation	0.0	76.6	169.9	177.4	92.8		516.7
Benefit Costs	\$0.0	\$2,189.5	\$5,503.3	\$5,868.0	\$3,008.3	\$0.0	\$16,569.1
Administration							
Waiver	142.1	159.1	144.1	144.1	174.1	0.0	763.5
Data System Programming	309.1	376.1	183.9	183.9	183.9	0.0	1,236.9
Field Operation	0.0	719.0	833.6	833.6	738.9	0.0	3,125.1
Admin Costs	\$451.2	\$1,254.2	\$1,161.6	\$1,161.6	\$1,096.9	\$0.0	\$5,125.5
Total Cost	\$451.2	\$3,443.7	\$6,664.9	\$7,029.6	\$4,105.2	\$0.0	\$21,694.6
AFDC Benefit Savings							
\$200 +1/3 Eamed Income Disregard & 100 Hr. Rule	\$0.0	(\$1,047.2)	(\$3,530.5)	(\$3,856.7)	(\$2,956.3)	(\$2,043.0)	(\$13,433.7)
Clients Going Off AFDC	0.0	(140.1)	(849.3)	(1,424.1)	(1,728.8)	(1,728.8)	(5,871.1)
Workfare Sanction Penalties	0.0	(34.7)	(138.6)	(138.6)	(69.3)	0.0	(381.2)
1.7% Ratable Reduction	(633.4)	(1,330.6)	(1,397.2)	(1,467.1)	(1,540.3)	0.0	(6,368.6)
Medicaid	0.0	(7.9)	(142.4)	(251.7)	(232.6)	(180.1)	(814.7)
Adult Public Assistance	(321.4)	(674.9)	(708.7)	(744.1)	(781.3)	0.0	(3,230.4)
Net Savings	(\$954.8)	(\$3,235.4)	(\$6,766.7)	(\$7,882.3)	(\$7,308.6)	(\$3,951.9)	(\$30,099.7)
Net Result	(\$503.6)	\$208.3	(\$101.8)	(\$852.7)	(\$3,203.4)	(\$3,951.9)	(\$8,405.1)
PFD Hold Harmless	(\$125.3)	(\$263.3)	(\$276.5)	(\$290.4)	(\$304.8)	\$0.0	(\$1,260.3)

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"The Dangerous Samaritans: How We Unintentionally Injure the Poor"

by Michael Bauman

Professor of Theology and Culture, Hillsdale College

Michael Bauman is a professor of theology and culture and director of Christian Studies at Hillsdale College. He is also a lecturer and tutor in Renaissance literature and theology as well as associate dean at the Centre for Medieval and Renaissance Studies in Oxford. He has been book review editor for *The Journal of the Evangelical Theological Society* for seven years.



Formerly an editorial assistant at *Newsweek*, a pastor, chairman of the general education program at Northeastern Bible College, and associate professor of religion at Fordham University, Dr. Bauman is the author of more than 30 articles and eight books, including *Pilgrim Theology*

Taking the Path: of Theological Discovery (Zondervan, 1992); *Roundtable: Conversations with European Theologians* (Baker, 1990); *A Scripture Index to John Milton's De Doctrina Christiana* (MRTS, 1989); *Milton's Arianism* (Verlag Peter Lang, 1987); and editor or co-editor of *Are You Politically Correct? Debating America's Cultural Standards* (Prometheus, 1993), *The Best of the Manion Forum* (MRUP, 1991), and Hillsdale's Christian Vision series.

Preview: As Dr. Michael Bauman reminds us, it is not enough to want to help others—we must help them in the right way, lest we do them harm. The last 30 years of welfare and other government aid to the poor demonstrate how we have forgotten this simple lesson.

Dr. Bauman's remarks were presented at Hillsdale College's Center for Constructive Alternatives seminar, "Morality and the Marketplace," in September of 1993. Other published versions have appeared in the *St. Croix Review* and *Welfare Reformed: A Compassionate Approach* (Nashville: Adroit/PER, 1993).

We think we are doing the right thing.

We think that if we pass laws to raise their wages and lower their rent, if we give generously to help support mothers without husbands and children without fathers, we can aid the poor in their flight from poverty and alleviate much of their distress.

We are wrong.

We forget that good intentions are not enough, and that massive government programs carry unintended consequences. We forget that aiming is not hitting, and that meaning well is not necessarily doing well.

Minimum Wage Laws

First, we think that if we pass laws mandating higher wages for the lowest paid workers, we can increase their income. We forget that the lowest paid workers are normally those with the least skill

and experience and that in the marketplace they are the least desirable of all workers. By artificially elevating their wages, we make them even more undesirable, and make it increasingly unlikely that they can get or keep a job. We forget that a wage is not merely a selling price for a worker; it is a purchase price for an employer. So we pass laws preventing the least desirable workers from selling their services at a price their prospective employers can afford to pay.

We also forget that all workers work not merely for their employer, but for the consumer, and that consumers wisely try to make the most of their money. Nevertheless, due to our desire to be moral and compassionate people, we pass laws requiring employers to pay higher wages to their least desirable workers while, as good stewards of the resources God has given us, we choose not to buy the over-priced products of those who do as the law demands. We put them out of business, which creates more unemployed workers and more poor, when we then foolishly try to help with more minimum wage laws.

Imagine if we decided to prop up the profits of the weakest auto manufacturer in Detroit by passing a law that put a minimum price of \$25,000 on each vehicle it sold. This would dramatically increase the profits it enjoys from every sale. But, despite our good intentions, indeed *because* of our good intentions, that manufacturer would soon go out of business. No matter how much consumers might want to "buy American," very few can or will pay \$25,000 for automobiles comparable to those available elsewhere at half the legally mandated price. The same principle

holds true when that which is being sold is not an automobile but an unskilled employee's over-priced labor. When minimum wage laws are in effect, the choice often is not between the legally mandated wage and some other wage, but between the legally mandated wage and no wage at all.

To such well-intentioned but harmful legislative conniving, no thinking Christian or other religious believer ought to consent. If we want to make the marketplace more moral, or if we want to be agents of effective compassion, minimum wage laws are not the answer. Instead, as Hillsdale College economist Charles Van Eaton argues, we ought to encourage more entrepreneurship. Look at the examples of the late Ray Kroc and Dave Thomas. Far more than any government program ever has or could, the businesses they established—McDonald's and Wendy's—aid the poor as consumers by providing affordable, enjoyable meals outside the home—a privilege once reserved for the wealthy. They aid the poor as workers by providing all-important entry level jobs that allow experience to be gained and critical marketplace lessons to be learned, from the importance of appearance, punctuality, deference, teamwork, integrity and dependability to more sophisticated management and public relations skills. They also offer a modest wage to boot.

Entrepreneurs like Kroc and Thomas understand that you *cannot climb the ladder of success without first getting on the ladder*. They invite the poor to step onto the first rung and begin climbing. Hundreds of thousands of people prosper in precisely this way, all without spending even one tax dollar. Quite the opposite: These novice workers, as they rise from poverty, actually pay into public coffers. At one time or another, nearly *one-eighth* of the entire American work force has been employed by the fast food industry, and of that number, many previously poor workers have gone on to better jobs and a level of prosperity that otherwise would have remained unattainable.

Some even have gone on to own fast food franchises themselves, which in turn help others stepping onto that first rung.

Housing Laws

Second, we think that if we pass laws holding down the costs of urban housing, we can aid the poor by making more inexpensive lodgings available to them, perhaps diminishing homelessness in the process. We forget that a purchase price for a renter is a selling price for a landlord. The more attractive a



"Entrepreneurs like Kroc and Thomas understand that you *cannot climb the ladder of success without first getting on the ladder.*"

price is for the one, the less attractive it is for the other. When landlords are forced to reduce their rents in the face of burgeoning tax and maintenance costs, those landlords wisely decide to allocate their investments in other ways. For example, when rent control ceilings make it unprofitable for landlords to rent their apartments, they often sell those apartments as condominiums and thus escape real estate taxes and the high cost of upkeep. Because the supply of condominiums increases, their selling price tends to go down, thereby aiding wealthy urban dwellers, the only ones who can afford to purchase them. Meanwhile, the price of the apartments still remaining on the market rises because their supply has shrunk.

In order to prevent this from happening, we occasionally pass laws prohibiting land-

lords from taking recourse to condominium conversion. This legislative ban proves counter-productive because it often means: (1) that landlords seek additional payments under the table from their renters, thus making life more difficult for the poor, who can scarcely afford the extra cost; (2) that landlords defer needed maintenance on their decaying buildings, again making life more difficult for the poor; and (3) that landlords get out of the housing business altogether, tear down their apartments and build parking lots—low-maintenance, high-yield investments that serve only those wealthy enough to afford the high cost of owning, operating, and insuring an automobile in an urban location.

We forget that human nature being what it is, people respond to incentives. Instead of passing rent control laws in order to aid our poorer neighbors, we ought to give substantially reduced public utility rates and increased tax breaks to those who establish urban rental housing. This would make such housing more plentiful, more affordable, and more comfortable. In short, if we do anything at all by means of the state, we should do all we can to promote the supply side of the supply and demand equation.

The greater the incentives for property owners, the better it is for landlords. The better it is for landlords, the greater the supply of apartments. The greater the supply of apartments, the lower the price. The lower the price, the better it

is for the poor. And the subsequent increase in urban rental units not only results in lower rental prices for renters but also provides more jobs for those who construct apartment buildings, as well as for those who service them and maintain them.

Welfare Laws

Third, we think that by transferring money as generously as we can afford to the mothers of illegitimate children, we can soften the pains of youngsters without fathers and of mothers without husbands. We forget what insurance companies call the "moral hazard," which is insuring against a disaster in a way that encourages it to happen.

Insurance companies know all too well

that people respond to incentives. If the fire insurance policy on a floundering business pays more money to the owner than the owner can get from operating it, that business may go up in smoke—literally. Likewise, if a life insurance policy pays off so lucratively that the insured's beneficiaries are bet-

"As long as we pay the poor to continue doing the very things that help make them poor in the first place, poor they shall remain."

ter off if the insured is dead, death sometimes results. If medical insurance covers too great a portion of medical expenses, people tend to apply for treatment of illnesses that are hardly illnesses at all, thus tying up doctors and hospitals with relatively trivial cases. In other words, when we reach the point of moral hazard, fire insurance causes fires, life insurance causes death, and medical insurance causes illness. Not surprisingly, insurance companies always try very hard to avoid the moral hazard inherent in insurance.

We don't.

In our rush to do well for households without a male bread-winner, we forget that welfare is poverty insurance, and, as a result, we actually help cause the problem we intend to alleviate. By making illegitimate children a credential for increased financial support, we make certain more illegitimate children are born. And we do so in a particularly amoral way. As Patty Newman, author of *Pass the Poverty*, relates: "Can you imagine my shock when I went into a welfare department and said, 'Do you mean to tell me that a woman can come in here every nine months and begin to get checks for another illegitimate child?' The welfare man said, 'Oh, no, Mrs. Newman, she has to claim a different man as father every time or else she doesn't get the money.'"

And the more illegitimate children a woman has, the more deeply she becomes mired in poverty, and the less likely it is that she can ever extricate herself, despite the money she is given by government. Welfare is, in the words of Robert Rector, an incentive program from Hell. As long as we pay the poor to continue doing the very things that help make them poor in the first place, poor they shall remain.

Put differently, what you pay for is what you get. Because single motherhood is what

we decide to pay for with our tax money, more single mothers are what we get. The tragic fact is that in the last decade or so in America, more than 80 percent of the children born in the urban black underclass were born out of wedlock and without an adult male to accept any financial responsi-

bility for them. Of course, rising illegitimacy is neither a distinctively black nor a distinctively American problem. Sweden, for example, which subsidizes its unwed mothers even more generously than we do, has the highest rate of illegitimacy in the world. Just as when you tax something, you get less of it, when you subsidize it, you get more. Today, we are subsidizing immoral behavior on a grand scale. As a result, immoral behavior flourishes all around us, while those who practice it are harmed. This is no way to bring morality to the marketplace.

Another unintended consequence of our efforts to aid single mothers and their children is that low income husbands are made extraneous. Welfare actually drives them from the home. The average total relief package for a single mother with three children is more than \$19,000 a year—tax free. By comparison, a traditional two-parent family of four with a higher income of, say \$22,500, has only about \$18,000 left after taxes. Poor women might be poor, but they are not stupid. Neither are poor young men, many of whom quickly realize that by their own efforts and means they are unable to provide as well for their families as does their rich Uncle Sam in Washington.

Uncle Sam is exceedingly tough competition. Too many mothers decide not to marry the fathers of their children; they marry welfare instead. Thus government makes cuckolds of millions of American men. As George Gilder, author of *Wealth and Poverty*, once observed, the modern welfare state has persuaded poor fathers that they are dispensable. They believe it; so do the mothers of their children. By means of our so-called compassion and generosity, we send the signal to many thousands of women—especially poor, young women eager to get out of their parents' home and away from their parents' control—that men are most useful

as procreators, not as providers.

To men—especially, poor, young men who tend to live more for the moment than the future—that same signal has a different but equally devastating effect. We teach them that, if they want it, sex is a game they can play for free. No longer is there heavy pressure upon them to face up to the consequences of sex outside marriage. No longer do they feel compelled to work long hours at difficult jobs in order to provide food, clothing, and shelter for the new lives they create or for the financially dependent women who help create them. That tab, young men quickly learn, will be picked up by the government, *provided that they do nothing to help the mother or to assume responsibility.*

With no compelling need to channel time and energy into acquiring useful skills and into applying those skills profitably in the marketplace, increasing numbers of young men simply take to the streets, where life gets boring and then gets much worse. Without work there is no economic prosperity, and without incentives there is no work.

In our misguided efforts to help those lying in the ditch of poverty—to be good Samaritans—we forget that whatever undermines traditional family values, traditional family roles, and traditional family ties undermines society itself. To such moral and social degeneration, we ought never to subscribe. Our first priority, as well as the first priority of any government program of poverty relief, ought to be to stabilize traditional family roles and responsibilities.

False Charity

Fourth, by giving money to the poor, we think we simply are aiding and comforting the unfortunate in their time of difficulty. We forget that giving good gifts is an exceedingly difficult endeavor and that poverty is not always itself the problem; it is often the symptom of another prior problem. That is, if poverty (the lack of money) really were what ails the poor, supplying vast amounts of money surely would alleviate it. But after thirty years of Great Society-style, "War on Poverty" welfare programs—programs that have transferred (in 1990 dollars) more than \$3.6 trillion to the poor—poverty is still winning. We ought to think about that for a minute: In the last thirty years, we gave a million dollars to America's poor nearly

four million times over, yet all the while poverty got worse. If the money earmarked for poverty relief in this year's federal budget alone were given to the poor directly, we would have enough funds to raise every man, woman, and child in America above the poverty line and have a cool \$60 billion left over to celebrate our victory.

Poverty is *not* primarily a lack of money; it is a lack of something else. While we throw record amounts of money at the problem, we forget that of the many reasons why people are poor, relatively few truly lie outside their own control or require external remedy. And because of this lapse, we fail to convince the poor that the surest way to get ahead in modern America is precisely the way their forefathers did it: Get a good education (which includes a mastery of English and math); work hard; save money; and invest.

Instead, we tell the poor that in order to get ahead they need to demand more money from government, as if financial improvement were a public entitlement, not a pri-

work, diligence, ingenuity, sacrifice, and postponed gratification.

At our hands, then, the poor are convinced that they are poor primarily because of reasons they cannot change and over which they have no control. We teach the poor to be prejudiced themselves—prejudiced against the prosperous. That prejudice proves morally and economically debilitating. We blame poverty on prejudice and then promote prejudice among the poor. It is no wonder that many of the poor simply give up.

We forget not only that ideas have consequences, but that bad ideas have bad consequences. We forget that real poverty is at least as much a state of mind as it is a state of income. We also forget to tie our charity more securely to the sincere efforts of the recipient. We mistakenly decide to give aid to all the poor rather than to the deserving and industrious poor, that is, to those who are poor through no fault of their own, or whose escape from poverty can never be accomplished by their own efforts. In doing

the deserving and the undeserving poor, we teach others that poverty is an entitlement, a credential, and that the blessings of life and labor are ours for the asking or for the demanding, regardless of our contribution. People who believe this perverse message can never grow to be productive citizens. They are doomed to be mere wards of the state, forever impoverished in spiritual as well as material terms.

True Charity

The welfare state not only tempts its recipients with nearly irresistible perverse incentives, it seduces those outside it as well, especially those who seek to administer it and those who pay for it. The German economist Wilhelm Röpke wrote:

"To expand the welfare state is not only easy, but it is also one of the surest means for the demagogue to win votes and political influence, and it is for all of us the most ordinary temptation to gain . . . a reputation for generosity and kindness. The welfare state is the favorite playground of a cheap sort of moralism that only thoughtlessness shields from exposure. . . . Cheap moralism is anything but moral."

We appear to be virtuous when we really are rather lazy "do-gooders" content to let the welfare bureaucrats handle all that "poverty unpleasantness" for us. We say, "Ah, but at least we 'feel good about ourselves.'" More frequently than we care to admit, our poverty programs are thinly veiled efforts to enhance our self-esteem and to assuage our consciences by means of state programs. To imagine that by such shallow and self-gratifying efforts we can eliminate human poverty is shameless hubris, not charity and grace. The size of the federal budget is by no means an indicator of Christian compassion.

On many fronts and in many ways, our poverty programs fail to reduce poverty. What is worse, they tend to injure the very persons they are designed to aid. Because we fail to incarnate our good intentions with effective, well-conceived public policy, because, in the words of George Mason University economist Walter Williams, we fail to realize that truly compassionate public policy requires dispassionate analysis, and because we choose to think with our hearts instead of our brains, much of the blame is

"The size of the federal budget is by no means an indicator of Christian compassion."

vate achievement, and as if the modern poor were somehow incapable of succeeding by using the same means countless other Americans have used in the past. Then, apparently in an effort to waive the responsibility of the poor to make their own lives better and to lighten the "burden" such responsibility entails, we tell the poor that they are poor because the wealthy oppress them. In other words, we teach the poor to blame their poverty on prejudice.

In a perverse sort of way, of course, we are right. Indeed, prejudice *does* lead to poverty, though not always in the way we expect or explain. We convince the poor that the prosperous prosper only at someone else's expense and usually by deceit and because of greed. Not only are such insulting generalizations untrue and instances of bearing false witness against our neighbors, they are crippling to the poor. If the poor believe that most wealthy people are exploiters and thieves who squash other people into poverty for personal gain, they will not be likely to climb the ladder of economic success. They will remain poor because they do not respect or try to emulate the achievement of others and because they are blind to the real path the wealthy typically take to success—hard

so, we ignore St. Paul's prudent scriptural principle: "If a man will not work, he shall not eat." (2 Thess. 3: 10, NIV).

We should remember that Christian love does not squander either its resources or itself in reckless disregard of individual character and actions. By obliterating the distinction between the deserving and the undeserving poor, we run contrary to the will and practice of God, who treats the undeserving poor as objects not of mercy but of wrath. In other words, we forget that real love helps those who cannot help themselves, and that it refuses to subsidize sluggardliness or indolence by doing for others what they can and ought to do for themselves. Christian love operates upon the premise that the defeat of poverty is a joint effort, or common endeavor, between the "haves" and the "have nots," not a unilateral thrust by the "haves" only. The recipients of Christian charity ought to be either diligent workers or else unable. The undeserving poor must get nothing from their Christian neighbors but exhortation. To subsidize them is to make way for dependency and indolence, not prosperity. Worse, it is to do them moral injury.

As long as we fail to distinguish between



Alaska State Legislature

Please enter into the record my testimony to the HSSS
committee name

committee on HB409, dated 2-22-94
bill/subject

Good Afternoon. My name is Joni Whitmore -- I am the Child Care Programs Coordinator for South Peninsula Women's Services, in Homer. I administer the Day Care Assistance Program, the At-Risk Assistance Program, the Transitional Child Care benefits program, and the Child care food program for the lower kenai peninsula.

With respect to this bill:

- I believe the largest impediment to moving families off welfare is the loss of health insurance. Minimum wage jobs and child care assistance will not afford parents the ability to purchase private health insurance - and many will stay on welfare until this choice/dilemma changes.
- I do believe however it is important for welfare recipients to have an opportunity to earn wages from meaningful work experiences - experience they can begin to build a bridge to a higher paying occupation and a career.
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- I don't support creating another regulatory bureaucracy to move legislation like this beyond a pilot project. As a lesson to us... the TCCB has enormous potential to give working parents a jump start off welfare. As program administrator however, my experience has been that the red tape surrounding the application process(ing) has prevented us from serving very many people thus far (at considerable expense given all the agencies involved).
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- fulltime students working for degree/or increased employability should be waived.

Signed: Joni Whitmore Joni Whitmore
Testifier

South Peninsula Women's Services
Representing (Optional)

3776 Lake St. Suite 100
Address

907 235-7712
Phone No.

RECEIVED 2/11/94



Representative Mark Hanley Alaska State Legislature

MEMORANDUM

TO: Representative Cynthia Toohey, Chair
House Health, Education & Social Services Committee

FROM: Representative Mark Hanley *MA*

RE: HB 409 "A bill relating to public assistance"

DATE: February 4, 1994

This memo is to respectfully request a hearing on HB 409 in the House Health, Education & Social Services Committee at your earliest possible convenience.

It's been said the best way to reform welfare is to get people off welfare. What most Americans want from the welfare system and what most welfare families want, are the same things -- job training and work, self-sufficiency and pride. According to a recent survey by the state Department of Health and Social Services, 88% of AFDC clients in Alaska said they'd rather work than be on welfare.

HB 409 is intended to be a vehicle for discussion on welfare reform. The bill removes disincentives to work in the welfare program and provides positive incentives in their place. It directs the Department of Health and Social Services to apply for a waiver from the usual provisions governing AFDC programs to experiment with changing behavior. To that end, HB 409 establishes a "workfare" demonstration project. Able-bodied recipients must work for pay, perform community service or their benefits are reduced. The bill includes such things as higher income disregards, higher vehicle allowances and child care assistance to make it easier for welfare recipients to work.

The bill's language on the demonstration project does not change state law. It simply guides the Department of Health and Social Services in exercising its authority to apply for waivers to the welfare program. Also included in the bill is an adjustment to the benefit formulas to control rising costs.

America is ready to "end welfare as we know it". Other states are using waiver projects to develop alternative welfare programs. It's time for Alaska, with its growing welfare rolls and dwindling revenues, to step up to the plate.

HB 409 is an important piece of legislation -- a step toward rewarding hard work and breaking the cycle of dependence on welfare. Your earliest possible attention to scheduling HB 409 in House HESS, would be greatly appreciated.

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2929
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 31, 1994

SUBJECT: Sectional Summary of HB 409, a bill relating to public assistance. (8-LS1211(K))

TO: Representative Mark Hanley

FROM: Terri Lauterbach
Legislative Counsel 

JAN 31 1994

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1.

Decreases payment rates for aid to families with dependent children (AFDC).

Sec. 2.

Returns the payment rates for AFDC to their current levels in 1999 (when the demonstration project of secs. 4 - 9 is also ended.) (See sec. 11 for the 1999 effective date for this section.)

Sec. 3.

Decreases payment rates for adult public assistance (APA).

Sec. 4.

Directs the Department of Health and Social Services to seek waivers from the federal government to implement as much of the demonstration project as possible.

Sec. 5.

Describes the types of waivers DHSS must apply for in relation to earned income disregards, the "100-hour rule" for unemployed parents, and automobile allowances.

Sectional Summary - Legal Services

Sec. 6.

Describes the type of "workfare" program that the department must seek a waiver to implement.

Sec. 7.

Describes the type of municipalities the department must choose to operate the demonstration project in.

Sec. 8.

Requires state agencies to cooperate with the department.

Sec. 9.

Contains definitions for important terms.

Sec. 10.

Repeals the demonstration program and the changes in adult public assistance rates in 1999.

Sec. 11.

Operates to repeal the changes in AFDC payment rates in 1999.

Sec. 12.

Gives an immediate effective date to the section under which the department is directed to apply for waivers.

Sec. 13.

Makes the demonstration project and the decreases in AFDC and APA rates effective upon receipt of federal approval of the waivers applied for by the department under sec. 4.

Sectional Analysis
House Bill 409
Prepared by the Department of Health and Social Services
Division of Public Assistance
February 9, 1994

House Bill 409 amends existing statutes for the Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA) programs. This legislation authorizes the Department of Health and Social Services to seek federal approval to operate an AFDC demonstration project under the authority of section 1115 (b) of the Social Security Act, authorizes imposition of certain modified AFDC eligibility criteria and establishment of a mandatory, uncompensated work program in the project area, and establishes ratable reductions in benefit payments in the AFDC and APA programs.

Section 1 establishes ratable reductions of about 1.8 percent in the maximum monthly AFDC payment to most families. Maximum payments for children living with a non-needy relative are reduced by a lesser amount to avoid reducing payments for 2 children below the federally established minimum of \$550 (the amount payable to such family units in May, 1988).

Section 2 restores the AFDC payment maximums to current levels at the end of the project. Section 11 establishes an effective date of June 30, 1999 for section 2.

Section 3 establishes a reduction of 1.7 percent in the amount of Adult Public Assistance payable to a needy aged, blind, or disabled recipient who also receives federal Supplementary Security Income benefits. Benefits to APA recipients who do not receive SSI benefits would be reduced by the same dollar amount as payments to a similarly situated SSI recipient.

Section 4 directs DHSS to seek authority from the federal government to operate a demonstration project. This section provides for a demonstration incorporating only the approved provisions if the federal government does not approve all of the provisions of the proposed project.

Section 5 makes certain changes in AFDC eligibility provisions for purposes of operating the demonstration project authorized under section 4:

Subsection 1 provides for an increase in work incentives for AFDC family members by increasing the current federally-set earnings disregard from the current short-term earnings disregard of \$30 plus one-third of the remainder disregard to \$200 plus one third of the remainder for 24 months.

Subsection 2 waives the federal AFDC-Unemployed Parent "100-hour rule" that currently disqualifies two-parent families with a full-time worker regardless of the family's income.

Sectional Analysis - Prepared by DHSS

Subsection 3 waives the federal vehicle equity limit that disqualifies families who own a single vehicle worth more than \$2500, and substitutes a modified rule that allows AFDC families to own a combination of vehicles worth up to \$5,000 before their value is counted in the \$1000 maximum resource (asset) test.

These modified requirements of section 5 apply only to AFDC families living in the project area defined by section 7.

Section 5 is repealed at the end of FY 99 under the sunset provision in section 10.

Section 6 establishes a "Workfare" requirement as part of the demonstration project.

Subsection (a) requires adult AFDC recipients in the demonstration project to participate in Workfare activities for 21 hours per week and requires DHSS to penalize individuals who fail to participate as required by deleting their needs from the AFDC payment.

Subsection (b) establishes exemptions from the Workfare requirements for certain individuals, including:

- Individuals who are employed at least 10 hours per week (if working less than 10 hours, work time is credited toward the 21 hour requirement)
- Individuals who are participating in a Job Opportunities and Basic Skills training (JOBS) activity operated under the state JOBS program or a JOBS program operated by an Alaska Native organization
- Individuals who are exempt from participating in the state JOBS program
- Individuals determined by DHSS to be physically or mentally incapable of performing Workfare activities.
- Subsection (c) prohibits DHSS from requiring individuals to participate in Workfare unless DHSS agrees to pay for any necessary child care and transportation expenses.

The requirements of section 6 are repealed at the end of FY 99 under the sunset provision in section 10.

Section 7 defines the project area for the demonstration.

Section 8 requires other state agencies to cooperate with DHSS to

implement the demonstration project.

Section 9 defines basic terms, defines the basic scope of the project, and authorizes DHSS to establish the project area within the constraints of section 7.

Section 10 sunsets the project and the APA ratable reductions at the end of FY 99.

Section 11 restores the current AFDC maximum payment levels at the end of FY 99.

Section 12 provides an immediate effective date for section 4, which directs DHSS to seek federal authority to operate the project.

Section 13 makes the effective date for the reductions in benefit level and the operation of the demonstration project contingent upon federal approval of the demonstration.

FISCAL NOTE ANALYSIS
HOUSE BILL 409

Prepared by the Department of Health and Social Services
Division of Public Assistance
February 9, 1994

	FY95	FY96	FY97	FY98	FY99	TOTAL
OPERATING EXPENDITURES						
AFDC Payments - Project	0.0	276.5	(413.8)	(957.6)	(2453.3)	(3,548.2)
PA Administration	142.1	159.1	144.1	144.1	174.1	763.5
Eligibility Determination	0.0	563.1	644.1	644.1	644.1	2,495.4
PA Data Processing	309.1	376.1	183.9	183.9	183.9	1,236.9
Child Care Benefits	0.0	614.4	1228.8	1228.8	614.4	3,686.4
Alaska Work Programs	0.0	155.9	189.5	189.5	94.8	629.7
Medical Assistance	0.0	(15.8)	(284.7)	(503.3)	(465.2)	(1,269.0)
Net Project Expenditures (General Fund)	451.2	2,129.3	1,691.9	929.5	(1,207.2)	3,994.7
RATABLE REDUCTION SAVINGS						
AFDC/APA - GF Match /GF	(829.5)	(1742.2)	(1829.4)	(1920.8)	(2016.7)	(8,338.6)
AFDC - Federal Receipts	(526.6)	(1106.4)	(1161.8)	(1219.9)	(1280.7)	(5,295.4)
AFDC/APA - I/A Receipts (PFD Hold Harmless)	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	(1,260.3)

WALTER J. HICKEL, GOVERNOR

Theodore A. Mala, Commissioner

DEPARTMENT OF HEALTH AND
SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

P.O. BOX 110640
JUNEAU, ALASKA 99811-0640
PHONE: (907) 465-3347

February 9, 1994

FEB 9 1994

The Honorable Mark Hanley
House of Representatives
State Capitol Building, Room #515
Juneau, AK 99801-1182

Dear Representative Hanley:

We have reviewed House Bill 409 and we offer the following comments and suggestions with regard to the language of the bill:

Section 4: This section directs DHSS to implement the project if only part of a request to operate it is approved. There is no direction to operate a project if all aspects of the proposed demonstration are approved.

Furthermore, there is no provision for the Department to use discretion in the event of partial approval. Partial approval could conceivably result in a set of approved criteria that do not make sense. We would prefer to have the authority to exercise discretion in the event that some aspects of the project are not approved.

Section 5: In subsection (1), the phrase "after the date of the assistance unit's application for AFDC" seems to direct DHSS to apply the increased disregards only to new or recent applicants. If that is your intention, the language appears adequate. If your intention is to have the increased disregard apply to all applicants and recipients living in the project area, this phrase should be deleted.

Section 6: The language in subsection (a) appears to require DHSS to mandate Workfare participation by all individuals not exempted under subparagraphs (b) or (c).

The Honorable Mark Hanley
February 9, 1994
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DHSS does not expect to have a suitable Workfare assignment available to all such individuals at all times, and may wish to require certain other activities (such as job search) prior to assigning people to Workfare. We would prefer language which requires individuals to participate if assigned by DHSS. You may also wish to include language that requires DHSS to develop the workfare slots.

Section 7: In defining the project area, the bill uses the term municipality. To the best of my understanding, the only municipalities in the state are Anchorage, the City and Borough of Sitka, and the City and Borough of Juneau. You may wish to amend this language.

Section 11: This section restores AFDC maximum payment levels at the termination of the project. We presume you wish this change to take effect at the beginning of FY 00. If so, the correct effective date would be July 1, 1999.

Section 13: This section sets the effective dates of both the demonstration policy waiver provisions and the AFDC and APA benefit reductions as the date of federal approval of the application to operate the demonstration project. This section creates questions about project funding and implementation.

After discussion with your staff about your intent, we have developed our fiscal notes based on an assumed effective date for the ratable reductions of January 1, 1995 and an assumed effective date for the operation of the demonstration of January 1, 1996.

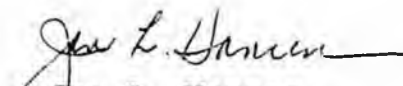
It is our understanding that you desired the savings produced by the ratable reductions to offset project costs each year, beginning with FY 95 costs. It is therefore essential that the ratable reductions be imposed in FY 95. You may also wish to include a provision to repeal the ratable reduction before FY 00 if for any reason the project does not become operational.

Because we cannot predict when final federal approval of the demonstration might be secured, and because substantial time for pre-implementation system and policy development will be essential, we established a January 1, 1996 as a feasible start date for field operation of the project. We would prefer to see the language of the bill modified to take development time into account.

The Honorable Mark Hanley
February 9, 1994
Page 3

Child care costs: We have identified what appears to be a major oversight in the costing of the project. We plan to have over 500 additional recipients working in FY 96, and over 1000 working in FY 98. A significant number of these families will need child care assistance in order to work. We have not planned for any additional funding for child care benefits for working recipients. I would be pleased to discuss with you possible approaches to this problem.

Sincerely,


Jan L. Hansen
Director

Welfare in Alaska—Help or Hindrance to Self-Sufficiency?

by Cristina Klein

There is a simple but revealing tale set in Japan which explores the nature of truth. In this story, the tale of Rashomon, four individuals witness the same event—a death on the road which they are traveling. Later, when these witnesses recount what they have seen to the police, four vastly different stories emerge. Was it a suicide or murder? If murder, by whom?

Beliefs about welfare and how it should work are like the contrasting "truths" in the tale of Rashomon.

A working person who has never applied for welfare may see the system as an unfair dole to people too lazy to work. Someone without skills and with little work experience, newly separated, with two young children, may see welfare as her salvation, keeping her family off the streets. An eligibility technician in a welfare office with a growing caseload may see welfare as a frustrating complex of regulations to wade through while attempting to help clients. And in the various states, policy makers express their views about welfare in poli-

Cristina Klein is a Project Coordinator with the Alaska Department of Health & Social Services. She has previously worked as a Labor Economist for DOL/Research and Analysis, and as a writer, social worker, business owner and Peace Corps Volunteer. Her article, "Is There a Nurse in the House?" appeared in the December 1987 *Alaska Economic Trends*.

Welfare in Alaska

Aid to Families with Dependent Children (AFDC) is known simply as welfare. Some facts about welfare in Alaska:

- * The AFDC program provides support to needy children. Grants are given to families because this is the most efficient way to deliver financial aid.
- * The AFDC-Basic program helps low income families deprived of one or both parents. AFDC-Unemployed Parent (UP) provides cash assistance to families with both parents in the home.
- * AFDC participation makes members of households eligible for Medicaid and energy assistance.
- * In 1993, a household comprised of a mother and two children receives \$950 a month or 79% of the federal poverty level for Alaska.
- * \$814 was the average AFDC payment in August 1992.
- * Each month in 1992, about 11,000 families in Alaska received AFDC assistance. Family members included about 12,000 adults and about 20,600 children, a total of about 32,600 individuals.
- * Between FY 84 and FY 91, roughly 67% of AFDC families received AFDC for less than two years.
- * In FY91, 45% of all AFDC families served had only one child. Only 9% of AFDC families had more than three children.
- * Child support payments for AFDC families reimburse state and federal AFDC programs and partially fund the Alaska Department of Revenue's Child Support Enforcement Division. AFDC clients are allowed the first \$50 of child support payments as a collection incentive.
- * The federal government pays 50% of the Alaska AFDC program costs for both clients' benefits and for program administration.
- * The federal government requires states to provide education, employment and training services to AFDC recipients. Alaska provides these services through the Job Opportunities and Basic Skills (JOBS) program.
- * AFDC-UP was federally mandated for all states by October 1, 1990. Alaska began including two parent households in AFDC on October 1, 1990.

Table 1

**AFDC Caseload and Expenditures
August 1992**

	AFDC-Basic Cases	AFDC-UP Cases	AFDC Total Cases	AFDC Avg. Expenditure	AFDC Total Expenditure
<i>*SC/South Central includes Kodiak, Dillingham, Nome, Kotzebue and Aleutian Chain.</i>	Anchorage	458	4,566	\$826	\$3,772,077
	Fairbanks	151	1,212	793	961,518
	Wasilla	232	1,219	838	1,021,887
<i>**NW/Northern Region includes Fairbanks, Ft. Yukon and surrounding areas.</i>	Southwest Region	315	938	808	757,641
	Kenai	111	751	800	601,133
	Juneau	66	537	754	404,834
<i>Source: Alaska Department of Health & Social Services, Division of Public Assistance.</i>	South Central Field*	68	478	781	373,366
	Ketchikan	48	480	809	388,428
	Northern Region Field**	78	390	850	331,477
	Nome	55	260	833	216,495
	Kotzebue	52	236	762	179,928
	Sitka	11	97	825	80,384
	Total	1,645	11,164	\$814	\$9,089,168

AFDC Self-Sufficiency Project

The Alaska Department of Health and Social Services/Division of Public Assistance is conducting the Aid to Families with Dependent Children Self-Sufficiency Project, a one year study of strategies for helping AFDC clients become self-sufficient. The project is also looking at ways to reduce or to contain AFDC program costs.

The study is composed of:

- 1) A survey of AFDC clients' and staff's perceptions of barriers to self-sufficiency. Forty AFDC clients were interviewed in person, another forty were interviewed by phone, and over 1,000 randomly selected clients were mailed an extensive questionnaire. This statistically valid survey focused on barriers to employment, ideas for changing the welfare system, and the kind of help clients need to get jobs and move off welfare.

AFDC clients returned 48% (485) of the mailed questionnaires.

All eligibility technicians, JOBS staff and Native JOBS staff were mailed questionnaires with questions about clients' barriers to self-sufficiency. About 50% (181 questionnaires) were returned.

- 2) Focus group meetings. The project coordinator held eleven focus group meetings on the barriers to self-sufficiency. Meetings were held with AFDC clients and staff, JOBS clients and staff, and Native JOBS clients and staff. Meetings were held in Juneau and Anchorage. About 175 people attended these meetings.
- 3) An analysis of the federal process (called a Section 1115 Waiver) which Alaska would have to undertake in order to run a demonstration project exempt from the usual federal provisions governing the AFDC program.
- 4) An analysis of the AFDC waiver demonstrations proposed or carried on by other states.
- 5) A review of rural job possibilities for AFDC clients that might be developed with other agencies.

The Self-Sufficiency Project will produce an interim report in early 1993.

cies which range from the innovative to the punitive.

Self-Sufficiency project seeks answers

The Alaska AFDC Self-Sufficiency Project set out in May of 1992 to find out about welfare. Does it create a group of dependent people with no incentive to work? Is the system a nightmare of regulations and forms? How can the welfare system help recipients get jobs and become independent of the system? And how can the system reduce or maintain costs in a time of growing caseloads—a problem fit for a sage to ponder.

The project surveyed AFDC clients and staff and looked at the innovative programs which other states are undertaking to find new ways to promote self-sufficiency.

Table 1 gives the number of AFDC clients and program costs by district in August, 1992. Table 2 shows AFDC recipients' length of stay in the program.

Poverty is growing in Alaska and the U.S.

According to the U.S. Bureau of the Census annual poverty report, *Poverty in the United States: 1991*, the number of poor is at its highest level since anti-poverty programs began in the mid-1960s. The number of Americans living below the poverty line in 1991 was 35.7 million, or 1 in every 7 Americans. In 1991, 35.4 million Americans (14.1%) had no medical insurance.

One of the primary reasons given for the national increase in poverty is the increasing number of people in low wage jobs which do not provide medical benefits. In the 1960s and 1970s, the earnings of a full-time, year-round worker in a minimum wage job typically exceeded the poverty level for a family of three. In the 1980s, that changed.

Nationally, the minimum wage for a full time worker would have to be raised to \$5.40 to equal the poverty level for a family of three. In Alaska, the minimum wage would have to be raised to \$7.20 for a family of three in order to equal the poverty level (\$1,205) set for that family size by the federal government. At the current minimum wage level of \$4.75 in Alaska, a wage earner with two dependents would be earning just 66% of the poverty level.

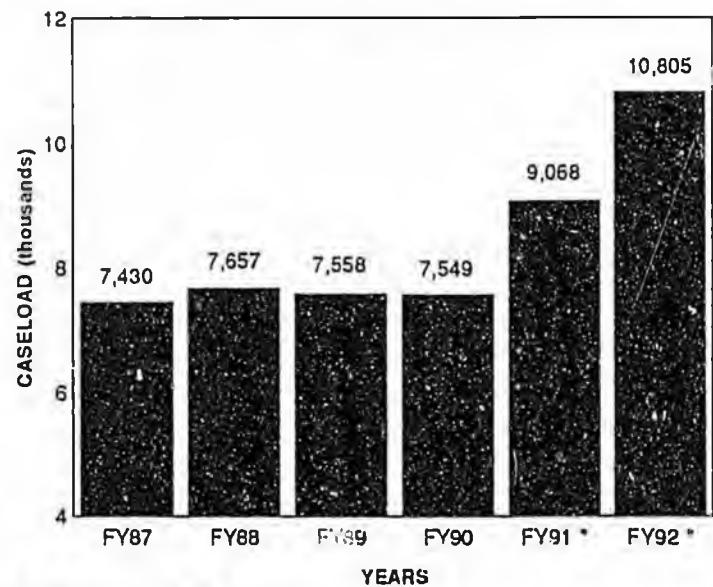
Length of Stay Summary
January 1, 1992

Length of Time on AFDC	# of Clients	Percentage
1-12 Months	2,800	28.9
13-24 Months	1,997	20.6
25-36 Months	1,183	12.2
37-60 Months	1,716	17.7
Greater than 60 Months	2,007	20.7
Total	9,703	

Source: Alaska Department of Health & Social Services, Division of Public Assistance.

Figure • 1

AFDC Program Average Caseload in Alaska by Fiscal Year—1987 to 1992



*AFDC-UP (two parent) added in October 1990.

Source: Alaska Department of Health & Social Services, Division of Public Assistance.

Table • 3

**AFDC-UP in Alaska and Western States
(As a % of total AFDC)**

State	Recipients				Families			
	AFDC-UP	% of Total	Basic	% of Total	UP	% of Total	Basic	% of Total
Alaska	6,645	22.2	23,245	78.8	1,449	14.3	8,710	85.7
California	480,611	21.3	1,775,530	78.7	114,213	14.5	647,097	85.5
Oregon	15,884	13.6	100,897	86.4	3,826	9.2	37,708	90.8
Washington	58,469	21.7	210,666	78.3	13,827	14.6	80,974	85.4

Source: Alaska Department of Health & Social Services, Division of Public Assistance.

In 1991, 11.8% of Alaskans were living below the poverty line. About 5% of Alaskans, or less than half of those living below the poverty line, were recipients of AFDC.¹

¹AFDC-UP added in October, 1990.

AFDC caseloads on the rise

Alaska is experiencing a phenomenon common to most other states. AFDC caseloads have been growing dramatically since 1990. This increase is

due to both the growth of Alaska's population and to the national recession. The growth in Alaska's caseloads correlates closely with a national trend of increasing caseloads.

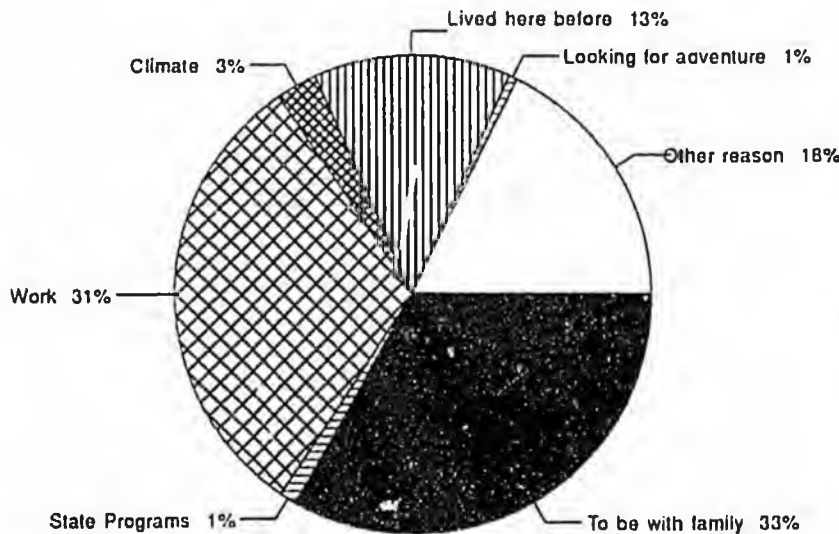
Another significant reason for the increase in caseloads has been the federally mandated addition of two parent households (AFDC-UP) in October, 1990. This mandate was contained in the Family Support Act (FSA) of 1988, a major package of federal welfare reform legislation designed to promote family self-sufficiency. About half the states were providing AFDC to two parent families before the mandate of the Family Support Act in 1988.

Alaska's addition of AFDC-Unemployed Parent (UP) households in October, 1990, accounted for over half the increase in the state's caseloads in 1991-92. Average AFDC caseloads grew by 43% from the 1989 level to the 1992 average caseload level. AFDC caseloads in virtually every other state grew during this period. (Nationally, there were 4,973,200 families receiving AFDC in June, 1992.)

Sustained caseload increases correlate closely with periods of economic downturn in Alaska. Following the boom of the oil pipeline construction which ended in 1976, the Alaskan economy went into a recession. AFDC caseloads at this time (1977-80) increased dramatically. From 1981 until 1984, AFDC caseloads decreased. When oil revenues fell in 1985, AFDC caseloads again increased sharply until 1988. Caseloads then leveled off and decreased in 1989.

Figure • 2

**Primary Reason for Coming to Alaska
Field Operations Client Survey**



Note: Although 13% gave "lived here before" as primary reason, 24% of total respondents had actually lived in Alaska before.

Source: Alaska Department of Health & Social Services, Division of Public Assistance.

Figure 1 shows the average caseload growth of AFDC in Alaska from 1987 through 1992. Table 3 shows that AFDC-UP makes up about the same percent of AFDC costs for Alaska, Washington, Oregon and California.

Are people coming to Alaska to collect welfare?

Two studies say no.

Two recent surveys have been conducted by the Alaska Department of Health and Social Services/Division of Public Assistance. The first is an anonymous questionnaire given to new applicants for AFDC to find out if AFDC applicants are coming to Alaska to collect benefits.

This survey shows that being with family, previous residence in Alaska and work are the primary reasons new applicants give for coming to Alaska. Figure 2 gives the results of the field survey.

The second confidential questionnaire was given to over 1,000 clients through the AFDC Self-Sufficiency Project in July, 1992. The primary reasons given for coming to Alaska were that recipients used to live here, that their families live in Alaska, that the quality of life in Alaska is better than in other places, and that work is abundant in the state. Figure 3 shows the results for both rural and urban clients.

Does Alaska pay too much to welfare clients?

That depends on who you ask. Ask a typical client, a mother with two children, who is trying to pay rent and expenses on \$950 a month, and surely the answer will be no. Ask a government employee whose job provides the security of a reasonable wage, excellent medical coverage, and a pension plan. The answer may well be yes.

But the reality which continues to emerge from the Self-Sufficiency Project study is not that welfare pays too much. Rather, it is that low paid jobs simply do not pay enough for a family to live on. And this situation is exacerbated by the lack of medical coverage.

Alaska pays about 79% of the federally determined poverty level to a typical AFDC family of three. Approximately 50% of the funds for grants to recipients and for administration of the AFDC

program is paid by the federal government. About 60% of these recipients also receive food stamp assistance, and about a third of AFDC families receive housing assistance.

Figure 4 compares the federal poverty level for Alaska with AFDC grants in the state in 1993. Figure 5 compares maximum AFDC benefits for a family of three in the ten states which pay the highest AFDC grants. Table 4 gives the American Chamber of Commerce Research Association (ACCRA) Cost of Living Index.

Does welfare discourage work?

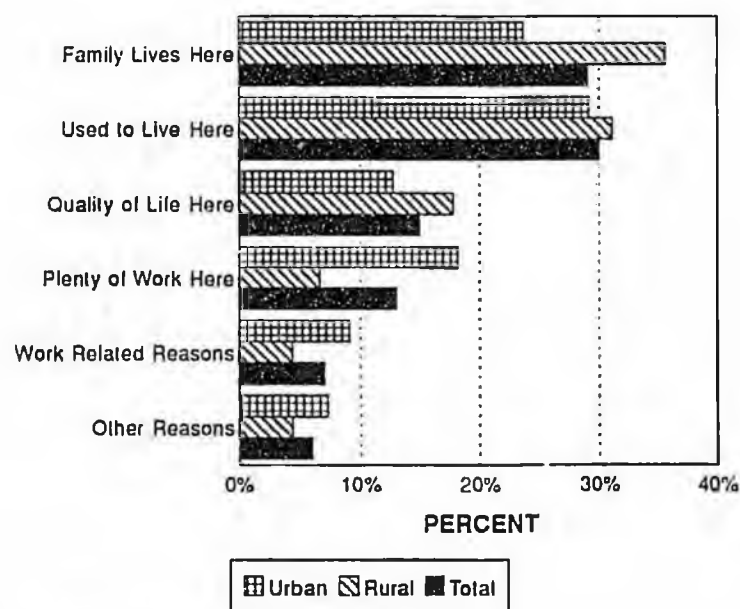
In some ways it does.

Some federal regulations are an albatross around the state's neck because they discourage work. These regulations are:

- ✓ The 100-hour rule. This rule limits an unemployed parent in a two parent (UP) household to 100 hours of work a month in order to remain eligible for AFDC. If the parent starts working full time, he or she becomes ineligible for AFDC and Medicaid even if she or he earns less than the AFDC grant.

Figure 3

Primary Reason for Moving to Alaska
Client Survey/Self-Sufficiency Project



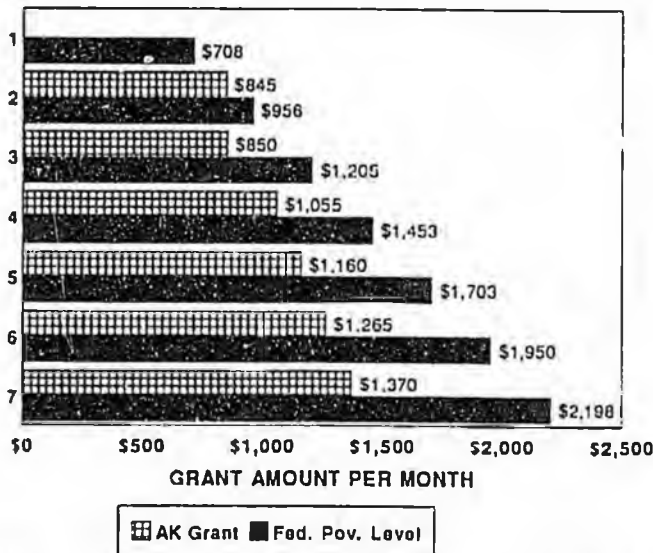
Note: Based on 485 client responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance Self-Sufficiency Project.

Figure • 4

Alaska* Grants Below Federal Poverty Level

FAMILY SIZE

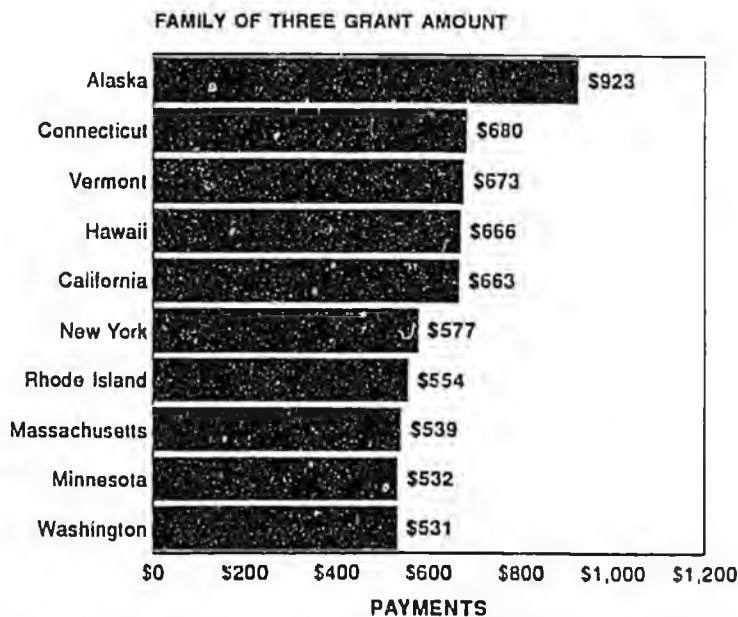


*The Alaska Legislature has appropriated an annual Cost of Living Allowance (COLA). These figures revised November 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance.

Figure • 5

AFDC Benefits in States with Highest Grant Levels—January 1992



Source: Congressional Resource Service, Center on Budget and Policy Priorities, Center on Social Welfare Policy and Law.

✓ The resource limit. AFDC clients can only have assets or cash holdings of up to \$1,000. This low savings limit puts clients in a precarious position when leaving the security of the AFDC program. Some states have sought waivers from this regulation while other states are creating escrow accounts to allow recipients to save funds which can only be tapped after they leave AFDC.

✓ The vehicle limit. Families are allowed to own one vehicle worth no more than \$2,500 (if family has no assets). Such vehicles are in frequent need of costly repairs. Unreliable transportation is also a barrier to recipients seeking and keeping jobs and getting children to day care.

✓ Low earned income "disregards". These disregards are earnings which are not counted against the AFDC grant when a recipient works. For AFDC clients working at jobs paying close to the amount of the AFDC grant, this policy provides little incentive to work. Some states are operating demonstrations which allow recipients to keep more of their earned income without losing their grant. These policies encourage work and make the transition from AFDC to work easier.

✓ Transitional medical benefits. Welfare recipients who become employed are now eligible for one year of transitional Medicaid coverage as they leave the AFDC program. Some states are allowing target groups of recipients two years of transitional Medicaid rather than the current one year. The loss of medical coverage is a major concern of AFDC clients when they try to leave the AFDC program.

Most clients want to work

On the Self-Sufficiency Project questionnaire, 88% of clients responding said they would prefer working to receiving AFDC.

In focus groups, clients said the same thing.

AFDC recipients want to work, but they stress that the available jobs pay too little and usually do not offer medical coverage. The cost of day care, generally about \$400 per child, is another barrier for AFDC clients who want to work.

ACCRA Cost of Living Index
First Quarter 1992—10 High Cost Urban Areas

City	Index	Grocery	Housing	Util.	Trans.	Health
1. New York, NY	219.1	141.4	394.2	196.1	127.9	209.9
2. ANCHORAGE, AK	131.0	132.1	141.1	98.5	106.9	178.5
3. KODIAK, AK	145.7	160.6	156.8	172.8	112.2	171.4
4. FAIRBANKS, AK	129.8	125.5	123.2	149.7	115.7	189.9
5. JUNEAU, AK	133.1	137.7	131.7	157.6	129.9	182.2
6. Los Angeles/Long Beach, CA	132.6	107.7	185.3	80.0	119.6	136.5
7. Palm Springs, CA	120.3	106.5	136.8	107.2	118.1	132.9
8. Baltimore, MD	122.3	136.0	118.1	145.8	126.0	126.4
9. Washington, DC	134.4	118.6	175.8	113.7	130.4	142.2
10. Albany, NY	114.2	110.8	119.8	128.2	104.4	112.5

Source: American Chamber of Commerce Research Association (ACCRA).

Common barriers to employment

Figure 6 shows what AFDC clients consider to be the primary barriers to employment. (There may be other barriers to employment such as substance abuse which were under-reported by AFDC clients on the survey results.)

Focus groups were held in Anchorage and Juneau on the topic of AFDC clients' obstacles to work. AFDC clients and staff, AFDC/JOBS clients and staff, and AFDC/Native JOBS clients and staff stated the same points over and over again:

- ✓ Jobs don't pay enough.
- ✓ Clients fear the loss of medical coverage.
- ✓ Day care is too expensive and often unreliable.
- ✓ Clients need basic education, skills and experience.
- ✓ There are no jobs available in rural Alaska.

JOBS training program comprehensive

The Job Opportunities and Basic Skills (JOBS) Training Program, created by the Family Support

Act (FSA) of 1988, addresses the need for skills training, basic education, and work experience which AFDC clients list as primary barriers to becoming employed and getting off welfare. The JOBS program is a federally mandated welfare-to-work program which is currently funded to serve a small percentage of AFDC clients.

JOBS case managers work with participants to identify employment goals and needed job skills. Personal and family needs are also identified and addressed in support groups and with supportive services.

Natives have their own JOBS program

The Family Support Act offered Alaska Native regional corporations the option of operating their own JOBS programs with 100% federal funding. (The JOBS program is required to match federal funds with state funds.) In 1992 there were eleven Native regional corporation grantees which received \$814,470 in federal funds. The largest Native JOBS grantee is Cook Inlet Tribal Council (CITC).

Alaska JOBS and CITC JOBS are working with the Alaska Department of Education and the Mat-Su School District to provide case management

and other special services to teen parents at an alternative school in Wasilla.

JOBs faces difficult task

The Family Support Act mandates states to provide JOBs services to an increasing number of AFDC clients each year. By 1995, JOBs must serve 20% of nonexempt (mandatory) AFDC-Basic (single parent) clients and 50% of AFDC-UP (two parent) clients while federal allocations do not increase proportionally.

The JOBs program is financed by a state appropriation that matches a "capped" allocation of federal funds. Alaska's FY93 share of the national JOBs allocation is \$1.7 million. Alaska appropriates state general funds in excess of this federal match for adult basic education and alternative high school projects.

In focus groups JOBs participants stressed that the program gave them skills, basic education, help with problems like substance abuse and help in finding work. Intensive case management helped participants with a variety of problems. JOBs participants repeatedly stated that the program provided them with the basic life skills which they lacked.

Both AFDC clients and AFDC/JOBs participants were asked in focus groups and on questionnaires about their expectations for becoming employed and leaving AFDC. JOBs participants responded that the program had prepared them for work and helped them overcome multiple obstacles to becoming self-sufficient. AFDC clients, on the other hand, were frustrated because growing caseloads mean that eligibility technicians are less and less able to provide AFDC clients with the support and resource referrals they need to find jobs and become self-sufficient. The AFDC staff echoed this frustration.

What are other states doing?

Fourteen states have created task forces and commissions to study how to help AFDC clients reach self-sufficiency. Some of these groups are on a parallel course with Alaska's Self-Sufficiency Project, using focus groups and questionnaires to survey AFDC clients and staff. States are watching closely to see what succeeds in other parts of the country. There is an encouraging exchange of information and ideas as the states tackle the same problems—a tight job market, clients with multiple needs, and growing caseloads.

All of the states are in the process of implementing and refining their JOBs programs. Some of the states are allocating additional money to their JOBs programs so that they can serve more participants and provide more support services.

Some states are using federal waivers from the usual provisions governing AFDC programs to experiment with changing behavior and/or with changing the system.

What are waivers?

Simply put, waivers are exemptions from the usual federal provisions governing a state's AFDC program.

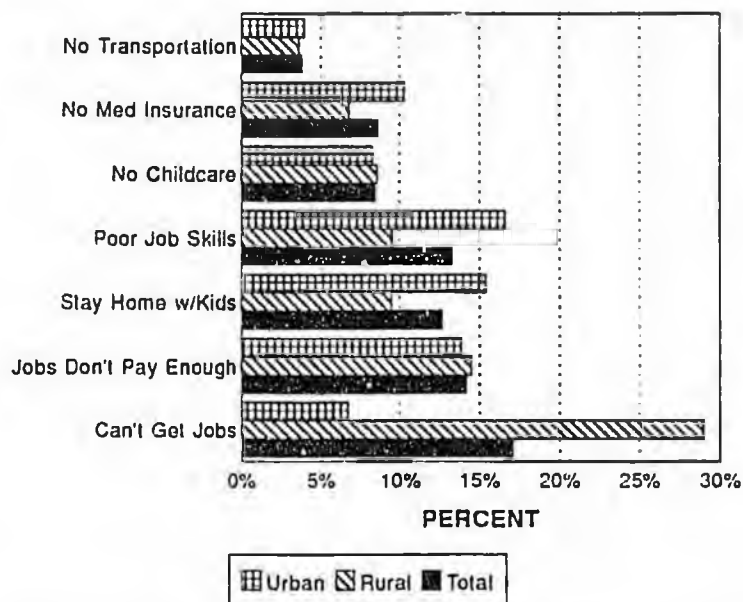
In recent years twelve states have conducted waiver demonstration

Figure 6

Primary Reason for Being on AFDC in Alaska Client Survey/Self-Sufficiency Project

Note: Based on 485 client responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance Self-Sufficiency Project.



projects: California, Florida, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, Ohio, Pennsylvania, Washington and Wisconsin.

The waiver approval process was accelerated in 1992. As of December 1, 1992, "accelerated" waivers had been approved for eight states: Wisconsin, Maryland, California, Oregon, New Jersey, Michigan, Utah and Missouri. Virginia's proposal was pending.

Waiver projects run the gamut

Demonstrations range from those which attempt to change behavior with either positive or negative incentives to those which undertake a complete restructuring of the welfare system and its regulations.

The primary types of behavior encouraged are: school attendance (LEARNFARE), preventive health measures (HEALTHFARE), marriage (WEDFARE or BRIDEFARE), employment (WORKFARE) and not having children while on welfare (FAMILY CAP). Penalties in the form of grant reductions or incentives in the form of bonuses are used to influence behavior.

Some states are trying to discourage migration from other states with two-tiered payment systems. An AFDC client is paid the grant amount of the previous state (if lower) until a recipient is considered a resident of the new state (6 to 12 months).

Some states are proposing to tie benefits to employment, community work or training.

A few states are attempting to save money by reducing grants to earlier levels, by time limiting grants and by limiting eligibility.

Other states are using waiver projects to develop what amounts to alternative welfare programs. Examples of these are New York's Child Assistance Program (CAP), Minnesota's Family Investment Program (FIP), Michigan's "To Strengthen Michigan Families", and Utah's "Single Parent Employment Program."

Waivers Must Meet Two Conditions:

Experimental design and rigorous evaluation is the first condition. A demonstration project must include a rigorous evaluation conducted by an outside evaluator. The cost of this evaluation is shared by the state and federal government and is

Facts about JOBS:

* JOBS serves hard-to-employ AFDC recipients targeted by federal and state law. These parents are:

Under 24 and lack a high school diploma or have little work experience

On welfare 36 of last 60 months

Parents whose youngest child is 16 years or older

* 73% of all JOBS participants in Alaska in August 1992 were targeted, long-term, or likely to become long-term welfare recipients with multiple barriers to employment.

* 460 AFDC recipients were participating at least 20 hours per week in JOBS education, training or employment activities in June, 1992, while a total of 808 were participating in JOBS at some level.

* During August, 1992, 97 JOBS participants were employed for wages.

* In August 1992, 37 JOBS participants were gaining work experience in Job Sampling, an unpaid work experience activity. During the first nine months of 1992, a total of 86 participants had participated in Job Sampling.

* In any month, 18-28% of JOBS participants need adult basic education services before they are "training ready."

* JOBS achieved a 15.5% federally measured participation rate in FY91, double the 7% requirement.

* 341 children were served by JOBS Child Care in July 1992; 65% of JOBS parents needed child care to participate in JOBS.

exempt from the second required condition, cost neutrality. Control and experimental groups are typically required in such experiments. Cost estimates by states run from \$20,000 for a simple waiver project to several million dollars for more complicated projects.

Cost neutrality is the second condition. When a state undertakes a waiver project, it must show that total federal costs are no higher than they would have been without the demonstration project. The state must assume any fiscal risk if the project turns out to cost more than anticipated.

Pros and cons of some waivers for Alaska

The Self-Sufficiency Project has reviewed various waiver demonstrations to see if they are appropriate for Alaska. To date, Alaska has not submitted any waiver applications.

Some of the more noteworthy demonstrations:

The Family CAP Program reduces or eliminates increases in the AFDC grant for children conceived after a parent is on welfare. New Jersey has a Family CAP program and Wisconsin's Supreme Court is reviewing the Family CAP program for constitutionality. In 1992, thirteen state legislatures rejected Family CAP proposals.

The two main arguments for Family CAP are that the traditional grant increase for additional children encourages welfare parents to have children and that working people do not receive salary increases for the birth of a child.

The arguments against this policy are that only a small percentage of AFDC clients have large families (9% with over three children in Alaska); that the birthrate for AFDC and non-AFDC families is about the same; that the grant increase is small (\$102 per month for an additional child in Alaska); that the program was created to serve children, not penalize them; that working parents do in fact get an "incentive" in the form of additional tax deductions for additional children.

The two-tiered benefit program pays a lower grant to new AFDC clients to a state if the state of previous residence had a lower AFDC grant. Usually clients receive the lower grant for 6-12 months, until they become residents of the new state.

Results of two surveys show that people are not coming to Alaska for the AFDC benefits. Some anecdotal stories persist, however, and there is an occasional AFDC recipient who has moved to Alaska to collect AFDC benefits.

The primary disadvantage of the two-tiered program is that clients may be unable to live on the interim amount provided while in a state such as Alaska with much higher costs. Again, it may well be the children who suffer.

New Jersey and Maryland have two-tiered payment programs which began in 1992. Wisconsin's two-tiered benefit payment program is scheduled to commence in 1994.

Learnfare is aimed at keeping children in school to help break the welfare cycle. After a child misses school a certain number of times, the family may be penalized with a reduction in their grant. Other states use a bonus system to encourage children to go to school.

Other Subsidies Available to Recipients

Medicaid is a medical payment program funded about equally by the federal government and by the state. Medicaid is provided to low income individuals. In September 1992 there were about 28,100 Medicaid cases. All AFDC recipients (about 11,000 cases or 32,600 recipients) are eligible to receive Medicaid. About 660 adults are receiving one year of transitional Medicaid benefits as they leave the AFDC program. The balance of Medicaid recipients is made up of the aged, blind and disabled and poverty level children and pregnant women.

Food Stamps are fully funded by the federal government. Recipients must meet certain federal guidelines which include income and resource limits. The maximum amount which a household of three can receive per month is \$376 in urban areas and between \$479 and \$583 in rural areas. Benefits are made in the form of food coupons. In September 1992, approximately 13,600 households received Food Stamps in Alaska. About 8,000 of these were AFDC households.

Housing Assistance in the form of low rent housing, Native rent subsidies and Section 8 assistance is used by about 30% of AFDC clients statewide. After deductions for each child in the family and for utility costs, a housing subsidy recipient pays 30% of their income as rent.

Energy Assistance is available to households in the state with an income less than 140% of the poverty level. This program makes payments to renters for home heating costs. The Energy Assistance Program served 11,380 households in 1991-92. An estimated 3,400 of these were AFDC households. The yearly grant averaged \$380 but varied from region to region in the state.

Initial results from a University of Wisconsin, Milwaukee, study show that children in the counties studied actually missed school more often than those not targeted for a benefit reduction. Wisconsin plans to do a more rigorous evaluation of the program to check the results of the first study.

One criticism of this program is that attendance in itself does not guarantee learning. Another is that the program adds a substantial administrative burden to schools and AFDC agencies.

Healthfare programs encourage preventive health-care through grant reductions (Maryland) or through grant bonuses (Virginia). These programs are administratively complex. Results are not available on their impact.

Wedfare/Bridefare programs encourage marriage with bonuses or penalties. Wisconsin is experimenting with this program which tests the hypothesis that encouraging marriage will cause single mothers to leave the welfare rolls.

Alternate welfare systems are New York's Child Assistance Program (CAP), Michigan's program and Minnesota's Family Investment Program (FIP) which have been mentioned earlier in this article. These programs, unlike the demonstrations which isolate types of behavior and attempt to change them, allow clients to keep more of their earned income (earned income disregards) and to accumulate more resources. New York's Cap program allows participants to own a vehicle of any value. Participants in these programs are usually exempt from the 100 hour rule.

Utah has also designed a program which waives some of the regulations which discourage work. Iowa is designing a program which moves from income maintenance to an asset-based policy which encourages AFDC clients to save and invest in the state's economic development.

What do these waiver demonstrations show?

Most of these projects are still in the planning stage or have just commenced. For example, Wisconsin's much publicized Family Cap which cuts benefits for children born on AFDC is still under review by the Wisconsin Supreme Court. There is data available on some early projects which indicates that the waiver of the 100-hour rule (Fresno and Merced Counties, California) encourages work. Alternate welfare systems like New York's Child Assistance Program (CAP) appear to foster self-sufficiency by making the transition off welfare easier for clients.

Other projects may not require waivers

There are two other types of projects which provide work experience and which encourage employment. Depending on how the programs are designed, they may or may not require federal waivers.

Community Work Experience (CWEP) creates unpaid public sector jobs for AFDC clients so that they will gain work experience. These jobs could provide useful community services which are not currently provided. But again, the cost of running such a program would be high, and an administra-

Self-Sufficiency Project Survey Highlights

The Self-Sufficiency Project survey elicited the following information from clients and staff:

- 88% of AFDC clients responding said that they would rather work than receive welfare.
- 94% of clients responding said that AFDC regulations about such items as asset limits and transitional benefits should be changed.
- 78% of clients responding said that they would do community or volunteer work to gain experience.
- Lack of medical coverage is a major barrier to self-sufficiency.
- Day care is too costly, often unavailable, sometimes unreliable.

AFDC clients and staff and JOBS/Native JOBS participants and staff were asked a variety of questions about barriers to employment, the help needed to get off welfare, and changes which should be made to the welfare system. Some interesting information provided by the survey is found in Charts 7 through 12.

tive structure would need to be created for the program.

Work Supplementation pays part of the cost of an employee so that employers are encouraged to hire AFDC clients. The employee's AFDC grant makes up the balance of the employee's wage. The principal disadvantage of such a program is that it may take jobs from non-AFDC workers. On the positive side, employers might be encouraged to add additional staff because the cost for the added employee would be low.

Should Alaska do a waiver demonstration?

As a welfare reform coordinator in another state put it, "Welfare reform ain't cheap."

The Self-Sufficiency Project has looked at demonstration projects and waiver proposals in other states. Those projects which eliminate federal regulations discouraging work and which make the transition off welfare easier for clients have merit. But waivers cost money and they only affect a target group of AFDC clients.

Project design and application costs, computer system redesign, and additional staff to monitor and collect data required for the evaluation are some of the additional costs which a state faces in conducting a waiver project. Another cost is the outside evaluation which runs from \$20-30,000 for a simple waiver to several million dollars for more complex waivers. States with large AFDC populations have the advantage of a larger administrative budget to absorb these costs. Alaska's AFDC population is relatively small compared to other states.

A waiver would require that some AFDC recipients are treated differently than others. Since waiver demonstrations are intended to gain research data, clients are divided into experimental and control groups. Different sets of program rules would be applied to experimental and control groups over the life of the demonstration project.

The Alaska Division of Public Assistance is assessing the costs and benefits of experimental projects which would create increased incentives to work.

What is Alaska doing?

A great deal.

One of the key strategies for helping AFDC clients attain self-sufficiency is the JOBS program. The JOBS program, a federally mandated welfare-to-work program for AFDC clients, provides basic education and skills to a small percentage of AFDC clients with multiple barriers to self-sufficiency.

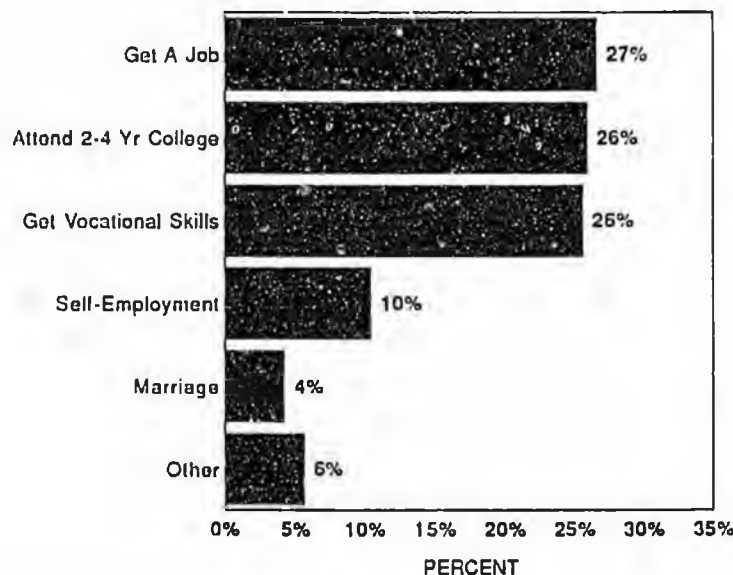
The JOBS program was created by the Alaska State Legislature, the Department of Health and Social Services, and the Departments of Labor, Community and Regional Affairs, and Ed-

Figure 7

AFDC Clients' Plans for Self-Sufficiency in Alaska

Note: Based on 485 client responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance Self-Sufficiency Project.



education. The legislature has appropriated additional funds to the JOBS program for adult basic education and teen parent services. Preliminary results show that this program is effective in moving long term dependent clients into jobs and off welfare.

The Child Support Enforcement Division of the Department of Revenue is establishing and enforcing child support orders at a dramatically increasing rate.

Several agencies are working together to explore the creation of rural jobs. The Department of Health and Social Services has awarded contracts to private agencies to provide homecare services in six of ten regions statewide, enabling clients to stay in their homes. Individuals in rural communities can train to become Personal Care Attendants. (See insert.)

The Alaska Housing Finance Corporation (AHFC), Public Housing Division is initially targeting the Anchorage area for the Family Self-Sufficiency Program. (See insert.)

Alaska is looking at the coordination of social services so that AFDC clients are provided with increased access to mental health and substance abuse programs.

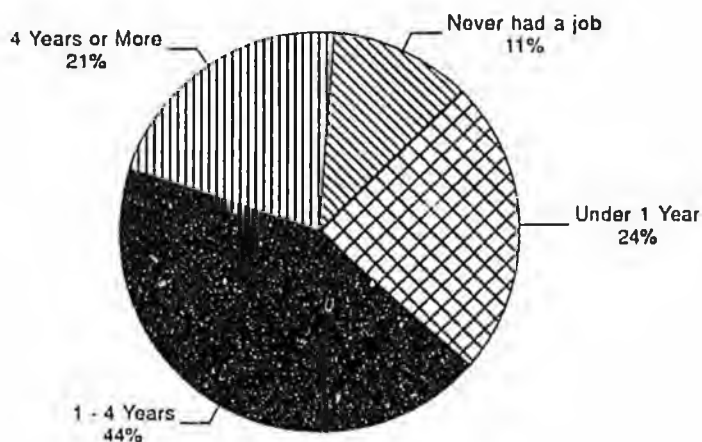
Alaska will also watch closely the waiver projects conducted by other states to see what works in helping clients get off AFDC and become self-sufficient.

Self-Sufficiency Project Client and Staff Survey

A comprehensive questionnaire was sent out in July, 1992 to over 1,000 AFDC clients in a statistically valid survey. Another 40 clients were interviewed by phone and 40 clients were interviewed in depth during Quality Control interviews. Random sampling was done for each of these questionnaires. There were 485 responses received back (49% of questionnaires sent out to clients.)

Clients were asked a number of questions about what they perceived to be their barriers to employment and self-sufficiency, about what help they needed to get work and leave welfare, and about how the welfare system could be changed to better serve clients and promote their self-sufficiency.

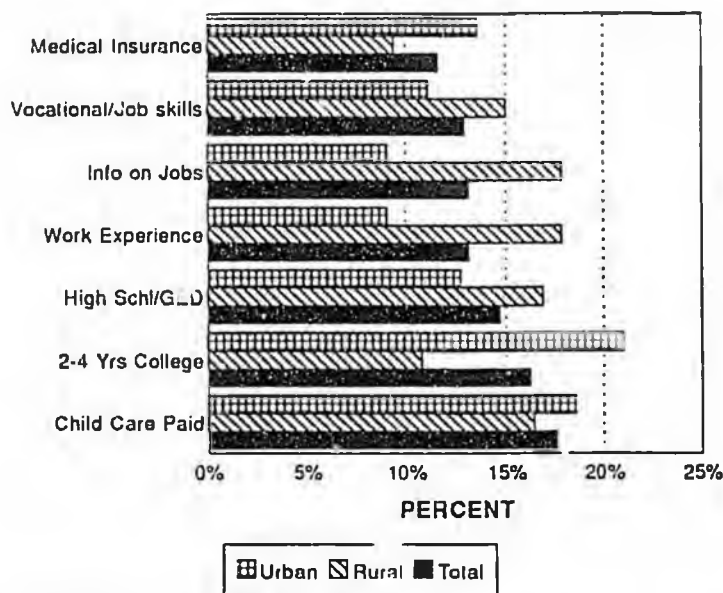
How Long Since AFDC Clients' Last Job? Alaska Self-Sufficiency Project



Note: Based on 485 client responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance Self-Sufficiency Project.

Primary Help Needed to Become Self-Sufficient Client Responses/Alaska Self-Sufficiency Project



Note: Based on 485 client responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance Self-Sufficiency Project.

A questionnaire was also sent out to all eligibility technicians (about 200 staff statewide), and to all JOBS case managers (about seventy staff statewide). Approximately 50% of staff returned these questionnaires. Eligibility technicians and JOBS staff were asked what they perceived to be clients' barriers to employment, what help they thought that clients needed to become self-sufficient, and about changes that could be made to the AFDC program to make it serve clients better and to promote self-sufficiency.

The following charts give some of the information derived from the Self-Sufficiency project survey: Figure 7 gives AFDC clients' plans for becoming self-sufficient; Figure 8 shows how long it has been since AFDC clients' last full time employment; Figure 9 shows the help which clients stated that they needed in order to get jobs; Figure 10 shows how much clients think that they need to earn to leave AFDC; Figure 11 shows what eligibility technicians think is the most important help that clients need to leave AFDC; Figure 12 shows what eligibility technicians perceive to be the primary reason for being on AFDC.

Project held focus groups

Eleven focus group meetings were held by the Self-Sufficiency Project Coordinator in Juneau and Anchorage. Meetings were held with AFDC clients and staff and JOBS/Native JOBS participants and staff. A total of about 175 people participated in these meetings.

"Jobs don't pay enough." One of the issues that surfaced most often was the fact that jobs which AFDC clients are likely to get don't pay enough to live on and do not provide medical benefits. Clients stressed their concerns about losing Medicaid once off AFDC. They also spoke of the high cost of day care. AFDC clients talked about their lack of skills and basic education which hampered them in getting jobs.

"Being an eligibility technician is like putting your head in a washing machine and screaming." Eligibility technicians who work with AFDC clients complained of an overwhelming and growing caseload. They were frustrated at having little time to refer clients to community and job resources. They also criticized federal regulations which discouraged their clients from seeking employment.

"In the villages, we're the new middle class. If AFDC says we have to get married, then that is what we do." Rural clients were frustrated by the lack of jobs in village areas and by their dependence on AFDC.

"The JOBS Program works." JOBS participants spoke of their success at acquiring basic education and skills for jobs. Some mentioned that the intensive case management provided helped them with problems like substance abuse and the need for parenting and general life skills. JOBS staff were pleased with the successes of the participants with whom they worked. Both staff and participants were concerned about a job market that offered JOBS participants mainly low paid service work without benefits like medical insurance.

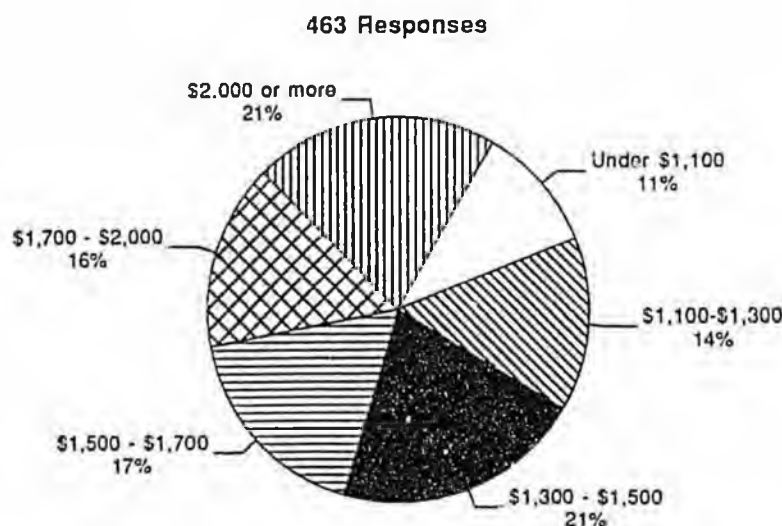
Native JOBS staff and participants were happy with the intensive case management, education, and skills training which they received.

Other Issues Surfaced in Meetings

- Medical insurance is too costly for low income families.

Figure • 10

How Much Pay Do You Need to Get off AFDC* Client Survey



* Per month.

Note: Based on 463 client responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance.

- Day Care is too costly, often unavailable, sometimes unreliable. Large employers should be required to provide day care.
- The AFDC regulations provide little incentive to work. Regulations which were mentioned repeatedly were the 100-hour rule, the amount of earned income an AFDC client could keep, the amount of assets a client could have (\$1,000), and the value of an automobile that AFDC clients can have (\$1,500 or \$2,500 if no assets).
- AFDC clients need to learn many life skills.
- Pregnancy prevention should be taught in schools.
- More transitional medical benefits should be made available to clients trying to get off AFDC.

Conclusions

The major issues are obvious and shared by all states, but it is the federal government which can act.

The accelerated waiver process is the federal government's attempt to look for ways to change the welfare system. States, including Alaska, are in agreement that some AFDC changes are obvious ones:

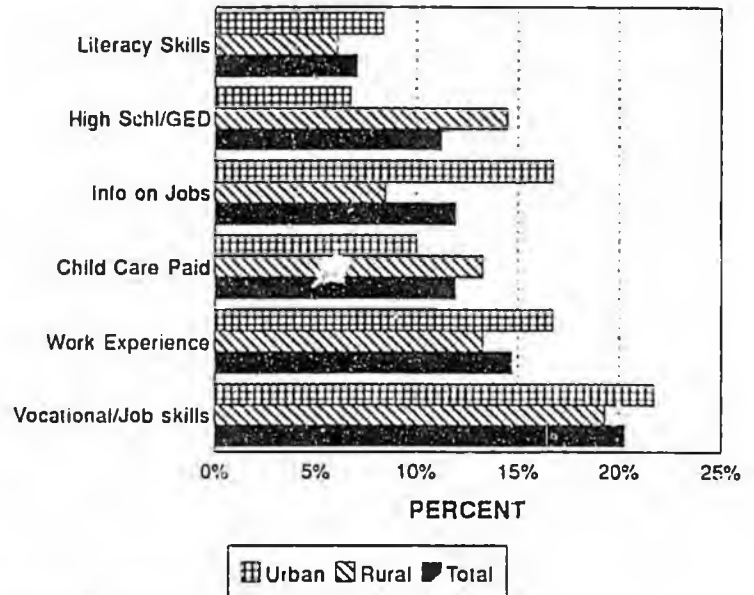
Eliminating the 100-hour rule for AFDC-UP families would encourage work. Under the current provisions, clients are discouraged from taking full time, low paid jobs because they lose benefits like Medicaid. Eliminating the 100-hour rule would allow AFDC-UP eligibility to be based solely on income rather than on income and number of hours worked.

Allowing AFDC clients to retain more of their earned income on a graduated scale over a longer period of time would encourage work. This work incentive could be accomplished by changing the earned income disregard provisions in the AFDC program.

Allowing clients to save more money would provide them with more security when leaving the AFDC system. This work incentive could be accomplished with a change in the resource limit provisions in the AFDC program.

Figure • 11

**Most Important Way to Help Get Off AFDC
Eligibility Technician Survey**

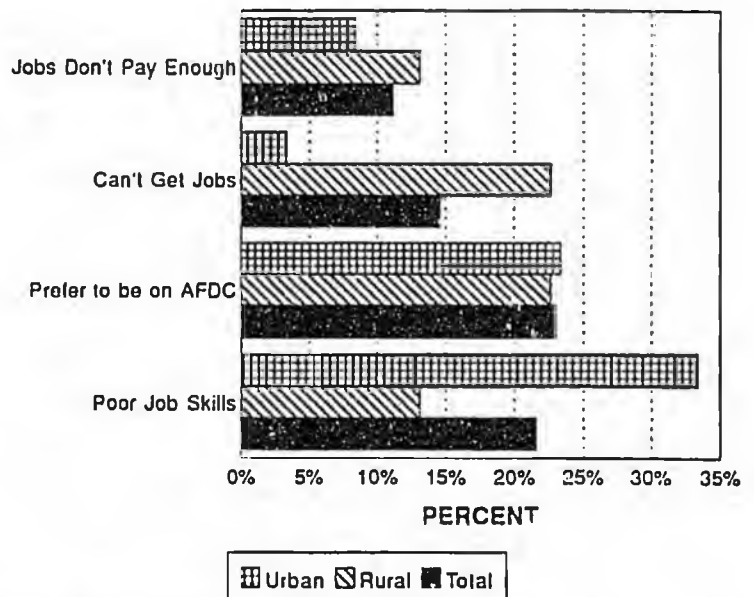


Note: Based on 150 eligibility technician responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance, Self-Sufficiency Project.

Figure • 12

**Primary Reason for Being on AFDC
Eligibility Technician Survey**



Note: Based on 150 eligibility technician responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance, Self-Sufficiency Project.

Providing clients with longer transitional benefits would encourage work. Clients often leave AFDC for jobs which do not provide medical coverage. These clients are now provided with one year of transitional benefits like Medicaid.

And a major national issue remains to be addressed—the lack of medical coverage for a large

part of the U.S. population. AFDC clients in Alaska stated that the lack of medical coverage is a major barrier to leaving AFDC. (See Figure 8.)

Welfare reform staffs in all states agree on one thing—a hope that this time of turmoil, questioning and change will lead to a program that works.

Public Housing and Family Self-Sufficiency

In the National Affordable Housing Act of 1990, Congress mandated that the Public Housing Authorities develop and operate a Family Self-Sufficiency (FSS) Program by October, 1993. The FSS program encourages low income families to pursue education, training and/or supportive services leading to employment. The program uses rent vouchers as an incentive for participation.

Statewide, about 30% of all families in assisted housing are also receiving AFDC. In Anchorage that figure is closer to 40%. The Alaska Housing Finance Corporation (AHFC) is initially targeting the Anchorage area for the FSS program.

The Alaska Departments of Labor, Health and Social Services and the Anchorage JTPA program are working to provide social services for the program.

Homecare Services/Developing Jobs in Rural Communities

The Department of Health and Social Services has awarded contracts to private agencies to provide homecare services in six of ten regions statewide, thus expanding private sector employment.

The purpose of homecare services contracts is the provision of personal care and chore services to elderly and disabled people throughout the state. Homecare services will enable clients to stay in their own homes and communities. The consolidation of the Home Health Aide, Homemaker and Personal Care Attendant programs into one program simplifies access for clients.

Funding will be available through the Department of Community and Regional Affairs for job training for individuals in rural communities to become Personal Care Attendants.

Approximately 700 individuals are served each month in 55 communities throughout the state. About 67% of those communities are considered to be rural.

Unemployment Is Only As Bad As Last Year

by Tom Lane

October's unemployment rate for Alaska represented a mixture of good and bad news. The rate, 9.1%, was 1.5 percentage points higher than the previous month, and much higher than the corresponding 6.8% for the entire country. On the positive side, however, October was the second month in a row not to show a dramatic increase compared to the same month last year.

The rise in the unemployment rate between September and October is typical for the beginning of the state's annual seasonal decline. Unfortunately, in recent years it has also been typical that every month's unemployment rate was greater than the corresponding rate a year before. However, recent months have demonstrated an improving trend with rates approaching those of the prior year. This trend does not mean that the unemployment situation itself has been improving, but simply that it is no longer becoming consistently worse. Rates were still much higher than they were two years ago. (See Figure 1.) Moreover, 677 more Alaskans were unemployed in October 1992 than in the same month in 1991.

While more people in Alaska were unemployed this October than a year ago, quite a few more held jobs than in October of 1991—the state gained a net 2,900 new jobs over the year. The relatively favorable unemployment news applied broadly across the state with some local exceptions. Only one region, the Southwest, had significantly higher unemployment rates than in the prior year.

Retail giants find a new frontier

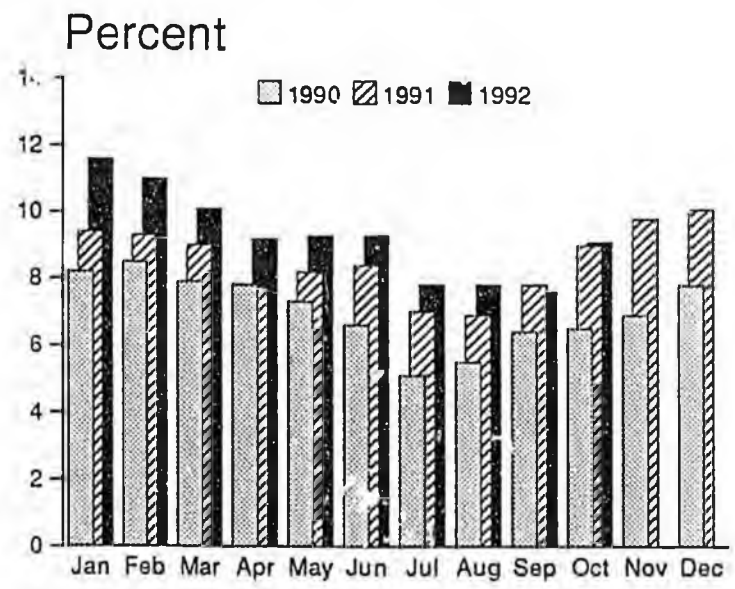
Much of the economic news concerned developments in retail trade. Major retail chains continued to produce a stream of announcements about expansions in Alaska. While most of these expansions focus on the state's urban and more developed areas, the purchase of the historic Alaska Commercial Company by the equally historic North West Company of Canada could greatly affect rural communities. The purchase could revitalize the existing rural retail system with possible expansion of outlets into other communities.

Eagle Hardware opened its big new store in Anchorage at the beginning of November with a staff of about 150. Store management is considering organizing shopping tours from Whitehorse in the Yukon Territory, where some interest in the store

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Figure 1

Monthly Unemployment Rates 1990-1992



Source: Alaska Department of Labor, Research & Analysis Section.

has developed. K-mart began site preparation for its South Anchorage store and is planning additional stores in Kenai, Fairbanks and Juneau with rumors of another store in Anchorage. Each will have about 100-150 workers. Costco recently opened its second Anchorage facility at DeBarr Road, and Pace Membership Warehouse was to open its second Alaska store, in Fairbanks, late in November. Sears has moved up the completion date for expansion of its Anchorage outlet from fall to spring of 1993. Wal-Mart and Toys "R" Us may also be coming to Anchorage and Fred Meyer's has begun site work for a third outlet there.

The wave of new large retail outlet openings and proposals has caused some concerns among existing retailers. Some are planning to strengthen their niche markets and emphasize products not available from the giants. One study, by the Anchorage Economic Development Corp., suggests that while competition will be severe among the large retailers, smaller local concerns might lose little market share. On the other hand, based on the experience with the Pay 'N Save purchase, local wholesale distributing companies could lose out because of an increased emphasis on national distribution systems.

What has led to the large number of expansions? In part, they may result from lesser opportunities in other states. However, advances in distribution technology make it easier to stock Alaska stores and the major chains see potential for replacing catalog sales and shopping trips to other states. Moreover, existing outlets have had some success. The *Alaska Journal of Commerce* reported that the Costco outlet in Anchorage has the second highest sales in the chain of 100 stores. Success in smaller markets in other states has also led retailers to consider Alaska. In planning new stores, Costco generally used a minimum population threshold of 400,000 within sixty miles. It started looking seriously at Alaska after it had success with a store serving 300,000 people.

Several other developments outside the retail sector could have a future impact on Alaska employment. Arco's Kuvlum exploratory well in the Eastern Beaufort Sea has had promising results. Arco and Unocal also recently swapped some properties. While the immediate impact could be a loss of some jobs (up to 100), the swap may lead to more aggressive exploration.

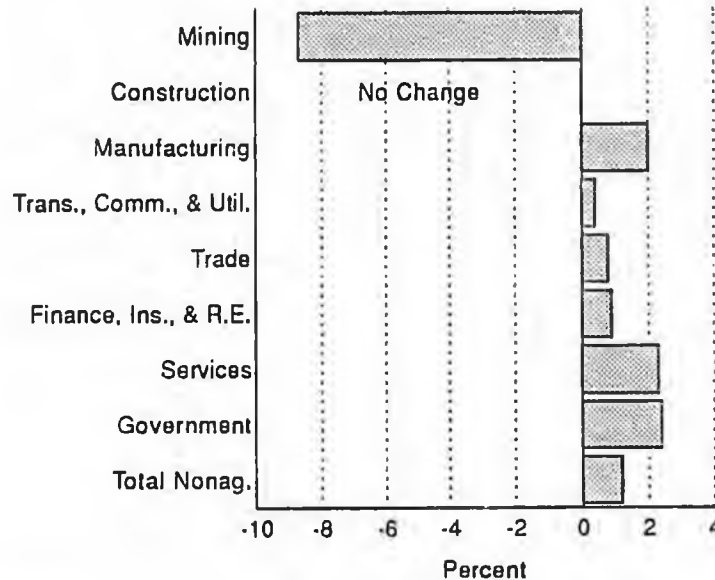
Some major construction projects are planned for the state. The *Alaska Economic Report* indicates that the military in Alaska was authorized to spend \$125 million in capital projects in 1993. Projects include housing renovations at Fort Richardson and aircraft shelters, a fire training facility and a regional hospital at Elmendorf Air Force Base. The hospital, to replace the Clark Air Force Base hospital in the Philippines, will eventually cost \$160 million and will be the biggest Anchorage building project ever. The new administration's views toward this project are not yet known, however. In addition to the military projects, the University of Alaska at Fairbanks began work on a \$5 million recreation center. Also, the Alaska Indus-

Figure • 2

Job Losses in Only One Major Industry Group

Note: Change in employment October 1991 to October 1992.

Source: Alaska Department of Labor, Research & Analysis Section.



Nonagricultural Wage and Salary Employment by Place of Work — Alaska & Municipality of Anchorage

trial Development and Export Authority (AID-EA) will oversee construction of the new Federal Express maintenance hanger in Anchorage. Construction of the facility, which should open in the spring of 1994, will employ about 100 workers.

Some bad news came from Alaska Airlines. As a cost saving measure, it closed its reservations centers in Anchorage and Juneau and transferred their functions to Seattle. On the other hand, and despite its bankruptcy, MarkAir announced it would expand service from Seattle to four other cities in the Lower 48.

A Federal Communications Commission (FCC) advisory panel recommended against approval of the sale of Pacific Telecom's long distance operations to AT&T; the FCC generally follows the advice of the panel. If the sale were approved, however, Pacific Telecom would like to eliminate nearly three hundred jobs from its work force by 1998.

A seasonal downturn, but October employment increased over the year

As usual in Alaska at this time, October employment was down from the previous month. The state lost a

Alaska

			Changes from		
	p/ 10/92	r/ 9/92	10/91	9/92	
Total Nonag. Wage & Salary	247,600	255,700	244,700	-8,100	2,900
Goods-producing	38,000	43,100	38,700	-5,100	-700
Mining	10,500	10,800	11,500	-300	-1,000
Construction	12,200	13,200	12,200	-1,000	0
Manufacturing	15,300	19,100	15,000	-3,800	300
Durable Goods	3,300	3,500	3,800	-200	-500
Lumber & Wood Products	2,500	2,600	2,900	-100	-400
Nondurable Goods	12,000	15,600	11,200	-3,600	800
Seafood Processing	8,400	12,100	7,300	-3,700	1,100
Pulp Mills	900	900	900	0	0
Service-producing	209,600	212,600	206,000	-3,000	3,600
Transportation	22,600	24,000	22,500	-1,400	100
Trucking & Warehousing	2,900	3,200	2,900	-300	0
Water Transportation	1,600	1,900	1,600	-300	0
Air Transportation	7,000	7,300	7,100	-300	-100
Communications	3,600	3,700	3,600	-100	0
Trade	48,100	49,200	47,700	-1,100	400
Wholesale Trade	7,900	8,100	7,800	-200	100
Retail Trade	40,200	41,100	39,900	-900	300
Gen. Merch. & Apparel	7,000	6,700	6,900	300	100
Food Stores	7,500	7,700	7,000	-200	500
Eating & Drinking Places	13,500	14,300	13,500	-800	0
Finance-Ins. & Real Estate	10,800	11,000	10,700	-200	100
Services & Misc.	52,800	54,400	51,600	-1,600	1,200
Hotels & Lodging Places	5,400	6,500	5,400	-1,100	0
Health Services	11,700	11,600	11,100	100	600
Government	75,300	74,000	73,500	300	300
Federal	19,600	19,800	19,100	-200	500
State	21,700	21,700	21,600	0	100
Local	34,000	32,500	32,800	1,500	1,200

Notes: Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear here are definitionally different from those that appear in the Labor Force table.

Benchmark: March 1991
p/ denotes preliminary estimates
r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

Municipality of Anchorage

			Changes from		
	p/ 10/92	r/ 9/92	10/91	9/92	
Total Nonag. Wage & Salary	115,800	117,300	115,200	-1,500	600
Goods-producing	12,300	13,000	13,100	-700	-800
Mining	3,400	3,400	3,800	0	-400
Construction	6,800	7,200	6,800	-400	0
Manufacturing	2,100	2,400	2,500	-300	-400
Service-producing	103,500	104,300	102,100	-800	1,400
Transportation	12,100	12,800	11,900	-700	200
Communications	2,200	2,200	2,200	0	0
Trade	26,500	26,500	26,500	0	0
Wholesale Trade	5,700	5,700	5,800	0	-100
Retail Trade	20,800	20,800	20,700	0	100
Food Stores	3,500	3,600	3,300	-100	200
Finance-Ins. & Real Estate	6,700	6,700	6,600	0	100
Services & Misc.	29,200	29,500	29,100	-300	100
Hotels & Lodging Places	2,400	2,400	2,400	0	0
Health Services	6,100	6,000	6,000	100	100
Government	29,000	28,800	28,000	200	1,000
Federal	11,000	11,100	10,800	-100	200
State	8,200	8,200	8,200	0	0
Local	9,800	9,500	9,000	300	800

Table 2

Nonagricultural Wage and Salary Employment By Place of Work

Southeast Region

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	34,550	36,950	34,000	-2,400	550
Goods-producing	6,550	8,050	6,300	-1,500	250
Mining	350	350	300	0	50
Construction	1,350	1,450	1,300	-100	50
Manufacturing	4,850	6,250	4,700	-1,400	150
Durable Goods	2,100	2,200	2,500	-100	-400
Lumber & Woods Products	2,050	2,150	2,350	-100	-300
Nondurable Goods	2,750	4,050	2,200	-1,300	550
Seafood Processing	1,650	2,900	1,100	-1,250	550
Pulp Mills	900	900	900	0	0
Service-producing	28,000	28,900	27,700	-900	300
Transportation	2,650	2,900	2,750	-250	-100
Trade	5,700	6,100	5,500	-400	200
Wholesale Trade	550	600	550	-50	0
Retail Trade	5,150	5,500	4,950	-350	200
Finance-Ins. & Real Estate	1,150	1,150	1,150	0	0
Services & Misc.	5,750	6,150	5,800	-400	-50
Government	12,750	12,600	12,500	150	250
Federal	2,200	2,350	2,000	-150	200
State	5,500	5,500	5,450	0	50
Local	5,050	4,750	5,050	300	0

Fairbanks North Star Borough

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	29,000	30,000	28,900	-1,000	100
Goods-producing	2,450	2,700	2,550	-250	-100
Mining	250	300	250	-50	0
Construction	1,550	1,700	1,650	-150	-100
Manufacturing	650	700	650	-50	0
Service-producing	26,550	27,300	26,350	-750	200
Transportation	2,150	2,200	2,150	-50	0
Trucking & Warehousing	500	500	500	0	0
Air Transportation	500	500	500	0	0
Communication	300	300	350	0	-50
Trade	6,550	7,000	6,700	-450	-150
Wholesale Trade	800	800	800	0	0
Retail Trade	5,750	6,200	5,900	-450	-150
Gen. Merch. & Apparel	950	950	1,050	0	-100
Food Stores	750	750	850	0	-100
Eating & Drinking Places	2,150	2,550	2,050	-400	100
Finance-Ins. & Real Estate	1,000	1,000	1,050	0	-50
Services & Misc.	6,300	6,600	6,150	-300	150
Government	10,550	10,500	10,300	50	250
Federal	3,300	3,350	3,250	-50	50
State	4,450	4,300	4,150	100	250
Local	2,800	2,850	2,900	0	-50

Anchorage-MatSu Region

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	124,050	125,900	123,300	-1,850	750
Goods-producing	13,000	13,750	13,900	-750	-900
Mining	3,500	3,500	4,000	0	-500
Construction	7,300	7,700	7,250	-400	50
Manufacturing	2,200	2,550	2,650	-350	-450
Service-producing	111,050	112,150	109,400	-1,100	1,650
Transportation	12,900	13,750	12,750	-850	150
Trade	28,550	28,500	28,500	-50	50
Finance-Ins. & Real Estate	7,050	7,050	6,900	0	150
Service & Misc.	30,800	31,350	30,550	-550	250
Government	31,750	31,400	30,700	350	1,050
Federal	11,100	11,150	10,900	-50	200
State	9,050	9,000	9,000	50	50
Local	11,600	11,250	10,800	350	800

Interior Region

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	33,350	34,600	33,300	-1,250	50
Goods-producing	2,750	3,000	2,750	-250	0
Mining	450	500	400	-50	50
Construction	1,600	1,750	1,700	-150	-100
Manufacturing	700	750	650	-50	50
Service-producing	30,600	31,600	30,550	-1,000	50
Transportation	2,500	2,600	2,550	-100	-50
Trade	6,900	7,450	7,100	-550	-200
Finance-Ins. & Real Estate	1,100	1,100	1,150	0	-50
Services & Misc.	6,900	7,450	6,750	-550	150
Government	13,200	13,000	13,000	200	200
Federal	4,000	4,100	4,050	-100	-50
State	4,700	4,550	4,450	150	250
Local	4,500	4,350	4,500	150	0

Table • 2

Nonagricultural Wage and Salary Employment By Place of Work

Northern Region

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	14,900	15,000	14,800	-100	100
Goods-producing	5,750	5,900	5,950	-150	-200
Mining	5,200	5,300	5,350	-100	-150
Service-producing	9,150	9,100	8,850	50	300
Government	4,700	4,450	4,550	250	150
Federal	250	250	250	0	0
State	350	350	350	0	0
Local	4,100	3,850	3,950	250	150

Gulf Coast Region

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	24,350	26,350	24,200	-2,000	150
Goods-producing	6,250	7,700	6,400	-1,450	-150
Mining	1,050	1,200	1,400	-150	-350
Construction	1,200	1,250	1,200	-50	0
Manufacturing	4,000	5,250	3,800	-1,250	200
Seafood Processing	3,150	4,350	2,800	-1,200	350
Service-producing	18,100	18,650	17,800	-550	300
Transportation	2,150	2,250	2,150	-100	0
Trade	4,250	4,550	4,000	-300	250
Wholesale Trade	500	550	450	-50	50
Retail Trade	3,750	4,000	3,550	-250	200
Finance-Ins. & Real Estate	650	650	600	0	50
Services & Misc.	4,900	5,050	4,750	-150	150
Government	6,150	6,150	6,300	0	-150
Federal	600	650	600	-50	0
State	1,800	1,850	1,900	-50	-100
Local	3,750	3,650	3,800	100	-50

Southwest Region

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	16,050	16,750	15,300	-700	750
Goods-producing	3,850	4,450	3,450	-600	400
Seafood Processing	3,500	4,050	3,050	-550	450
Service-producing	12,200	12,300	11,850	-100	350
Government	6,700	6,700	6,600	0	100
Federal	1,400	1,450	1,300	-50	100
State	550	550	550	0	0
Local	4,750	4,700	4,750	50	0

Municipality of Anchorage — Other

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Durable Goods	600	600	600	0	0
Nondurable Goods	1,500	1,800	1,900	-300	-400
Trucking & Warehousing	1,700	2,000	1,700	-300	0
Water Transportation	300	400	300	-100	0
Air Transportation	4,400	4,600	4,400	-200	0
Gen. Merch. & Apparel	3,300	3,200	3,300	100	0
Eating & Drinking Places	7,600	7,800	7,600	-200	0

Notes: Prepared in part with funding from the Alaska State Employment Security Division.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear here are definitionally different from those that appear in the Labor Force table.

Benchmark: March 1991

p/ denotes preliminary estimates

r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

net total of 8,100 jobs over the month. Employment declined in the usual seasonal industries including construction, seafood processing, eating and drinking places and hotels and motels. Local government employment, mostly school related, was up significantly over the previous month. An increase in school employment is typical for the season.

Alaska did better on a year-to-year comparison. Jobs increased in October by a net total of 2,900 over the same month in 1991. However, this increase offered some mixed blessings and hid a loss of 700 jobs in the relatively high-paying goods-producing sector. An increase of 3,600 jobs in the generally lower-paying service-producing sector accounted for the jump in employment over the year.

The employment decline in the goods-producing sector reflected a loss of about 1,000 mining and mineral extraction jobs. The employment losses were in the oil and gas industry, particularly in oil field services. Oil companies have narrowed the number of firms that they work with causing a shake-out in the industry. Employment in other mining industries was up slightly over the year, despite low metal prices.

Seafood processing employment was higher than last year. The increase was consistent in all three of the major seafood producing regions (Southeast, Gulf Coast, Southwest) but no single factor appeared to account for the increase. The decline in other nondurable goods manufacturing comes from printing and publishing industry cutbacks: The Anchorage Times ceased operations and Rural Publications of Alaska suspended publication of nine of its chain of ten rural newspapers.

In the service-producing sector, trade employment increased by over 500 jobs from the year before. That increase reflected a gain in food store employment but some decline in automobile related services. The Anchorage-MatSu, Gulf Coast, and Southeast Regions all had gains in trade employment; Fairbanks suffered some loss. The services and miscellaneous category gained over 1,700 new jobs; most of these were in the health services and personal services industries.

Federal government employment increases helped Anchorage and Southeast. At the same time, 1,200 local government jobs were created. Many of those jobs were in Anchorage, particularly in area schools. University employment was also up and provided the most benefit to Fairbanks.

More jobs in every region for the year— but sometimes just barely

The unemployment rate was up slightly from the year before in the Anchorage Mat-Su region and 472 more people were unemployed. The region still gained a net of 750 new jobs over the year. Nevertheless, it lost 900 goods-producing jobs. Oil and gas industry cutbacks (500 jobs lost) and declines in the printing and publications industry (another 500 jobs lost) hit the region harder than the rest of the state. At the same time 1,400 new service-producing jobs were created over the year, with increases in transportation and utilities, food stores, Federal government, and local government (particularly school related).

In the Gulf Coast Region, the unemployment rate was slightly down over the year but still higher than for the state as a whole. While the region had a net employment gain of 150, it lost 350 high paying oil and gas industry jobs over the year. Petroleum industry declines contributed to the relatively high unemployment rates for the Ketchikan Peninsula Borough. Food processing employment was up over the year and retail trade had a gain of 200 jobs.

Although the unemployment rate for the Interior Region as a whole was only slightly higher than last year, rates in the rural areas outside the Fairbanks North Star Borough increased. The Borough gained a significant number of University jobs, but lost over a hundred retail jobs. Losses in retail food and general merchandise employment outweighed gains in eating and drinking establishments.

The Northern Region as a whole did better than a year previously in terms of unemployment rates. Oil and gas employment was down over 200 jobs for the year while the number of other mining jobs increased slightly. Service producing jobs also increased slightly. In the Southwest Region, unemployment rates were somewhat higher than the

Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/	r/	10/91	p/	r/	10/91	p/	r/	10/91
	10/92	9/92		10/92	9/92		10/92	9/92	
Mining	\$1,174.73	\$1,271.34	\$1,118.29	49.4	52.6	48.6	\$23.78	\$24.17	\$23.01
Construction	1,138.66	1,119.69	1,135.44	44.9	43.5	45.6	25.36	25.74	24.90
Manufacturing	501.42	496.94	543.05	41.1	45.3	40.8	12.20	10.97	13.31
Seafood Processing	354.89	408.11	402.11	40.1	47.9	41.2	8.85	8.52	9.76
Trans., Comm. & Utilities	617.96	635.01	622.17	34.6	34.7	34.7	17.86	18.30	17.93
Trade	354.90	356.08	352.27	32.5	32.4	32.2	10.92	10.99	10.94
Wholesale	564.98	580.22	583.30	38.2	38.4	38.0	14.79	15.11	15.35
Retail	313.69	312.00	308.20	31.4	31.2	31.1	9.99	10.00	9.91
Finance-Ins. & R.E.	428.49	432.25	413.97	34.5	35.0	34.1	12.42	12.35	12.14

Notes:
p/ denotes preliminary estimates
r/ denotes revised estimates
 Benchmark: March 1991

Averages are based on data for full- and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Source: Alaska Department of Labor, Research & Analysis Section.

year before, but the rate was still much better than for the entire state. Rates were particularly low in the fishing areas. Employment in both the seafood processing industry and the service-producing sector was significantly higher than the same month a year ago.

In the Southeast region, the unemployment rate remained stable over the year. The rate for the Haines Borough dropped to half of what it was the year before—last year's rate reflected the closure of the local sawmill. The region gained 550 new jobs over the year, with increases in mining, construction and seafood processing. U.S. Forest Service employment was up about 150, although lumber and wood products employment declined significantly. Mining employed about 350 people in the region but could become more important in the future—the Kensington Mine near Juneau received its first permit from the Juneau Planning and Zoning Commission.

Summary

While the October unemployment rate for the state approached that of the prior year for the second consecutive month, rates are still high. Nonetheless, the current trend is promising in that the unemployment rate appears no longer to be steadily worsening. Despite some cutbacks in the important oil and gas industry, October's employment data indicated that the state had weathered the last year moderately well. The relatively small growth in jobs was fairly well distributed over the state. However, job growth was mainly in the generally lower-paying service-producing sector and oil and gas industry job losses remain worrisome.

Big changes are occurring in Alaska's retail industry with the expansion of national chains in the state. How well existing retailers will manage to deal with that influx remains problematical. In any case, the Alaskan as consumer should benefit.

Table 4

Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate %			Employment		
	p/ 10/92	r/ 9/92	10/91	p/ 10/92	r/ 9/92	10/91	p/ 10/92	r/ 9/92	10/91	p/ 10/92	r/ 9/92	10/91
Alaska Statewide	261,208	267,465	256,381	23,691	20,307	23,014	9.1	7.6	9.0	237,517	247,158	233,367
Anch.-MatSu Region	136,413	138,215	133,953	11,273	10,122	10,801	8.3	7.3	8.1	125,140	128,093	123,152
Munic. of Anchorage	118,900	120,191	116,954	8,800	8,006	8,451	7.4	6.7	7.2	110,100	112,185	108,503
MatSu Borough	17,513	18,024	16,999	2,473	2,116	2,350	14.1	11.7	13.8	15,040	15,908	14,649
Gulf Coast Region	30,358	31,917	29,981	3,769	3,023	3,797	12.4	9.5	12.7	26,589	28,894	26,184
Kenai Peninsula Borough	19,056	19,796	18,645	2,764	2,092	2,601	14.5	10.6	14.0	16,292	17,704	16,044
Kodiak Island Borough	6,796	7,354	6,918	588	608	805	8.7	8.3	11.6	6,208	6,746	6,113
Valdez-Cordova	4,506	4,767	4,418	417	323	391	9.3	6.8	8.9	4,089	4,444	4,027
Interior Region	36,659	37,460	36,310	3,870	3,225	3,821	10.6	8.6	10.5	32,789	34,235	32,489
Fairbanks North Star Bor.	31,612	32,358	31,279	3,182	2,674	3,108	10.1	8.3	9.9	28,430	29,684	28,171
Southeast Fairbanks	2,110	2,087	2,039	293	190	239	13.9	9.1	11.7	1,817	1,897	1,800
Yukon-Koyukuk	2,937	3,015	2,992	395	361	474	13.4	12.0	15.8	2,542	2,654	2,518
Northern Region	8,413	8,320	8,272	880	829	893	10.5	10.0	10.8	7,533	7,491	7,379
Nome	3,050	3,013	3,031	294	272	332	9.6	9.0	11.0	2,756	2,741	2,699
North Slope Borough	2,984	2,971	2,987	135	138	196	4.5	4.6	6.6	2,849	2,833	2,791
Northwest Arctic Borough	2,379	2,336	2,254	451	419	365	19.0	17.9	16.2	1,928	1,917	1,889
Southeast Region	35,863	37,691	35,123	2,913	2,277	2,859	8.1	6.0	8.1	32,950	35,414	32,264
Haines Borough	874	916	965	91	74	198	10.4	8.1	20.5	783	842	767
Juneau Borough	16,115	17,056	15,639	1,213	1,042	1,049	7.5	6.1	6.7	14,902	16,014	14,590
Ketchikan Gateway Bor.	6,743	6,974	6,514	637	411	535	9.4	5.9	8.2	6,106	6,503	5,979
Pr. of Wales-Outer Ketch.	2,697	2,838	2,770	267	226	391	9.9	8.0	10.1	2,430	2,612	2,379
Sitka Borough	4,080	4,333	4,046	199	161	245	4.9	3.7	6.1	3,881	4,172	3,801
Skagway-Yakutat-Aiagoon	1,719	1,786	1,667	202	155	181	11.8	8.7	10.9	1,517	1,631	1,486
Wrangell-Petersburg	3,635	3,788	3,522	304	208	260	8.4	5.5	7.4	3,331	3,580	3,262
Southwest Region	13,502	13,862	12,742	986	831	843	7.3	6.0	6.6	12,516	13,031	11,899
Aleutians East Borough	935	970	896	19	16	25	2.0	1.6	2.8	916	954	871
Aleutians West	2,637	2,735	2,507	70	63	67	2.7	2.3	2.7	2,567	2,672	2,440
Bethel	5,226	5,336	4,900	482	397	390	9.2	7.4	8.0	4,744	4,939	4,510
Bristol Bay Borough	531	528	490	47	24	30	8.9	4.5	6.1	484	504	460
Dillingham	2,470	2,527	2,318	204	167	163	8.3	6.6	7.0	2,266	2,360	2,155
Wade Hampton	1,703	1,766	1,631	164	164	168	9.6	9.3	10.3	1,539	1,602	1,463

Notes: p/ denotes preliminary estimates r/ denotes revised estimates Benchmark: March 1991

- Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey in formulas used to allocate federal funds.
- Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.
- The official definition of unemployment currently in place excludes anyone who has made no attempt to find work in the four-week period up to and including the week that includes the 12th of each month. Most Alaska economists believe that Alaska's rural localities have proportionately more of these discouraged workers.
- The employment numbers that appear above are definitionally different from those that appear in the Nonagricultural Wage & Salary Employment tables.

Source: Alaska Department of Labor, Research & Analysis Section.

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Measuring Alaska's Cost of Living

How much does it cost to live in both rural and urban Alaska?
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STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

Theodore A. Mala, Commissioner

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

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February 9, 1994

FEB 9 1994

The Honorable Mark Hanley
House of Representatives
State Capitol Building, Room #515
Juneau, AK 99801-1182

Dear Representative Hanley:

We have reviewed House Bill 409 and we offer the following comments and suggestions with regard to the language of the bill:

Section 4: This section directs DHSS to implement the project if only part of a request to operate it is approved. There is no direction to operate a project if all aspects of the proposed demonstration are approved.

Furthermore, there is no provision for the Department to use discretion in the event of partial approval. Partial approval could conceivably result in a set of approved criteria that do not make sense. We would prefer to have the authority to exercise discretion in the event that some aspects of the project are not approved.

Section 5: In subsection (1), the phrase "after the date of the assistance unit's application for AFDC" seems to direct DHSS to apply the increased disregards only to new or recent applicants. If that is your intention, the language appears adequate. If your intention is to have the increased disregard apply to all applicants and recipients living in the project area, this phrase should be deleted.

Section 6: The language in subsection (a) of appears to require DHSS to mandate Workfare participation by all individuals not exempted under subparagraphs (b) or (c).

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DHSS does not expect to have a suitable Workfare assignment available to all such individuals at all times, and may wish to require certain other activities (such as job search) prior to assigning people to Workfare. We would prefer language which requires individuals to participate if assigned by DHSS. You may also wish to include language that requires DHSS to develop the workfare slots.

Section 7: In defining the project area, the bill uses the term municipality. To the best of my understanding, the only municipalities in the state are Anchorage, the City and Borough of Sitka, and the City and Borough of Juneau. You may wish to amend this language. *Drafters used the word "municipality" -*

Section 11: This section restores AFDC maximum payment levels at the termination of the project. We presume you wish this change to take effect at the beginning of FY 00. If so, the correct effective date would be July 1, 1999.

Section 13: This section sets the effective dates of both the demonstration policy waiver provisions and the AFDC and APA benefit reductions as the date of federal approval of the application to operate the demonstration project. This section creates questions about project funding and implementation.

After discussion with your staff about your intent, we have developed our fiscal notes based on an assumed effective date for the ratable reductions of January 1, 1995 and an assumed effective date for the operation of the demonstration of January 1, 1996.

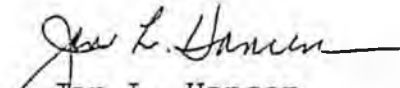
It is our understanding that you desired the savings produced by the ratable reductions to offset project costs each year, beginning with FY 95 costs. It is therefore essential that the ratable reductions be imposed in FY 95. You may also wish to include a provision to repeal the ratable reduction before FY 00 if for any reason the project does not become operational.

Because we cannot predict when final federal approval of the demonstration might be secured, and because substantial time for pre-implementation system and policy development will be essential, we established a January 1, 1996 as a feasible start date for field operation of the project. We would prefer to see the language of the bill modified to take development time into account.

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Child care costs: We have identified what appears to be a major oversight in the costing of the project. We plan to have over 500 additional recipients working in FY 96, and over 1000 working in FY 98. A significant number of these families will need child care assistance in order to work. We have not planned for any additional funding for child care benefits for working recipients. I would be pleased to discuss with you possible approaches to this problem.

Sincerely,


Jan L. Hansen
Director

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: HB 409

Page 3, lines 6 - 7:

Delete "If the federal government approves only part of the project, the department shall implement that part."

Insert "To the extent that the federal government approves the necessary waivers, the department shall implement the project."

((This amendment is intended to address DHSS's concern that there was no clear direction in sec. 4 to implement the project.)))

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: HB 409

Page 3, line 9, after "determining the":

Insert "initial or continued"

Page 3, line 10, after ",":

Insert "and when determining the amount of assistance to which an assistance unit in the project area is entitled,"

Page 3, lines 11 - 12:

Delete "after the date of the assistance unit's application for AFDC"

Page 3, line 14, after ",":

Insert "for an assistance unit that applies for AFDC after this paragraph has been implemented, this 24 months begins with the month for which the assistance unit is first granted AFDC; for an assistance unit that is already receiving assistance when this paragraph is implemented, this 24 months begins with the first month during which this paragraph is implemented;"

(((This amendment is intended to address DHSS's concern that the new income disregard provisions seem directed only at applicants.)))

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: HB 409

Page 3, line 25, after "activity":

Insert "if"

Page 3, line 26:

After "assigned":

Insert "to the activity"

After ".":

Insert "The department shall assess the availability of activities that satisfy the purposes of this subsection in each part of the project area and attempt to develop additional activities where necessary."

((This amendment is intended to address DHSS's concern about the availability of workfare slots and the lack of clear direction to DHSS to develop workfare slots.)))

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: HB 409

Page 5, line 9:

Delete "and secs."

Insert "is repealed January 1, 2000."

* Sec. 11. Sections"

Renumber the following bill sections accordingly.

Page 5, line 11:

Delete "June 30, 1999"

Insert "January 1, 2000"

Page 5, lines 13 - 16:

Delete all material and insert:

"* Sec. 14. Sections 1 and 3 of this Act take effect January 1, 1996.

* Sec. 15. Sections 5 - 9 of this Act take effect upon the approval of, and to the extent that approval is received for, applicable waivers applied for under sec. 4 of this Act. The commissioner of health and social services shall promptly notify the revisor of statutes as to when any waivers applied for under sec. 4 of this Act are approved and the sections of this Act to which the approved waivers apply."

((This amendment is intended to address DHSS's concerns about the preparation costs that will precede project implementation.)))