

HJR

36

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 2/4/94

FURTHER:

DATE TURNED INTO OFFICE: 2-23-94

The Finance Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 36(HES)

Urging the federal Department of Health and Human Services to repeal the "100-hour rule" relating to employment of certain persons receiving AFDC and to replace it with a regulation that will serve as an incentive for AFDC recipients to accept employment of more than 100 hours a month.

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous _____ CS _____
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
DH&SS	1-18-94	0	

Appropriation No Fiscal Note

DO PASS:

OTHER RECOMMENDATIONS:

1. _____
 Co-Chair: Signature/Recommendation

2. _____
 Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

Bill Version: CSHJR 36(HES)
(S) Publish Date: 1-20-94

Revision Date: _____ Dept. Affected: Health and Social Services
Title: A Resolution urging the federal Department of Health and Human Services to repeal the "100-hour rule" BRU: Assistance Payments
Sponsor: Brice, et al Component: AFDC
Requestor: _____ 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	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	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING:

(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
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

HJR 36 calls for repeal of the federal AFDC "100-hour rule" for AFDC Unemployed Parent families. This resolution has no direct fiscal impact on AFDC program costs. Neither the effective date of any change in federal policy that might result from this resolution nor the impact of an alternate federal definition of unemployment can be predicted.

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: 1/18/94
Date: 1-18-94

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information call the Governor's Legislative Office

STATE OF ALASKA
1993 LEGISLATIVE SESSION

FISCAL NOTE

N 1
Bill Version: CSHJR 36 (HES)
(H) Publish Date: 4/15/93

Revision Date: _____ Dept. Affected: Health and Social Services
Title: A Resolution urging the federal Department of Health and Human Services to repeal the "100-hour rule" BRU: Assistance Payments
Component: AFDC
Sponsor: Brice
Requestor: _____ COMPONENT SERIAL NO. 0220

Expenditures/Revenues:		(Thousands of Dollars)					
OPERATING	FY94	FY95	FY96	FY97	FY98	FY99	
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	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	0.0	0.0	0.0	0.0	0.0	
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0	
REVENUE FUND SOURCE	0	0	0	0	0	0	

FUNDING:		(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	
Other	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	

POSITIONS:		(Thousands of Dollars)					
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 (FY93) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

HJR 36 calls for repeal of the federal AFDC "100-hour rule" for AFDC Unemployed Parent families. This resolution has no direct fiscal impact on AFDC program costs. Neither the effective date of any change in federal policy that might result from this resolution or the impact of an alternate federal definition of unemployment can be predicted.

Prepared by: Jan L. Hansen, Director *107 Randy Moore, acting*
Division: Division of Public Assistance

Phone: 465-2680
Date: 4/12/93

Approved by Commissioner: Theodore A. Mala, MD, MPH
Agency: Department of Health & Social Services

Date: 4/15/93

COMMITTEE COPY PREPARED TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information call the Governor's Legislative Office

POSITION PAPER

HOUSE JOINT RESOLUTION No. 36

A Resolution urging the federal Department of Health and Human Services to repeal the "100-hour rule" relating to employment of certain persons receiving AFDC and to replace it with a regulation that will serve as an incentive for AFDC recipients to accept part-time employment.

Discussion:

HJR 36 calls for repeal of the AFDC "100-hour rule" for AFDC Unemployed Parent families. The Department of Health and Social Services supports this resolution. We have found that the 100-hour rule, rather than promoting self-sufficiency, contributes to AFDC dependency for all of the reasons stated in HJR 36. Both the Department and Governor Hickel have recently issued position papers calling for repeal of the 100-hour rule along with enactment of other federal welfare reform measures.

Federal statute requires the Department of Health and Human Services to establish a regulatory definition of unemployment for purposes of determining eligibility for two-parent AFDC families where the parents do not have enough income to support themselves and their children. The 100-hour rule provides that AFDC eligibility does not exist for such a family if the parent with the most substantial earnings history is working 100 hours or more per month, regardless of the amount of earnings.

This regulation, while designed to draw a clear line of distinction between the unemployed and the underemployed, actually has the result of discouraging AFDC parents from accepting full-time, low-paid jobs that, while they would not produce enough earnings to support the family at the AFDC standard of need, would reduce the amount of their AFDC benefits and could eventually lead to self-sufficiency. Such jobs are often the only jobs available to AFDC parents, and we want to encourage them to accept any employment that is available to them. The 100-hour rule is inimical to the Department's goal of encouraging work and supporting the self-sufficiency of welfare recipients.

Practition Paper - H+SS

Position Paper

HJR 36

Page 2

Proposed Amendments:

Page 2, lines 9 and 10 of the bill request that the regulation be revised to "encourage AFDC recipients to accept part-time employment." That is essentially what the existing rule already does, and the crux of the problem. We propose that this language be changed to "encourage AFDC recipients to accept employment regardless of the number of hours worked, remaining eligible for AFDC benefits so long as the amount of their income does not exceed the state's standard of need."

To be consistent with this change in text, it is also necessary to strike the word "part-time" from the bill title.

Recommendation:

The Department of Health and Social Services supports HJR 36 and recommends that it be adopted with the proposed amendments.

Jen L. Hansen

Jen L. Hansen, Director
Division of Public Assistance
Department of Health and
Social Services

4/3/93

Date

Theodore A. Mala

Theodore A. Mala, MD, MPH
Commissioner
Department of Health and
Social Services

4/2/93

Date

Bill/Resolution History 06:06 PM 02/20/94 Page 1
BILL: HJR 36 SHORT TITLE: REPEAL 100 HOUR RULE FOR AFDC PROGRAM
BILL VERSION: CSHJR 36(HES)
SPONSOR(S): REPRESENTATIVE(S) BRICE,Navarre,B.Davis,Finkelstein,Brown
Nordlund,James,Menard,Nicholia,Kott; SENATOR(S) Taylor,Salo

CURRENT STATUS: (S) FIN STATUS DATE: 02/04/94

HEARING: (S) FIN FEB 23 09:00 AM SENATE FINANCE 518

TITLE: Urging the federal Department of Health and Human Services to repeal the "100-hour rule" relating to employment of certain persons receiving AFDC and to replace it with a regulation that will serve as an incentive for AFDC recipients to accept employment of more than 100 hours a month.

HJR 36 Bill/Resolution Floor Action Page 2 of 3

		Current Status: (S) FIN		
Jrn-Date	Jrn-Page		Action	
1	03/26/93	793	(H)	READ THE FIRST TIME - REFERRAL(S)
2	03/26/93	793	(H)	HEALTH, EDUCATION AND SOCIAL SERVICES
3	04/07/93	1094	(H)	COSPONSOR(S): MENARD
4	04/15/93	1251	(H)	HES RPT CS(HES) NEW TITLE 6DP 1NR
5	04/15/93	1251	(H)	DP: G.DAVIS, BUNDE, OLBERG, B.DAVIS
6	04/15/93	1251	(H)	DP: BRICE, KOTT
7	04/15/93	1251	(H)	NR: VEZEY
8	04/15/93	1251	(H)	-ZERO FISCAL NOTE (DHSS) 4/15/93
9	04/24/93	1502	(H)	RULES TO CALENDAR 4/24/93
10	04/24/93	1502	(H)	READ THE SECOND TIME
11	04/24/93	1503	(H)	HES CS ADOPTED UNAN CONSENT
12	04/24/93	1503	(H)	ADVANCED TO THIRD READING UNAN CONSENT
13	04/24/93	1503	(H)	READ THE THIRD TIME CSHJR 36(HES)
14	04/24/93	1503	(H)	PASSED Y38 N- A2
15	04/24/93	1510	(H)	COSPONSOR(S): NICHOLIA, KOTT
16	04/24/93	1512	(H)	TRANSMITTED TO (S)
17	04/26/93	1756	(S)	READ THE FIRST TIME - REFERRAL(S)
18	04/26/93	1756	(S)	HES, JUD, FINANCE

HJR 36 Bill/Resolution Floor Action Page 3 of 3

		Current Status: (S) FIN		
Jrn-Date	Jrn-Page		Action	
1	01/20/94	2558	(S)	HES RPT 7DP
2	01/20/94	2558	(S)	ZERO FISCAL NOTE TO HCS PUBLISHED (DHSS)
3	01/24/94	2584	(S)	CROSS SPONSOR(S): TAYLOR, SALO
4	02/04/94	2680	(S)	JUD RPT 4DP
5	02/04/94	2680	(S)	PREVIOUS ZERO FN (DHSS)
6	02/04/94	2680	(S)	REFERRED TO FINANCE

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 (AC-CRA) Cost of Living Index.

Does welfare discourage work?

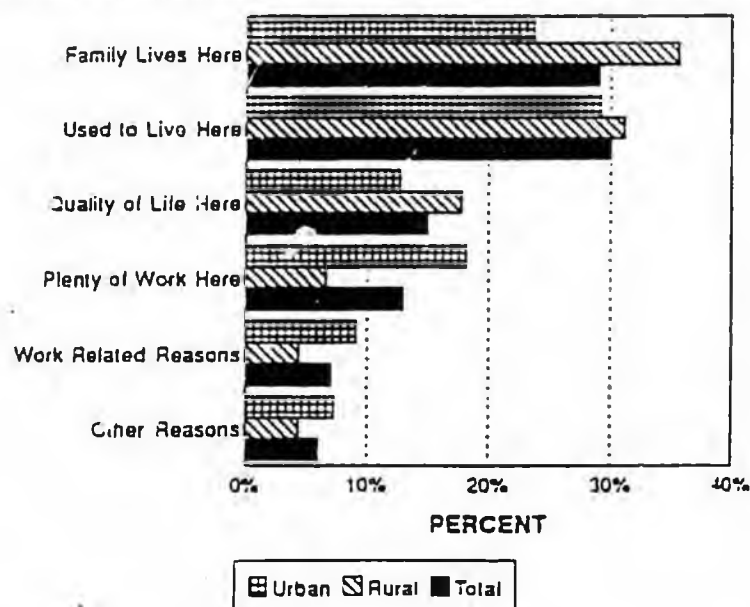
In some ways it does.

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.



Representative Tom Brice

ALASKA STATE LEGISLATURE

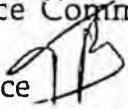
119 N. Cushman, Ste. 205
Fairbanks, AK 99701
907-456-7423
While in Juneau
State Capitol
Juneau, AK 99801-1182
907-465-3466

MEMORANDUM

FEB 02 1994

DATE: February 2, 1994

TO: Senator Drue Pearce, Co- Chair
Senate Finance Committee

FROM: Rep. Tom Brice 

SUBJECT: Request to schedule CSHJR 36 (HESS) for hearing

I would appreciate your committee hearing CSHJR 36 (HESS), urging the federal Department of Health and Human Services to repeal the "100 hour rule" relating to employment of certain persons receiving AFDC, and to replace it with a regulation that will serve as an incentive for AFDC recipients to accept employment of more than 100 hours per month, at its' earliest convenience.

Under current federal regulations, recipients of the AFDC unemployed parent program are limited in the number of hours they can work to 100. Employment in excess of 100 hours per month makes that family ineligible for any AFDC benefits even if that parent earns less than the amount of the AFDC grant.

This rule discourages people from accepting full time employment. Many families who are willing and able to work choose not to because those jobs cannot support their families or have no health benefits. This encourages dependency and results in increased costs to the program.

Repealing this rule will allow families to accept employment that will partially support them and reduce the amount of aid they receive. This will encourage those families to be self sufficient and save state dollars as well. I would appreciate your prompt consideration on this resolution.





Representative Tom Brice

ALASKA STATE LEGISLATURE

119 N. Cushman, Ste. 205
Fairbanks, AK 99701
907-456-7423
While in Juneau
State Capitol
Juneau, AK 99801-1182
907-465-3466

REPRESENTATIVE TOM BRICE

Sponsor Statement for HJR 36

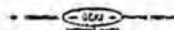
The federal Department of Health and Human Services has developed and implemented regulations relating to the Aid to Families with Dependent Children Unemployed Parent Program that set out the number of hours a grant recipient can work and maintain eligibility for the program. That threshold is set at 100 hours per month. If a job that exceeds 100 hours per month is accepted by the unemployed parent, that family becomes ineligible for AFDC and Medicaid even if employment earnings are less than the amount of the AFDC grant.

This rule in effect encourages dependency on the AFDC program and discourages people who want to work from accepting full time employment. Many low income families do not accept jobs because those jobs will not support the family or have no health benefits. Therefore, many families stay on the AFDC program in order to meet basic living needs. In addition to the issue of fostering dependency, it means that the state is incurring increased costs to the program.

Repealing the 100 hour rule will allow those families to accept employment that exceeds 100 hours per month that may partially support them and reduce the amount of aid they receive. This will promote self sufficiency and save state dollars at the same time.

Additionally, President Clinton's federal welfare reform working group has been meeting to formulate recommendations that will be forwarded to the administration for inclusion in a welfare reform package later this year. Preliminary indications suggest that the repeal of the 100 hour rule will be one of those recommendations. It is important that we add our voice of support for this element of welfare reform.

In order to seriously consider responsible welfare reform, we must encourage the development of laws and regulations that help rather than hinder families to become more self sufficient.



SENATE COMMITTEE REPORT

JMB DATE.. 1/20/94

FURTHER: Finance

DATE TURNED INTO OFFICE: 2/3/94

Judiciary Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 36(HES)

Urging the federal Department of Health and Human Services to repeal the "100-hour rule" relating to employment of certain persons receiving AFDC and to replace it with a regulation that will serve as an incentive for AFDC recipients to accept employment of more than 100 hours a month.

and recommends: and a majority of the committee recommends do pass

[] replace with _____ CS _____ ()

or [] adopt previous _____ CS _____ ()

[] attaches amendment(s)

[] same title
[] new title
[] technical title change (HB only)

[] adopts _____ Letter of Intent

[] further referral to the _____

- do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations

CFR

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
HSS	1/18/94	✓	

[] Appropriation No Fiscal Note

DO PASS:

Suzanne Little LITTLE

Gregory Jackson JACKSON

(V. Chan) ONLY Chan

OTHER RECOMMENDATIONS:

Rich Halperin do pass (V. Chan)

SENATE COMMITTEE REPORT

DATE: 4.26/93

FURTHER: JUDICIARY
FINANCE

Paul

DATE TURNED INTO OFFICE: 1/19/94

HES Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 36(HES)

Urging the federal Department of Health and Human Services to repeal the "100-hour rule" relating to employment of certain persons receiving AFDC and to replace it with a regulation that will serve as an incentive for AFDC recipients to accept employment of more than 100 hours a month.

and recommends: ~~and do pass~~

- replace with _____ CS _____ ()
- or adopt previous _____ CS _____ ()
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

- adopts _____ Letter of Intent
- further referral to the _____

- do pass
- do not pass
- no recommendation
- individual recommendations

PKM

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
HSS	1/18/94	✓	

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

Mike Miller
Jim Duncan
Phil Ellis
Bob Sharp Sharp
Judith E. Balo
Steven A. Lemmon

OTHER RECOMMENDATIONS:

Steve Klein Do Pass
 Chair: Signature and Recommendation