

**HB**

**78**

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 78  
DPA #1

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act proposing a special AFDC program BRU: Assistance Payments  
demonstration project and reductions to AFDC and APA Component: AFDC  
 Sponsor: Hanley  
 Requestor: House HESS COMPONENT SERIAL NO. 220

Expenditures/Revenues:

	(Thousands of Dollars)					
OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	(63.4)	(2,354.9)	(2,412.5)	(2,247.1)	(1,170.3)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>(63.4)</b>	<b>(2,354.9)</b>	<b>(2,412.5)</b>	<b>(2,247.1)</b>	<b>(1,170.3)</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGES IN REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUND SOURCE

	(Thousands of Dollars)					
1002 Federal Receipts	0.0	(28.8)	(1,071.5)	(1,097.7)	(1,022.4)	(532.5)
1003 GF Match	0.0	(28.9)	(1,071.5)	(1,097.7)	(1,022.5)	(532.5)
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 1007 I/A Receipts	0.0	(5.7)	(211.9)	(217.1)	(202.2)	(105.3)
<b>TOTAL</b>	<b>0.0</b>	<b>(63.4)</b>	<b>(2,354.9)</b>	<b>(2,412.5)</b>	<b>(2,247.1)</b>	<b>(1,170.3)</b>

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation creates temporary authority for the State to apply for and operate an AFDC demonstration project in certain specified areas. The demonstration project includes:

- An increase in the AFDC earned income disregards from the current time-limited \$30 and one third of the remainder to \$200 plus one third of the remainder for 24 months.

Continued on page 2

Prepared by: Jim Nordlund, Director  
 Division: Division of Public Assistance  
 Approved by Com: Karen Perdue  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 3/14/95  
 Date: 3/14/95

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**ANALYSIS (cont.):**

- An increase in the total amount of equity in vehicles a family may own.
- A waiver of the "100-hour rule" for AFDC Unemployed Parent recipients, allowing them to work more than 100 hours a week and remain eligible providing their income is under the AFDC limits.
- Requirements for unemployed AFDC recipients to participate in workfare activities for 21 hours a week. Individuals who are required to participate in workfare are subject to fiscal sanction if they do not comply with the requirement.

**General Demonstration Project Assumptions**

Demonstration projects are operated under Section 1115 (a) of the Social Security Act which provides for the necessary policy waivers and requires an experimental design and a rigorous evaluation of results.

Federal law requires 70 percent of cases in a project be randomly drawn to participate as the experimental group. Demonstration project requirements and waivers apply only to the experimental group.

Thirty percent of cases are maintained as part of the control group; normal AFDC program requirements apply to the control group.

Project costs (measured over the 5-year operation of the project) do not exceed baseline costs of operating the AFDC program without the project. Federal financial participation is therefore available at the AFDC 50 percent federal match rate for all project costs.

The project area includes the Municipality of Anchorage, either the Kenai Peninsula Borough or the Matanuska-Susitna Borough, the Fairbanks North Star Borough, and the North Slope Borough.

The project is operational from July 1, 1996 through June 30, 1999.

Project evaluation and wrap-up runs through December 31, 1999.

**ANALYSIS (cont.):**

In FY 97, the experimental group includes approximately 5,397 families. The number of families increases by 5 percent each year thereafter.

**Savings Assumptions:**

The average earnings of AFDC families with a working member are currently \$500 per month. The demonstration project causes the average earnings of half of these working recipients to rise to \$800 per month.

Five percent of the experimental group start working as a result of the increase in earned income disregards, and an additional nine percent of the experimental group start working because of the workfare demonstration, at an average of wage of \$800 per month. The average savings per case for participants who become employed is \$463 per month.

One percent of the families in the experimental group leave the AFDC caseload because of increased work incentives. Seven percent of the families in the experimental group leave the AFDC caseload because of the 21 hour-per-week workfare requirement. The average savings for each family that leaves AFDC is \$788 per month.

Three percent of the families in the project are sanctioned or denied for failure to comply with workfare requirements.

After the project ends, at the end of FY 99, fifty percent of the people who started working because of the demonstration remain employed at an average wage of \$800 per month. This percentage drops to twenty-five percent in FY 01 as the positive impacts of the demonstration provisions diminish. Average savings per case is \$657 per month.

Fifty percent of the families who stopped receiving AFDC because of the demonstration stay off AFDC. In FY 01, this impact is reduced by half. Average savings per case is \$788.

**ANALYSIS (cont.):  
Annual Savings:**

<b>AFDC BENEFIT SAVINGS</b>						
	<b>FY 96</b>	<b>FY 97</b>	<b>FY 98</b>	<b>FY 99</b>	<b>FY 00</b>	<b>FY 01</b>
<b>\$200 + 1/3 Earned Income Disregard &amp; 100-Hour-Rule</b>	0.0	(1303.1)	(2840.0)	(2961.6)	(1632.5)	(867.7)
<b>Workfare Sanctions</b>	0.0	(29.3)	(58.5)	(58.5)	0.0	0.0
<b>Case Closures</b>	0.0	(375.9)	(1200.9)	(1219.8)	(614.6)	(302.6)
<b>Total Gross Savings</b>	0.0	(1708.3)	(4099.4)	(4239.9)	(2247.1)	(1170.3)

**Cost Assumptions:**

The annual average earned income disregard raises from \$36 per month to \$180 per month for working families.

The provisions in the demonstration results in 8 more eligible families each year.

**Annual Costs:**

<b>AFDC BENEFIT COSTS</b>						
	<b>FY 96</b>	<b>FY 97</b>	<b>FY 98</b>	<b>FY 99</b>	<b>FY 00</b>	<b>FY 01</b>
<b>\$200 + 1/3 Earned Income Disregard &amp; 100-Hour-Rule</b>	0.0	1684.6	1684.1	1747.0	0.0	0.0
<b>Automobile Allowance</b>	0.0	60.3	60.4	60.4	0.0	0.0
<b>Total Gross Costs</b>	0.0	1844.9	1744.5	1827.4	0.0	0.0

## ANALYSIS (cont.):

HB 78 - TOTAL AFDC BENEFIT COSTS AND SAVINGS						
	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Gross Savings	0.0	(1708.3)	(4099.4)	(4239.9)	(2247.1)	(1170.3)
Gross Costs	0.0	1644.2	1744.6	1827.4	0.0	0.0
Net Benefit Savings	0.0	(83.4)	(2354.9)	(2412.6)	(2247.1)	(1170.3)

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 78  
DPA #2

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
Title: An Act proposing a special AFDC program demonstration project and reductions to AFDC and AFA BRU: PA Administration  
Sponsor: Hanley Component: Eligibility Determination  
Requestor: House HESS COMPONENT SERIAL NO. 236

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	159.9	319.9	319.9	319.9	159.9	0.0
TRAVEL	3.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	3.5	3.5	3.5	3.5	1.8	0.0
SUPPLIES	3.5	3.5	3.5	3.5	1.8	0.0
EQUIPMENT	70.0	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
<b>TOTAL OPERATING</b>	<b>239.9</b>	<b>326.9</b>	<b>326.9</b>	<b>326.9</b>	<b>163.5</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGES IN REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	119.9	163.4	163.4	163.4	81.7	0.0
1003 GF Match	120.0	163.5	163.5	163.5	81.8	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
1008 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>239.9</b>	<b>326.9</b>	<b>326.9</b>	<b>326.9</b>	<b>163.5</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME	7	7	7	7	7	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of any current year (FY95) cost: \$ NONE

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

This legislation produces a need for additional Eligibility Determination staff.

Explaining demonstration project requirements, monitoring workfare participation, and processing cases which receive earned income demands considerably more time. The workfare requirement and anticipated increase in the number of working AFDC recipients produces need for additional caseworkers.

Prepared by: Jim Nordlund, Director  
Division: Division of Public Assistance  
Approved by Com: Karen Perdue  
Agency: Department of Health & Social Services

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

Eligibility staff are trained and in place upon project implementation on July 1, 1996. Training period is 6 months, so eligibility staff costs begin January 1, 1996.

Workfare participants require more intensive case management; caseload size for this group are half as large as regular AFDC caseloads. To manage 1000 workfare cases requires an additional 4 eligibility technicians.

Cases with earned income are more complex and error prone, requiring more time to determine eligibility. The increase in the number of cases with earnings requires 1.5 additional eligibility technicians.

Explaining the project requirements to applicants requires an average of 15 more minutes for the experimental group and 5 minutes for the control group. This requires 1.5 additional technicians.

The additional workload produces a need for 7 Eligibility Technician II positions statewide; 3 in Anchorage; 2 in Fairbanks, and 2 in Wasilla.

Federal matching funds are available for demonstration project costs at the AFDC 50% matching rate, based on the projected cost neutrality of the projects.

Calculations:**FY 96:**

Personal Services (6 months)	159.9
7 ET II - R14 @ 45.7 yr (6 months)	
Travel (for training)	3.0
Contractual (space, phones, postage)	3.5
Supplies	3.5
Equipment	<u>70.0</u>
Total	<b>239.9</b>

**FY 97 through FY99:**

Personal Services (12 months)	319.9
7 ET II - R14 @ 45.7 yr (12 months)	
Contractual (space, phones, postage)	3.5
Supplies	<u>3.5</u>
Total	<b>326.9</b>

ANALYSIS (cont.):

FY 00:

Personal Services	159.9
7 ET II - R14 @ 45.7 yr (6 months wind down)	
Contractual (space, phones, postage)	1.8
Supplies	<u>1.8</u>
Total	163.5

Position Title Eligibility Technician II		No. of Positions 2	Range/Step R 14A	Bargaining Unit GGU
Time Status FT	Staff Months 6 months	Location Fairbanks		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		45.7		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>45.7</b>		
Travel		3.0		
Contractual		1.0		
Commodities		1.0		
Equipment		20.0		
Other				
<b>Total Cost</b>		<b>70.7</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	35.3		
1003	GF Match	35.4		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p><b>Justification</b></p> <p>This legislation produces a need for additional Eligibility Determination staff.</p> <p>Additional time is necessary for eligibility staff to explain project requirements, determine eligibility for diversion project, monitor compliance with new requirements, and additional case processing necessary to ensure accuracy of benefits when recipients enter or decline employment.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (0236)

**FY96**

Page 1 of 1  
 Revised Date:

Position Title Eligibility Technician II		No. of Positions 2	Range/Step R 14A	Bargaining Unit GGU
Time Status FT	Staff Months 6 months	Location Wasilla		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>	<b>Justification</b>  This legislation produces a need for additional Eligibility Determination staff.  Additional time is necessary for eligibility staff to explain project requirements, determine eligibility for diversion project, monitor compliance with new requirements, and additional case processing necessary to ensure accuracy of benefits when recipients enter or decline employment.	
Salary		45.7		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		45.7		
Travel				
Contractual		1.0		
Commodities		1.0		
Equipment		20.0		
Other				
<b>Total Cost</b>		67.7		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	33.8		
1003	GF Match	33.9		
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: Eligibility Determination (0236)

**FY96**

Page 1 of 1  
Revised Date:

Position Title Eligibility Tehcnician II		No. of Positions 3	Range/Step R14A	Bargaining Unit GGU
Time Status FT	Staff Months 6 months	Location Anchorage		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		68.5		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		68.5		
Travel				
Contractual		1.5		
Commodities		1.5		
Equipment		30.0		
Other				
<b>Total Cost</b>		101.5		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	50.7		
1003	GF Match	50.8		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	/A Receipts			
1061	CIP Receipts			
Other				
<p><b>Justification</b></p> <p>This legislation produces a need for additional Eligibility Determination staff.</p> <p>Additional time is necessary for eligibility staff to explain project requirements, determine eligibility for diversion project, monitor compliance with new requirements, and additional case processing necessary to ensure accuracy of benefits when recipients enter or decline employment.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (0236)

**FY96**

Page 1 of 1  
 Revised Date:

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 78  
OPA #3

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act proposing a special AFDC program demonstration project and reductions to AFDC and APA BRU: PA Administration  
 Sponsor: Hanley Component: PA Administration  
 Requestor: Huize HESS COMPONENT SERIAL NO. 233

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	114.5	114.5	114.5	114.5	57.3	0.0
TRAVEL	16.0	16.0	16.0	16.0	8.0	0.0
CONTRACTUAL	62.0	27.0	27.0	27.0	13.5	0.0
SUPPLIES	1.0	1.0	1.0	1.0	0.0	0.0
EQUIPMENT	20.0	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
<b>TOTAL OPERATING</b>	<b>213.5</b>	<b>158.5</b>	<b>158.5</b>	<b>158.5</b>	<b>78.8</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGES IN REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	106.7	79.2	79.2	79.2	39.4	0.0
1003 GF Match	106.8	79.3	79.3	79.3	39.4	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 1007 IIA Receipts	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>213.5</b>	<b>158.5</b>	<b>158.5</b>	<b>158.5</b>	<b>78.8</b>	<b>0.0</b>

**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 any current year (FY95) cost: \$ NONE

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

This legislation requires DHSS to design and operate waiver projects under the authority of section 1115 (a) of the Social Security Act.

Project development and management staff are necessary to develop, apply for, monitor, and evaluate the demonstration projects authorized by this legislation. Project management staff will coordinate program and system changes, oversee an evaluation contractor, and maintain relationships with federal officials. Essential project management staff include a project coordinator and a project assistant.

The federal Department of Health and Human Services requires that a demonstration project evaluation be performed by an independent contractor. The evaluation tests the effects of the demonstration on program costs and recipient outcomes.

Prepared by: Jim Nordlund, Director  
 Division: Division of Public Assistance  
 Approved by Com: Karen Perdue, Commissioner  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 3/14/95  
 Date: 3/14/95

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

An independent contractor will design, review, and evaluate project requirements to ensure federal approval. Total estimated costs are \$140,000 based on amounts other states paid for evaluation of similar projects.

A state staff project coordinator and project assistant are necessary to coordinate activities of contractor, computer system, and field operations.

The services of a private law firm are necessary to develop, write, and prepare for submission to the Attorney General the necessary State regulations.

The demonstration project operates from July 1, 1996 through June 30, 1999. FY96 costs are for project design and implementation. Costs in FY97 - FY00 are for project operation and evaluation.

Federal matching funds are available for demonstration project costs at the AFDC 50 percent matching rate, based on the projected cost neutrality of the project.

**Calculations:****FY 96:**

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Regulations contract		25.0
	Evaluation contract		30.0
	Office space, postage, phones, fax		7.0
	Supplies		1.0
	Equipment		20.0
	Travel		16.0
	Total		213.5

**FY 97 through FY99**

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Evaluation Contract		20.0
	Office space		7.0
	Supplies		1.0
	Travel		<u>16.0</u>
	Total		158.5

ANALYSIS (cont.):

FY 00

1	Project Coordinator	R19	31.3
1	Project Assistant	R16	26.0
	Evaluation Contract		10.0
	Office space, postage, phone, fax		3.5
	Travel		<u>8.0</u>
	Total		78.8

Position Title <b>Project Coordinator</b>		No. of Positions 1	Range/Step 19A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Juneau		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		62.5		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>62.5</b>		
Travel		8.0		
Contractual		3.5		
Commodities		0.5		
Equipment		10.0		
Other				
<b>Total Cost</b>		<b>84.5</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	42.2		
1003	GF Match	42.3		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p><b>Justification</b></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. 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.</p> <p>This request is for the project coordinator.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Public Assistance Administration (0233)

**FY96**

Page 1 of 1  
 Revised Date:

Position Title Project Assistant		No. of Positions 1	Range/Step 16A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Juneau		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		52.0		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		52.0		
Travel		8.0		
Contractual		3.5		
Commodities		0.5		
Equipment		10.0		
Other				
<b>Total Cost</b>		74.0		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	37.0		
1003	GF Match	37.0		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				

**Justification**

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.

This request is for the project assistant.

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Public Assistance Administration (0233)

**FY96**

Page 1 of 1  
 Revised Date:

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 78  
DPA #4

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act proposing a special APDC program demonstration project and reductions to APDC and APA BRU: PA Administration  
 Component: PA Data Processing  
 Sponsor: Hanley  
 Requestor: House HESS COMPONENT SERIAL NO. 240

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	166.5	114.5	62.5	62.5	31.2	0.0
TRAVEL	16.0	16.0	0.0	0.0	0.0	0.0
CONTRACTUAL	776.4	145.5	3.5	3.5	1.7	0.0
SUPPLIES	1.5	1.0	0.0	0.0	0.0	0.0
EQUIPMENT	12.0	0.0	0.5	0.5	0.5	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
<b>TOTAL OPERATING</b>	<b>972.4</b>	<b>277.0</b>	<b>66.5</b>	<b>66.5</b>	<b>33.4</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGES IN REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	486.2	138.5	33.2	33.2	16.7	0.0
1003 GF Match	486.2	138.5	33.3	33.3	16.7	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 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>972.4</b>	<b>277.0</b>	<b>66.5</b>	<b>66.5</b>	<b>33.4</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME	3	3	1	1	1	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of any current year (FY95) cost: \$ NONE

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

Modifications to the Division of Public Assistance Eligibility Information System (EIS) are necessary to implement this legislation. Federally approved demonstration projects require simultaneously maintaining control and experimental groups. The computer system must be modified to accommodate both groups. Demonstration project methodology also requires special collection and compilation of data to monitor and evaluate the project.

Continued on page 2

Prepared by: Jim Nordlund, Director *Jim Nordlund* Phone: 465-2680  
 Division: Division of Public Assistance Date: 3/14/95  
 Approved by Com: Karen Perdue *Karen Perdue* Date: 3/14/95  
 Agency: Department of Health & Social Services

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**ANALYSIS (cont.):**

EIS modifications require a system contractor for analysis, design, and oversight of implementation. State staff are necessary during project planning and implementation to procure and direct the contractor, monitor performance, and test the modifications. Once the modifications are in place, a reduced level of staff is required to maintain the system and produce the information necessary for project evaluation.

**Assumptions:**

The EIS modification project begins when the bill is enacted.

The demonstration project operates for 3 years, from 7/1/96 through 6/30/99.

Project evaluation and wrap-up extend to 12/31/99, 6 months after the completion of the project.

An independent contractor is necessary to provide system design, programming changes, and oversee implementation of the modification.

A project coordinator is necessary to coordinate project management, acting as a liaison between contractor, waiver project staff, policy experts, and system staff. This position is necessary from initiation through the final evaluation.

Two public assistance analysts are necessary to analyze proposed modifications and test the modifications for state acceptance. These positions will be necessary for 18 months.

Federal matching funds will be available for demonstration project costs at the AFDC 50 percent matching rate, based on the projected cost neutrality of the projects.

**Calculations:****FY 96**

1	Project Coordinator	R19	62.5
2	Public Assistance Analysts	R16	104.0
	Travel		16.0
	Equipment		12.0
	Office space, phones, postage, fax		10.5
	Supplies		1.5
	System Contract		<u>765.9</u>
	Total		972.4

## ANALYSIS (cont.):

## FY 97

1	Project Coordinator	R19	62.5
2	Public Assistance Analysts (6 mo)	R16	52.0
	Travel		16.0
	Office space, phones, postage, fax		7.0
	Supplies		1.0
	System Contract		<u>138.5</u>
Total			277.0

## FY 98 thru FY 99:

1	Project Coordinator	R19	62.5
	Office space, phones, postage, fax		3.5
	Supplies		<u>.5</u>
Total			66.5

## FY 00:

1	Project Coordinator (6 mo)	R19	31.2
	Office space, phones, postage, fax		1.7
	Supplies		<u>.5</u>
Total			33.4

Position Title <b>Project Coordinator</b>		No. of Positions <b>1</b>	Range/Step <b>19A</b>	Bargaining Unit <b>GGU</b>
Time Status <b>FT</b>	Staff Months <b>12 months</b>	Location <b>Anchorage</b>		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		62.5		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>62.5</b>		
Travel		8.0		
Contractual		3.5		
Commodities		0.5		
Equipment		4.0		
Other				
<b>Total Cost</b>		<b>78.5</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	39.2		
1003	GF Match	39.3		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>EIS modifications require a system contractor for analysis, design, and oversight of implementation. State staff are necessary during project planning and implementation to procure and direct the contractor, monitor performance, and test the modifications.</p> <p>This position is the project coordinator is necessary to coordinate project management and act as a liaison between contractor, waiver project staff, policy experts, and system staff. This position is necessary for initiation through the final evaluation in FY01.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: **Health and Social Services**  
 BRU: **Public Assistance Administration**  
 COMPONENT: **Public Assistance Data Processing (0240)**

Page 1 of 1  
 Revised Date: 3/3/95

**FY96**

Position Title <b>Public Assistance Analyst</b>		No. of Positions <b>2</b>	Range/Step <b>16A</b>	Bargaining Unit <b>GGU</b>
Time Status <b>FT</b>	Staff Months <b>12 months</b>	Location <b>Anchorage</b>		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		104.0		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>104.0</b>		
Travel		8.0		
Contractual		7.0		
Commodities		1.0		
Equipment		8.0		
Other				
<b>Total Cost</b>		<b>128.0</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	64.0		
1003	GF Match	64.0		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>EIS modifications require a system contractor for analysis, design, and oversight of implementation. State staff are necessary during project planning and implementation to procure and direct the contractor, monitor performance, and test the modifications.</p> <p>These positions are public assistance analysts necessary to ensure accuracy of contractor design and development efforts.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Public Assistance Data Processing (0240)

Page 1 of 1

Revised Date:

**FY96**

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 78  
DPA #5

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
Title: An Act proposing a special AFDC program BRU: PA Administration  
demonstration project and reductions to APDC and APA Component: Alaska Work Program  
Sponsor: Hanley  
Requestor: House HESS COMPONENT SERIAL NO. 238

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	4.3	4.4	4.5	0.0	0.0
CONTRACTUAL	0.0	1,000.0	1,000.0	1,000.0	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
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>1,004.3</b>	<b>1,004.4</b>	<b>1,004.5</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGES IN REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	0.0	502.1	502.2	502.2	0.0	0.0
1003 GF Match	0.0	502.2	502.2	502.3	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 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.0</b>	<b>1,004.3</b>	<b>1,004.4</b>	<b>1,004.5</b>	<b>0.0</b>	<b>0.0</b>

**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 any current year (FY95) cost: \$ NONE

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

This legislation provides for a demonstration project in which certain AFDC parents must participate in workfare (unpaid community service). It allows DHSS to contract for certain workfare activities on a competitive basis to organizations that have been successful in conducting employment placement services, community services, and job training.

The workfare requirements included in this legislation will require contract funding for the development and operation of workfare projects in four sites.

Prepared by: Jim Nordlund, Director *Jim Nordlund* Phone: 465-2680  
 Division: Division of Public Assistance Date: 3/14/95  
 Approved by Com: Karen Perdue *Karen Perdue* Date: 3/14/95  
 Agency: Department of Health & Social Services

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

- Project will be operational July 1, 1996 through June 30, 1999.
- Workfare is operated by contractors in all 4 project areas.
- Development of work sites begins July 1, 1996, then continues with monitoring of placement agreements; recruitment of new sites to replace filled or discontinued sites; and terminates with end of project.
- Average monthly number of participants: 500 in FY97, 1000 in FY98, FY99.
- Contractors will develop work slots; manage cases of individuals referred to workfare; provide participation reports to DPA eligibility offices; pay client transportation costs; pay insurance for clients equivalent to Worker's Compensation; and compile information and report on workfare program outcomes.
- Average cost of managing workfare slots is \$1000/slot/year. In first year (FY97) 50% of contract funds is spent on project startup costs, 50% on operations. 100% of contract funds are spent on operations in FY98, FY99.
- Federal matching funds are available at the 50% matching rate, based on the projected cost - neutrality of the project.

Calculations:

FY 96  
no costs

FY97

Travel (Workfare Contract Administrator)	\$ 4,300
Workfare Contract (\$1,000/Workfare Client)	1,000,000

FY98

Travel (Workfare Contract Administrator)	\$ 4,400
Workfare Contract (\$1,000/Workfare Client)	1,000,000

FY99

Travel (Workfare Contract Administrator)	\$ 4,500
Workfare Contract (\$1,000/Workfare Client)	1,000,000

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 78  
DPA #6

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
Title: An Act proposing a special AFDC program demonstration project and reductions to AFDC and APA BRU: PA Administration  
Sponsor: Hanley Component: Child Care Benefits  
Requestor: House HESS COMPONENT SERIAL NO. 1897

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	336.0	688.8	705.6	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>336.0</b>	<b>688.8</b>	<b>705.6</b>	<b>0.0</b>	<b>0.0</b>

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)

	FY96	FY97	FY98	FY99	FY00	FY01
1002 Federal Receipts	0.0	168.0	344.4	352.8	0.0	0.0
1003 GF Match	0.0	168.0	344.4	352.8	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 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.0</b>	<b>336.0</b>	<b>688.8</b>	<b>705.6</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

	FY96	FY97	FY98	FY99	FY00	FY01
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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for a demonstration project in which certain AFDC parents must participate in workfare (unpaid community service). Under current AFDC program operations, the Department does not pay for child care for individuals in unpaid community service employment unless the individual is participating in the JOBS program.

The new workfare activity authorized by this legislation will require additional child care for project families.

Prepared by: Jim Nordlund, Director  
Division: Division of Public Assistance  
Approved by Com: Karen Perdue  
Agency: Department of Health & Social Services

Phone: 465-2680  
Date: 3/14/95  
Date: 3/14/95

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

- FY96 is a planning year, with no participants.
- Project is operational July 1, 1996 through June 30, 1999.
- 100 families per month will require child care services to participate in the Workfare Project in FY97, and increase to 200 families per month in FY98 and FY99.
- \$280/month average child care payment in FY97.
- 2.5% inflation rate per year.
- Federal matching funds will be available for project costs at the AFDC 50% matching rate, based on the projected cost neutrality of the projects.

Child Care Calculations:

Workfare	FY96	FY97	FY98	FY99	FY00	FY01	Totals \$
Child Care	0.0	336.0	688.8	705.6	0.0	0.0	1730.4

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 78

DPA #7

Revision Date: \_\_\_\_\_  
 Title: An Act relating to the maximum amount  
of assistance that may be granted under the adult public...  
 Sponsor: HANLEY  
 Requestor: Senate HESS

Dept. Affected: Health and Social Services  
 BRU: Medical Assistance Admin  
 Component: Claims Processing  
 COMPONENT SERIAL NO. 243  
 See also (SN#): 229, 230

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	40.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>40.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts	20.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	20.0	0.0	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
<b>TOTAL</b>	<b>40.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: 50.0

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

HB 78 will require the state to secure an 1115(a) waiver from the federal government. One requirement of an 1115(a) waiver is that the state be able to show "cost neutrality" of the waiver program. This means that the federal government will only provide financial participation in the waiver program to the extent that the program cost the federal government the same (neutral) or less than the cost of the conventional AFDC and Medicaid programs. This will require the state to accurately track each recipient participating in the program and the recipient's associated cost. To accomplish this, the department's Eligibility Information System and the Medicaid Management Information System computers will need software enhancement to accept additional client identifiers and eligibility codes. Enhancement of the Medicaid Management Information System is done by the Division of Medical Assistance's fiscal intermediary, First Health. There is a one time charge for making such computer programming modifications. This charge would be incurred during fiscal year 1996.

Prepared by: Jon Sherwood  
 Division: Medical Assistance  
 Approved by Commissioner: Karen Perdue, Commissioner  
 Agency: Department of Health & Social Services

Phone: 465-3355  
 Date: 03/10/95  
 Date: 3/14/95

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# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 78  
DPA #8

Revision Date: \_\_\_\_\_ 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-Facilities  
 Sponsor: HANLEY COMPONENT SERIAL NO. 230  
 Requestor: Senate HESS See also (SN#): 329, 243

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	(111.1)	(328.4)	(348.2)	(180.1)	(92.5)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>(111.1)</b>	<b>(328.4)</b>	<b>(348.2)</b>	<b>(180.1)</b>	<b>(92.5)</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	0.0	(55.5)	(164.2)	(174.1)	(90.0)	(46.2)
1003 GF Match	0.0	(55.6)	(164.2)	(174.1)	(90.1)	(46.3)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>(111.1)</b>	<b>(328.4)</b>	<b>(348.2)</b>	<b>(180.1)</b>	<b>(92.5)</b>

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

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

Medicaid spending will decrease as people lose Medicaid eligibility when they lose AFDC due to workfare sanctions or because they have increased earnings. Otherwise, participants in a workfare project envisioned by this legislation will remain eligible for Medicaid. People with increased earnings will likely qualify for transitional Medicaid. Many of the children of families formerly on AFDC will still qualify for a poverty-level Medicaid-only eligibility category.

A slight temporary increase in Medicaid spending will occur as a result of individuals becoming AFDC eligible because of the increased earned income disregard, waiver of the 100 hour employment limit, or the increased vehicle exemption. However, in the long term, this will be more than offset by the increased number of families going off AFDC because of increased employment.

See analysis on the attached pages.

Prepared by: Jon Sherwood Phone: 465-3355  
 Division: Medical Assistance Date: 03/13/95

Approved by Commissioner: Karen Perdue, Commissioner Date: 3/14/95  
 Agency: Department of Health & Social Services

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## ANALYSIS (cont.):

## GENERAL ASSUMPTIONS

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Average Cost of Medical Assistance						
AFDC Adult Annual	\$2,842	\$2,968	\$3,098	\$3,232	\$3,374	\$3,522
AFDC Adult Monthly	\$237	\$247	\$258	\$269	\$281	\$293
AFDC Child Annual	\$1,641	\$1,713	\$1,788	\$1,868	\$1,948	\$2,033
AFDC Child Monthly	\$137	\$143	\$149	\$156	\$163	\$170

The cost of Medical assistance is increased 4.38% annually for inflation.

The number of AFDC cases affected by this legislation were provided by Division of Public Assistance.

An AFDC case (household), one average, consists of one adult and two children.

## SAVINGS

Families participating in the workfare project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials and closures. This legislation also increases the earned income disregard, waives the 100 hour employment limit, and increases the vehicle exclusion to \$5000, which will make it easier for some households to secure employment, resulting in AFDC case closures and lost Medicaid. Approximately one-half of the children of in these households will continue to be eligible for Medicaid under a poverty level Medicaid- only eligibility category. Therefore, when a household (case) loses AFDC under this legislation, on average, one adult and 1 child lose Medicaid. Sanctions apply only to adults.

It is estimated that workfare sanctions will generally cause Medicaid eligibility to be lost for an average of 6.5 months per year. Case closures will cause Medicaid eligibility to be lost for an average of 9 months in FY 97 and 12 months in FY 98-99. After the demonstration waiver ends, some cases closed will remain off Medicaid because of continued employment. However, we estimate that 50% of the cases will return to AFDC in FY 00; an additional 25% will return to AFDC in FY 01.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	15	30	30	0	0
Adult Workfare Closures	0	35	70	70	35	17
Adult Income Closures	0	27	57	59	30	15
Child Workfare Closures (1 child only)	0	35	70	70	35	17
Child Income Closures (1 child only)	0	27	57	59	30	15
Adults Sanctioned for 6.5 months.	\$0	(\$24,083)	(\$50,310)	(\$52,455)	\$0	\$0
Adult Closures (9 mo. only in FY 97)	\$0	(\$137,826)	(\$393,192)	(\$416,412)	(\$219,180)	(\$112,512)
Child Closures (9 mo. only in FY 97)	\$0	(\$79,794)	(\$227,076)	(\$241,488)	(\$127,140)	(\$65,280)
<b>GROSS SAVINGS</b>	\$0	(\$241,703)	(\$670,578)	(\$710,355)	(\$346,320)	(\$177,792)

## EXPENDITURES

The increase in the earned income disregard, waiver of the 100 hour employment limit, and increasing the vehicle exclusion to \$5000 will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 8 cases per year will become eligible for AFDC. In FY 97, cases are assumed to be eligible for an average of 9 months, and for 12 months thereafter.

Adults Added Because of New Limits	0	8	8	8	0	0
Children Added Because of New Limits	0	8	8	8	0	0
Adult Expenditures (9 mo. only FY97)	\$0	\$17,784	\$24,768	\$25,824	\$0	\$0
Child Expenditures (9 mo. only FY 97)	\$0	\$10,296	\$14,304	\$14,976	\$0	\$0
<b>GROSS EXPENDITURES</b>	\$0	\$28,080	\$39,072	\$40,800	\$0	\$0
<b>NET MEDICAID SAVINGS</b>	\$0	(\$213,823)	(\$631,508)	(\$669,555)	(\$346,320)	(\$177,792)
<b>FACILITIES (52%)</b>	\$0	(\$111,084)	(\$328,383)	(\$348,169)	(\$180,086)	(\$92,452)
<b>NON-FACILITIES (48%)</b>	\$0	(\$102,539)	(\$303,123)	(\$321,386)	(\$166,234)	(\$85,340)

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 78

DPA #9

Revision Date: \_\_\_\_\_  
 Title: An Act relating to the maximum amount  
of assistance that may be granted under the adult public...  
 Sponsor: HANLEY  
 Requestor: Senate HESS

Dept. Affected: Health and Social Services  
 BRU: Medical Assistance  
 Component: Medicaid Non-Facility  
 COMPONENT SERIAL NO. 229  
 See also (SN#): 330, 243

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	(102.5)	(303.1)	(321.4)	(166.2)	(85.3)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>(102.5)</b>	<b>(303.1)</b>	<b>(321.4)</b>	<b>(166.2)</b>	<b>(85.3)</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts	0.0	(51.2)	(151.5)	(160.7)	(83.1)	(42.3)
1003 GF Match	0.0	(51.3)	(151.6)	(160.7)	(83.1)	(42.7)
1004 GF						
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>(102.5)</b>	<b>(303.1)</b>	<b>(321.4)</b>	<b>(166.2)</b>	<b>(85.3)</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

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

Medicaid spending will decrease as people lose Medicaid eligibility when they lose AFDC due to workfare sanctions or because they have increased earnings. Otherwise, participants in a workfare project envisioned by this legislation will remain eligible for Medicaid. People with increased earnings will likely qualify for transitional Medicaid. Many of the children of families formerly on AFDC will still qualify for a poverty-level Medicaid-only eligibility category.

A slight temporary increase in Medicaid spending will occur as a result of individuals becoming AFDC eligible because of the increased earned income disregard, waiver of the 100 hour employment limit, or the increased vehicle exemption. However, in the long term, this will be more than offset by the increased number of families going off AFDC because of increased employment.

See analysis on the attached pages.

Prepared by: Jon Sherwood  
 Division: Medical Assistance  
 Approved by Commissioner: Karen Perdue, Commissioner  
 Agency: Department of Health & Social Services

Phone: 465-3355  
 Date: 03/13/95  
 Date: 3/14/95

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**ANALYSIS (cont.):****GENERAL ASSUMPTIONS**

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Average Cost of Medical Assistance						
AFDC Adult Annual	\$2,842	\$2,966	\$3,098	\$3,232	\$3,374	\$3,522
AFDC Adult Monthly	\$237	\$247	\$258	\$269	\$281	\$293
AFDC Child Annual	\$1,841	\$1,713	\$1,788	\$1,866	\$1,948	\$2,033
AFDC Child Monthly	\$137	\$143	\$149	\$156	\$163	\$170

The cost of Medical assistance is increased 4.38% annually for inflation.

The number of AFDC cases affected by this legislation were provided by Division of Public Assistance.

An AFDC case (household), one average, consists of one adult and two children.

**SAVINGS**

Families participating in the workfare project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials, and closures. This legislation also increases the earned income disregard, waives the 100 hour employment limit, and increases the vehicle exclusion to \$5000, which will make it easier for some households to secure employment, resulting in AFDC case closures and lost Medicaid. Approximately one-half of the children of in these households will continue to be eligible for Medicaid under a poverty level Medicaid- only eligibility category. Therefore, when a household (case) loses AFDC under this legislation, on average, one adult and 1 child lose Medicaid. Sanctions apply only to adults.

It is estimated that workfare sanctions will generally cause Medicaid eligibility to be lost for an average of 6.5 months per year. Case closures will cause Medicaid eligibility to be lost for an average of 9 months in FY 97 and 12 months in FY 98-99. After the demonstration waiver ends, some cases closed remain off Medicaid because of continued employment. However, we estimate that 50% of the cases will return to AFDC in FY 00; an additional 25% will return to AFDC in FY 01.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	15	30	30	0	0
Adult Workfare Closures	0	35	70	70	35	17
Adult Income Closures	0	27	57	59	30	15
Child Workfare Closures (1 child only)	0	35	70	70	35	17
Child Income Closures (1 child only)	0	27	57	59	30	15
Adults Sanctioned for 6.5 months.	\$0	(\$24,083)	(\$50,310)	(\$52,455)	\$0	\$0
Adult Closures (9 mo. only in FY 97)	\$0	(\$137,826)	(\$393,192)	(\$416,412)	(\$219,180)	(\$112,512)
Child Closures (9 mo. only in FY 97)	\$0	(\$79,794)	(\$227,076)	(\$241,488)	(\$127,140)	(\$65,280)
<b>GROSS SAVINGS</b>	\$0	(\$241,703)	(\$670,578)	(\$710,355)	(\$346,320)	(\$177,792)

**EXPENDITURES**

The increase in the earned income disregard, waiver of the 100 hour employment limit, and increasing the vehicle exclusion to \$5000 will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 8 cases per year will become eligible for AFDC. In FY 97, cases are assumed to be eligible for an average of 9 months, and for 12 months thereafter.

Adults Added Because of New Limits	0	8	8	8	0	0
Children Added Because of New Limits	0	8	8	8	0	0
Adult Expenditures (9 mo. only FY97)	\$0	\$17,784	\$24,768	\$25,824	\$0	\$0
Child Expenditures (9 mo. only FY 97)	\$0	\$10,296	\$14,304	\$14,976	\$0	\$0
<b>GROSS EXPENDITURES</b>	\$0	\$28,080	\$39,072	\$40,800	\$0	\$0
<b>NET MEDICAID SAVINGS</b>	\$0	(\$213,823)	(\$631,506)	(\$669,555)	(\$346,320)	(\$177,792)
<b>FACILITIES (52%)</b>	\$0	(\$111,084)	(\$328,383)	(\$348,169)	(\$180,086)	(\$92,452)
<b>NON-FACILITIES (48%)</b>	\$0	(\$102,539)	(\$303,123)	(\$321,386)	(\$166,234)	(\$85,340)

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 78  
DPA #10

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act proposing a special AFDC program demonstration project and reductions to AFDC and APA BRU: Assistance Payments  
 Component: AFDC - Ratable Reductions  
 Sponsor: Hanley  
 Requestor: House HESS COMPONENT SERIAL NO. 220

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	(1,610.7)	(2,255.1)	(2,367.9)	(2,486.3)	(2,610.7)	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(1,610.7)</b>	<b>(2,255.1)</b>	<b>(2,367.9)</b>	<b>(2,486.3)</b>	<b>(2,610.7)</b>	<b>0.0</b>

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	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	0.0
1003 GF Match	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	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 1007 I/A Receipts	(197.7)	(207.5)	(217.7)	(228.7)	(240.1)	0.0
<b>TOTAL</b>	<b>(1,610.7)</b>	<b>(2,255.1)</b>	<b>(2,367.9)</b>	<b>(2,486.3)</b>	<b>(2,610.7)</b>	<b>0.0</b>

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation reduces AFDC maximum payment levels to approximately 1.7 percent below the current maximums.

Prepared by: Jim Nordlund, Director  
 Division: Division of Public Assistance

Phone: 465-2680  
 Date: 3/10/95

Approved by Com: Karen Perdue  
 Agency: Department of Health & Social Services

Date: 3/14/95

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

The reduction takes effect on October 1, 1995, and is repealed at the beginning of FY01.

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

Ratable reductions are imposed statewide.

AFDC caseload size will increase by 5 percent each year.

The average amount of 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>
FY96	13,767	\$13	* \$1,610.7
FY97	14,456	\$13	\$2,255.1
FY98	15,179	\$13	\$2,367.9
FY99	15,938	\$13	\$2,486.3
FY00	16,735	\$13	\$2,610.7
FY01	17,572	\$13	\$ 0.0

\* FY96 Total reduction is for 9 months

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 78  
DPA #11

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act proposing a special AFDC program demonstration project and reductions to AFDC and APA BRU: Assistance Payments  
 Sponsor: Hanley Component: APA  
 Requestor: House HESS COMPONENT SERIAL NO. 222

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	(516.1)	(725.0)	(763.7)	(804.3)	(847.1)	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(516.1)</b>	<b>(725.0)</b>	<b>(763.7)</b>	<b>(804.3)</b>	<b>(847.1)</b>	<b>0.0</b>

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	(475.5)	(682.2)	(718.6)	(756.8)	(797.1)	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 1007 I/A Receipts	(40.6)	(42.8)	(45.1)	(47.5)	(50.0)	0.0
<b>TOTAL</b>	<b>(516.1)</b>	<b>(725.0)</b>	<b>(763.7)</b>	<b>(804.3)</b>	<b>(847.1)</b>	<b>0.0</b>

**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 any current year (FY95) cost: \$ NONE

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

This legislation 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 October 1, 1993.

Prepared by: Jim Nordlund, Director  
 Division: Division of Public Assistance  
 Approved by Com: Karen Perdue, Commissioner  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 3/14/95  
 Date: 3/14/95

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

The reduction takes effect on October 1, 1995, and is repealed at the beginning of FY01.

Benefit reductions are imposed statewide.

The average amount of the monthly APA benefit decrease will be \$5.50. 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>
FY96	10,426	\$5.50	* \$516.1
FY97	10,985	\$5.50	\$725.0
FY98	11,572	\$5.50	\$763.7
FY99	12,188	\$5.50	\$804.3
FY00	12,834	\$5.50	\$847.1
FY01	13,514	\$5.50	\$ 0.0

\* FY96 Total Reduction is for 9 months

**FISCAL NOTE**

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 78  
DPA #12

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act proposing a special AFDC program demonstration project and reductions to AFDC and APA BRU: PFD Hold Harmless  
 Component: PFD Hold Harmless  
 Sponsor: Hanley  
 Requestor: House HESS COMPONENT SERIAL NO. 225

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	(238.3)	(256.0)	(474.7)	(493.3)	(492.3)	(105.3)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(238.3)</b>	<b>(256.0)</b>	<b>(474.7)</b>	<b>(493.3)</b>	<b>(492.3)</b>	<b>(105.3)</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGES IN REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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
Other 1007 I/A Receipts	(238.3)	(256.0)	(474.7)	(493.3)	(492.3)	(105.3)
<b>TOTAL</b>	<b>(238.3)</b>	<b>(256.0)</b>	<b>(474.7)</b>	<b>(493.3)</b>	<b>(492.3)</b>	<b>(105.3)</b>

**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 any current year (FY95) cost: \$ NONE

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

PFD 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 ratable reductions provided for in this bill reduce costs in the AFDC and APA assistance payments BRUs. The AFDC Demonstration project also produces savings in the AFDC Component. PFD Hold Harmless costs change in direct proportion to the costs of the programs held harmless.

Prepared by: Jim Nordlund, Director  
 Division: Division of Public Assistance

Phone: 465-2680  
 Date: 3/14/95

Approved by Com: Karen Perdue  
 Agency: Department of Health & Social Services

Date: 3/14/95

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

The benefit reductions take effect on October 1, 1995.

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**

	<u>AFDC</u>	<u>APA</u>	<u>PFDHH</u>
FY96	\$197.7	\$40.6	\$238.3
FY97	\$213.2	\$42.8	\$256.0
FY98	\$429.6	\$45.1	\$474.7
FY99	\$445.8	\$47.5	\$493.3
FY00	\$442.3	\$50.0	\$492.3
FY01	\$105.3	\$0.0	\$105.3

**COST/SAVINGS ANALYSIS**

HB 78

Prepared by the Department of Health and Social Services

Division of Public Assistance

March 13, 1995

	FY96	FY97	FY98	FY99	FY00	FY01	TOTAL
<b>OPERATING EXPENDITURES</b>							
AFDC Payments - Project	0.0	(63.4)	(2,354.9)	(2,412.5)	(2,247.1)	(1,170.3)	(8,248.2)
Eligibility Determination	239.9	326.9	326.9	326.9	163.5	0.0	1,384.1
PA Administration	213.5	158.5	158.5	158.5	78.8	0.0	767.8
PA Data Processing	972.4	277.0	66.5	66.5	33.4	0.0	1,415.8
Alaska Work Programs	0.0	1004.3	1004.4	1004.5	0.0	0.0	3,013.2
Child Care Benefits	0.0	336.0	688.8	705.6	0.0	0.0	1,730.4
Medical Assistance	40.0	(213.6)	(631.5)	(669.6)	(346.3)	(177.8)	(1,998.8)
<b>Gross Project Cost</b>	<b>1,465.8</b>	<b>1,825.7</b>	<b>(741.3)</b>	<b>(820.1)</b>	<b>(2,317.7)</b>	<b>(1,348.1)</b>	<b>(1,935.7)</b>
Less Federal Receipts for Project Costs	(732.8)	(1,083.7)	(79.6)	(51.1)	1,057.7	621.4	(268.1)
<b>Net GF/GF Match Project Cost</b>	<b>733.0</b>	<b>742.0</b>	<b>(820.9)</b>	<b>(871.2)</b>	<b>(1,260.0)</b>	<b>(726.7)</b>	<b>(2,203.8)</b>
Less Ratable Reduction GF/GF Match Savings	(1,182.0)	(1,706.0)	(1,793.7)	(1,885.6)	(1,982.4)	0.0	(8,549.7)
<b>Net GF Budget Impact</b>	<b>(449.0)</b>	<b>(964.0)</b>	<b>(2,614.6)</b>	<b>(2,756.8)</b>	<b>(3,242.4)</b>	<b>(726.7)</b>	<b>(10,753.5)</b>

<b>RATABLE REDUCTION SAVINGS</b>							
AFDC - GF Match	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	0.0	(5,119.5)
APA - GF	(475.5)	(682.2)	(718.6)	(756.8)	(797.1)	0.0	(3,430.2)
<b>Total GF</b>	<b>(1,182.0)</b>	<b>(1,706.0)</b>	<b>(1,793.7)</b>	<b>(1,885.6)</b>	<b>(1,982.4)</b>	<b>0.0</b>	<b>(8,549.7)</b>
AFDC - Federal Receipts	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	0.0	(5,119.5)
AFDC/APA - I/A Receipts (PFD Hold Harmless)	(238.3)	(256.0)	(474.7)	(493.3)	(492.3)	(105.3)	(2,059.9)

# HOUSE COMMITTEE REPORT

(9)

Date Referred: January 16, 1995

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/30/95

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 78

HOUSE BILL NO. 78

PUBLIC ASSIST. DEMO PROJECT & 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."

recommends it be replaced with the following committee substitute CS HB 78 HES  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) (12) H+SS  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Wm. G. ...</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<i>John L. ...</i>			<input checked="" type="checkbox"/>	
<i>Car Beede</i>	<input checked="" type="checkbox"/>			
<i>Patricia ...</i>	<input checked="" type="checkbox"/>			
<i>Patricia Balenborn</i>				<input checked="" type="checkbox"/>
<i>Tom ...</i>				<input checked="" type="checkbox"/>

CHAIR'S SIGNATURE

*Car Beede*

Total

\*\*\*\*\*

Bill No. \_\_\_\_\_ 1

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

Tape: 95-\_\_\_\_\_

Number: \_\_\_\_\_

A #1

Subject of Vote: \_\_\_\_\_

HR 78

Member	Yea	Nay	Abs.
Rep. Tom Brice	<u>X</u>	—	—
Rep. Caren Robinson	<u>X</u>	—	—
Rep. Cynthia Toohey	—	<u>X</u>	—
Rep. Con Bunde	—	<u>X</u>	—
Rep. Al Vezey	—	—	—
Rep. Gary Davis	—	<u>X</u>	—
Rep. Norman Rokeberg	—	<u>X</u>	—
Total	<u>2</u>	<u>4</u>	—

House HESS Roll Call Form

A 2

Bill No. \_\_\_\_\_

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

Tape: 95- \_\_\_\_\_

Number: \_\_\_\_\_

Subject of Vote: \_\_\_\_\_

Member	Yea	Nay	Abs.
Rep. Caren Robinson	<u>X</u>	—	—
Rep. Cynthia Toohey	—	<u>X</u>	—
Rep. Con Bunde	—	<u>X</u>	—
Rep. Al Vezey	—	—	—
Rep. Gary Davis	—	<u>X</u>	—
Rep. Norman Rokeberg	—	<u>X</u>	—
Rep. Tom Brice	<u>X</u>	—	—
Total	<u>2</u>	<u>4</u>	—



House HESS Roll Call Form

Bill No. \_\_\_\_\_

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

Tape: 95- \_\_\_\_\_

Number: \_\_\_\_\_

Subject of Vote: AB \_\_\_\_\_

Member	Yea	Nay	Abs.
Rep. Al Vezey	_____	_____	_____
Rep. Gary Davis	_____	<u>X</u>	_____
Rep. Norman Rokeberg	_____	<u>X</u>	_____
Rep. Tom Brice	<u>X</u>	_____	_____
Rep. Caren Robinson	<u>X</u>	_____	_____
Rep. Cynthia Toohey	_____	<u>X</u>	_____
Rep. Con Bunde	_____	<u>X</u>	_____
<b>Total</b>	_____	_____	_____

*AAS*

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Bill No. \_\_\_\_\_

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

Tape: 95- \_\_\_\_\_

Number: \_\_\_\_\_

Subject of Vote: AB 78 \_\_\_\_\_

Member	Yea	Nay	Abs.
Rep. Gary Davis	_____	<u>X</u>	_____
Rep. Norman Rokeberg	_____	<u>X</u>	_____
Rep. Tom Brice	<u>X</u>	_____	_____
Rep. Caren Robinson	<u>X</u>	_____	_____
Rep. Cynthia Toohey	_____	<u>X</u>	_____
Rep. Con Bunde	_____	<u>X</u>	_____
Rep. Al Vezey	_____	_____	_____
<b>Total</b>	_____	_____	_____

*AL*

**House HESS Roll Call Form**

Bill No. \_\_\_\_\_

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

Tape: 95-\_\_\_\_\_

Number: \_\_\_\_\_

Subject of Vote: AB 78\_\_\_\_\_

Member	Yea	Nay	Abs.
Rep. Norman Rokeberg	_____	<u>Y</u>	_____
Rep. Tom Brice	<u>X</u>	_____	_____
Rep. Caren Robinson	<u>X</u>	_____	_____
Rep. Cynthia Toohey	_____	<u>X</u>	_____
Rep. Con Bunde	_____	<u>X</u>	_____
Rep. Al Vezey	_____	_____	_____
Rep. Gary Davis	_____	<u>X</u>	_____
<b>Total</b>	<u>2</u>	<u>4</u>	_____

*A# 7*

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Bill No. \_\_\_\_\_

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

Tape: 95-\_\_\_\_\_

Number: \_\_\_\_\_

Subject of Vote: AB 78\_\_\_\_\_

Member	Yea	Nay	Abs.
Rep. Tom Brice	_____	_____	_____
Rep. Caren Robinson	<u>X</u>	_____	_____
Rep. Cynthia Toohey	_____	<u>X</u>	_____
Rep. Con Bunde	_____	<u>X</u>	_____
Rep. Al Vezey	_____	_____	_____
Rep. Gary Davis	_____	<u>X</u>	_____
Rep. Norman Rokeberg	_____	<u>X</u>	_____
<b>Total</b>	_____	_____	_____

*A# 9*

*held*

House HESS Roll Call Form

Bill No. \_\_\_\_\_

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

Tape: 95- \_\_\_\_\_

Number: \_\_\_\_\_

Subject of Vote: \_\_\_\_\_

HB 7

Member	Yea	Nay	Abs.
Rep. Caren Robinson	<u>X</u>	—	—
Rep. Cynthia Toohey	—	<u>X</u>	—
Rep. Con Bunde	—	<u>X</u>	—
Rep. Al Vezey	—	—	—
Rep. Gary Davis	—	<u>X</u>	—
Rep. Norman Rokeberg	—	<u>X</u>	—
Rep. Tom Brice	<u>X</u>	—	—
<b>Total</b>	<u>2</u>	<u>4</u>	—

A [scribble]

House HESS Roll Call Form

Bill No. \_\_\_\_\_

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

Tape: 95-\_\_\_\_\_

Number: \_\_\_\_\_

Subject of Vote: \_\_\_\_\_

*AS 78*

Member	Yea	Nay	Abs.
Rep. Cynthia Toohey	<u>X</u>	—	—
Rep. Con Bunde	<u>X</u>	—	—
Rep. Al Vezey	—	—	—
Rep. Gary Davis	<u>X</u>	—	—
Rep. Norman Rokeberg	<u>X</u>	—	—
Rep. Tom Brice	—	<u>X</u>	—
Rep. Caren Robinson	—	<u>X</u>	—
<b>Total</b>	<u>4</u>	<u>2</u>	—

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**COST/SAVINGS ANALYSIS**

**CSHB 78 (HES)**

Prepared by the Department of Health and Social Services

Division of Public Assistance

April 4, 1995

	FY96	FY97	FY98	FY99	FY00	FY01	TOTAL
<b>OPERATING EXPENDITURES</b>							
AFDC Payments - Project	(137.9)	(875.1)	(1,782.4)	(1,882.1)	(1,998.6)	(2,111.1)	(8,787.2)
Eligibility Determination	136.8	188.8	188.8	188.8	188.8	188.8	1,080.8
PA Administration	213.5	158.5	158.5	158.5	158.5	158.5	1,006.0
PA Data Processing	972.4	277.0	66.5	66.5	66.5	66.5	1,515.4
Alaska Work Programs	0.0	394.5	436.1	446.0	457.0	470.4	2,204.0
Child Care Benefits	0.0	152.0	272.3	289.3	300.0	308.7	1,322.3
Medical Assistance	40.0	(431.9)	(818.9)	(914.8)	(978.1)	(1,035.0)	(4,138.7)
Family and Youth Services	113.9	113.9	113.9	113.9	113.9	113.9	683.4
<b>Gross Project Cost</b>	<b>1,338.7</b>	<b>(22.3)</b>	<b>(1,365.2)</b>	<b>(1,533.9)</b>	<b>(1,692.0)</b>	<b>(1,839.3)</b>	<b>(5,114.0)</b>
Less Federal Receipts for Project Costs	618.7	(28.7)	(659.5)	(739.2)	(813.0)	(881.7)	(2,503.4)
Less I/A Receipts for Project Costs (PFD Hold Harmless)	(12.7)	(78.8)	(160.4)	(169.4)	(179.9)	(190.0)	(791.2)
<b>Net GF/GF Match Project Cost</b>	<b>732.7</b>	<b>85.2</b>	<b>(545.3)</b>	<b>(625.3)</b>	<b>(699.1)</b>	<b>(767.6)</b>	<b>(1,819.4)</b>
Less Ratable Reduction GF Match Savings	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	(1,244.5)	(6,364.0)
<b>Net GF Budget Impact</b>	<b>26.2</b>	<b>(938.6)</b>	<b>(1,620.4)</b>	<b>(1,754.1)</b>	<b>(1,884.4)</b>	<b>(2,012.1)</b>	<b>(8,183.4)</b>

<b>RATABLE REDUCTION SAVINGS</b>							
GF Match	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	(1,244.5)	(6,364.0)
Federal Receipts	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	(1,244.5)	(6,364.0)
I/A Receipts (PFD Hold Harmless)	(197.7)	(207.5)	(217.7)	(228.7)	(240.1)	(252.2)	(1,343.9)

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)  
DPA #1

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
Title: An Act relating to the AFDC program BRU: Assistance Payments  
demonstration projects and payment reductions Component: AFDC  
Sponsor: Hanley  
Requestor: House HES COMPONENT SERIAL NO. 220

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	(137.9)	(875.1)	(1,782.4)	(1,882.1)	(1,998.6)	(2,111.1)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(137.9)</b>	<b>(875.1)</b>	<b>(1,782.4)</b>	<b>(1,882.1)</b>	<b>(1,998.6)</b>	<b>(2,111.1)</b>

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	(62.6)	(398.1)	(811.0)	(856.3)	(909.3)	(960.5)
1003 GF Match	(62.6)	(398.2)	(811.0)	(856.4)	(909.4)	(960.6)
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
1008 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	(12.7)	(78.8)	(160.4)	(169.4)	(179.9)	(190.0)
<b>TOTAL</b>	<b>(137.9)</b>	<b>(875.1)</b>	<b>(1,782.4)</b>	<b>(1,882.1)</b>	<b>(1,998.6)</b>	<b>(2,111.1)</b>

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This bill makes a permanent change to the AFDC program by adopting a federal option that allows states to require, as a condition of eligibility for AFDC benefits, that unmarried minor parents and their children live with a parent or other adult relative or in another suitable adult-supervised living arrangement. This change in law applies to all AFDC cases in the state.

This legislation also creates temporary authority for various demonstration projects designed to reshape the state's AFDC program, and authorizes the Department of Health and Social Services to apply for any federal authority necessary to operate the projects.

Prepared by: Jim Nordlund, Director  
Division: Division of Public Assistance  
Approved by Com: Karen Perdue  
Agency: Department of Health & Social Services

Phone: 465-2680  
Date: 4/4/95  
Date: 4/4/95

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**ANALYSIS (cont.):**

**UNMARRIED MINOR PARENTS**

This legislation adopts the federal option to require unmarried minor parents to live with a parent, adult relative or in another adult-supervised living arrangement.

**Assumptions:**

We anticipate no additional costs to AFDC program benefits due to this project.

Two hundred AFDC applications per year are received from unwed teen parents.

Seventy AFDC applications from teen parents require investigation each year because the teen claims that the parents' home is unsafe.

Forty percent of the cases investigated are denied benefits because the teen refuses to cooperate in the investigation or does not qualify financially because their parent(s)' income and assets disqualify them when they live at home.

The average monthly AFDC caseload is reduced by 28 cases per month. Average monthly cost per case is \$821.

Regulations take effect January 1, 1996.

FY 96 savings represent 6 months savings because of phased implementation.

**Savings Calculation:**

FY 96: (137.9)

FY 97 through FY 01: (275.9) per year

## ANALYSIS (cont.):

**DEMONSTRATION PROJECTS**

The demonstration projects involve an array of services and special eligibility provisions that, under current law, require waiver of certain federal AFDC statutes and regulations. The demonstration projects include:

- A **Workfare Project** requires certain members of the experimental group benefit from increased incentives to work whether or not they are assigned to uncompensated work experience. Selected AFDC recipients are required to participate in unpaid work activities for 21 hours a week. Individuals who are employed 15 or more hours a week are exempt from the requirement. Individuals who are required to participate in workfare are subject to fiscal sanction if they do not comply with the requirement.
- An **AFDC Unemployed Parent Demonstration** designed to help two-parent AFDC families achieve economic independence. Families selected as project participants will be subject to a 36-month time limit on AFDC benefits.
- A **Self-Employment Project** provides incentives and support to families with a member who wishes to develop and operate a small business. Participants in this project are allowed to set aside up to \$10,000 to operate a self-employment business and to have up to \$500 per month in non-business income disregarded in the AFDC benefit calculation in order to build up business assets.
- A **Diversion Project** that will provide families an alternative to long-term AFDC dependency by offering job-ready AFDC applicants a one-time lump-sum cash payment to meet critical needs while they obtain employment and/or child support. Diversion projects will operate in two or more areas of the state.

All individuals in the experimental groups for the Unemployed Parent, Workfare, and Self-Employment projects receive increased incentives to work. The federal statute that prevents them from owning a vehicle worth more than \$2,500 is waived and they will instead be allowed to own up to \$5,000 in vehicle equity before the equity is counted against them. They are allowed an additional earned income disregard that increases the current time-limited \$30 and one third of the remainder to \$200 plus one third of the remainder for 24 months. The federal rule that prevents unemployed parents from working more than 100 hours per month is waived.

**ANALYSIS (cont.):**

**General Assumptions - Demonstration Projects:** (Specific assumptions for each of the four demonstration projects are set forth below.)

Each of the demonstration projects is operated under the authority of section 1115 (a) of the Social Security Act, which provides for the necessary policy waivers and requires an experimental design and a rigorous evaluation of results.

To comply with federal requirements, 70 percent of cases in each project area are randomly drawn to participate as the experimental group. Demonstration project requirements and waivers apply only to the experimental group.

Thirty percent of cases are maintained as part of the control group; normal AFDC program requirements apply to the control group.

Demonstration project operations begin July 1, 1996 and end June 30, 2001.

Project costs (Measured over the 5-year operation of the project) do not exceed baseline costs of operating the AFDC program without the project. Federal financial participation is therefore available at the AFDC 50 percent federal match rate for all project costs.

**Workfare Project:****General Assumptions:**

Workfare operates in one urban area with a total caseload size of approximately 5500 cases per month. An average of 300 AFDC participants per month are engaged in unpaid work activities under workfare.

**Savings Assumptions:**

Five percent of the experimental group start working as a result of the increase in earned income disregards, and an additional nine percent of the experimental group start working because of the workfare demonstration, at an average wage of \$800 per month. The average savings per case for participants who become employed is \$463 per month.

One percent of the families in the experimental group leave the AFDC caseload because of increased work incentives. Seven percent of the families in the experimental group leave the AFDC caseload because of the 21 hour-per-week workfare requirement. The average savings for each family that leaves AFDC is \$788 per month.

Three percent of the families in the project are sanctioned or denied for failure to comply with workfare requirements.

## ANALYSIS (cont.):

## Annual Workfare Savings:

AFDC BENEFIT SAVINGS						
	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
\$200 + 1/3 Earned Income Disregard & 100-Hour-Rule	0.0	(390.93)	(852.0)	(888.5)	(932.9)	(979.5)
Workfare Sanctions	0.0	(8.8)	(17.6)	(17.6)	(17.6)	(17.6)
Case Closures	0.0	(112.8)	(360.7)	(366.0)	(384.2)	(403.4)
<b>Total Gross Savings</b>	<b>0.0</b>	<b>(796.1)</b>	<b>(1230.3)</b>	<b>(1272.1)</b>	<b>(1334.7)</b>	<b>(1400.5)</b>

## Cost Assumptions:

The annual average earned income disregard rises from \$36 per month to \$180 per month for working families.

The eligibility waivers result in 8 more eligible families each year.

## Annual Workfare Costs:

AFDC BENEFIT COSTS						
	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
\$200 + 1/3 Earned Income Disregard & 100-Hour-Rule	0.0	505.5	499.2	524.1	550.2	577.5
Automobile Allowance	0.0	60.3	80.4	80.4	80.4	80.4
<b>Total Gross Costs</b>	<b>0.0</b>	<b>565.8</b>	<b>579.6</b>	<b>604.5</b>	<b>630.6</b>	<b>657.9</b>

## Workfare Project: Cost/Savings Summary

	FY96	FY97	FY98	FY99	FY00	FY01
Savings	0	(796.1)	(1230.3)	(1272.1)	(1334.7)	(1400.5)
Costs	0	(565.8)	(579.6)	(604.5)	(630.6)	(657.9)
<b>Net Savings</b>	<b>0</b>	<b>(230.3)</b>	<b>(650.7)</b>	<b>(667.6)</b>	<b>(704.1)</b>	<b>(742.6)</b>

**ANALYSIS (cont.):****Unemployed Parent Project****General Assumptions:**

The Unemployed Parent Project operates in two urban sites with a total AFDC Unemployed Parent caseload of approximately 1100 cases per month.

Four percent of the experimental group is exempt from the project requirements because they are unable to work.

**Savings Assumptions:**

The project waivers increase the average monthly earnings of project participants who are already working from \$500 to \$800.

Five percent of unemployed project participants become employed at an average wage of \$800 per month as a result of the project requirements.

Savings resulting from case closures because of the 36-month time limit begin to accrue in FY 00.

One percent of families in the experimental group become ineligible for AFDC because of the demonstration project.

Three percent of the families in the project are sanctioned or denied for failure to comply with project requirements.

**Cost Assumptions:**

The waiver of the 100-hour rule, increase in the vehicle value allowance, and increase in the income disregard produce costs for benefits paid to families that would otherwise receive a reduced AFDC grant or be ineligible.

**Calculations:**

<b>Unemployed Parent Project: Cost/Savings Summary</b>					
	<b>FY97</b>	<b>FY98</b>	<b>FY99</b>	<b>FY00</b>	<b>FY01</b>
<b>Savings</b>	(671.2)	(887.1)	(941.9)	(603.6)	(1043.6)
<b>Cost</b>	541.7	577.6	603.6	632.9	662.3
<b>Net Savings</b>	(129.5)	(309.5)	(338.4)	(364.3)	(381.3)

**ANALYSIS (cont.):****Self-Employment Project:****General Assumptions:**

The Self-Employment Project serves a maximum of 50 AFDC recipients in any month.

The average net self-employment earnings for project participants is \$700 per month.

Thirty AFDC recipients become self-employed in FY 97; 50 recipients become self-employed in each subsequent year.

**Savings Assumptions:**

The AFDC savings is \$505 per month for each case that becomes employed.

Three AFDC cases become ineligible for AFDC because of successful self-employment operations in FY 97 and 10 cases become ineligible in each subsequent year; the average savings for each family that leaves the caseload is \$5122 per year.

**Cost Assumptions:**

The new income disregards result in program costs: The average monthly income disregard for project participants is \$344 more than the regular AFDC income disregard. \$200 of this amount is due to the special allowances for self-employed and \$144 is due to the increased earned income disregards.

**Calculations:**

Self-Employment Project: Costs/Savings Summary					
	FY97	FY98	FY99	FY00	FY01
Savings	(151.7)	(369.6)	(420.8)	(472.0)	(523.2)
Cost	67.1	111.8	111.8	111.8	111.8
Net Savings	(84.6)	(257.8)	(309.0)	(360.2)	(411.4)

**ANALYSIS (cont.):****Diversion Project****General Assumptions:**

The Diversion Project operates in two areas of the state.

In FY 97 the experimental group includes approximately 1600 applicant families. The number of applicant families increases by 1 percent per year each year thereafter.

Fifteen percent of the applicants screened into the experimental group meet the criteria for a diversion offer and accept a diversion payment rather than receiving AFDC benefits.

**Savings Assumptions:**

The average AFDC payment avoided for the 3 month period is \$2,364.

Fifty-five percent of the families that receive diversion payments are diverted from the AFDC program for at least 12 months.

For each Diverted family, an average of 6.5 months of AFDC expenditures is avoided.

**Cost Assumptions:**

In the implementation year of FY 97, 94 families receive Diversion payments; 179 families receive Diversion payments in FY 98. The number of Diversion recipients increases by 1 percent in each subsequent year.

The average diversion payment is \$1,600 per family.

**Calculations:**

<b>AFDC Diversion Project: Cost/Savings Summary</b>					
	<b>FY97</b>	<b>FY98</b>	<b>FY99</b>	<b>FY00</b>	<b>FY01</b>
<b>Savings</b>	(358.3)	(667.8)	(673.9)	(680.8)	(687.6)
<b>Cost</b>	203.5	379.3	382.7	386.7	390.5
<b>Net Savings</b>	(154.8)	(288.5)	(291.2)	(294.1)	(297.1)

## ANALYSIS (cont.):

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**CUMULATIVE IMPACTS OF THIS LEGISLATION ON AFDC ASSISTANCE PAYMENTS  
SUMMARY**

	FY96	FY97	FY98	FY99	FY00	FY01	Totals
Minor Parents	(137.9)	(275.9)	(275.9)	(275.9)	(275.9)	(275.9)	(1517.4)
Workfare	0.0	(230.3)	(650.7)	(667.6)	(704.1)	(742.6)	(2995.3)
Unemployed Parent	0.0	(129.5)	(309.5)	(338.4)	(364.3)	(381.3)	(1523.0)
Self Employment	0.0	(84.6)	(257.8)	(309.0)	(360.2)	(411.4)	(1423.0)
Diversion	0.0	(154.8)	(288.5)	(291.2)	(294.1)	(299.9)	(1328.5)
<b>TOTAL</b>	<b>(137.9)</b>	<b>(875.1)</b>	<b>(1782.4)</b>	<b>(1882.1)</b>	<b>(1998.6)</b>	<b>(2111.1)</b>	<b>(8787.2)</b>

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)  
DPA #2

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
Title: An Act relating to the AFDC program BRU: PA Administration  
demonstration projects and payment reductions Component: Eligibility Determination  
Sponsor: Hanley  
Requestor: House HES COMPONENT SERIAL NO. 236

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	91.5	182.8	182.8	182.8	182.8	182.8
TRAVEL	1.5	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	2.5	4.0	4.0	4.0	4.0	4.0
SUPPLIES	1.3	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	40.0	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
<b>TOTAL OPERATING</b>	<b>136.8</b>	<b>188.8</b>	<b>188.8</b>	<b>188.8</b>	<b>188.8</b>	<b>188.8</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGES IN REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	68.4	94.4	94.4	94.4	94.4	94.4
1003 GF Match	68.4	94.4	94.4	94.4	94.4	94.4
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 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>136.8</b>	<b>188.8</b>	<b>188.8</b>	<b>188.8</b>	<b>188.8</b>	<b>188.8</b>

**POSITIONS:**

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

Estimate of any current year (FY95) cost: \$ NONE

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

Operation of the demonstration projects and the new teen parent requirement produces the need for additional eligibility determination staff. This need is primarily due to the additional time necessary to inform members of the experimental groups of the requirements applicable to them, determine individuals' employability, establish contracts with families, and monitor compliance.

Prepared by: Jim Nordlund, Director  
Division: Division of Public Assistance  
Approved by Com: Karen Pedersen  
Agency: Department of Health & Social Services

Phone: 465-2680  
Date: 4/4/95  
Date: 4/4/95

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

Eligibility staff are trained and in place upon project implementation on July 1, 1996. Training period is 6 months, so eligibility staff costs begin January 1, 1996.

Project components requiring most additional eligibility staff time are the diversion and unemployed parent projects. The community work project, self employment project, and requirement for teen parents at home also impact on the need for field eligibility staff.

The additional workload produces a need for 4 Eligibility Technician II positions statewide; 3 in Anchorage and 1 in Fairbanks.

Federal matching funds are available for demonstration project costs at the AFDC 50% matching rate, based on the projected cost neutrality of the projects.

Calculations:**FY 96:**

Personal Services (6 months)	91.5
4 ET II - R14 @ 45.7 yr (6 months)	
Travel (for training)	1.5
Contractual (space, phones, postage)	2.5
Supplies	1.3
Equipment	<u>40.0</u>
Total	136.8

**FY 97 through FY01:**

Personal Services (12 months)	182.8
4 ET II - R14 @ 45.7 yr (12 months)	
Contractual (space, phones, postage)	4.0
Supplies	<u>2.0</u>
Total	188.8

Position Title Eligibility Technician II			No. of Positions 1	Range/Step R 14A	Bargaining Unit GGU
Time Status FT	Staff Months 6 months		Location Fairbanks		Election District
<b>TYPE of EXPENDITURE</b>			<b>AMOUNT</b>		
Salary			22.9		
Benefits					
Premium Pay					
Other					
<b>Total Personal Services</b>			<b>22.9</b>		
Travel			1.5		
Contractual			1.0		
Commodities			0.5		
Equipment			10.0		
Other					
<b>Total Cost</b>			<b>35.9</b>		
<b>FUNDING SOURCE for TOTAL COST</b>					
1002	Federal Receipts		17.9		
1003	GF Match		18.0		
1004	General Fund				
1005	GF/Program Receipts				
1006	GF/Mental Health Trust				
1007	I/A Receipts				
1061	CIP Receipts				
Other					
Justification					
This legislation produces a need for additional Eligibility Determination staff.					
Additional time is necessary for eligibility staff to explain project requirements, determine eligibility for diversion project, monitor compliance with new requirements, and additional case processing necessary to ensure accuracy of benefits when recipients enter or decline employment.					

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (0236)

Page 1 of 1

Revised Date:

**FY96**

Position Title Eligibility Tehcnician II		No. of Positions 3	Range/Step R14A	Bargaining Unit GGU
Time Status FT	Staff Months 6 months	Location Anchorage		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		68.6		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>68.6</b>		
Travel				
Contractual		1.5		
Commodities		0.8		
Equipment		30.0		
Other				
<b>Total Cost</b>		<b>100.9</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	50.4		
1003	GF Match	50.5		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>This legislation produces a need for additional Eligibility Determination staff.</p> <p>Additional time is necessary for eligibility staff to explain project requirements, determine eligibility for diversion project, monitor compliance with new requirements, and additional case processing necessary to ensure accuracy of benefits when recipients enter or decline employment.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (0236)

Page 1 of 1

Revised Date:

**FY96**

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)  
DPA #3

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to the AFDC program BRU: PA Administration  
demonstration projects, and payment reductions Component: PA Administration  
 Sponsor: Hanley  
 Requestor: House HES COMPONENT SERIAL NO. 233

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	114.5	114.5	114.5	114.5	114.5	114.5
TRAVEL	16.0	16.0	16.0	16.0	16.0	16.0
CONTRACTUAL	62.0	27.0	27.0	27.0	27.0	27.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	20.0	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
<b>TOTAL OPERATING</b>	<b>213.5</b>	<b>158.5</b>	<b>158.5</b>	<b>158.5</b>	<b>158.5</b>	<b>158.5</b>

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	106.7	79.2	79.2	79.2	79.2	79.2
1003 GF Match	106.8	79.3	79.3	79.3	79.3	79.3
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 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>213.5</b>	<b>158.5</b>	<b>158.5</b>	<b>158.5</b>	<b>158.5</b>	<b>158.5</b>

**POSITIONS:**

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

Estimate of any current year (FY95) cost: \$ NONE

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

This legislation requires DHSS to design and operate waiver projects under the authority of section 1115 (a) of the Social Security Act.

Project development and management staff are necessary to develop, apply for, monitor, and evaluate the demonstration projects authorized by this legislation. Project management staff will coordinate program and system changes, oversee an evaluation contractor, and maintain relationships with federal officials. Essential project management staff include a project coordinator and a project assistant.

The federal Department of Health and Human Services requires that a demonstration project evaluation be performed by an independent contractor. The evaluation tests the effects of the demonstration on program costs and recipient outcomes.

Prepared by: Jim Nordlund, Director  
 Division: Division of Public Assistance  
 Approved by Com: Karen Petruc, Commissioner  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 4/4/95  
 Date: 4/4/95

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

An independent contractor will design, review, and evaluate project requirements to ensure federal approval. Total estimated costs are \$130,000 based on amounts other states paid for evaluation of similar projects.

The services of a private law firm are necessary to develop, write, and prepare for submission to the Attorney General the necessary state regulations.

The demonstration project operates from July 1, 1996 through June 30, 2001. FY96 costs are for project design and implementation.

Federal matching funds are available for demonstration project costs at the AFDC 50 percent matching rate, based on the projected cost neutrality of the project.

**Calculations:****FY 96:**

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Regulations contract		25.0
	Evaluation contract		30.0
	Office space, postage, phones, fax		7.0
	Supplies		1.0
	Equipment		20.0
	Travel		<u>16.0</u>
	Total		213.5

**FY 97 through FY01**

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Evaluation Contract		20.0
	Office space		7.0
	Supplies		1.0
	Travel		<u>16.0</u>
	Total		158.5

Position Title <b>Project Coordinator</b>		No. of Positions <b>1</b>	Range/Step <b>19A</b>	Bargaining Unit <b>GGU</b>
Time Status <b>FT</b>	Staff Months <b>12 months</b>	Location <b>Juneau</b>		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		62.5		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>62.5</b>		
Travel		8.0		
Contractual		3.5		
Commodities		0.5		
Equipment		10.0		
Other				
<b>Total Cost</b>		<b>84.5</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	42.2		
1003	GF Match	42.3		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</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. 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.</p> <p>This request is for the project coordinator.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Public Assistance Administration (0233)

Page 1 of 1  
 Revised Date:

**FY96**

Position Title Project Assistant		No. of Positions 1	Range/Step 16A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Juneau		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		52.0		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>52.0</b>		
Travel		8.0		
Contractual		3.5		
Commodities		0.5		
Equipment		10.0		
Other				
<b>Total Cost</b>		<b>74.0</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	37.0		
1003	GF Match	37.0		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>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.</p> <p>This request is for the project assistant.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Public Assistance Administration (0233)

Page 1 of 1

Revised Date:

**FY96**

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CS11B 78 (HES)  
DPA #4

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to the APDC program BRU: PA Administration  
demonstration projects, and payment reductions Component: PA Data Processing  
 Sponsor: Hanley  
 Requestor: House HES COMPONENT SERIAL NO. 240

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	166.5	114.5	62.5	62.5	62.5	62.5
TRAVEL	16.0	16.0	0.0	0.0	0.0	0.0
CONTRACTUAL	776.4	145.5	3.5	3.5	3.5	3.5
SUPPLIES	1.5	1.0	0.0	0.0	0.0	0.0
EQUIPMENT	12.0	0.0	0.5	0.5	0.5	0.5
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
<b>TOTAL OPERATING</b>	<b>972.4</b>	<b>277.0</b>	<b>66.5</b>	<b>66.5</b>	<b>66.5</b>	<b>66.5</b>

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	486.2	138.5	33.2	33.2	33.2	33.2
1003 GF Match	486.2	138.5	33.3	33.3	33.3	33.3
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 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>972.4</b>	<b>277.0</b>	<b>66.5</b>	<b>66.5</b>	<b>66.5</b>	<b>66.5</b>

POSITIONS:

FULL-TIME	3	3	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

Modifications to the Division of Public Assistance Eligibility Information System (EIS) are necessary to implement this legislation. Federally approved demonstration projects require simultaneously maintaining control and experimental groups. The computer system must be modified to accommodate both groups. Demonstration project methodology also requires special collection and compilation of data to monitor and evaluate the project.

Continued on page 2

Prepared by: Jim Nordlund, Director  
 Division: Division of Public Assistance  
 Approved by Com: Karen Perdue  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 4/4/95  
 Date: 4/4/95

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**ANALYSIS (cont.):**

EIS modifications require a system contractor for analysis, design, and oversight of implementation. State staff are necessary during project planning and implementation to procure and direct the contractor, monitor performance, and test the modifications. Once the modifications are in place, a reduced level of staff is required to maintain the system and produce the information necessary for project evaluation.

**Assumptions:**

The EIS modification project begins when the bill is enacted.

The demonstration project operates for 5 years, from 7/1/96 through 6/30/01.

An independent contractor is necessary to provide system design, programming changes, and oversee implementation of the modification.

A project coordinator is necessary to coordinate project management, acting as a liaison between contractor, waiver project staff, policy experts, and system staff. This position is necessary from initiation through the final evaluation.

Two public assistance analysts are necessary to analyze proposed modifications and test the modifications for state acceptance. These positions will be necessary for 18 months.

Federal matching funds will be available for demonstration project costs at the AFDC 50 percent matching rate, based on the projected cost neutrality of the projects.

**Calculations:****FY 96**

1	Project Coordinator	R19	62.5
2	Public Assistance Analysts	R16	104.0
	Travel		16.0
	Equipment		12.0
	Office space, phones, postage, fax		10.5
	Supplies		1.5
	System Contract		<u>765.9</u>
	Total		972.4

## ANALYSIS (cont.):

## FY 97

1	Project Coordinator	R19	62.5
2	Public Assistance Analysts (6 mo)	R16	52.0
	Travel		16.0
	Office space, phones, postage, fax		7.0
	Supplies		1.0
	System Contract		<u>138.5</u>
Total			277.0

## FY 98 thru FY 01:

1	Project Coordinator	R19	62.5
	Office space, phones, postage, fax		3.5
	Supplies		<u>.5</u>
Total			66.5

Position Title Project Coordinator		No. of Positions 1	Range/Step 19A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Anchorage		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		62.5		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>62.5</b>		
Travel		8.0		
Contractual		3.5		
Commodities		0.5		
Equipment		4.0		
Other				
<b>Total Cost</b>		<b>78.5</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	39.2		
1003	GF Match	39.3		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>EIS modifications require a system contractor for analysis, design, and oversight of implementation. State staff are necessary during project planning and implementation to procure and direct the contractor, monitor performance, and test the modifications.</p> <p>This position is the project coordinator is necessary to coordinate project management and act as a liaison between contractor, waiver project staff, policy experts, and system staff. This position is necessary for initiation through the final evaluation in FY01.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Public Assistance Data Processing (0240)

Page 1 of 1

Revised Date: 3/28/95

**FY96**

Position Title <b>Public Assistance Analyst</b>		No. of Positions <b>2</b>	Range/Step <b>16A</b>	Bargaining Unit <b>GGU</b>
Time Status <b>FT</b>	Staff Months <b>12 months</b>	Location <b>Anchorage</b>		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		104.0		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>104.0</b>		
Travel		8.0		
Contractual		7.0		
Commodities		1.0		
Equipment		8.0		
Other				
<b>Total Cost</b>		<b>128.0</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	64.0		
1003	GF Match	64.0		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>EIS modifications require a system contractor for analysis, design, and oversight of implementation. State staff are necessary during project planning and implementation to procure and direct the contractor, monitor performance, and test the modifications.</p> <p>These positions are public assistance analysts necessary to ensure accuracy of contractor design and development efforts.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Public Assistance Data Processing (0240)

Page 1 of 1  
 Revised Date: 3/28/95

**FY96**

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)  
DPA #5

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
Title: An Act relating to the AFDC program BRU: PA Administration  
demonstration projects and payment reductions Component: Alaska Work Program  
Sponsor: Hanley  
Requestor: House HES COMPONENT SERIAL NO. 238

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	300.0	300.0	300.0	300.0	300.0
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	94.5	136.1	146.0	157.0	170.4
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>394.5</b>	<b>436.1</b>	<b>446.0</b>	<b>457.0</b>	<b>470.4</b>

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	197.2	218.0	223.0	228.5	235.2
1003 GF Match	0.0	197.3	218.1	223.0	228.5	235.2
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 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.0</b>	<b>394.5</b>	<b>436.1</b>	<b>446.0</b>	<b>457.0</b>	<b>470.4</b>

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for several demonstration projects in which training, education, and work activities are required of certain AFDC applicants and recipients.

Under current AFDC program operations, the Department does not pay for supportive services for individuals who are in training, education, paid or unpaid employment unless the individual is participating in the JOBS program.

The Community Work projects authorized by this bill will be operated by contractors; funding for the contracts is requested in this fiscal note.

Additional funding for supportive services will be necessary for participants in the Unemployed Parent project.

Prepared by: Jim Nordlund, Director  
Division: Division of Public Assistance  
Approved by Com: Karen W. Anderson  
Agency: Department of Health & Social Services

Phone: 465-2680  
Date: 4/14/95  
Date: 4/14/95

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

- Project are operational July 1, 1996 through June 30, 2001.
- Workfare is operated by a contractor.
- Development of work sites begins July 1, 1996, then continues with monitoring of placement agreements; recruitment of new sites to replace filled or discontinued sites; and terminates with end of project.
- Average monthly number of Workfare participants: 150 in FY97, 300 in FY98 through FY01.
- Workfare contractor will develop work slots; manage cases of individuals referred to workfare; provide participation reports to DPA eligibility offices; pay client transportation and professional licensing costs; pay insurance for clients equivalent to Worker's Compensation; and compile information and report on workfare program outcomes.
- Average cost of managing workfare slots is \$1000/slot/year. In first year (FY97) 50% of contract funds are spent on project startup costs, 50% on operations. 100% of contract funds are spent on operations in FY98 through FY01.

There will be 50 families participating in the self-employment project. Alaska's Dept of Commerce and Economic Development and the US Small Business Administration will provide training and professional planning and reviews for entrepreneurs. These services will not incur new costs to the State.

333 families each month will require transportation services to participate in the Unemployed Parent (UP) Project in FY97, increasing to 350/month in FY98; 368/month in FY99; 386/month in FY00; and 405/month in FY01.

7 families each month will require licenses and/or professional fees to participate in the Unemployed Parent (UP) Project in FY97, increasing to 8/month in FY98 and in FY99; 10/month in FY00; and 11/month in FY01.

**ANALYSIS (cont.):**

\$37/month average transportation cost for FY97.

\$25/month average license/professional fee cost for FY97.

2.5% inflation rate for each year.

Federal matching funds will be available for demonstration project costs at the AFDC 50% matching rate, based on the projected cost neutrality of the projects.

**Unemployed Parent Project - Supportive Service Calculations:**

	FY96	FY97	FY98	FY99	FY00	FY01	Totals \$
Transp.	0.0	92.9	133.6	143.5	153.7	166.6	690.3
License	0.0	1.6	2.5	2.5	3.3	3.8	13.7
Total \$	0.0	94.5	136.1	146.0	157.0	170.4	704.0

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)  
DPA #6

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to the AFDC program BRU: PA Administration  
demonstration projects and payment reductions Component: Child Care Benefits  
 Sponsor: Hanley  
 Requestor: House HES COMPONENT SERIAL NO. 1897

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	152.0	272.3	289.3	300.0	308.7
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>152.0</b>	<b>272.3</b>	<b>289.3</b>	<b>300.0</b>	<b>308.7</b>

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	76.0	136.1	144.6	150.0	154.3
1003 GF Match	0.0	76.0	136.2	144.7	150.0	154.4
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 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.0</b>	<b>152.0</b>	<b>272.3</b>	<b>289.3</b>	<b>300.0</b>	<b>308.7</b>

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for several demonstration projects in which training, education, and work activities are required of certain AFDC applicants and recipients. A certain number of these families will require child care to participate in the activities.

Under current AFDC program operations, the Department does not pay for child care for individuals in unpaid community service, training, or employment unless the individual is participating in the JOBS program.

Prepared by: Jim Nordlund, Director  
 Division: Division of Public Assistance  
 Approved by Com: Karen Verdut  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 4/4/95  
 Date: 4/4/95

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

FY96 is a planning year, with no participants.

Project is operational July 1, 1996.

Nine families each month require child care services to participate in the Unemployed Parent (UP) Project in FY97, increasing to 10 a month in FY98 and FY99, and 11 a month in FY00 and FY01.

Twenty five families require 3 months of child care services to participate in the Diversion Project in FY97, 48 in FY98 through FY00, and 49 in FY01.

Thirty families each month require child care services to participate in the Workfare Project in FY97, increasing to 60 a month each year through FY01.

Average child care is \$280 a month in FY97.

Child care inflation rate is 2/5% a year.

Federal matching funds are available for demonstration project costs at the AFDC 50% matching rate, based on the projected cost neutrality of the projects.

Child Care Calculations:

Child care	FY96	FY97	FY98	FY99	FY00	FY01	Totals \$
UP	0.0	30.2	24.4	35.3	39.7	40.8	170.4
Diversion	0.0	21.0	41.3	42.3	43.3	45.4	193.3
Workfare	0.0	100.8	206.6	211.7	217.0	222.5	958.6
Total \$	0.0	152.0	272.3	289.3	300.0	308.7	1322.3

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)  
DPA #7

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to the AFDC program BRU: Assistance Payments  
demonstration projects and payment reductions Component: AFDC - Ratable Reductions  
 Sponsor: Hanley  
 Requestor: House HES COMPONENT SERIAL NO. 220

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	(1,610.7)	(2,255.1)	(2,367.9)	(2,486.3)	(2,610.7)	(2,741.2)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(1,610.7)</b>	<b>(2,255.1)</b>	<b>(2,367.9)</b>	<b>(2,486.3)</b>	<b>(2,610.7)</b>	<b>(2,741.2)</b>

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	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	(1,244.5)
1003 GF Match	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	(1,244.5)
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 1007 I/A Receipts	(197.7)	(207.5)	(217.7)	(228.7)	(240.1)	(252.2)
<b>TOTAL</b>	<b>(1,610.7)</b>	<b>(2,255.1)</b>	<b>(2,367.9)</b>	<b>(2,486.3)</b>	<b>(2,610.7)</b>	<b>(2,741.2)</b>

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation reduces AFDC maximum payment levels to approximately 1.7 percent below the current maximums.

Prepared by Jim Nordlund, Director  
 Division: Division of Public Assistance  
 Approved by Com Karen Peddic  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 4/4/95  
 Date: 4/4/95

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

The reduction takes effect on October 1, 1995, and is repealed July 1, 2001.

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

Ratable reductions are imposed statewide.

AFDC caseload size will increase by 5 percent each year.

The average amount of 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>
FY96	13,767	\$13	* \$1,610.7
FY97	14,456	\$13	\$2,255.1
FY98	15,179	\$13	\$2,367.9
FY99	15,938	\$13	\$2,486.3
FY00	16,735	\$13	\$2,610.7
FY01	17,572	\$13	\$2,741.2

\* FY96 Total reduction is for 9 months

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)  
DPA #8

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: No Act relating to the AFDC program BRU: PPD Hold Harmless  
demonstration projects, and payment reductions Component: PPD Hold Harmless  
 Sponsor: Haaley  
 Requestor: House HES COMPONENT SERIAL NO. 225

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(210.4)</b>	<b>(286.3)</b>	<b>(378.1)</b>	<b>(398.1)</b>	<b>(420.0)</b>	<b>(442.2)</b>

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
Other 1050 PFD Funds	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)
<b>TOTAL</b>	<b>(210.4)</b>	<b>(286.3)</b>	<b>(378.1)</b>	<b>(398.1)</b>	<b>(420.0)</b>	<b>(442.2)</b>

**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 any current year (FY95) cost: \$ NONE

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

PPD Hold Harmless payments replace AFDC benefits when receiving the dividend causes individuals to lose eligibility or to have benefits reduced. The variable reductions provided for in this bill reduce costs in the AFDC assistance payments BRU. The AFDC Demonstration project also produces savings in the AFDC Component. PPD Hold Harmless costs change in direct proportion to the costs of the programs held harmless.

Prepared by: Jim Nordlund, Director  
 Division: Division of Public Assistance  
 Approved by Com: Karen Petersen  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 4/4/95  
 Date: 4/4/95

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

The benefit reductions take effect on October 1, 1995.

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

**Calculations:****PFD HOLD HARMLESS SAVINGS**

	<b>AFDC RATABLE REDUCTIONS</b>	<b>AFDC DEMONSTRATION PROJECTS</b>	<b>PFDHH</b>
FY96	\$197.7	\$ 12.7	\$210.4
FY97	\$207.5	\$ 78.8	\$286.3
FY98	\$217.7	\$160.4	\$378.1
FY99	\$228.7	\$169.4	\$398.1
FY00	\$240.1	\$179.9	\$420.0
FY01	\$252.2	\$190.0	\$442.2

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB78(HES)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to the AFDC program BRU: Family and Youth Services  
demonstration projects and payment reductions Component: DFYS Central Office  
 Sponsor: Representative Hanley COMPONENT SERIAL NO. 259  
 Requestor: House (HES) See also (SN#): \_\_\_\_\_

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	58.9	58.9	58.9	58.9	58.9	58.9
TRAVEL	1.1	1.1	1.1	1.1	1.1	1.1
CONTRACTUAL	53.9	53.9	53.9	53.9	53.9	53.9
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>113.9</b>	<b>113.9</b>	<b>113.9</b>	<b>113.9</b>	<b>113.9</b>	<b>113.9</b>

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	113.9	113.9	113.9	113.9	113.9	113.9
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
<b>TOTAL</b>	<b>113.9</b>	<b>113.9</b>	<b>113.9</b>	<b>113.9</b>	<b>113.9</b>	<b>113.9</b>

**POSITIONS:**

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

Estimate of any current year (FY95) cost: \$0.0

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

In order to follow state and federal guidelines, the AFDC parents who are 17 years of age or younger who are living independently from their parent or guardian will need to be assessed for meeting one of the exceptions that are allowed for waiver.

As of October of 1994, there were 141 AFDC parents under age 17. It can be anticipated that 50% of the teen parents' circumstances will need to be fully assessed in order to determine if their living arrangement is suitable and meets the criteria for waiver. Investigations and initial assessments will require an average of 10 hours of contracted social worker time at \$70/hr for each recipient. Maintenance of these cases will require an additional 70 hours of contracted social worker time per year for continued assessment.

Development, implementation and monitoring of this statewide contractual program will necessitate establishing a new SW IV position in the State Office of the Division. A travel allowance for monitoring field sites once a year would

Prepared by: L. Diane Worley, Director Phone: 465-3191  
 Division: Family & Youth Services Date: 03/29/95  
 Approved by Commissioner: Karen Perdue, Commissioner Date: 4/4/95  
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):

also be necessary.

Contract Clinical Social Worker (12 months)

Intake Assessment/Evaluation

70 referrals x 10 hours = 700 hours x \$70/hr = \$49.0

Re-evaluations for maintenance caseload

70 hours x \$70/hr = \$4.9

Social Worker IV Range 18 Juneau State Office \$58.9

Travel: 1 trip to Fairbanks, 1 trip to Anchorage \$1.1

TOTAL \$113.9

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)

DMA #1

Revision Date: \_\_\_\_\_  
 Title: An Act relating to the payment of  
aid to families with dependent children . . .  
 Sponsor: HANLEY  
 Requestor: House HESS

Dept. Affected: Health and Social Services  
 BRU: Medical Assistance Admin  
 Component: Claims Processing  
 COMPONENT SERIAL NO. 243  
 See also (SN#): 229, 230

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	40.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>40.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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**FUND SOURCE**

(Thousands of Dollars)

FUND SOURCE	FY96	FY97	FY98	FY99	FY00	FY01
1002 Federal Receipts	20.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	20.0	0.0	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
<b>TOTAL</b>	<b>40.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

POSITIONS	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

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

CSHB 78 (HES) will require the state to secure an 1115(a) waiver from the federal government. One requirement of an 1115(a) waiver is that the state be able to show "cost neutrality" of the waiver program. These means that the federal government will only provide financial participation in the waiver program to the extent that the program cost the federal government the same (neutral) or less than the cost of the conventional AFDC and Medicaid programs. This will require the state to accurately track each recipient participating in the program and the recipient's associated cost. To accomplish this, the department's Eligibility Information System and the Medicaid Management Information System computers must be enhanced to accept additional client identifiers and eligibility codes. Enhancement of the Medicaid Management Information System is done by the Division of Medical Assistance's fiscal intermediary, First Health. There is a one time charge for making such computer programming modifications. This charge will be incurred during fiscal year 1996.

Prepared by: Jon Sherwood  
 Division: Medical Assistance  
 Approved by Commissioner: Karen Perdue, Commissioner  
 Agency: Department of Health & Social Services

Phone: 465-3355  
 Date: 03/31/95  
 Date: 4/4/95

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# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)

DMA #2

Revision Date: \_\_\_\_\_  
Title: An Act relating to the payment of  
aid to families with dependent children . . .  
Sponsor: HANLEY  
Requestor: House HESS

Dept. Affected: Health and Social Services  
BRU: Medical Assistance  
Component: Medicaid Non-Facility  
COMPONENT SERIAL NO. 229  
See also (SN#): 230, 243

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	(207.3)	(393.1)	(439.1)	(469.5)	(496.8)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>(207.3)</b>	<b>(393.1)</b>	<b>(439.1)</b>	<b>(469.5)</b>	<b>(496.8)</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts	0.0	(103.6)	(196.5)	(219.5)	(234.7)	(248.4)
1003 GF Match	0.0	(103.7)	(196.6)	(219.6)	(234.8)	(248.4)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>(207.3)</b>	<b>(393.1)</b>	<b>(439.1)</b>	<b>(469.5)</b>	<b>(496.8)</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

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

CSHB 78 (HES) makes several changes to the Aid to Families with Dependent Children program (AFDC). AFDC recipients are eligible for Medicaid. Medicaid spending will decrease as people lose Medicaid eligibility when they lose AFDC due to renewed self sufficiency as a result of the diversion program, failure to cooperate with the requirements of a workfare and AFDC unemployed parent projects, or successful entrepreneurship that increases their net income. Otherwise, participants in the programs created by this legislation will remain Medicaid eligible.

A slight temporary increase in Medicaid spending will occur as a result of individuals becoming AFDC eligible because of the waiver of the 100 hour employment limit and increased asset exclusion for an automobile. However, in the long term, this will be more than offset by the permanent establishment of self sufficiency.

See analysis on the attached pages.

Prepared by: Jon Sherwood  
Division: Medical Assistance

Phone: 465-3355  
Date: 03/31/95

Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Date: 4/4/95

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**ANALYSIS (cont.):**

**GENERAL ASSUMPTIONS**

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Average Monthly Cost of Medicaid						
AFDC Adult	\$237	\$247	\$258	\$269	\$281	\$293
AFDC Child	\$137	\$143	\$149	\$156	\$163	\$170

The cost of Medical assistance shows growth of 4.38% annually.  
 The number of AFDC cases affected by this legislation were provided by Division of Public Assistance.  
 An AFDC case (household), on average, consist of one adult and two children.

**MINOR PARENT ASSISTANCE**

A small reduction in Medicaid spending will result from minors who are parents and who lose Medicaid eligibility as a result of losing AFDC eligibility. The Division of Public Assistance estimates that in FY 97, 30 AFDC cases per month will be denied under this provision. We estimate that only 5 of those cases will lose Medicaid eligibility by the minor parent returning to her parent's household. Despite the loss of AFDC, 25 of these minor parents would likely still qualify for Medicaid under existing Medicaid only coverage. It is likely that all of the children of a minor parent would continue to qualify for Medicaid under newborn, healthy child or other Medicaid only eligibility categories.

Average number of cases per month ineligible for Medicaid in FY 97 = 5  
 Total decrease in months of Medicaid eligibility in FY 97 = 60 (5 cases per month x 12 months)  
 Case load will increase 1% per year.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Decreased months of Medicaid	0	60	61	62	63	64
<b>MINOR PARENT SAVINGS</b>	0	(8,580)	(9,089)	(9,672)	(10,269)	(10,880)

**INCOME DISREGARD; "100-HOUR" RULE WAIVER; AUTO ALLOWANCE**

The increase in the earned income disregard, waiver of the 100 hour employment limit, and increasing the vehicle exclusion to \$5000 will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 4 cases per year will become eligible for AFDC. In FY 97, cases are assumed to be eligible for an average of 9 months, and for 12 months thereafter.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY '01</u>
Adults Added Because of New Limits	0	4	4	4	4	4
Children Added Because of New Limits	0	4	4	4	4	4
Adult Expenditures (9 mo. only FY97)	\$0	\$8,892	\$12,384	\$12,912	\$13,488	\$14,064
Child Expenditures (9 mo. only FY 97)	\$0	\$5,148	\$7,152	\$7,488	\$7,824	\$8,160
<b>NEW EXPENDITURES</b>	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224

**ANALYSIS (cont.):****WORKFARE**

Families participating in a workfare project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials, and closures. It is estimated that sanctions, denials, and closures will generally cause Medicaid eligibility for an average of 6.5 months per year. Approximately one-half of the children of these families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, when a family loses AFDC under the workfare project, on average one adult and 1 child lose Medicaid. Sanctions apply only to adults.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	9	9	9	9	9
Adult Denials (1 adult)	0	9	9	9	9	9
Adult Closures (1 adult)	0	42	42	42	42	42
Child Denials (1 child)	0	9	9	9	9	9
Child Closures (1 child)	0	42	42	42	42	42
Adults Going Off Caseload for 6.5 mo.	\$0	(\$96,330)	(\$100,620)	(\$104,910)	(\$109,590)	(\$114,270)
Children Going of Caseload for 6.5 mo.	\$0	(\$47,406)	(\$49,394)	(\$51,714)	(\$54,035)	(\$56,355)
<b>WORKFARE SAVINGS</b>	\$0	(\$143,736)	(\$150,014)	(\$156,624)	(\$163,625)	(\$170,625)

**AFDC UNEMPLOYED PARENT PROJECT**

Families participating in the AFDC unemployed parent (UP) project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials, and closures. It is estimated that sanctions, denials, and closures will result in some individuals losing Medicaid eligibility for an average of 6.5 months per year.

This program also waives the 100 hour employment limit and raises the vehicle exemption to \$5000. This will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 8 cases per month will become eligible for AFDC-UP due to these provisions. A UP case (household) includes 2 adults and an average of 2.6 children.

Approximately one-half of the children of UP families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, when a UP project household loses AFDC, two adults and an average of 1.3 children will lose Medicaid eligibility. Sanctions apply only to adults.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	22	24	33	34	36
Adult Denials (2 adults)	0	44	46	48	52	54
Adult Closures (2 adults)	0	14	16	16	18	18
Child Denials (1.3 children)	0	29	30	31	34	35
Child Closures (1.3 children)	0	9	10	10	12	12
Adults Going Off Caseload for 6.5 mo.	\$0	(\$128,440)	(\$144,222)	(\$169,605)	(\$189,956)	(\$205,686)
Children Going of Caseload for 6.5 mo.	\$0	(\$35,321)	(\$38,740)	(\$41,574)	(\$48,737)	(\$51,935)
<b>UP PROJECT SAVINGS</b>	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,621)

**ANALYSIS (cont.):****SELF-EMPLOYMENT PROGRAM**

Families participating in the self-employment program retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of self-employment earnings. Approximately one-half of the children of these families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, an average of one adult and 1 child per household will lose Medicaid eligibility. In FY 97 and 98, 7 households will still qualify for transitional Medicaid.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Closures (1 adult)	0	3	3	10	10	10
Child Closures (1 child)	0	3	3	10	10	10
Adult Medicaid Savings	\$0	(\$8,892)	(\$9,288)	(\$32,280)	(\$33,720)	(\$35,160)
Children Medicaid Savings.	\$0	(\$5,148)	(\$5,364)	(\$18,720)	(\$19,560)	(\$20,400)
<b>SELF-EMPLOYMENT SAVINGS</b>	<b>\$0</b>	<b>(\$14,040)</b>	<b>(\$14,652)</b>	<b>(\$51,000)</b>	<b>(\$53,280)</b>	<b>(\$55,560)</b>

**DIVERSION PROGRAM:**

DPA estimates that in FY 98, 239 cases (households) annually will participate in the diversion program; this number is expected to grow by 1% per year. During FY 97, the start-up year, 120 cases will participate. These are households that would otherwise have continued on AFDC, on average, for at least another year. We estimate that approximately one-half of the children will continue to be eligible of Medicaid under a poverty level Medicaid-only eligibility category. Therefore, when a household is successfully diverted, 1 child and 1 adult will lose eligibility. Of those initially placed in the diversion program, it is estimated that 45% of them will return to regular AFDC with in the initial three months and will continue to receive Medicaid benefits. The remaining 55% are expected to move off of AFDC at the end of the three month diversion program for a variety of reasons, including achieving self sufficiency, increased earned income, or the diversion payment having met the emergent need. These households will effectively lose 9 months of Medicaid eligibility they would have otherwise had if they remained on AFDC. In FY 97, we estimate clients will lose Medicaid eligibility for an average of 4.5 months. In FY 98 - 01, clients will lose Medicaid eligibility for 9 month per year.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adults in Diversion Program	0	120	239	241	243	245
Children in Diversion Program	0	120	239	241	243	245
Total Diversion Participants	0	240	478	482	486	490
55% Complete Diversion Program	0	132	263	265	267	270
Adult Medicaid Savings	\$0	(\$73,359)	(\$305,343)	(\$320,783)	(\$337,622)	(\$355,995)
Child Medicaid Savings	\$0	(\$42,471)	(\$176,342)	(\$186,030)	(\$195,845)	(\$206,550)
<b>DIVERSION PROGRAM SAVINGS</b>	<b>\$0</b>	<b>(\$115,830)</b>	<b>(\$481,685)</b>	<b>(\$506,813)</b>	<b>(\$533,467)</b>	<b>(\$562,545)</b>

**SUMMARY OF DIVISION SAVINGS**

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Minor Parent Assistance	\$0	(\$8,580)	(\$9,089)	(\$9,672)	(\$10,269)	(\$10,880)
Disregards/Waiver/Auto provisions	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224
Workfare Project	\$0	(\$143,735)	(\$150,014)	(\$156,624)	(\$163,625)	(\$170,625)
AFDC Unemployed Parent Project	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,621)
Self-Employment Project	\$0	(\$14,040)	(\$14,652)	(\$51,000)	(\$53,280)	(\$55,560)
Diversion Program	\$0	(\$115,830)	(\$481,685)	(\$506,813)	(\$533,467)	(\$562,545)
<b>TOTAL SAVINGS</b>	<b>\$0</b>	<b>(\$431,906)</b>	<b>(\$818,866)</b>	<b>(\$914,888)</b>	<b>(\$978,022)</b>	<b>(\$1,035,007)</b>
<b>MEDICAID FACILITIES (52%)</b>	<b>\$0</b>	<b>(\$224,591)</b>	<b>(\$425,810)</b>	<b>(\$475,742)</b>	<b>(\$508,571)</b>	<b>(\$538,204)</b>
<b>MEDICAID NON-FACILITIES (48%)</b>	<b>\$0</b>	<b>(\$207,315)</b>	<b>(\$393,056)</b>	<b>(\$439,146)</b>	<b>(\$469,451)</b>	<b>(\$496,803)</b>

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)  
DMA #3

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to the payment of BRU: Medical Assistance  
aid to families with dependent children . . . Component: Medicaid-Facilities  
 Sponsor: HANLEY COMPONENT SERIAL NO. 230  
 Requestor: House HESS See also (SN#): 229, 243

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	(224.6)	(425.8)	(475.7)	(508.6)	(538.2)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>(224.6)</b>	<b>(425.8)</b>	<b>(475.7)</b>	<b>(508.6)</b>	<b>(538.2)</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts	0.0	(112.3)	(212.9)	(237.8)	(254.3)	(269.1)
1003 GF Match	0.0	(112.3)	(212.9)	(237.9)	(254.3)	(269.1)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>(224.6)</b>	<b>(425.8)</b>	<b>(475.7)</b>	<b>(508.6)</b>	<b>(538.2)</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

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

CSHB 78 (HES) makes several changes to the Aid to Families with Dependent Children program (AFDC). AFDC recipients are eligible for Medicaid. Medicaid spending will decrease as people lose Medicaid eligibility when they lose AFDC due to renewed self sufficiency as a result of the diversion program, failure to cooperate with the requirements of a workfare and AFDC unemployed parent projects, or successful entrepreneurship that increases their net income. Otherwise, participants in the programs created by this legislation will remain Medicaid eligible.

A slight temporary increase in Medicaid spending will occur as a result of individuals becoming AFDC eligible because of the waiver of the 100 hour employment limit and increased asset exclusion for an automobile. However, in the long term, this will be more than offset by the permanent establishment of self sufficiency.

See analysis on the attached pages.

Prepared by: Jon Sherwood  
 Division: Medical Assistance

Phone: 465-3355  
 Date: 03/31/95

Approved by Commissioner: Karen Perdue, Commissioner  
 Agency: Department of Health & Social Services

Date: 4/4/95

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**ANALYSIS (cont.):****GENERAL ASSUMPTIONS**

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Average Monthly Cost of Medicaid						
AFDC Adult	\$237	\$247	\$258	\$269	\$281	\$293
AFDC Child	\$137	\$143	\$149	\$156	\$163	\$170

The cost of Medical assistance shows growth of 4.38% annually.

The number of AFDC cases affected by this legislation were provided by Division of Public Assistance.

An AFDC case (household), on average, consist of one adult and two children.

**MINOR PARENT ASSISTANCE**

A small reduction in Medicaid spending will result from minors who are parents and who lose Medicaid eligibility as a result of losing AFDC eligibility. The Division of Public Assistance estimates that in FY 97, 30 AFDC cases per month will be denied under this provision. We estimate that only 5 of those cases will lose Medicaid eligibility by the minor parent returning to her parent's household. Despite the loss of AFDC, 25 of these minor parents would likely still qualify for Medicaid under existing Medicaid only coverage. It is likely that all of the children of a minor parent would continue to qualify for Medicaid under newborn, healthy child or other Medicaid only eligibility categories.

Average number of cases per month ineligible for Medicaid in FY 97 = 5

Total decrease in months of Medicaid eligibility in FY 97 = 60 (5 cases per month x 12 months)

Case load will increase 1% per year.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Decreased months of Medicaid	0	60	61	62	63	64
<b>MINOR PARENT SAVINGS</b>	0	(8,580)	(9,089)	(9,672)	(10,269)	(10,880)

**INCOME DISREGARD;"100-HOUR" RULE WAIVER; AUTO ALLOWANCE**

The increase in the earned income disregard, waiver of the 100 hour employment limit, and increasing the vehicle exclusion to \$5000 will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 4 cases per year will become eligible for AFDC. In FY 97, cases are assumed to be eligible for an average of 9 months, and for 12 months thereafter.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adults Added Because of New Limits	0	4	4	4	4	4
Children Added Because of New Limits	0	4	4	4	4	4
Adult Expenditures (9 mo. only FY97)	\$0	\$8,892	\$12,384	\$12,912	\$13,488	\$14,064
Child Expenditures (9 mo. only FY 97)	\$0	\$5,148	\$7,152	\$7,488	\$7,824	\$8,160
<b>NEW EXPENDITURES</b>	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224

**ANALYSIS (cont.):****WORKFARE**

Families participating in a workfare project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials, and closures. It is estimated that sanctions, denials, and closures will generally cause Medicaid eligibility for an average of 6.5 months per year. Approximately one-half of the children of these families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, when a family loses AFDC under the workfare project, on average one adult and 1 child lose Medicaid. Sanctions apply only to adults.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	9	9	9	9	9
Adult Denials (1 adult)	0	9	9	9	9	9
Adult Closures (1 adult)	0	42	42	42	42	42
Child Denials (1 child)	0	9	9	9	9	9
Child Closures (1 child)	0	42	42	42	42	42
Adults Going Off Caseload for 6.5 mo.	\$0	(\$96,330)	(\$100,620)	(\$104,910)	(\$109,590)	(\$114,270)
Children Going of Caseload for 6.5 mo.	\$0	(\$47,405)	(\$49,394)	(\$51,714)	(\$54,035)	(\$56,355)
<b>WORKFARE SAVINGS</b>	\$0	(\$143,735)	(\$150,014)	(\$156,624)	(\$163,625)	(\$170,625)

**AFDC UNEMPLOYED PARENT PROJECT**

Families participating in the AFDC unemployed parent (UP) project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials, and closures. It is estimated that sanctions, denials, and closures will result in some individuals losing Medicaid eligibility for an average of 6.5 months per year.

This program also waives the 100 hour employment limit and raises the vehicle exemption to \$5000. This will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 8 cases per month will become eligible for AFDC-UP due to these provisions. A UP case (household) includes 2 adults and an average of 2.6 children.

Approximately one-half of the children of UP families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, when a UP project household loses AFDC, two adults and an average of 1.3 children will lose Medicaid eligibility. Sanctions apply only to adults.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	22	24	33	34	36
Adult Denials (2 adults)	0	44	46	48	52	54
Adult Closures (2 adults)	0	14	16	16	18	18
Child Denials (1.3 children)	0	29	30	31	34	35
Child Closures (1.3 children)	0	9	10	10	12	12
Adults Going Off Caseload for 6.5 mo.	\$0	(\$128,440)	(\$144,222)	(\$169,605)	(\$189,956)	(\$205,686)
Children Going of Caseload for 6.5 mo.	\$0	(\$35,321)	(\$38,740)	(\$41,574)	(\$48,737)	(\$51,935)
<b>UP PROJECT SAVINGS</b>	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,621)

**ANALYSIS (cont.):****SELF-EMPLOYMENT PROGRAM**

Families participating in the self-employment program retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of self-employment earnings. Approximately one-half of the children of these families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, an average of one adult and 1 child per household will lose Medicaid eligibility. In FY 97 and 98, 7 households will still qualify for transitional Medicaid.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Closures (1 adult)	0	3	3	10	10	10
Child Closures (1 child)	0	3	3	10	10	10
Adult Medicaid Savings	\$0	(\$8,892)	(\$9,288)	(\$32,280)	(\$33,720)	(\$36,160)
Children Medicaid Savings.	\$0	(\$5,148)	(\$5,364)	(\$18,720)	(\$19,560)	(\$20,400)
<b>SELF-EMPLOYMENT SAVINGS</b>	\$0	(\$14,040)	(\$14,652)	(\$51,000)	(\$53,280)	(\$55,560)

**DIVERSION PROGRAM:**

DPA estimates that in FY 98, 239 cases (households) annually will participate in the diversion program; this number is expected to grow by 1% per year. During FY 97, the start-up year, 120 cases will participate. These are households that would otherwise have continued on AFDC, on average, for at least another year. We estimate that approximately one-half of the children will continue to be eligible of Medicaid under a poverty level Medicaid-only eligibility category. Therefore, when a household is successfully diverted, 1 child and 1 adult will lose eligibility. Of those initially placed in the diversion program, it is estimated that 45% of them will return to regular AFDC with in the initial three months and will continue to receive Medicaid benefits. The remaining 55% are expected to move off of AFDC at the end of the three month diversion program for a variety of reasons, including achieving self sufficiency, increased earned income, or the diversion payment having met the emergent need. These households will effectively lose 9 months of Medicaid eligibility they would have otherwise had if they remained on AFDC. In FY 97, we estimate clients will lose Medicaid eligibility for an average of 4.5 months. In FY 98 - 01, clients will lose Medicaid eligibility for 9 month per year.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adults in Diversion Program	0	120	239	241	243	245
Children in Diversion Program	0	120	239	241	243	245
Total Diversion Participants	0	240	478	482	486	490
55% Complete Diversion Program	0	132	263	265	267	270
Adult Medicaid Savings	\$0	(\$73,359)	(\$305,343)	(\$320,783)	(\$337,622)	(\$355,995)
Child Medicaid Savings	\$0	(\$42,471)	(\$176,342)	(\$186,030)	(\$195,845)	(\$206,550)
<b>DIVERSION PROGRAM SAVINGS</b>	\$0	(\$115,830)	(\$481,685)	(\$506,813)	(\$533,467)	(\$562,545)

**SUMMARY OF DIVISION SAVINGS**

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Minor Parent Assistance	\$0	(\$8,580)	(\$9,089)	(\$9,672)	(\$10,269)	(\$10,880)
Disregards/Waiver/Auto provisions	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224
Workfare Project	\$0	(\$143,735)	(\$150,014)	(\$156,624)	(\$163,625)	(\$170,625)
AFDC Unemployed Parent Project	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,621)
Self-Employment Project	\$0	(\$14,040)	(\$14,652)	(\$51,000)	(\$53,280)	(\$55,560)
Diversion Program	\$0	(\$115,830)	(\$481,685)	(\$506,813)	(\$533,467)	(\$562,545)
<b>TOTAL SAVINGS</b>	\$0	(\$431,906)	(\$818,866)	(\$914,888)	(\$978,022)	(\$1,035,007)
<b>MEDICAID FACILITIES (52%)</b>	\$0	(\$224,591)	(\$425,810)	(\$475,742)	(\$508,571)	(\$538,204)
<b>MEDICAID NON-FACILITES (48%)</b>	\$0	(\$207,315)	(\$393,056)	(\$439,146)	(\$469,451)	(\$496,803)

#1

9-LS0392\C.3  
Lauterbach  
3/24/95

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: CSHB 78( ); Draft 9-LS0392\C dated 3/21/95

- 1 Page 11, line 24, after "AS 47.25.320(a)(1) - (3),":
- 2       Insert "beginning on the first day of the first calendar month following implementation
- 3 of sec. 6 of this Act."

# 2

9-LS0392\C.4 ✓  
Lauterbach  
3/24/95

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: CSHB 78( ); Draft 9-LS0392\C dated 3/21/95

1 Page 6, after line 2:

2 Insert a new paragraph to read:

3 "(4) has cooperated with the child support enforcement agency and the  
4 department on the establishment of the paternity of a child for whom the person is  
5 receiving AFDC but the paternity of the child has not yet been established;"

6 Renumber the following paragraphs accordingly.

# 3

9-LS0392\C.5 ✓  
Lauterbach  
3/24/95

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: CSHB 78( ) ; Draft 9-LS0392\C dated 3/21/95

1 Page 6, after line 2:

2 Insert a new paragraph to read:

3 "(4) would be ineligible for AFDC if monthly child support payments  
4 were being paid to the person for care of the child for whom AFDC is being received  
5 by the person, as determined under a support order that has already been established  
6 either administratively or by a court:"

7 Renumber the following paragraphs accordingly.

# 4

A M E N D M E N T

OFFERED IN THE HOUSE BY REPRESENTATIVE BRICE

TO: CSHB 78( ); Draft 9-LS0392C dated 3/21/95

1 Page 1, line 4, after "children":

2 Insert "; relating to transitional medical assistance and child care assistance for  
3 a family that discontinues receiving aid to families with dependent children because of  
4 an increase in the family's earned income or hours of employment"

5 Page 11, after line 15:

6 Insert a new bill section to read:

7 "\* Sec. 12. WAIVERS FOR TRANSITIONAL MEDICAID AND CHILD CARE  
8 ASSISTANCE. (a) The Department of Health and Social Services shall, by December 31,  
9 1995, seek appropriate waivers from the federal government to allow 24 months of continued  
10 eligibility of a person for medical assistance under AS 47.07 (Medicaid) after the person, who  
11 had been receiving cash assistance under AS 47.25.310 - 47.25.420 (AFDC), becomes  
12 ineligible for continued AFDC solely due to increased earned income or increased hours of  
13 employment of the person or of a member of the person's assistance unit. The continued  
14 eligibility under this subsection begins on the first day of the first calendar month following  
15 the person's last month of eligibility for AFDC and ends 24 months later or when the person  
16 becomes eligible for health care coverage under an employer sponsored insurance program  
17 or another health care option that the department determines is affordable for the person,  
18 whichever comes sooner.

19 (b) The Department of Health and Social Services shall, by December 31, 1995, seek  
20 appropriate waivers from the federal government to allow the department to use state and  
21 federal funds under AS 47.25.310 - 47.25.420 to pay for 24 months of child care services  
22 that are necessary for a person to maintain employment after the person, who had been  
23 receiving cash assistance under AS 47.25.310 - 47.25.420 (AFDC), becomes ineligible for  
24 continued AFDC solely due to increased earned income or increased hours of employment

1 of the person or of a member of the person's assistance unit. The eligibility for child care  
2 assistance under this subsection begins on the first day of the first calendar month following  
3 the person's last month of eligibility for AFDC and ends 24 months later or when the person  
4 becomes eligible for child care assistance under another program that the department  
5 determines is affordable for the person.

6 (c) To the extent that the federal government approves waivers to implement (a) or  
7 (b) of this section, the Department of Health and Social Services shall implement this section  
8 and notify the revisor of statutes of the effective date of implementation."

9 Renumber the following bill sections accordingly.

10 Page 12, line 5:

11 Delete "4 - 13"

12 Insert "4 - 14"

13 Page 12, line 23:

14 Delete "10 - 15"

15 Insert "10 - 16"

16 Page 13, line 4:

17 Delete "4 - 17"

18 Insert "4 - 18"

#5

9-LS0392\C.7 ✓  
Lauterbach  
3/24/95

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: CSHB 78( ); Draft 9-LS0392\C dated 3/21/95

- 1 Page 4, line 23, after ".":
- 2       Insert "The department may assign a person to an activity under this subsection only
- 3 if the activity will help the person achieve long-term self-sufficiency as determined under a
- 4 case management plan developed in consultation with the person."

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: CSHB 78( ); Draft 9-LS0392\C dated 3/21/95

- 1 Page 4, line 23, after ".":
- 2       Insert "The department may assign a person to an activity under this subsection only
- 3 if the activity will help the person achieve long-term self-sufficiency."

#7

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: CSHB 78( ); Draft 9-LS0392\NC, dated 3/21/95

1 Page 13, after line 3:

2 Insert a new bill section to read:

3 "\* Sec. 18. Section 13 of this Act is repealed on the earliest of the following dates:

4 (1) July 1, 2001;

5 (2) the effective date of any amendment of 42 U.S.C. 601 - 615 (Aid to  
6 Families with Dependent Children) that takes effect on or after the effective date of sec. 13  
7 of this Act:

8 (3) the effective date of sec. 13 of this Act if there is an amendment of 42  
9 U.S.C. 601 - 615 (AFDC) that takes effect after March 25, 1995, but before the effective date  
10 of sec. 13 of this Act."

11 Renumber the following bill section accordingly.

12 Page 13, line 4:

13 delete "4 - 17"

14 Insert "4 - 12 and 14 - 17"

#8

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 78( ) ; Draft 9-LS0392C, dated 3/21/95

1 Page 2, after line 30:

2 Insert a new subsection to read:

3 "(d) When determining eligibility for, and the amount of, assistance in the  
4 case of a minor parent who is required to live in a household or living arrangement  
5 with an adult under (a) of this section, the department shall disregard the income and  
6 resources of the adults in the household or living arrangement."

7 Reletter the following subsection accordingly.

#9

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 78( ); Work Draft 9-LS0392\C, dated 3/21/95

1 Page 1, line 7, after "projects;":

2 Insert "relating to the duty to support children of minor parents; amending  
3 Alaska Rule of Civil Procedure 90.3;"

4 Page 1, after line 8:

5 Insert a new bill section to read:

6 **\*\* Section 1.** AS 25.27.060 is amended by adding new subsections to read:

7 (e) If the child's parents are both unmarried minors who have not had the  
8 disabilities of minority removed under AS 09.55.590, an order of child support issued  
9 by a court or agency shall be based on the

10 (1) percentages of physical custody exercised by the child's parents;

11 and

12 (2) incomes of the child's grandparents instead of the income of the  
13 child's parents.

14 (f) To the extent that (e) of this section applies,

15 (1) the child's grandparents are considered to have a duty to support  
16 the child and are subject to laws, regulations, and court rules relating to support of the  
17 child; and

18 (2) a grandparent who is determined under applicable agency  
19 regulations and court rules to be the obligor for purposes of paying child support on  
20 behalf of a grandchild is subject to all laws, regulations, and court rules applicable to  
21 child support obligors.

22 (g) An order of support against a child's grandparent under (e) of this section  
23 and a grandparent's duty to support a child under (f) of this section is terminated,  
24 without the need for obtaining a modification of a child support order, when one of

1 the child's parents reaches the age of majority or has the disabilities of minority  
2 removed under AS 09.55.590, whichever occurs earlier. However, to the extent that  
3 a grandparent may have accrued arrearages, the grandparent remains an obligor  
4 subject to this chapter."

5 Page 1, line 9:

6 Delete "Section 1"

7 Insert "Sec. 2"

8 Renumber the following bill sections accordingly.

9 Page 3, after line 5:

10 Insert a new bill section to read:

11 **\*\* Sec. 5. COURT RULE CHANGE.** (a) AS 25.27.060 (e) - (g), added by sec. 1 of this  
12 Act, have the effect of amending Alaska Rule of Civil Procedure 90.3 by requiring  
13 consideration of the income of the grandparents of a child when determining a child support  
14 obligation under certain circumstances and by providing that a child's grandparents are  
15 obligated to support the child under certain circumstances.

16 (b) Under art. IV, sec. 15, Constitution of the State of Alaska, AS 25.27.060(e) - (g),  
17 added by sec. 1 of this Act, and this section may become law with the affirmative vote of a  
18 majority of the membership of each house because the court rule being amended is not a rule  
19 governing practice or procedure."

20 Renumber the following bill sections accordingly.

21 Page 3, line 8:

22 Delete "5 - 9"

23 Insert "7 - 11"

24 Page 3, line 12:

25 Delete "6 - 9"

26 Insert "8 - 11"

- 1 Page 4, line 2:
- 2 Delete "6 - 8"
- 3 Insert "8 - 10"
  
- 4 Page 4, line 17:
- 5 Delete "6 - 7"
- 6 Insert "8 - 9"
  
- 7 Page 11, line 11:
- 8 Delete "4 - 11"
- 9 Insert "6 - 13"
  
- 10 Page 11, line 12:
- 11 Delete "4 - 11"
- 12 Insert "6 - 13"
  
- 13 Page 11, line 19:
- 14 Delete "4 - 11"
- 15 Insert "6 - 13"
  
- 16 Page 12, line 5:
- 17 Delete "4 - 13"
- 18 Insert "6 - 15"
  
- 19 Page 12, line 7:
- 20 Delete "5 - 9"
- 21 Insert "7 - 11"
  
- 22 Page 12, line 17:
- 23 Delete "sec. 9"
- 24 Insert "secs. 1, 5, and 11"

- 1 Page 12, line 23:
- 2 Delete "1 - 4 and 10 - 15"
- 3 Insert "1 - 6 and 12 - 17"
  
- 4 Page 12, line 25:
- 5 Delete "5 - 9"
- 6 Insert "7 - 11"
  
- 7 Page 12, line 26:
- 8 Delete "4"
- 9 Insert "6"
  
- 10 Page 12, line 28:
- 11 Delete "5 - 9"
- 12 Insert "7 - 11"
  
- 13 Page 13, line 1:
- 14 Delete "5 - 9"
- 15 Insert "7 - 11"
  
- 16 Page 13, line 4:
- 17 Delete "4 - 17"
- 18 Insert "6 - 19"

# 10

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVE ROKEBERG

TO: CSHB 78 ( )

Page 2, line 6, after "must":

Insert "be enrolled in school and must"

III

Section 6

Subsection (c)

add res. number 6 to  
read

(6) ~~is a~~

the department determines  
that the person's physical or  
emotional health or safety  
would be jeopardized by  
participation

AMENDMENT → #12

OFFERED IN THE HOUSE

TO: CSHB 78( ); Draft 9-LS0392\C, dated 3/21/95

BY: REP. ROBINSON

Page 2, after line 30:

insert a new subsection to read:

"(d) When determining eligibility for, and the amount of, assistance in the case of a minor parent who is required to live with the minor's parent(s) under (a) of this section, the department shall disregard the income and resources of the minor's parent(s)."

Reletter the following subsection accordingly

WELFARE REFORM COMPARISON

NOTE: This chart shows the differences between the two bills. Similar provisions are not listed.

<p><b>JOBS for FAMILIES with DEPENDENT CHILDREN ACT (SB111/HB235) GOVERNOR</b></p>	<p><b>DRAFT HES CS for HB78 (9-LS0392\C - 3/21/95) HANLEY</b></p>
<p><b>TEEN PARENTS MUST LIVE at HOME</b></p> <ul style="list-style-type: none"> <li>● Identical provisions</li> </ul>	<p><b>TEEN PARENTS MUST LIVE at HOME</b></p> <ul style="list-style-type: none"> <li>● Identical provisions</li> </ul>
<p><b>COMMUNITY WORK PILOT PROJECT</b></p> <ul style="list-style-type: none"> <li>● DHSS sets work requirements by regulations</li> <li>● First \$1500 in equity of 1 vehicle excluded as an asset.</li> <li>● First \$30 of earnings + 1/3 of remainder excluded from income for 4 months</li> <li>● DHSS sets exemptions from participation by regulations</li> <li>● Project Areas:       <ul style="list-style-type: none"> <li>- One Urban (pop &gt;25,000)</li> <li>- One Rural (off road system)</li> </ul> </li> </ul>	<p><b>WORKFARE</b></p> <ul style="list-style-type: none"> <li>● Require 21 hours per week of unpaid employment, exempt if working 15 hours/week</li> <li>● First \$5000 in equity of any combination of vehicles excluded as an asset</li> <li>● First \$200 of earnings + 1/3 of remainder excluded from income for 24 months</li> <li>● Exemptions from participation specified in statute</li> <li>● Project Area:       <ul style="list-style-type: none"> <li>- At least one site</li> </ul> </li> </ul>

GOVERNOR

HANLEY

<p><b>UNEMPLOYED PARENT PROJECT</b></p> <ul style="list-style-type: none"> <li>● First \$30 of earned income + 1/3 of remainder disregarded for 4 months</li> <li>● Project sites: - Statewide</li> </ul>	<p><b>UNEMPLOYED PARENT PROJECT</b></p> <ul style="list-style-type: none"> <li>● First \$200 of earned income + 1/3 of remainder disregarded for 24 months</li> <li>● Project sites: - At least one area of the state</li> </ul>
<p><b>SELF-EMPLOYMENT PROJECT</b></p> <ul style="list-style-type: none"> <li>● First \$30 of earnings + 1/3 of remainder disregarded from income for 4 months</li> <li>● First \$1500 in equity of one vehicle disregarded as an asset</li> <li>● Project Area: - Statewide</li> </ul>	<p><b>SELF-EMPLOYMENT PROJECT</b></p> <ul style="list-style-type: none"> <li>● First \$200 of earnings + 1/3 of remainder disregarded from income for 24 months</li> <li>● First \$5000 in equity of any combination of vehicles disregarded as an asset</li> <li>● Project Area: - At least one area of the state</li> </ul>
<p><b>DIVERSION PROJECT</b></p> <ul style="list-style-type: none"> <li>● Project area: - At least two areas of the state</li> </ul>	<p><b>DIVERSION PROJECT</b></p> <ul style="list-style-type: none"> <li>● Project Area: - One or more areas of the state</li> </ul>

GOVERNOR

HANLEY

<p><b>PROJECT AREAS</b></p> <ul style="list-style-type: none"> <li>● Project areas specified for each project</li> <li>● Statewide:       <ul style="list-style-type: none"> <li>- Unemployed Parents</li> <li>- Self-Employment</li> </ul> </li> <li>● At least two sites:       <ul style="list-style-type: none"> <li>- Community Work (1 urban, 1 rural)</li> <li>- Diversion</li> </ul> </li> </ul>	<p><b>PROJECT AREAS</b></p> <ul style="list-style-type: none"> <li>● Project areas not specified by project</li> <li>● At least 4 separate projects in 4 areas of the state</li> <li>● At least one project in each of:       <ul style="list-style-type: none"> <li>- Municipality &gt;25,000 population</li> <li>- Municipality between 5,000 and 25,000 population</li> <li>- Municipality or community &lt;5,000 population</li> </ul> </li> </ul>
<p><b>BENEFIT REDUCTIONS</b></p> <ul style="list-style-type: none"> <li>● No provision</li> </ul>	<p><b>BENEFIT REDUCTIONS</b></p> <ul style="list-style-type: none"> <li>● Statewide 1.7 percent cut in AFDC payment levels</li> </ul>



***Representative Mark Hanley***  
***Alaska State Legislature***

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**MEMORANDUM**

**DATE:** February 23, 1995

**TO:** Representative Cynthia Toohey  
Representative Con Bunde  
Co-Chairs, Health, Education & Social Services

**FROM:** Representative Mark Hanley *MH*

**RE:** HB 78 "An Act relating to public assistance"

---

This memo is to respectfully request that you schedule HB 78 for a hearing at your earliest convenience.

It has been said, the best way to reform welfare is to get people off welfare. According to a recent survey by the State Department of Health and Social Services, 88% of AFDC clients in Alaska said they would rather work than rely on public assistance. Most families on welfare want a way off--they want the self-sufficiency and pride that job training and employment bring.

HB 78 directs the Department of Health and Social Services to apply for a waiver from federal provisions governing AFDC programs to establish a "workfare" demonstration project. This project would require able-bodied AFDC recipients to work or perform community service, or have their benefits reduced. Incentives to work are provided in the form of higher income disregards and a higher vehicle allowance. The costs of child care and transportation necessary for participation are covered.

America is ready to "end welfare as we know it". Many states are using waiver projects to develop alternatives to the tradition of welfare; it is time for Alaska, with its growing welfare rolls and dwindling revenues, to step up to the plate. The bill's language on the demonstration project does not

REQUEST FOR HEARING

change state law, it simply guides the Department of Health & Social Services in exercising its authority to apply for and implement waivers to the federal program. Also included in the bill is a reduction in the assistance programs to offset the cost of the demonstration project.

Congress is currently hearing a plethora of welfare reform measures. One proposal would authorize federal block grants for welfare funding, giving states the flexibility to design their own programs. HB 73 would allow us a look into what may or may not work in Alaska, giving us an advantage in this process. The demonstration project could become state policy, putting us on the fast-track for real change in the welfare system.

HB 78 is an important piece of legislation; it is a step towards breaking the cycle of dependence on welfare by making self-reliance possible and preferable.

## SECTIONAL ANALYSIS

**House Bill No. 78**  
**February 21, 1995**

---

HB 78 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 & Social Services [DHSS] to seek federal approval to operate an experimental AFDC demonstration project under the authority of section 1115(a) of the Social Security Act, authorizes imposition of certain modified AFDC eligibility criteria and requirements for participation in a mandatory work program on project participants, and establishes a ratable reduction in benefit payments for AFDC and APA programs statewide.

Section 1 Directs DHSS to seek authority from the federal government by December 31, 1995, to operate a demonstration project. This section provides DHSS discretionary authority to implement the project in the event of only partial federal approval of the waiver application.

Section 1 also allows the department to modify or discontinue the waiver application or project if federal law or regulation changes substantially affect it. It also directs DHSS, to recommend to the legislature any changes in statute needed to operate a fiscally responsible project.

Section 2 makes changes in AFDC eligibility provisions for purposes of operating the experimental demonstration project authorized under section 1.

Subsection 1 provides for an increase of the federally-set earnings disregard from the current short-term level of \$30 plus one-third of the remainder for two years to \$200 plus one-third of the remainder for a period of two years.

Subsection 2 waives the federal AFDC-Unemployed Parent "100 hour rule" that currently disqualifies two-parent families with a principal wage-earner working over 100 hours a month, allowing the recipient to work more hours and retain more income.

Subsection 3 waives the federal vehicle equity limit that disqualifies AFDC families who own a single vehicle worth more than \$2500, and substitutes a modified rule that allows possession of a combination of vehicles worth up to \$5000 before their value is counted in the \$1000 maximum resource asset test.

The modified requirements of Section 2 would apply in the project area defined in Section 4. AFDC families living in the project area would be randomly assigned to experimental or control groups. Members of the control group would be subject to normal AFDC eligibility requirements.

Section 3 establishes a "workfare" requirement as part of the demonstration project. It applies to the project area defined in Section 4. AFDC families living in the project area would be randomly assigned to experimental and control groups. Members of the control group would be subject to the normal JOBS program participation requirements.

Subsection (a) requires adult AFDC recipients in the demonstration project to participate in uncompensated work activities for 21 hours per week or compensated activities for 15 hours a week. It requires DHSS to sanction those who fail to participate as required by not including them as a member of the family in the eligibility determination for AFDC assistance.

Subsection (b) directs DHSS to subcontract with organizations in the project area to administer subsection (a) of this section if the organizations have had successful experience in the required areas. The department is required to determine who must participate in the activity as detailed in subsections (c) and (d).

Subsection (c) establishes exemptions from the workfare requirements for certain individuals participating in the demonstration, including:

- Individuals employed at least 15 hours per week - if they are working less than 15 hours, work time is credited toward the 21 hour requirement.
- Individuals participating in a Job Opportunities and Basic Skills training activity operated by the state JOBS program, or one operated by an Alaska Native organization.

- Individuals exempt from participating in the state JOBS program.
- Individuals determined by DHSS to be physically or mentally incapable of performing workfare activities.

It also prohibits DHSS from requiring individuals to participate in workfare unless childcare and transportation costs are paid.

**Section 4** defines the project area for the demonstration project, which includes the Municipality of Anchorage, the Matanuska-Susitna Borough, the Fairbanks North Star Borough, and the North Slope Borough.

**Section 5** requires other state agencies to cooperate with DHSS to implement the demonstration project.

**Section 6** defines basic terms, defines the basic scope of the project, and authorizes DHSS to establish the project area within the constraints of Section 4.

**Section 7** establishes a temporary statewide reduction of 1.7 percent in the maximum monthly AFDC payments to most families. The maximum payment for children living with a non-needy relative is reduced by a lesser amount to avoid bringing payment for 2 children below the federally established minimum of \$550; the amount payable to such family units in May of 1988.

**Section 8** establishes a temporary statewide ratable reduction of 1.7 percent in the maximum monthly Adult Public Assistance payments to most recipients.

**Section 9** allows the Department to start adopting regulations to implement the ratable reductions immediately.

**Section 10** repeals the entire act July 1, 2000.

**AID TO FAMILIES WITH DEPENDENT CHILDREN**  
**Maximum Monthly AFDC for Family of Three Persons**  
**Standard of Need and Maximum Benefit Payment as of October 1, 1994**

State	Need Standard 3 Persons*	Maximum Benefits 3 Persons	Maximum Benefits Ranking	Benefit as a Percent of Poverty*	Rank by Percent of Poverty
Alabama	673	160	51	15.6%	51
Alaska	975	923	1	71.9%	1
Arizona	954	347	33	33.8%	33
Arkansas	705	204	47	19.9%	47
California	715	607	6	59.2%	6
Colorado	421	421	20	41.0%	20
Connecticut	735	735	2	71.6%	2
Delaware	338	338	35	32.9%	35
Dist. Of Columbia	712	420	21	40.9%	21
Florida	991	303	40	29.5%	40
Georgia	424	280	43	27.3%	43
Hawaii	1,140	712	4	60.3%	5
Idaho	991	317	38	30.9%	38
Illinois	890	367	29	35.8%	29
Indiana	320	320	37	31.2%	37
Iowa	849	426	18	41.5%	18
Kansas	396	396	25	38.6%	25
Kentucky	526	228	46	22.2%	46
Louisiana	658	190	48	18.5%	48
Maine	553	418	22	40.7%	22
Maryland	507	366	30	35.7%	30
Massachusetts	579	579	7	56.4%	7
Michigan	509	424	19	41.3%	19
Minnesota	532	532	11	51.9%	11
Mississippi	368	368	28	35.9%	28
Missouri	312	285	42	27.8%	42
Montana	478	389	26	37.9%	26
Nebraska	364	364	31	35.5%	31
Nevada	699	348	32	33.9%	32
New Hampshire	1,405	307	39	29.9%	39
New Jersey	985	443	16	43.2%	16
New Mexico	381	381	27	37.1%	27
New York	577	577	8	56.2%	8
North Carolina	544	266	44	25.9%	44
North Dakota	501	501	13	48.8%	13
Ohio	901	341	34	33.2%	34
Oklahoma	645	324	36	31.6%	36
Oregon	460	460	15	44.8%	15
Pennsylvania	587	403	24	39.3%	24
Rhode Island	554	554	9	54.0%	9
South Carolina	440	440	17	42.9%	17
South Dakota	491	491	14	47.9%	14
Tennessee	500	185	50	18.0%	50
Texas	751	188	49	18.3%	49
Utah	553	415	23	40.4%	23
Vermont	724	724	3	70.6%	3
Virginia	322	291	41	28.4%	41
Washington	1,158	546	10	53.2%	10
West Virginia	497	249	45	24.3%	45
Wisconsin	647	517	12	50.4%	12
Wyoming	674	674	5	65.7%	4

**Note\***

Need standard is the maximum monthly allowable income as defined in state and federal regulations.

The percent of poverty is based on the 1994 Federal Poverty Guideline (FPG) for a family of three persons converted to a monthly rate.

The FPG for all states is \$1,026, except Alaska, which is increased 25 percent to \$1,284; and Hawaii which is increased 15 percent to \$1,180.

Source: U. S. Department of Health and Human Services, Administration for Children and Family Services, untitled draft document dated December 1994.

DEMOCRATIC LEADERSHIP COUNCIL

# THE NEW DEMOCRAT

VOLUME FIVE, NUMBER 5

DECEMBER 1993

## I AM WORKING

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### MAKING WELFARE WORK

Will Marshall  
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MAKING WELFARE WORK

INVESTMENT ♦ FROM ON THE MIDDLE CLASS

# UNDER INDICTMENT

*Americans Want To Change, But Not Demolish, the Welfare System*

BY WILL MARSHALL

Nothing better exemplified candidate Bill Clinton's commitment to fundamental change than his promise to "end welfare as we know it." More than any other, this pledge defined him as a New Democrat determined to move beyond an exhausted left-right debate that is failing to confront America's most pressing problems.

In calling for a two-year limit on welfare, Clinton proposed the most radical reform in U.S. social policy since the New Deal. The notion that welfare should offer poor Americans transitional support en route to a job—rather than subsidize a way of life widely seen as divorced from work and responsibility—clearly struck a responsive chord with the public.

Recent surveys confirm that Americans, regardless of class or race, overwhelmingly want to change—but not demolish—the welfare system. People are less concerned about costs than about welfare's failure to encourage and reward the values most Americans live by: work and saving, marriage and family, individual initiative and a sense of responsibility to one's community. More than 90 percent of the public thinks that making welfare recipients self-sufficient is more important than removing them from the rolls to cut costs. Nearly as many support work requirements, even for mothers with young children.

Despite near-unanimous support for sweeping reform, the administration has been curiously slow off the mark. In a questionable strategic judgment, the White House delayed action on welfare and instead pressed ahead with a far more complicated and costly plan to overhaul the nation's health care system. The downgrading of welfare reform as a presidential priority has heartened both liberal defenders of the status quo and conservative opponents of new public efforts to help the poor. It also has blurred the president's New Democrat image even as his economic and health care initiatives define him in more traditional terms.

Still, as Lyn A. Hogan notes in this section, the administration deserves credit for giving Wisconsin approval to test a two-year limit on welfare eligibility in two counties. Other states likewise have proposed using a combi-

nation of carrots and sticks to move welfare recipients into jobs.

The indictment against America's welfare system has four main counts:

It undercuts incentives to work and isolates the poor in a separate welfare economy; it penalizes marriage and underwrites out-of-wedlock births and single parenthood; it empowers bureaucracies and social service providers rather than poor citizens; and it undermines values held by most Americans, rich and poor, perversely rewarding failure rather than success.

Although virtually every president in the last two decades has vowed to fix these defects, their tries at reform have foundered on ideological gridlock. Conservative resistance to spending more on social programs, coupled with liberal reluctance to demand more of welfare recipients, has ruled out anything more dramatic than marginal adjustments in the status quo. We are left with a welfare system that seems impossible to defend yet impossible to change fundamentally.

Apart from the fact that it comes from a Democrat, President Clinton's call for time-limited assistance is striking because it represents a great conceptual leap forward. Time limits would ensure that the requirement to work replaces the right to income maintenance as the organizing principle of welfare policy. Such a policy casts welfare not as an entitlement but as a compact of mutual obligation: While society owes everyone a chance to work, the beneficiaries of public aid have a corresponding responsibility to strive to support themselves. This approach says that all work confers moral dignity and can lead to self-sufficient citizenship.

Time limits, however, are not enough. Simply mandating a two-year limit, without other reforms, would only worsen the plight of 14 million welfare recipients, 9 million of who are children. Helping people develop their capacities—especially those with few resources and many problems—is an expensive proposition. Hence, a radical redesign of social welfare will cost more, not less, in the short run. In fact, the current welfare system has survived successive bouts of reform

precisely because it is a relatively cheap way to deal with the poor.

But spending more now to enable people to work will reap large dividends down the road: fewer people on public aid, more people working and paying taxes, and fewer children trapped in an underclass characterized by rampant unemployment, crime and illegitimacy.

President Clinton will have to strike a political bargain with the left and the right if he is to achieve his goal of making welfare "a second chance, not a way of life": Liberals will have to accept time limits, and con-

servatives will have to accept higher social costs.

In addition to time limits, a progressive, work-based social policy requires five key policy shifts:

- First and most important, we must make work pay. Low-wage jobs simply can't compete with the package of benefits available in the welfare economy. For example, a welfare recipient in Ohio may collect a maximum basic welfare grant (Aid to Families with Dependent Children plus food stamps) of \$633 a month, or \$7,396 a year. However, she also is eligible for valuable Medicaid and child care assistance and possibly housing substi-

## PAPA, PREACH

### The Link Between Illegitimacy and Dependency

BY LYN A. HOGAN

While politicians and policy experts wrestle with ways to end welfare dependency, a pandemic of illegitimate births guarantees rising demand for social services. More teenagers than ever are having babies out of wedlock, and the majority of those teens and their children are ending up on welfare, often for very long spells.

In the past, widowed and divorced mothers were the primary beneficiaries of the main welfare program, Aid to Families with Dependent Children. Since the 1980s, though, the divorce rate has stabilized while the trend toward illegitimacy has skyrocketed. The proportion of all families with children that are headed by single women grew from 18 percent in 1980 to 30 percent in 1991. The Congressional Budget Office attributes 81 percent of the growth in female-headed families during 1991 to never-married

mothers, many of them teenagers. That same year there were roughly 576,000 births to unmarried teens, and the number keeps growing.

Never-married motherhood causes a host of problems, especially for teenagers, that fosters welfare dependence. In 1990, for example, the average income of a family headed by a never-married woman was \$8,337, compared with \$15,762 for a family headed by a divorced mother and \$39,076 for a two-parent family. Never-married mothers are the least likely to earn high school diplomas, and only 20 percent collect child support from absent fathers, compared with 77 percent of divorced mothers. According to Douglas J. Besharov of the American Enterprise Institute, at least 40 percent of never-married mothers receiving AFDC will remain on the rolls for 10 years or more, compared with 14 percent of

divorced women.

Teenage mothers, who never marry, have the highest risk of becoming long-term welfare dependents. A 1990 report by the CBO shows that half of all unmarried teen mothers receive AFDC within a year of the birth of their first child, and three-fourths receive AFDC by the time their first child turns 5. Child Trends, Inc. estimates that 43 percent of all mothers who receive welfare for 10 years or more started their families as unwed teens.

The cost to federal taxpayers of families begun by teenagers is enormous—almost \$29.3 billion in 1991 for AFDC, food stamps and Medicaid alone, the Center for Population Options estimates. Given the current trend, these costs will only spiral upward.

*Lyn A. Hogan is the social policy analyst for the Progressive Policy Institute.*

dies. Yet, if she takes a 40-hour-a-week job at the minimum wage of \$4.25, she will make only \$8,840 a year, nearly \$3,000 below the poverty line for a typical family of three. It makes little sense to exhort welfare recipients to work if that means lowering their standard of living or leaving them without health care.

The alternative is to shift public subsidies from welfare to work, so that what people earn from low-wage jobs and subsidies always exceeds what they collect for not working. At the president's request, Congress this year took a giant step in this direction by expanding the earned income tax credit, a subsidy to low-wage workers. Together with food stamps, the EITC should be sufficient so that even a minimum-wage job would lift a full-time worker and her family out of poverty. Working mothers also will need more transitional assistance for child care and perhaps housing as they move from welfare to private jobs.

- Second, we must assure universal access to health care. When welfare recipients take a job, they soon lose Medicaid benefits worth about \$3,000 a year. The jobs they are most likely to take rarely offer health insurance or pay enough to let them buy their own policy. Health care reform must guarantee universal access and so remove a serious obstacle to work.

- Third, we must strengthen child support enforcement to supplement the income of poor families. Even with expanded subsidies for work, many single mothers who lack education and skills will remain on the financial edge. Their children deserve the support of both parents, yet only 20 percent of never-married mothers collect child support from absent fathers. We need to crack down on deadbeat dads and encourage mothers to cooperate by letting them keep more of their child support payments.

- Fourth, we must expand welfare-to-work efforts by public agencies, nonprofit groups and even private businesses. As Lee A. Bowes notes in this issue, while studies show that education and training programs can lead to marginal increases in earnings, such gains are rarely enough to lift a family out of poverty. On the other hand, innovative ventures such as America Works and Chicago's Project Match, profiled in this issue by Andrew Cooper, show that with intensive support, even long-term welfare recipients can get and hold private jobs with decent pay and benefits.

This is not to deny that many welfare recipients need more education and training. The question is, should their entry into the job market be delayed while they attend training classes? That may make sense for some—especially teen-age mothers who dropped out of school when they became pregnant. But for adults, get-

ting a job is usually a better bet than getting generic training that may be irrelevant to the local job market.

A recent Manpower Demonstration Research Corporation study of California's GAIN program confirms this view. The study found that programs that stress work, offer intensive job placement and work closely with local employers to determine training needs have been more successful at both reducing welfare rolls and increasing earnings than programs that stress education and training. This should not be surprising: Most people learn their jobs on the job. What welfare recipients need more than anything else is to be reconnected to the world of work. Moreover, such efforts should begin when a person joins the welfare rolls, not when she reaches the two-year limit. The best time-limited welfare system is one in which no one ever hits the limit, as David Ellwood, assistant secretary of planning and evaluation at the Department of Health and Human Services, has said.

- Fifth, we must offer community-service jobs for people who can't find or keep private jobs. If society is to require work as a condition of public assistance, it must guarantee the opportunity to work. But community-service jobs at a minimum wage should be a last resort. Wage subsidies for private jobs, and other transitional benefits, should create a differential that always makes private work a better paying proposition. Our new social welfare system should be characterized above all by closer ties with private employers and should work to reduce the stigma now attached to welfare recipients as they seek employment.

These five initiatives would move us from a system centered on income maintenance and consumption to a system oriented around work and the development of personal assets. In addition, welfare reform should be reinforced by an array of empowering initiatives, including individual development accounts to encourage saving and asset-building; microenterprise to encourage self-employment; tenant management and ownership, to encourage public housing residents to handle their own affairs; and social service vouchers, to give poor people more control over the services created for them.

It's impossible, of course, to subsidize private jobs that don't exist. A crucial question for backers of the time-limited approach is whether there will be enough jobs for welfare recipients seeking work. Liberals say expanding welfare rolls show that jobs are not available; conservatives point to the want ads and the fact that immigrants seem to find jobs here. In truth, however, no one knows the answer because the supply of jobs is

dynamic, always expanding and contracting. Time limits are the only way to find out whether our labor markets can absorb the estimated 1.5 million people who would need jobs two years after the limit was imposed.

Finally, as we figure out how to help people leave welfare, we need to redouble efforts to prevent them from entering the system in the first place. A serious prevention strategy must take aim squarely at the explosion of out-of-wedlock births to teen-age mothers. As Hogan details in an accompanying article, illegitimacy is closely linked to welfare dependency.

There are lots of devilish details to be worked out,

and a work-based social policy will be no more immune to the law of unintended consequences than others. All this suggests the need for a lengthy transition, lots of state experiments with ways to move people into private jobs and to create and monitor community service jobs, and much more rigorous evaluation of these efforts. Nonetheless, President Clinton should press ahead. If he makes 1994 the year of replacing welfare with work, he will find a public eager for change and ready to support his resolve. ♦

*Will Marshall is president of the Progressive Policy Institute.*

## THE SOUP KITCHEN ELITE

*'Good Guys' Always Find a Way To Get Money for Themselves*

BY THERESA FUNICIELLO

WOODSTOCK, N.Y.

**P**overty in America is a megabusines. With remarkable creativity, every time our social welfare institutions discover or redefine a need of poor people, the "nonprofit" agencies find a way to get money for themselves. In the meantime, poor people have become increasingly poor. It was not quite by accident. Or quite by design.

Instead of helping the poor directly by spending enough money to provide them with adequate benefits, the social welfare system is indirect. Instead of offering a welfare mother enough money to buy decent food and housing for her children, the system offers her food pantries and homeless shelters and information and referral services. The idea, of course, is that she can't be trusted to use money wisely and that it is more prudent to offer her services. The result, however, is an elaborate series of poverty bureaucracies that are wasteful and inefficient. But because the people who run these bureaucracies are "good guys," their motives are rarely questioned and their effectiveness is rarely evaluated.

A triad of interests converged to create this perverse exchange. These three are the nonprofit agencies that lobby for services and later deliver them, the for-profit corporate sector and wealthy individuals who fund nonprofits to influence government policy, and the government officials and bureaucrats whose stars rise and fall

with each wave of public policy. The nonprofits and for-profits interface with government as personnel rotate in and out of staff positions. They are also frequently linked through interlocking directorates. And layers of elected officials influence the contracting-out process in a covert exchange for an array of future campaign contributions. Each of the "helping hands" washes the others while counting the bounty of its good intentions.

Their power is directly proportional to the amount of money they control, the size of their bureaucracies and the successes they claim. Since they are the "good guys," the media tend to report their self-representations uncritically. The result is social policy fashioned by relatively few individuals. Often irrational even on its face, it is the public consequence of virtually private decision-making.

The system fails us all, not by spending too much money on poor people, but by spending so much on their surrogate: the social welfare establishment that purports to represent these people. In particular, by using welfare mothers as public punching bags and ascribing multiple failures to them, the players position themselves to "fix" the women. Those now referred to as the "underclass" are regular subjects of social scientists (biased only by the sources of their paychecks) and the objects of innumerable cures by social welfare charlatans.

Single mothers, in spite of being employed outside the home in ever greater numbers, have become more frequently and more desperately poor. For those on Aid to Families with Dependent Children, benefits nationwide have plummeted in purchasing power in the last two decades. In part, the decline in the value of AFDC was a direct consequence of the expansion of the non-profit world. For instance, every time a charity fought for government money to increase the distribution of surplus food and other commodities, poor people's modest political power was squandered. But the money went neither to food purchases (for the most part) nor to the people who needed some. It paid for offices and warehouses and trucks and stoves and salaries and amenities for the soup-kitchen elite.

Consider the example of Second Harvest, a Chicago-based nonprofit corporation controlled by some of the country's biggest consumer product manufacturers and distributors, including the Kellogg Co., the Stop & Shop Cos. and McDonald's Corp. Second Harvest's operating expenses—supported by corporate and individual donations, government contracts and grants—are reported at \$14 million. But Second Harvest is not a warehouse for groceries. It is a set of polished offices where discarded corporate donations are brokered to food banks. Second Harvest's cash is used for salaries, rents, computers and accountants.

Second Harvest assists corporations by taking products that they cannot sell because they have reached their expiration date, have been poorly packaged, short-weighted, overproduced or damaged. Before the advent of organizations like Second Harvest, most of these items would have been dumped at corporate expense. Now, the corporations get a tax break, regardless of the quality of the products they are donating. Half of what is accepted as tax-deductible is immediately dumped by the food-bankers—in local landfills, also on the taxpayers' tab. The rest is only partly food and only partly nutritious. Items such as meat tenderizer, Cocoa Puffs, hair spray and diet soda top the list. The "cost" of getting an actual head of lettuce to a family can be as much as three times the retail value. Frankly, most mothers would rather have the cash.

At its best, our patchwork of social policies tends to focus on symptoms rather than solutions. For example, advocates agree that the common denominator of low-birthweight babies is the poverty of the mothers. You would think that the solution would address that. Yet advocates merely propose more prenatal care. More jobs for health-care professionals will not change the unalterable fact that mothers need to eat enough food

to have healthy birthweight babies. Food cannot be prescribed by a physician or dispensed by a pharmacist, nor is it ever likely to be distributed through an IRS-driven garbage market. Giving mothers money to buy food will ensure that they get it. But for some reason, health-care advocates generally leave the income/resource distribution issue alone.

In spite of a relentless pursuit of government contracts and donated dollars, the poverty industry, unlike the welfare mother, is rarely subjected to serious scrutiny. It is accountable to no one. Unless a provider is caught with a hand in the till, it is free to do virtually anything. No one is forced to measure and produce X amount of anything. And not a soul will ask the people who receive the services to evaluate their quality.

When affluent people decide a service isn't up to snuff, they vote with their feet and their pocketbooks. Poor people have no similar recourse to the power of the market: They are denied a say about which services they need and which providers can best satisfy those needs.

Shouldn't we be just as angry about a child raised in foster care to the tune of \$50,000 annually who ages out of the system without being able to live independently as we were about the \$600 hammers procured by the Pentagon? Shouldn't we be angrier? One-third of the children in foster care are there because their mothers are homeless.

There is more than enough money wasted in this nonprofit patronage game on unwanted, unneeded and incompetently delivered services than it would take to provide income security to everyone. Last year, the nonprofit sector in this country took in \$125 billion in tax-deductible contributions alone. Money isn't the problem. Politics are. After all, a young widow with children can get Social Security survivors' benefits at four times the average rate of AFDC payments, and she will stay on the rolls many more years than her welfare counterpart. No one worries about her "dependency" or about the costs to the U.S. Treasury, or whether her children will grow up seeing the proper connections between "work" and income.

It's time to start asking real questions about ourselves as a people, the limits of our system of resource distribution, the abuses of power inherent in contracting out and our mean-spirited policies that save one family and throw another away. It's our tyranny of kindness. ♦

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*Theresa Funicello, a former welfare mother and welfare rights advocate, is the author of Tyranny of Kindness—Dismantling the Welfare System To End Poverty in America.*

# THE TRAINING TRAP

*Research Shows the Best Path From Welfare to Work Is a Straight Line*

BY LEE A. BOWES

**P**resident Clinton's plan to revamp the welfare system has rekindled a debate between those who believe education and training is the best route from welfare to work, and those who believe in a direct path—placing people in jobs that offer decent pay and benefits.

The argument has been going on for a long time, and the education-and-training camp has had the upper hand for most of it. This is beginning to change, and none too soon. The president's plan will succeed only if it puts welfare recipients into jobs where they can get experience. A growing body of research backs this view.

Previous federal stabs at welfare reform have been disappointing, to say the least. The Aid to Families with Dependent Children program had an education and training component that began in the 1960s. The Work Incentive program, or WIN, technically required women to participate once their youngest child turned 6. Partly because of inadequate funding, it never really worked.

The federal government vastly expanded job training for the disadvantaged in the '70s and '80s through the Comprehensive Employment and Training Act and its successor, the Job Training Partnership Act. Studies of both found that they have largely ignored the needs of the most disadvantaged. Just last year, for example, the Labor Department issued new regulations for JTPA to address concerns that the program benefits white men almost exclusively.

By the late '80s, welfare caseloads were growing, and a consensus was emerging that recipients should be obliged to engage in some sort of activity leading to self-sufficiency. Congress responded by passing the Family Support Act, which required states to enroll a certain percentage of their caseloads in education, job training or job search programs. The program's overwhelming emphasis, however, has been on education and training rather than placement in jobs.

Recent research supports the view that a strategy focused on finding people jobs first rather than on enrolling them in training classes is the answer. In their

study, Judith Gueron and Edward Pauly found little evidence that education and training helps welfare recipients get jobs. And government-sponsored programs such as CETA, JTPA and proprietary and vocational schools failed to prepare people for the labor market, according to researcher Paul Osterman. Unlike apprenticeship programs in Germany and Japan, he says, the American programs fail to integrate themselves in companies' recruitment and employment systems. Other findings:

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**Previous federal stabs at welfare reform have been disappointing, to say the least.**

**The Work Incentive program, or WIN, technically required women to participate once their youngest child turned 6.**

**Partly because of inadequate funding, it never really worked.**

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- A recent analysis of a Rockefeller Foundation-funded job-training demonstration program for single minority mothers found that only one of four sites, in San Diego, was showing positive results. The researchers attributed its success to an aggressive approach to job-specific training and marketing to employers.

- The Manpower Demonstration Research Corporation recently finished a two-year study of California's GAIN program, which tries to move welfare recipients into activities leading toward independence. It found that Riverside County had the greatest success in getting candidates into jobs. The researchers said this was

because the program focused on getting jobs, kept up relationships with area employers and encouraged welfare recipients to be flexible about taking jobs.

- The Urban Institute recently published a study of Washington state's Family Independence Program, a voluntary training program. The researchers said the program is failing to increase employment because it lacks ties to the job market.

- Michael Dowling, New York state's newly appointed commissioner of social services, has redirected all welfare department activities and funds into a jobs-first strategy. Education and training are considered secondary.

My own research, published as *No One Need Apply: Getting and Keeping the Best Workers*, indicates that employers hire largely through networks and informal systems. The adage "it's who you know, not what you know" is alive and well in American business. Welfare-reform policies without a strategy aimed at penetrating the job market are doomed to fail.

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**The adage "it's who you know, not what you know" is alive and well in American business. Welfare-reform policies without a strategy aimed at penetrating the job market are doomed to fail.**

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America Works, the for-profit company I founded with my husband, is rooted in the belief that the job-finding service is distinct from the education and training service. (See *The New Democrat*, May 1993.) The America Works model was created to help people find jobs, support their transition to work and remove disincentives to work. We have contracts with New York, Connecticut and Indiana and with Indianapolis.

Here's how America Works works. People on welfare hear about us through word of mouth. We screen people only to make sure they're eligible for our services. We believe strongly in motivation. Participants must be on time and have perfect attendance the first week of the program. After about five weeks in classes—where they learn interview techniques, appropriate dress and behavior, basic office skills, etc.—we get them a job at a company, but on our payroll.

In a traditional welfare-to-work program, people get classroom training and help writing a resume, and then they are expected to find the job themselves. At America Works, half of our staff members are selling a service to corporations—a four-month trial employee in which the businesses save up to \$2,500 in combined benefits and taxes. During the trial an America Works staff member acts as a full-service human-resource department for the worker, arranging day care, child care, helping to pay overdue bills—you name it.

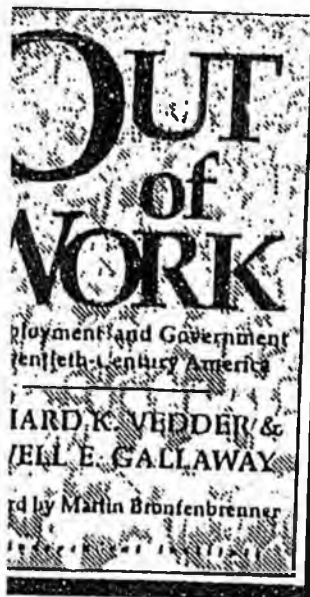
We're paid a fee only if the person gets a job and stays on a company payroll an average of six months. According to a study by Ernst and Young, 85 percent of the first 750 people we placed in jobs are still employed. Their average stay on welfare had been five years. Their average annual pay was \$15,000, and more than a third had received promotions and raises.

The evidence is clear: If you want to move people from welfare to work, you have to help them find jobs. It's time for classroom training to take a back seat. ♦

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*Lee A. Bowes is chief executive officer of America Works.*

most comprehensive book ever on unemployment in the United States." — GEORGE GILDER



*Out of Work* is a triple hit: an engaging history of a century of U.S. economic history that puts wage rates adjusted for productivity in context; explains unemployment patterns; and explains the mythology that high wage rates and government spending reduce unemployment; a history of the long-headed public policies since 1930 that have raised unemployment levels.  
— J. SCHEWARTZ  
Bureau of Economic Research

*Out of Work* is fascinating and brilliant — a must read and an important book.  
— RICHARD A. KUDLOW  
Managing Director and Chief Economist  
Hewlett-Packard Company

*Out of Work* is essential for economists, labor market researchers, and especially for social scientists, and especially for those who are interested in and concerned about unemployment.  
— T. BENNETT  
Director of Labor Research

The specter of unemployment is increasingly used to justify ever bigger government programs — from continuing high military expenditures to a return to New Deal-type make-work agencies. Now, *Out of Work* amasses relentless and devastating evidence that the major cause of high unemployment, both cyclical and secular, is government itself.

*Out of Work* challenges Keynesian fiscal demand-management and shows that such policies as minimum wages, legal privileges for unions, civil rights legislation, unemployment compensation, and welfare have all played significant roles in generating joblessness. Too, *Out of Work* lucidly and absorbingly recounts the history of American unemployment. It demonstrates, for example, that the policies of both presidents Herbert Hoover and Franklin Roosevelt not only prolonged and exacerbated the unemployment of the Great Depression, but directly contributed to the depression's banking crisis as well.

In short, *Out of Work* redefines the way we think about one of the most explosive issues of the twentieth century.

"Vedder and Gallaway's masterful book demonstrates that the invisible hand of the market works better in preventing high unemployment than the visible foot of government."  
— CONGRESSMAN RICHARD ARMEY  
Joint Economic Committee of Congress

"Vedder and Gallaway show convincingly that we need once again to rethink our entire notions of unemployment. Sixty years of the welfare state together with intrusive government regulations have given us problems largely unreachable by federal policies designed to cope with cyclical unemployment. In effect, you cannot turn a standard screw with a Phillips (curve) screwdriver."  
— JONATHAN IL T. HUGHES  
Professor of Economics, Northwestern University

"*Out of Work* is a very important book about one of the most important economic problems of our times. It should be widely read and have a strong influence on public policy."  
— GOTTFRIED HABERLER  
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## Welfare Reform, Dependency Reduction, and Labor Market Entry

ROBERT RECTOR

The Heritage Foundation, Washington, DC 20002

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*Dependency reduction requires altering the welfare incentive structure: reducing the rewards for nonwork and increasing the rewards for work. Requiring welfare recipients to work in exchange for welfare benefits reduces the attractiveness of welfare and is crucial to dependency reduction. However, most current workfare programs impose minimal requirements on welfare recipients and are ineffectual. This paper proposes methods for improving workfare as well as other reforms.*

### 1. Introduction

Today nearly one out of eight American children is being raised on welfare under the Aid to Families with Dependent Children (AFDC) program. Almost one out of ten Americans receives Food Stamps. With total means-tested welfare spending exceeding \$225 billion annually, or around \$7,000 for every poor person in the U.S., welfare now consumes four percent of the Gross National Product—the same level as during the Great Depression, when a quarter of the labor force was unemployed (Rector, 1992b).

Not only has the cost of welfare become exorbitant, but many also believe that the present system has greatly contributed, over the last 25 years, to the rise of a new set of "behavioral poverty" problems including eroded work ethic and dependency, lack of educational aspiration and achievement, increased single parenthood and illegitimacy, criminal activity, and drug and alcohol abuse.

The onset of the War on Poverty directly coincided with the disintegration of the low-income family—the black family in particular. During the mid-1960s when the War on Poverty began, the black illegitimate birth rate was roughly 25 percent—today it has risen to 65 percent and, if current trends continue, will reach 75 percent in ten years. Similar trends are found among low-income whites. A second key problem in welfare policy is long-term dependence: 65 percent of the 4.3 million families currently on AFDC will stay on for over 8 years; 82 percent will be on for over five years. Only 7 percent will receive welfare for less than two years (Committee on Ways and Means, 1992, p. 685). This pattern of dependence is passed from one generation to another. With all other socioeconomic variables held constant, being raised in a single-parent AFDC family doubles the probability that a woman will give birth

are dependency they should reduce welfare benefit levels or at least not increase those benefits in real dollar terms.

#### V. Altering Benefit Reduction Rates

As noted, means-tested programs provide benefits to households below specified income levels. In theory, a program could offer full benefits to all households with earnings below, say, \$10,000 per year and no benefits to households with earnings above that level. In practice, this is seldom done because an abrupt termination of benefits creates a "notch" effect in which net income falls as earnings rise. For example, assume a welfare program provided \$2,000 in benefits to households with annual earnings below \$10,000, and zero benefits to those with earnings above \$10,000. If a household had earnings of exactly \$10,000, its net income, combining earnings and welfare, would equal \$12,000. If the household's earnings, however, rose by one dollar to \$10,001, all welfare benefits would be eliminated. Net income would fall by \$1,999 as a result of one dollar of extra earnings. For this reason, welfare benefits are usually lowered incrementally as earnings rise. The benefit reduction rate (sometimes called the marginal tax rate of the program) measures the cut in benefits per dollar of earnings. Although the rules are detailed and technical, basically AFDC benefits are cut by one dollar for each dollar of earnings. Food stamps are cut by 50 cents for every dollar of earnings.

Lowering benefit reduction rates (cutting benefits less per dollar of added earnings) is a perennial favorite proposal of legislators seeking to promote work effort. However, both theory and empirical evidence indicate that this policy will not achieve its intended result. While higher maximum benefit levels have an unambiguous income effect which reduces labor, lowering benefit reduction rates generates both income and substitution effects which offset each other. Contrary to the conceptions of most legislators, SIME/DIME in fact showed that lower benefit reduction rates yielded lower labor force participation, i.e., the income effect dominated the substitution effect (SRI International, 1983, p. 127).

The history of the AFDC program shows that lower benefit reduction rates have little or no effect in reducing dependence. Prior to the 1970s, the AFDC program had a benefit reduction rate of roughly 100 percent; during the 1970s, the benefit reduction rate was cut to around 66 percent; in 1981, it was returned to 100 percent. But the lower benefit reduction rate in the 1970s did not reduce dependence. While some AFDC mothers may have been induced to work more, the lower benefit reduction rate made AFDC more attractive and drew more mothers into the welfare program to start with. And the lower benefit reduction rate also encouraged mothers who otherwise would have worked full time and exited from AFDC entirely to work part time, combining wage and welfare income, and thereby remain on welfare longer (Levy, 1979).

However, one program where benefit rate reductions could have a pro-labor effect is Medicaid, the only major welfare program with a substantial "notch."

Historically, a welfare mother lost all Medicaid coverage when she lost AFDC eligibility. Thus, each dollar of added earnings reduced AFDC benefits by one dollar, but the marginal dollar of earnings which eliminates the last dollar of AFDC payments simultaneously rendered the mother's family ineligible for Medicaid coverage worth between \$3,000 and \$4,000 per year. Although Congress has attempted to assuage this dilemma through several measures, including transition benefits which allow a family to retain Medicaid coverage for 12 months after losing AFDC eligibility, a substantial "notch" problem still remains (Ellwood, 1990).

Some analysts have maintained that providing Medicaid-type coverage to all working single mothers would spark an exodus of AFDC mothers into the labor force, dropping the AFDC caseload as much as 16 percent (Moffitt, 1989). However, providing medical coverage of unlimited duration only to single mothers or only to families which have previously been on AFDC would create critical equity problems vis-à-vis low-income, working, two-parent families who have never been on welfare but currently lack medical coverage. Also providing long-term, free medical coverage to those exiting from AFDC poses an invitation to many families to enroll in AFDC precisely to obtain such coverage. (This issue will be discussed further in the section on wage supplements below.)

#### V. Performance Requirements

Most welfare programs today have no performance requirements; persons who meet the categorical and income criteria are simply given assistance and are expected to contribute nothing in exchange for the aid given.<sup>5</sup> This practice represents a sharp break from the past; during the Great Depression, for example, beneficiaries were expected to work for aid received through programs such as the Civilian Conservation Corps and the Works Progress Administration.

Most discussion of welfare reform today involves returning to earlier principles by requiring beneficiaries to work or engage in other activities for the aid they receive. A Gallup poll conducted in November 1991 showed that most Americans favored requiring welfare recipients to work in exchange for the benefits given them. A full 79 percent of those polled agreed that the government should require "able bodied people on welfare, including women with small children, to do work for their welfare checks" (Marshall, 1992, p. 225). As a candidate, President Clinton proposed to require welfare recipients to work in exchange for benefits after two years on the rolls.

Under the impetus of the Reagan reforms of 1981 and the Family Support Act of 1988, states are experimenting with a variety of performance requirements under the loose and somewhat misleading term of "workfare." Workfare, in fact, refers to three distinct types of required activity.

*Job Search.* These programs require welfare recipients to seek employment. In a group job search program, for example, an individual will be required to receive up to a week's training on how to find a job. This may be followed by several weeks of participation in a phone bank where recipients are required to report to the wel-

biased in favor of programs that offer extensive education, childcare, and support services—and are oblivious to the possibility that such generous services may actually attract more people onto the welfare rolls (O'Neill, 1990, p. 100).<sup>8</sup> The MDRC method now almost monopolizes workfare evaluation. While this method yields useful information on welfare exits, it should be complemented by other techniques capable of measuring dissuasion effects.

### VI. Examples of Effective Workfare Programs

Although most discussion of workfare is presently dominated by the MDRC evaluations, showing modest results, studies of several less-known workfare programs show dramatically higher impacts on dependency. These programs impose much more rigorous performance requirements on welfare recipients, and were evaluated either by time series data or through county by county comparisons which capture dissuasion effects.

The importance of *dissuasion effects* can be seen quite clearly in an experiment conducted in Washington state in the early 1980s (Fiedler, 1983). Under the Intensive Applicant Employment Services (IAES) project, new applicants to AFDC were placed immediately in organized job search for up to 30 days before the initial AFDC grant was awarded. Those applicants who failed to obtain employment during the initial month were subsequently enrolled in AFDC. The project sent a clear message that work was expected and that welfare was to be a last resort.

IAES was carefully evaluated as a pilot project. Some fifty counties and other jurisdictions were sorted into pairs in which each county was matched with another county as similar as possible demographically, socially, and economically. Random assignment was then used to designate an experimental and a control county within each matched pair. Within the experimental counties some 80 percent of new applicants were exempted from the IAES job search requirements because they were mothers with children under three or because the family's financial straits made postponing the initial welfare check impossible. Despite the fact that the number of new applicants who were required to search for work before receiving welfare was limited, the IAES requirements and the moral message they conveyed had a striking effect in discouraging new AFDC applications. During the evaluation period, the number of AFDC applications rose sharply throughout Washington state, but the increase was far less in IAES counties. When compared to control counties without the IAES program, the job search requirement was found to have reduced new AFDC applications by 15 percent.

The message conveyed by the IAES program also appeared to linger in the minds of new welfare applicants even after they were enrolled in AFDC and the IAES requirements were terminated. New AFDC enrollees in IAES counties were more likely to leave AFDC within the first year after enrolling, reducing the new applicant caseload by another 7 percent. Thus, the combined dissuasion and exit

effects of the IAES program cut first year welfare costs of new applicants to AFDC by one-fifth overall.

Recent research on pilot projects in Ohio also shows that rigorous workfare programs can dramatically reduce welfare dependence (Schiller and Brasher, 1993). In the Ohio programs, primary emphasis was placed on community service work rather than job search or training. At any given point in time roughly two-thirds of participants were performing mandatory community service work for up to 40 hours per week. Work requirements were continued as long as the individual received welfare benefits; this approach differed greatly from conventional short-term workfare programs which require recipients to work for a few months but then suspend the work obligation and allow the recipient to continue to receive benefits without further work obligation.

Around 25 percent of single mothers on AFDC were required to perform community service work in exchange for the welfare benefits they received; the requirement resulted in an overall reduction in the AFDC single-mother caseload of 11.3 percent. For every 100 AFDC single mothers placed in the workfare program, the AFDC rolls were reduced by some 45 cases. Similar reductions were seen in the AFDC-Unemployed Parent program (AFDC-UP), which provides welfare to two-parent families. Eighty percent of AFDC-UP fathers were required to participate in workfare, resulting in a 34 percent reduction in the AFDC-UP caseload. For every 100 AFDC-UP fathers required to work, the AFDC-UP rolls were reduced by some 42 cases. The Ohio workfare programs are, by far, the most successful dependency reduction programs so far evaluated. The effects on both AFDC and AFDC-UP caseloads are four to five times greater than the effects reported for conventional job search and training programs elsewhere in the country.<sup>9</sup>

Other states have shown that work requirements can dramatically reduce welfare dependence, at least in the AFDC-UP program. In 1983, Utah established the Emergency Work Program (EWP) in place of traditional AFDC-UP program for two-parent families (Janzen and Taylor, 1991). EWP established one of the most stringent and comprehensive workfare systems yet known. Male parents of welfare families were required to participate in organized activities for 40 hours per week: 8 hours of job search and 32 hours of community service work or education and training. These requirements were rigorously enforced, some 20 percent of families were terminated each year for noncompliance. Among the remaining male parents, EWP achieved an effective participation rate in mandatory activities of 100 percent.

As noted, EWP offered some education and skills training in addition to community service work and job search. However, education and training did not increase the employability of welfare recipients relative to participation in other activities. A final unusual feature of EWP was a work/job search requirement imposed on both spouses in some families. Work requirements on both spouses rose from 5 percent of caseload initially to 61 percent in EWP's third year. It is unclear to what extent this extra requirement added to EWP's success in reducing dependency.

welfare benefits in exchange for a full year's labor. By contrast, once an individual is required to work as a condition for receiving welfare payments, the attractiveness of welfare is greatly reduced, and the incentives to leave welfare through employment or marriage are greatly enhanced.

At present we have few models of successful work requirement programs, but the available evidence suggests that successful programs would have the following components. (1) The requirement to work or participate in other activities should be permanent, not temporary, and should last as long as the recipient receives welfare. (2) The requirement to work or participate in other activities should be continuous, not intermittent. There should be no intervals of inactivity as recipients are shuttled between different sub-components of the program. (3) The emphasis should be on mandatory community service work; job search and training should be de-emphasized. (4) Recipients should be required to work or perform other activities for a minimum of 30 hours per week. (5) Welfare benefits should be contingent on and paid only after the fully successful completion of relevant performance requirements. (6) The ethos of the welfare office is very important; caseworkers must sincerely and persistently inform recipients that they have a moral obligation to themselves and the community to get a private sector job or, if jobs are not available, to perform community service work. (7) Opposition to workfare by public sector unions currently results in prohibitions on welfare recipients undertaking much public sector work which they are capable of performing; such prohibitions must be lifted.

Finally, work requirements should be imposed first on those who are most readily employable. More specifically, work requirements of the sort outlined above should be established for all fathers in two-parent AFDC-UP families and for single mothers who have no children under age five or who have been on welfare for over four years.<sup>14</sup> If such a regime were instituted nationwide, some two million adult welfare recipients would be engaged in continuous work activities. The result would be a gradual, but profound, reduction in dependence.

## NOTES

<sup>1</sup>This calculation is for a mother with no earnings and no persons who are not part of the AFDC unit living in the household. Data available from the author on request.

<sup>2</sup>This penalty occurs because when a single mother on welfare marries an employed male, the man's earnings are included in the calculation of the mother's welfare eligibility; upon marriage, welfare benefits are eliminated or cut significantly and the joint income of the man and the woman falls dramatically.

<sup>3</sup>For a review of the effects of welfare on family structure see Murray (forthcoming).

<sup>4</sup>Critics charge that the SIME/DIME findings cannot be applied to the existing welfare system because the SIME/DIME benefit levels were much higher than those of existing welfare programs. In reality, the SIME/DIME benefit levels ranged between 95 and 140 percent of the poverty income thresholds, a range of benefit levels very similar to the average combined benefits packages provided to AFDC families by different states under the existing welfare system.

<sup>5</sup>In addition to income criteria, some welfare programs also have categorical criteria which define eligibility, such as having dependent children, being elderly, or being disabled.

<sup>6</sup>Data provided by the Office of Family Assistance, Department of Health and Human Services.

<sup>7</sup>Among the population required to participate, SWIM reduced caseloads by 7 percent and AFDC costs by 15 percent. Since the group eligible for participation comprised a third of the total AFDC caseload, reductions as a percentage of the entire AFDC population would be about 5 percent for costs and 2 to 3 percent for cases (Hamilton and Friedlander, 1989, p. 52).

<sup>8</sup>These comments simply point out the limits of the MDRC studies and are not intended to criticize the studies themselves which provide useful information on many important questions. The National Supported Work Demonstrations, in particular, provide invaluable data to social scientists.

<sup>9</sup>The key factors explaining the success of the Ohio experiments appear to be the heavy emphasis on required work, the seriousness of the work obligations, and the severity of the sanctions provided for non-compliance. Also the Ohio evaluation included an unusually long (five-year) evaluation period and found that the effects cumulatively increased over time. Dissuasion effects, however, did not appear to have a major role.

<sup>10</sup>The study compared the AFDC-UP program in 1980-1981 and the EWP program in 1984-1987. Utah's unemployment rate was 6.8 percent in the AFDC-UP comparison period and 6.2 percent in the EWP period.

<sup>11</sup>Work requirements also appear to be very effective in reducing caseloads in General Assistance programs which largely aid single, nonelderly adults (Bernstein, 1982, pp. 48-49).

<sup>12</sup>There are key differences between wage supplementation and benefit rate reduction. In wage supplementation the value of government aid provided is relatively low; this encourages families to combine higher earnings with moderate amounts of government aid. In the benefit rate reduction approach, initial welfare benefits are high, encouraging families to combine high levels of welfare receipt with modest supplemental wage income.

<sup>13</sup>Legislation enacted in 1990 established an incremental series of increases to the EITC over future years, the figures given in the text are for 1994 when the increases are completed.

<sup>14</sup>If work requirements are established for mothers with children over age five, it is also necessary to establish requirements for mothers who have been on the welfare rolls for over four years. Otherwise, mothers would have an incentive to continue to have children to avoid the work obligation.

03/09/95 14:35:12 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1120  
MESSAGE FROM: LIOCJEN IN ANCHORAGE JNU

RE TCN: 50328 SCHEDULED FOR: 03/09/95 14:00 TO 16:30  
SPONSOR: HOUSE HEALTH, EDUCATION & SOCIAL SERVICES PURPOSE: PUBLIC HEARING

MESSAGE TEXT: LYNN KORAL IS IN THE CONFERENCE

ALSO WISHES TO TESTIFY

ALSO ON LINE IN FAIRBANKS:  
(FROM HIS HOME) ✓  
MR. TIM MAYBERRY  
TO TESTIFY ON HB 78

THIS PARTICIPANT HAS NOT BEEN  
NOTIFIED OF THE 3 MINUTE TIME  
LIMIT AS HE IS NOT AT THE LIO

03/09/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150

14:06:10 PARTICIPANT LIST (ALL PARTICIPANTS) BY:FBX

TCN:50328 SCHEDULED FOR:03/09/95 14:00 TO 16:30 FOR:FBX

PUBLIC HEARING HOUSE HEALTH, EDUCATION & SOCIAL SERVICE

LOCATION:FAIRBANKS

HB 73	MS.	MARY	MATTHEWS ✓	TESTIFY
HB 78	MS.	RONNIE	ROSENBERG ✓	TESTIFY
HB 78	MS.	LUCI	BEACH ✓	TESTIFY

03/09/95 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150

14:20:47 PARTICIPANT LIST (ALL PARTICIPANTS) BY:ANC

TCN:50328 SCHEDULED FOR:03/09/95 14:00 TO 16:30 FOR:ANC

PUBLIC HEARING HOUSE HEALTH, EDUCATION & SOCIAL SERVICE

LOCATION:ANCHORAGE (UPDATED)

HB 78	ANGIE	SALERNO ✓	TESTIFY
HB 78	PUDGE	KLEINKAUF ✓	TESTIFY
HB 78	HOSANNA	LEE ✓	TESTIFY

03/09/95

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM

LTN1150

14:12:18

PARTICIPANT LIST (ALL PARTICIPANTS)

BY:FBX

TCN:50328

SCHEDULED FOR:03/09/95 14:00 TO 16:30

FOR:FBX

PUBLIC HEARING

HOUSE HEALTH, EDUCATION & SOCIAL SERVICE

LOCATION: FAIRBANKS *UPDATED*

HB 78	MS.	MARY	MATTHEWS	TESTIFY
HB 78	MS.	RONNIE	ROSENBERG	TESTIFY
HB 78	MS.	LUCI	BEACH	TESTIFY
HB 78	MS.	JENNIFER	MOORE	TESTIFY
HB 78	MS.	JANET	BOYD	TESTIFY
HB 78	MR.	JOHN	LOVE	TESTIFY



# Alaska State Legislature

House of Representatives  
 COMMITTEE ON HEALTH, EDUCATION  
 AND SOCIAL SERVICES

SUBJECT OF MEETING:

DATE: MARCH 9, 1995

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
✓ DAVID BERTHA STRONG	ACCESS ALASKA	<del>7505 CEDAR HAVY ST. #115</del> 801 KATLUIK #115	<del>99504</del> 99501			(Y) N	78
✓ Barry Burnett	SELF	P.O. Box 210048 Auke Bay AK 99821	99821	789-2324		(Y) N	78
✓ BARBARA TURNER	SELF	3625 AMALGA #131D JUNEAU AK	99801	789-2324		(Y) N	78
✓ DONNA BURNETT	SELF	P.O. Box 210048 Auke Bay AK	99821			(Y) N	78
✓ LORRAINE PHILLIPS	Son	1607 21st Ave X-C Fairbanks, AK	99701	(907) 451-1197		(Y) N	78
Tom / Lardal	Self	5521 Podag Dr Wardle AK	99654	376-8570		(Y) N	78
SHERIE GILL	AK Women's Lobby	P.O. Box 22156 Juneau	99802	463-6744		(Y) N	78
✓ Jennifer Reynolds	Self	1201 Brock Rd., N. Pole AK	99705	488-3719		(Y) N	78
						Y N	
						Y N	
						Y N	



# Alaska State Legislature

## House of Representatives

COMMITTEE ON HEALTH, EDUCATION  
AND SOCIAL SERVICES

DATE:

PLACE: Capitol Room 106

SUBJECT OF MEETING:

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Leigh Nagstrom	myself	801 Airport Hgts <sup>Anch</sup> #396	99508	278 4210		<input checked="" type="radio"/> Y	<input type="radio"/> N	HB 78
						<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	

MSG: 1431 NO PARTICIPANTS FOR THIS SITE  
ENTER Pg# 09 PF2 NextC# ynnnn PF3 Exit PF5 Update PF7 Bwd PF8 Fwd PF12 Quit

03/10/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1405  
10:44:15 N CONFERENCE DISPLAY PAGE 05 - PARTICIPANTS BY SITE L362  
TCN 50328 T/C DATE: 03/09/95 TIME: 14:00 to 16:30 STATUS: 6 ADJOURNED  
SITE: LIO FBX VTS FAIRBANKS

1	MS.	MARY	MATTHEWS	ARCTIC ALLIANCE	T 01 HB 78
		3872 FRENCHMAN RD.	FAIRBANKS	AK 99709	(907)455-6311
2	MS.	RONNIE	ROSENBERG		T 01 HB 78
		841 9TH AVE.	FAIRBANKS	AK 99701	(907)456-8901
3	MS.	LUCI	BEACH		T 01 HB 78
		510 2ND AVE.	FAIRBANKS	AK 99701	(907)451-7223
4	MS.	RUTH	FEMWICK		O 01 HB 78
		PO BOX 16049	FAIRBANKS	AK 99716	(907)488-4482
5	MS.	JANET	BOYD		T 01 HE 78
		805 AIRPORT WAY	FAIRBANKS	AK 99701	(907)456-8901
6	MR.	JOHN	LOVE		T 01 HB 78
		805 AIRPORT WAY	FAIRBANKS	AK 99701	(907)456-8901
7	MS.	VICKI	THAYER		O 01 HB 78
		1127 JOYCE DR.	FAIRBANKS	AK 99701	(907)458-0821
8	MS.	JENNIFER	MOORE		O 01 HB 78
		1122 CANDMAR RD.	FAIRBANKS	AK 99709	(907)455-4234

MSG: 1410 NO FURTHER INFORMATION  
ENTER Pg# 09 PF2 NextC# ynnnn PF3 Exit PF5 Update PF7 Bwd PF8 Fwd PF12 Quit

03/10/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1410  
10:44:32 N CONFERENCE DISPLAY PAGE 10 - FINAL STATS L362  
TCN 50328 T/C DATE: 03/09/95 TIME: 14:00 to 16:30 STATUS: 6 ADJOURNED

LIO VTS	NAME	STATUS	STARTED	ENDED	PARTICIPANTS
ANC	ANCHORAGE	3 STATS IN	14:00	15:40	3
BAR	BARROW	2 NO INTEREST			0
FBX	FAIRBANKS	3 STATS IN	14:00	15:50	8
JNU	JUNEAU	3 STATS IN	14:10	15:55	62
SEW	SEWARD	3 STATS IN	14:35	15:55	1
ZZZ OF1	OFFNET 1	1 OUTSTANDING			1

MSG: 1410 NO FURTHER INFORMATION  
ENTER Pg# 09 PF2 NextC# ynnnn PF3 Exit PF5 Update PF7 Bwd PF8 Fwd PF12 Quit

03/10/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1405  
10:45:58 N CONFERENCE DISPLAY PAGE 05 - PARTICIPANTS BY SITE L362  
TCN 50328 T/C DATE: 03/09/95 TIME: 14:00 to 16:30 STATUS: 6 ADJOURNED  
SITE: LIO SEW VTS SEWARD

1	DIXIE	LANDENBURGER		O 01 HB 78
	PO BOX 279	SEWARD	AK 99664	(907)224-3979

\*\*\*\*\*

03/10/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1404.  
 10:43:59 N CONFERENCE DISPLAY PAGE 04 - VOLUNTEER & OFF-NET SITES L362  
 TCN 50328 T/C DATE: 03/09/95 TIME: 14:00 to 16:30 STATUS: 6 ADJOURNED  
 \* LIO VTS NAME ADDRESS CONTACT TELEPHONE  
 ZZZ OF1 OFFNET 1 FAIRBANKS TIM MAYBERRY 907 474 9007

MSG: 1410 NO FURTHER INFORMATION  
 ENTER Pg# 05 PF2 NextC# ynnnn PF3 Exit PF4 Menu PF5 Update PF7 Bwd PF8 Fwd

03/10/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1405  
 10:44:08 N CONFERENCE DISPLAY PAGE 05 - PARTICIPANTS BY SITE L362  
 TCN 50328 T/C DATE: 03/09/95 TIME: 14:00 to 16:30 STATUS: 6 ADJOURNED  
 SITE: LIO ANC VTS ANCHORAGE

1	ANGIE	SALERNO	NASW	T 01 HB 78
	1727 WICKERSHAM DR	ANCHORAGE	AK 99507	(907)563-4502
2	PUDGE	KLEINKAUF		T 01 HB 78
	4201 MACINNES	ANCHORAGE	AK 99508	(907)561-7113
3	HOSANNA	LAHAIE LEE		T 01 HB 78
	1902 LOGAN	ANCHORAGE	AK 99508	(907)272-3872

MSG: 1410 NO FURTHER INFORMATION  
 ENTER Pg# 09 PF2 NextC# ynnnn PF3 Exit PF5 Update PF7 Bwd PF8 Fwd PF12 Quit

03/10/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1405  
 10:44:12 N CONFERENCE DISPLAY PAGE 05 - PARTICIPANTS BY SITE L362  
 TCN 50328 T/C DATE: 03/09/95 TIME: 14:00 to 16:30 STATUS: 6 ADJOURNED  
 SITE: LIO BAR VTS BARROW



# Alaska State Legislature

House of Representatives  
 COMMITTEE ON HEALTH, EDUCATION  
 AND SOCIAL SERVICES

DATE: MARCH 30

PLACE: Capitol Room 106

SUBJECT OF MEETING:  
 HB 78: PUBLIC ASSISTANCE  
 DEMO PROJECT  
 and INCREASE

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Greene, Bob	AK. Womens Lobby	P.O. box 33156 Jno	99802		463-6744	<input checked="" type="radio"/> Y	<input type="radio"/> N	HB 78
						<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	