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Date Referred to Committee: April 26, 1996

FURTHER REFERRALS:

Finance  
Majority Leader's Desk

Date of Committee Action: 4/27/96

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

CSSB 98(RLS)

CS FOR SENATE BILL NO. 98(RLS)

PERSONAL RESPONSIBILITY ACT

"An Act making changes related to the aid to families with dependent children program (AFDC); relating to the duties of the Department of Health and Social Services; establishing a workfare pilot project for AFDC recipients; establishing a diversion program for AFDC applicants; directing the Department of Health and Social Services to seek waivers of applicable federal laws; establishing and relating to the Alaska temporary assistance program and repealing the AFDC and job opportunity and basic skills programs upon the establishment of federal welfare reform; relating to work activities required under the Alaska temporary assistance program; authorizing qualified entities to contract with the state to administer all or part of the Alaska temporary assistance program; relating to child support; relating to certain licenses and applications for a license for persons who are not in substantial compliance with orders, judgments, or payment schedules for child support; relating to an exemption to the State Procurement Code for certain services and contracts under the Alaska temporary assistance program; relating to disclosure of information that relates to day care assistance and the Alaska temporary assistance program; relating to eligibility for day care benefits administered by the Department of Community and Regional Affairs; amending Rule 90.3(c) and (h)(2), Alaska Rules of Civil Procedure; and providing for an effective date."

recommends it be replaced

with the following committee substitute HCS CSSB 98 (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) \_\_\_\_\_

fiscal note(s) Revenue/4-22-96, Educ. 4/22/96, Labor/4/22/96, Pub Saf 4/22/96, CED, FHG, H+SS 4/22/96 (23)

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

zero fiscal note(s) Labor/4-22-96 (2)  
H+SS/4-22-96

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
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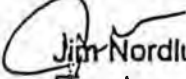
CHAIR'S SIGNATURE

*[Signature]*

**DEPT. OF HEALTH AND SOCIAL SERVICES**

*DIVISION OF PUBLIC ASSISTANCE*

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

Date: January 25, 1996  
TO: Interested Parties  
From:  Jim Nordlund  
Director  
Division of Public Assistance  
Subject: Cato Institute Report

The following are comments on the Cato Institute report on the value of welfare benefits. We have analyzed the report and offer some general comments and differing conclusions about the assumptions and methodology used in the report.

To arrive at a benefit package value, Cato totaled the cash value of Aid to Families with Dependent Children (AFDC), food stamps, and the cost of medical coverage, housing subsidy, utility assistance, Women, Infants and Children (WIC), and food commodity benefits. They derived from this total an hourly pre-tax equivalent wage. Cato concluded from these calculations that the welfare package is so attractive that recipients will choose welfare over work.

We certainly agree that the welfare system must not encourage dependency and we should not allow people to choose welfare over work. We do not dispute the benefit figures they used for each program; their research in that area was accurate. However, based on the reality in Alaska, we must make a different basic assumption and reach another conclusion.

The Cato report assumption that a typical AFDC family consists of a mother with two children is reasonable. However, they also assume that a typical AFDC family also receives all benefits available through Food Stamps, housing, utility, WIC and food commodity programs. This assumption is the primary basis of their conclusions and is not supported by Alaska data. Our research demonstrates that few families receive all these benefits. A majority of families receive only AFDC, Medicaid and food stamps as the following chart shows.

**Percentages of AFDC recipients receive other benefits:**

Food Stamps	70%
Medicaid	100%
Housing	33%
Utility	36%
WIC	30%

Based on this information, it is unreasonable to characterize a family receiving all these benefits as typical.

We also do not believe it is appropriate to include the value of medical insurance in the welfare benefit package as in the Cato report. This methodology does not reflect reality. Most insured workers are not required to purchase their own health insurance. Hourly wage calculations generally do not include the cost of employer-provided health insurance. Even for families who have medical coverage, the use of the benefits is uneven; some people may use a large amount of health care resources, others may use little or none. It should also be noted that in Alaska, 35% of our AFDC recipients are Alaska Native who receive free medical care through the Indian Health Services, so for this group health care benefits are not an inducement to remain on AFDC, nor could they be of any additional value.

We recognize that the lack of health insurance is a problem for families, especially for people entering the workforce at the lower pay ranges where health insurance is generally not offered by the employer. For this reason, transitional Medicaid benefits are provided to working families moving off of welfare and Medicaid is an important part of the proposed diversion program.

In Alaska, it is more accurate to use AFDC and food stamp benefit amounts to evaluate the benefit package for a typical family of three because food stamps is the only other program that a majority of the AFDC caseload actually receives. If such a family had no other income and lived in an urban area, they would receive monthly benefits of \$923 AFDC and average of \$257 in food stamps. Using the Cato report methodology to establish a pre-tax hourly wage, it equates to about \$6.35 an hour, or \$13,191 annually, 16% below the federal poverty level for a family of three.

The Cato report speaks briefly to the provisions of welfare reform and rather summarily dismisses most reforms as ineffective. We are committed to changing the system so that welfare is not allowed to be a lifestyle. With a five year time limit and other work requirements being imposed on those who can work, it seems that the concern about welfare being more attractive than work is largely moot. On the other hand, those who cannot work and will be exempted from work requirements will pay the full penalty of lowered support.

We believe that children in needy families must be protected from the impacts of poverty by providing their families with the means to provide the basic needs of food, shelter, clothing, and medical care during the time the family must rely on our programs. Currently, the value of food stamps and AFDC benefits received by the typical family described here provides a standard of living just under the federal poverty guideline, protecting children from being hungry and homeless. It is essential our programs continue to do this while we attack dependency from a myriad of other angles, including offering a diversion program, increasing child support collections, setting time limits, imposing work requirements, sanctions for non-compliance, and an overall non-acceptance of use of welfare as a way of life.

If you have any questions, please contact Jim Nordlund, Director, Division of Public Assistance at 465-2680.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
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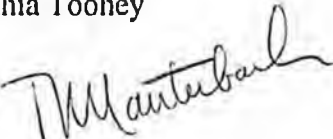
130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## MEMORANDUM

April 27, 1996

**SUBJECT:** Overinclusive Title in Welfare Reform Bill (CSSB 98(RLS))

**TO:** Representative Cynthia Toohey

**FROM:** Terri Lauterbach  
Legislative Counsel 

I need to bring to your attention a flaw in CSSB 98(RLS) that could be fixed in your committee.

The flaw is an overinclusive bill title. It includes a reference to a matter that is not contained in the body of the bill itself. The extra words are on page 2, lines 3 - 4: "**day care assistance and.**" There was at one time a version of SB 98 that included a provision relating to disclosure of information relating to day care assistance, but that provision is no longer in the bill, so this part of the bill title is inaccurate. If the flaw is not fixed, there is some risk that a challenge to the validity of the bill could be made in court because the constitution requires that the subject of the bill be expressed in its title. (Art. II, sec. 13, Constitution of the State of Alaska) I cannot say with certainty that such a challenge would be successful in this particular case, but, given the sensitivities surrounding this bill and its wide impact on citizens of the state, any flaw could be seized upon with attendant litigation costs and potential delays.

You have two options for correcting the flaw: amend the title to take out the extra words ("**day care assistance and**") or amend the bill so that the title becomes accurate.

The first option would not require a two-thirds majority because it would be a technical correction to make the bill title match its contents. However, if you choose this option, every time the bill was read or printed on a calendar in the future, it would be noted that there was a new title. Again, given the sensitivities surrounding this bill, the notation of having a new title might be a controversy you want to avoid so that suspicions are not unnecessarily aroused as to what other changes in the title or the body of the bill might have been made.

The second option, which avoids the title change controversy, would be to make a nonsubstantive "clarifying" amendment that would make the title accurate. Such an amendment could be the following:

Representative Cynthia Toohey

April 27, 1996

Page 2

Page 45, line 27:

Delete "authorized"

Insert: "administered through the Department of Community and  
Regional Affairs [AUTHORIZED]"

Please let me know if you have further questions about this matter or if you want a more formal amendment drafted.

TML:pl

96-139.plm

AMENDMENT |

OFFERED IN THE HOUSE

TO: CSSB 98(RLS)

*By Rep. Robinson*

- 1 Page 32, line 17:
- 2 Delete "and who have received"
- 3 Insert ". The agency may not include an obligor on the list unless the agency has sent
- 4 to the obligor, at the obligor's most recent address on file with the agency, written"
  
- 5 Page 38, line 26:
- 6 Delete ","
- 7 Insert "and"
  
- 8 Page 38, line 27:
- 9 Delete ", and have not received"
- 10 Insert ". The agency may not include an obligor on the list unless the agency has sent
- 11 to the obligor, at the obligor's most recent address on file with the agency, written"

AMENDMENT 2

OFFERED IN THE HOUSE BY REPRESENTATIVE ROBINSON  
TO: CSSB 98(RLS)

- 1 Page 45, lines 3 - 22:
- 2 Delete all material.
  
- 3 Renumber the following bill sections accordingly.
  
- 4 Page 45, line 25:
- 5 Delete "as provided in (b) of this section and"
  
- 6 Page 46, lines 4 - 19:
- 7 Delete all material.
  
- 8 Renumber the following bill sections accordingly.
  
- 9 Pages 48 - 52:
- 10 Correct internal references to bill sections to reflect the renumbering of bill sections.

AMENDMENT 3

OFFERED IN THE HOUSE  
TO: CSSB 98(RLS)

*By Rep Robinson*

- 1 Page 52, line 4:
- 2 Delete "sec. 57"
- 3 Insert "sec. 61"

Sec.	Page/Line	Provisions IN CSSB 98 (RLS)	In HB78	Comments
		<b>WAIVER PROVISIONS</b>		
1	2/10	Sec. 47.25.301 WAIVER APPLICATION - requires dept. to implement workfare project in at least three areas of the state.	Y	Language is from HB 78, however SB 98 only requires one control group and at least three experimental groups.
		<b>SECTION 47.25.302 EARNED INCOME DISREGARD; WAIVER OF 100 HOUR RULE; AUTO ALLOWANCE</b>		
	3/10	(a) disregard \$200 & 1/3 of income when determining eligibility		Language taken directly from HB 78
	3/19	(b) exempt 2 parent families from 100 hour work rule		Language taken directly from HB 78
	3/22	(c) increase auto allowance from \$1,500 to \$5,000		Language taken directly from HB 78
	3/29	Sec. 47.25.303 WORKFARE - Requires individual to work 20 hours paid activity or perform community work activities for 21 hours.	Y	HB 78 only required participant to work 15 hours of paid activity, SB 98 increased amount to 20 hours.
	6/31	Sec. 47.25.309 DIVERSION PROGRAM - allows job ready individuals to apply for a lump-sum payment to help keep them off of long term assistance.	Y	Language from HB 78. Modified lump-sum amount to equal two months of what the family would otherwise be eligible for.
2		<b>Sec. 47.25.311 INELIGIBILITY FOR ASSISTANCE</b>		
	8/17	(a) disqualifications for welfare fraud		HB 78 included a permanent ineligibility for fraud convictions
	8/26	(b) ineligibility due to the transferring of assets		New provision added in Senate Finance
	9/2	(c) job quit penalties		Gov's bill included job quit penalties
	9/15	Sec. 47.25.315 ASSISTANCE TO MINORS WITH CHILDREN - (a) as a condition of eligibility minor parents must reside with an adult relative	Y	Language taken from SB 98, but also in HB 78 & Gov's bill
	10/3	(b) requires department, where possible to pay assistance to adult relative.		
3	10/25	Sec. 47.25.320 (h) - modifies benefits based upon actual household expenses.		Expanded provision from Gov's bill to reduce benefits to families that pay little or no shelter costs.
	11/11	Sec. 47.25.320 (i) - establishes a seasonal benefit reduction to 2 parent families.		Expanded provision from Gov's bill. Reduces benefits by 50% for months of July, August & Sept. for two parent families.
4	11/21	Technical change		
5	11/28	Sec. 47.25.364 TIME LIMITS ON BENEFITS - limits benefits to 24 months in a consecutive 60 month period (with exemptions).	Y	HB 78 established a two year time limit to those participants of the workfare project and the JOBS program.
6	12/31	Sec. 47.25.366 SCHOOL ATTENDANCE - requires minor parents, as a condition of eligibility to maintain adequate levels of school attendance.		Modified version of SB 98 (last year), also in Gov's bill.
	13/12	<b>COMPREHENSIVE REFORM PROVISIONS</b>		
7		<b>Sec. 47.25.005 establishes the ALASKA TEMPORARY ASSISTANCE PROGRAM</b>		
	13/13	<b>Sec. 47.27.005 DUTIES OF THE DEPARTMENT</b>		
	14/8	<b>Sec. 47.27.010 sets ELIGIBILITY STANDARDS for ATAP</b>		
		<b>Sec. 47.27.015 sets the DISQUALIFYING CONDITIONS for ATAP</b>		
	14/17	(a)(1) a family may not receive assistance for more than 5 cumulative years	Y	5 year language is a modified version of HB 78
	15/3	(a)(2) a family is ineligible if determined to be fleeing to avoid prosecution.		New provision - out of federal welfare reform measure
	15/7	(b) a family is ineligible for 120 months following conviction of fraudulently misrepresenting their state of residence.		New provision - out of federal welfare reform measure

✓ - Indicates Cost Savings

Sec.	Page/Line	Provisions IN CSSB 98 (RLS)	In HB 78	Comments
	15/13	(c) establishes ineligibility period for leaving employment without good cause.		Same language as in waiver provision, sec. 2
	15/22	(d) establishes ineligibility periods for transferring of assets.		Same language as in waiver provision, sec. 2
	15/29	(e) establishes ineligibility periods for other fraud cases.		Same language as in waiver provision, sec. 2
	16/6	Sec. 47.27.020 sets the APPLICATION AND REQUIREMENTS FOR ASSISTANCE		
	17/13	SEC. 47.27.025 FAMILY ASSISTANCE - (b) establishes benefit levels.		
	17/23	(c) establishes a seasonal benefit reduction to 2 parent families.		Same language as in waiver provision, sec. 3
	17/31	(d) modifies benefits based upon actual household expenses.		Same language as in waiver provision, sec. 3
	18/16	(e) permit dept. to use cash assistance as a wage subsidy.	Y	Similar provision in HB 78
	18/26	Sec. 47.27.026 DIVERSION PAYMENTS - allows job ready individuals to apply for a lump-sum payment to help keep them off of long-term assistance.	Y	Same language as in waiver provision
	19/28	Sec. 47.27.027 - ASSISTANCE TO MINORS - (a) requires applicants under 18 to live under adult supervision.	Y	Same language as in waiver provision
	20/12	(b) requires minor parents, as a condition of eligibility to maintain adequate levels of school attendance.		
	20/19	Sec. 47.27.030 FAMILY SELF-SUFFICIENCY PLAN - requires participants to develop and sign a Self-Sufficiency Plan.		From Gov's bill & was also in the U.S. Senate version of the federal welfare reform.
	21/15	Sec. 47.27.035 - PARTICIPATION IN WORK ACTIVITIES - requires ATAP recipients to participate in a work activity within two years or lose eligibility.		New provision added in Senate Finance. Place emphasis on work.
	22/23	Sec. 47.27.040 - ASSIGNMENT OF SUPPORT RIGHTS - requires participants to cooperate with the dept. of revenue in establishing paternity and assigns the dept. all rights to child support owed to the participant.		Existing state law.
	23/13	Sec. 47.27.045 - ALIENATION & ATTACHMENT - makes benefits non-transferrable and exempt from garnishment.		
	23/16	Sec. 47.27.050 - GRANTS & CONTRACTS FOR SERVICES - allows the dept to contract with or award grants to qualified entities in the state to administer an ATAP or a distinct part of the ATAP.		Language from Gov's bill.
	23/31	Sec. 47.27.055 - AGENCY COLLABORATION - requires the dept. to coordinate with other state agencies to provide benefits & services to eligible participants, including co-location of facilities to improve service delivery.		Language from Gov's bill.
	24/22	Sec. 47.27.060 - JOB DEVELOPMENT - allows the dept. to establish cooperative agreements with other agencies and private sector organizations to promote job development.		Language from Gov's bill.
	24/28	Sec. 47.27.065 requires FEDERAL-STATE COOPERATION of the dept. to implement public assistance block grants, & allows dept. to implement modifications not directly authorized, w/approval of Fed, Gov, commiss.		Similar to provision in existing law.
	25/6	Sec. 47.27.070 AK NATIVE ORGANIZATIONS - Allows the dept. to coordinate with AK Native organizations to develop similar & equal programs.		Language modified in Senate Finance to parallel federal reform.

Sec.	Page/Line	Provisions IN CSSB 98 (RLS)	In HB 78	Comments
	26/4	Sec. 47.27.075 - Establishes an EMERGENCY ACCOUNT within the with in the general fund subject to legislative appropriation.		Senate finance amended Gov's language to require legislative appropriation of funds, not commissioner's discretion.
	26/11	Sec. 47.27.080 - Allows for an APPEAL to dispute a determination by the dept. that denies, limits or modifies assistance for an applicant.		Similar to existing law.
	26/21	Sec. 47.27.085 SANCTIONS - (a) establishes penalties for applicants who fail to participate in work activities or self-sufficiency plan.		Modified version of Gov's language ✓
		(b) establishes penalties for applicants who fail to cooperate with the establishment of paternity.		Requirement of federal reform ✓
		(c) allows dept. to recover costs of benefits paid to participants not entitled to them.		Parallel to existing law. ✓
	27/20	Sec. 47.27.900 - Sets the DEFINITIONS		
	28/17	Sec. 47.27.990 SHORT TITLE		
8	28/19	Amends AS 15.07.055(a) to designate ATAP a voter registration agency.		Technical change
9	28/31	Amends AS 23.10.055 (AK Wage & Hour Act) to exempt unpaid ATAP work program participants from minimum wage standards.		Gov's language
10	29/6	Sec. 23.40.075 ITEMS NOT SUBJECT TO BARGAINING - establishes the authority of the dept. to assign participants to a work activity as not subject to bargaining.		Gov's language
11	29/19	Amends AS 25.20.050(f) to change assistance to aid, & AFDC to ATAP		Technical change
12	29/27	Sec. 25.27.025 RATE OF INTEREST - reduces interest rate on CSED arrears at 6%		Senate Finance Committee amendment added this provision.
13	30/1	Amends AS 25.57.040(a) to change assistance to aid, & AFDC to ATAP		Technical change
14	30/11	AS 25.27.065(b) changes references from AFDC to ATAP		Technical change
15 - 21	30/17-31/25	Technical - changes references from AFDC to new programs		
22	31/26	Sec. 25.27.195 RELIEF FROM ADMINISTRATIVE ORDER - Allows CSED to administratively vacate an order based upon a default amount upon the motion of an obligor.		New provision - modified version of CSED's request, added in Senate Finance Committee.
23	32/13-38/23	Sec. 25.27.244 ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S OCCUPATIONAL LICENSE - Section takes effect only when mandated by fed. gov., sunsets in 2 yrs.	Y	Language was taken from HB 78. (S) FIN amended exemptions ✓
	38/24-43/1	Sec. 25.27.246 ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S DRIVERS LICENSE - Section takes effect only when mandated by fed. gov., sunsets in 2 yrs.	Y	Language was taken from HB 78. ✓
24	43/2	Sec. 36.30.850 (b)(11) Technical change removing reference to AFDC		
25	43/6	Amends AS 39.25.110 to add ATAP as an exemption from the State Personnel Act.		Gov's language
26	43/10	Amends AS 44.19.626 - add work activities to list of activities the AK Human Resource Investment Council can coordinate in the state.		
27	43/16	Amends AS 44.29.020(a) to add ATAP to the duties of the Department of Health & Social Services, in place of AFDC.		Technical change
28	44/3	Amends Section 44.47.280, directing department to determine eligibility for day care asst. based on inc. not net income, of sources.		Conform Alaska statutes with federal reform.

Sec.	Page/Line	Provisions IN CSSB 98 (RLS)	In HB 78	Comments
29	44/15	Conform statutes with AFDC language to ATAP.		
30	44/20	Conforms statutes with AFDC language to ATAP, or federal successor.		
31	44/25	Conforms statutes with AFDC language to ATAP, or federal successor.		
32	44/30	Sec. 47.05.010 Adds an additional general authority to dept. to reduce the number of out-of-wedlock pregnancies in the state.		Federal reform measure provides incentives (increased grants) for states meeting goals.
33	45/3	Sec. 47.05.020 REGULATIONS TO PROTECT CONFIDENTIAL PUBLIC ASSISTANCE RECORDS - requires dept. to write regulations concerning the disclosure of information to a legislator.		Added In Senate Finance
34	45/23	Sec. 47.05.030 MISUSE OF PUBLIC ASSISTANCE LISTS AND RECORDS - Technical change to reference exemption of (b) in Sec. 35.		
35	46/4	Sec. 47.05.030(b) MISUSE OF PUBLIC ASSISTANCE LISTS AND RECORDS - Allows financial information concerning an eligibility determination of a day care assistance or ATAP applicant or recipient to be disclosed to a legislator.		Amended In Senate Finance to exclude legislators as a misuse of information.
36	46/14	Sec. 47.05.032 DISCLOSURES TO LEGISLATORS - states a legislator is not subject penalties for the disclosure of information unless notification was given as to the confidentiality of that information.		New Section added In Senate Finance.
37	46/20	Technical change		
38-43	46/27-47/27	References the successor to the AFDC program		
44	47/28	Amends Court Rule 90.3 authorizing the courts to calculate income from the natural or adoptive parent of the minor parent when determining the order.	Y	Modified version of HB 78. Senate Finance set limit on order and gave courts discretion of waiving obligation.
45	48/13	Repeals Sec. 23 (CSED Provisions) of this act 2 years after the effective date of act.		Added In Senate Finance
46	48/14	Repeals AS 43.05.225(2)(B) establishing a 12% interest rate for CSED arrears.		
47	48/15	Repeals AS 47.25.310(c) prohibiting the dept. from requiring a minor to reside in a particular type of household or institutional setting.		Conforming amendment to changes made to AS 47.25.315 & 47.27.027.
48	48/16	Repeals Workfare and Diversion Projects in 2003.		
49	48/18	Repeals AFDC and JOBS statutes the day Congressional reform is enacted.		
50	48/22	Amends Court Rule 90.3(h)(2) allowing retroactive modification of child support arrearages when the order was based upon a default amount rather than the obligor's ability to pay.		Authorizes change in section 22 of this act.
51	48/51	States that the Court Rule changes in Sec. 22, 44, and 50 of this act take effect with a majority of the membership of each house.		
52	48/30	Directs the dept. to apply to the federal government for waivers to implement sec. 1, or any part of secs. 2 - 6 or 47 of this act.		
53	49/4	Requires CSED to issue a report to the Governor based on data collected by licensing entities.		
54	49/31	REDETERMINATION OF ASSISTANCE LEVELS - Directs the dept. to submit a study to		New provision added In Senate Finance. ✓

Sec.	Page/Line	Provisions IN CSSB 98 (RLS)	In HB 78	Comments
		the Legislature on the first day of the 21st Alaska State Legislature regarding the benefit levels in Alaska. If no action is taken by the Legislature to adjust the benefit levels the benefit levels will be reduced by the percentage of increased GF allocated in FY 99 over FY 97.		
55	50/13	TRANSITION - Allows the dept. to begin developing regulations for implementation of the provisions in this act.		
56	51/3	APPLICABILITY - Limits ineligibility to disqualifications imposed on or after the effective date of those sections.		
57	51/14	Establishes an immediate effective date for secs. 1, 52, 55(a) & (b), and 56		
58	51/16	Establishes Oct. 1, 1996 as the effective date for secs. 12,22,44,46,50,51,55(c) and 55(d).		
59	51/18	Establishes Oct. 1, 1996 or the date of Congressional reform as the effective date of secs. 7-11, 13-21, 24-43, and 49 of this act.		
60	51/25	Establishes an effective date for the waiver provisions in this act as the day the federal government approves such a waiver.		
61	51/31	Establishes an effective date for secs. 23 & 53 (CSED Provisions) on the day federal law requires the state to have such provisions.		
62	52/3	Establishes an effective date for sec. 45 as 2 years after the effective date of sec. 57		
63	52/5	Requires the Commissioner of H & SS to notify the revisor of statutes and the lieutenant governor as to the effective date of sections covered under sec. 60		
64	52/11	Establishes July 1, 2003 or the effective date of sec. 59 as the effective date of sec. 48 of this act.		

**All Agency Fiscal Impact**  
**CSSB 98(FIN) - Comprehensive Track**  
 Prepared by the Department of Health Social Services  
 Division of Public Assistance  
 4/22/96

**Occupational & Driver's Licensing**

Expenditures:	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
Commerce & Economic Dev.	\$ 138.6	\$ 122.7	\$ 26.6	\$ -	\$ -	\$ -	\$ 287.9
Education	\$ 16.4	\$ 17.8	\$ 4.4	\$ -	\$ -	\$ -	\$ 38.6
Labor	\$ 108.8	\$ 78.1	\$ 40.8	\$ -	\$ -	\$ -	\$ 227.7
Health & Social Services	\$ 11.4	\$ 1.4	\$ 1.4	\$ -	\$ -	\$ -	\$ 14.2
Public Safety	\$ 159.7	\$ 85.9	\$ 20.8	\$ -	\$ -	\$ -	\$ 266.4
Fish & Game	\$ 131.6	\$ 94.3	\$ 40.3	\$ -	\$ -	\$ -	\$ 266.2
Revenue	\$ 710.2	\$ 818.9	\$ 169.4	\$ -	\$ -	\$ -	\$ 1,698.5
<b>Gross Project Costs</b>	<b>\$ 1,276.7</b>	<b>\$ 1,219.1</b>	<b>\$ 303.7</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,799.5</b>
Less Federal Receipts for Project Costs	\$ (842.6)	\$ (804.6)	\$ (200.4)	\$ -	\$ -	\$ -	\$ (1,847.6)
Less Federal Incentive Payments	\$ (255.3)	\$ (243.8)	\$ (60.7)	\$ -	\$ -	\$ -	\$ (559.8)
<b>Net GF/GF Match Project Costs</b>	<b>\$ 178.8</b>	<b>\$ 170.7</b>	<b>\$ 42.6</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 392.1</b>

**DHSS Family Assistance Program**

**Operating Expenditures:**

AFDC/ATAP Payments	\$ (1,489.7)	\$ (5,057.1)	\$ (9,994.9)	\$ (11,692.7)	\$ (11,892.8)	\$ (11,990.4)	\$ (52,117.6)
PA Admin	\$ 220.5	\$ 415.5	\$ 325.5	\$ 325.5	\$ 325.5	\$ 325.5	\$ 1,938.0
PA Data Processing	\$ 543.0	\$ 543.0	\$ 543.0	\$ 543.0	\$ 543.0	\$ 543.0	\$ 3,258.0
Teen Parent Investigations (DFYS)	\$ 100.2	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 569.2
<b>Gross Project Costs</b>	<b>\$ (626.0)</b>	<b>\$ (4,004.8)</b>	<b>\$ (9,032.6)</b>	<b>\$ (10,730.4)</b>	<b>\$ (10,930.5)</b>	<b>\$ (11,028.1)</b>	<b>\$ (46,352.4)</b>
Federal Receipts	\$ (396.3)	\$ (1,973.9)	\$ (4,260.7)	\$ (5,031.5)	\$ (5,122.3)	\$ (5,166.6)	\$ (21,951.3)
PFD Hold Harmless Savings	\$ (137.1)	\$ (465.3)	\$ (919.5)	\$ (1,075.7)	\$ (1,094.1)	\$ (1,103.1)	\$ (4,794.8)
GF/Program Receipts (Savings from Child Support Collections)	\$ 1,022.6	\$ 2,269.4	\$ 642.8	\$ -	\$ -	\$ -	\$ 3,934.8
<b>Net GF/GF Match Budget Impact</b>	<b>\$ (1,115.2)</b>	<b>\$ (3,835.0)</b>	<b>\$ (4,495.2)</b>	<b>\$ (4,623.2)</b>	<b>\$ (4,714.1)</b>	<b>\$ (4,758.4)</b>	<b>\$ (23,541.1)</b>

**Gross (Federal & GF) Project Costs/Savings:**

Occupational Lic Gross Costs/Savings	\$ 1,276.7	\$ 1,219.1	\$ 303.7	\$ -	\$ -	\$ -	\$ 2,799.5
DHSS Gross Costs/Savings	\$ (626.0)	\$ (4,004.8)	\$ (9,032.6)	\$ (10,730.4)	\$ (10,930.5)	\$ (11,028.1)	\$ (46,352.4)
<b>Total Gross Project Costs/Savings</b>	<b>\$ 650.7</b>	<b>\$ (2,785.7)</b>	<b>\$ (8,728.9)</b>	<b>\$ (10,730.4)</b>	<b>\$ (10,930.5)</b>	<b>\$ (11,028.1)</b>	<b>\$ (43,552.9)</b>

**NET (GF) Project Costs/Savings:**

Occupational Lic Net Costs/Savings	\$ 178.8	\$ 170.7	\$ 42.6	\$ -	\$ -	\$ -	\$ 392.1
DHSS Net Costs/Savings	\$ (1,115.2)	\$ (3,835.0)	\$ (4,495.2)	\$ (4,623.2)	\$ (4,714.1)	\$ (4,758.4)	\$ (23,541.1)
<b>Total Net GF Project Costs/Savings</b>	<b>\$ (936.4)</b>	<b>\$ (3,664.3)</b>	<b>\$ (4,452.6)</b>	<b>\$ (4,623.2)</b>	<b>\$ (4,714.1)</b>	<b>\$ (4,758.4)</b>	<b>\$ (23,149.0)</b>

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98 (FIN)  
(S) Publish Date: 4-22-96

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
Title: Personal Responsibility Act BRU: Child Support Enforcement Division  
Component: Child Support Enforcement Division  
Sponsor: HES Committee  
Requestor: Senate Finance COMPONENT SERIAL NO. 111

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	356.4	475.2	118.8			
TRAVEL	38.1	57.1				
CONTRACTUAL	771.8	678.0	182.7			
SUPPLIES	6.6	8.8	2.2			
EQUIPMENT	103.8					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>1,276.7</b>	<b>1,219.1</b>	<b>303.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )	1,022.8	2,269.4	642.8	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	842.6	804.6	200.4			
1003 GF Match	178.7	170.7	42.5			
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1016 Federal Incentive Payments	255.3	243.8	60.7			
<b>TOTAL</b>	<b>1,276.7</b>	<b>1,219.1</b>	<b>303.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME	11	11	11			
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Occupational licensing legislation is expected to increase collections by approximately 25%. In the first full year these increased collections will generate \$2,727,000 in AFDC reimbursements, one half of which will be retained by the State. The period covered by this fiscal note is October 1, 1996 through September 30, 1998, which covers at least a portion of 3 State fiscal years.

National statistics reveal that about 45% of the population is employed in non-traditional occupations and their wages are not reported to states' Departments of Labor. Self-employed obligors have a very low child support payment compliance rate. Currently 54% of Alaskans with child support orders pay nothing. More than half of these individuals have the ability to pay, but work in a cash or self-employed position. This legislation will insure that self-employed obligors establish a payment plan or pay their arrears to obtain or retain their occupational and/or driver's licenses. Similar legislation has been successfully enacted in at least 32 states and is pending in Congress. (Continued on additional page)

Prepared by: Glenda Straube, Director  
 Division: Child Support Enforcement Division  
 Approved by: [Signature]  
 Commissioner: Wilson Condon  
 Agency: Dept. of Revenue

Phone: 269-6801  
 Date: 4/19/96  
 Date: 4/21

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**ANALYSIS, CONTINUED:**

This analysis assumes an effective date of 10/1/96. Implementation of occupational licensing restrictions is expected to require 8 Child Support Enforcement Officer I's (CSEO I's) who will ensure prompt review of proposed license denials and expedient processing of the additional program receipts. Approximately one third of total costs include estimated interdepartmental expenditures obtained from various affected agencies. Internal operating expenditures are based on estimates used in CSED's FY 96 operating budget. (See attached worksheets.) Equipment costs are reflected in FY 97 only. The State General Fund contribution rate used in funding estimates is consistent with that used in the CSED FY 97 operating budget. Revenue projections are based on results of comparable programs implemented in other states. The second portion of this proposed legislation involves the readjustment of existing CSED default orders. These orders originate when obligors refuse to provide necessary income information to CSED and are consequently assigned a liberal default amount, which often exceeds their ability to pay. Many defaults originate in rural Alaska and often, if an obligor is unable to meet the default amount, the individual is likely to remit no payment at all. This legislation would allow for the hiring of 3 additional CSEO I's who would travel to communities outside of Anchorage, Juneau and Fairbanks, meeting with obligors to update income status and adjust orders to more reasonable levels. In addition to staff costs, short-term travel expenditures will rise, until all default orders have been reviewed. Long-term revenues are expected to increase since CSED anticipates smaller order amounts but a substantial increase in the percentage of cases with payments.

Prepared by:	<u>Glenda Straube</u> <i>Glenda Straube</i>	Phone:	<u>269-6801</u>
Division:	<u>Child Support Enforcement Division</u>	Date:	<u>4/19/96</u>
Approved by	<i>[Signature]</i>	Date:	<u>4/21</u>
Commissioner:	<u>Wilson Condon</u>		
Agency:	<u>Revenue</u>		

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# FISCAL NOTE

Bill Version: CSSB 98 (FIN)

(S) Publish Date: 4-22-96

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Revision Date: 4/19/96

Title: Personal Responsibility Act of 1995

Sponsor: Senate HESS Committee

Requester: Senate Finance Committee

Department Affected: Education

BRU: Teaching and Learning Support

Component: Teacher Certification

COMPONENT SERIAL NO. 1240

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	13.4	17.8	4.4	0.0	0.0	0.0
TRAVEL	2.0					
CONTRACTUAL	1.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>16.4</b>	<b>17.8</b>	<b>4.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
Other	16.4	17.8	4.4	0.0	0.0	0.0
<b>TOTAL</b>	<b>16.4</b>	<b>17.8</b>	<b>4.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME	1					
TEMPORARY						

Estimate of current year (FY96) impact: \$ 0.0

**ANALYSIS:** The proposed legislation will require the Department of Education's Teacher Certification Office to daily compare each initial and renewal certificate applicant received against a consolidated list of persons in noncompliance provided by Department of Revenue. The Teacher Certification Office is transferred to the Division of Teaching & Learning Support in the FY97 budget. DOE will need a new part-time Administrative Clerk II position to assist with the additional processing required in this legislation. The legislation also requires the State Board of Education to adopt regulations, and there will be related travel and advertising costs. Teacher Certification staff will be involved in developing DOE regulations needed as a result of this legislation. Funding would come through Dept. of Revenue, Child Support Enforcement Division (CSED), contingent upon approval of the fiscal note for a RSA with CSED.

Prepared by: Kimberly Homme, Special Assistant

Phone: 465-2803

Division: Commissioner's Office

Date: April 19, 1996

Approved by Commissioner: [Signature]

Richard S. Cross, Deputy Commissioner

Agency: Education

Date: April 19, 1996

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# FISCAL NOTE

No. 4

Bill Version: CSSB 98 CFIN

(S) Publish Date: 4-22-96

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_

Title: Personal Responsibility Act

Sponsor: Senate HESS

Requestor: Senate Finance

Department Affected: Labor

BRU: Labor Standards & Safety

Component: Mechanical Inspection

COMPONENT SERIAL NO. 346

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

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	37.1	38.7	20.2	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	14.5	6.2	3.2	0.0	0.0	0.0
SUPPLIES	0.7	0.5	0.3	0.0	0.0	0.0
EQUIPMENT	6.5	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>58.8</b>	<b>45.4</b>	<b>23.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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CHANGE IN REVENUE FUND SOURCE						
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**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
1007 I/A	58.8	45.4	23.7	0.0	0.0	0.0
<b>TOTAL</b>	<b>58.8</b>	<b>45.4</b>	<b>23.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME	1.0	1.0	1.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ None

**ANALYSIS:** (Attach a separate page if necessary)  
 This fiscal analysis assumes inflation at 4.38% and an effective date of 10/1/96. Lead time for complete program implementation is six months. (While the effective date is 10/1/96, full implementation will not be possible until 1/1/97.) Three months funding has been included in FY 99 for program shut down and increased workload associated with issuing previously denied licences. Interagency Receipts: RSA with Department of Revenue, Child Support Enforcement Division. Please see additional analysis attached.

Prepared by: Alan W. Dwyer, Director *[Signature]* Phone: 269-4914  
 Division: Labor Standards and Safety Date: 4/19/96

Approved by Commissioner: Tom Cashen, Commissioner *[Signature]*  
 Agency: Department of Labor Date: 4/19/96

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*Page 4 of A*

Analysis:

This legislation will require additional administrative and clerical time and costs for the Mechanical Inspection component as follows:

(1) When individuals apply in person for new or renewal certificates of fitness at any of four offices (Anchorage, Juneau, Fairbanks, and Sitka): the estimated increase in processing time will be 15 minutes per individual who is in substantial non-compliance with a support order. This does not include testing, proctoring, scoring or discussion of tests.

(2) Renewal letters are mailed out monthly. New programming, different procedures, forms, and additional mailing and reporting costs will be incurred to provide the "temporary" renewal letters and to answer phones calls regarding the change.

(3) Additional time will be required to process the releases and the permanent certificates, as individuals submit those to our office.

(4) Six weeks programming time will be required to respond to the bill's requirements.

We have approximately 2,600 renewal or new licenses requested per year by electricians and plumbers, and approximately 700 boiler operator renewals per year. Of these, we are estimating that 10% may be in arrears on their child support, due to the seasonal nature of many of these positions in Alaska.

Costs for this section to implement this legislation include:

	FY97	FY98
<b>Line 100 - Personal Services</b>		
1 PFT Admin Clerk III (10 A/B) Anchorage		
Salary	25.5	26.6
Benefits	11.6	12.1
TOTAL	<u>37.1</u>	<u>38.7</u>
<b>Line 200 - Travel</b>	0.0	0.0
<b>Line 300 - Contractual Services</b>		
Professional Services-DP Programming (FY97 one-time)	9.0	0.0
Postage @ 2.52 x 2 x 3,300 x 10% (6 months FY97)	0.8	1.7
Printing - Forms, Notices, and Letterhead	0.3	0.3
DP Operations Overhead	1.2	1.2
Telephone Installation (FY97 one-time)	0.3	0.0
Telephone Base Cost	0.3	0.3
Indirect Costs @ 10% of Salaries	2.6	2.7
	<u>14.5</u>	<u>6.2</u>
<b>Line 400 - Commodities</b>		
Office and DP Supplies	0.7	0.5
<b>Line 500 - Equipment</b>		
Workstation, chair, and computer with software (FY97 one-time)	6.5	0.0
<b>TOTAL</b>	<u>58.8</u>	<u>45.4</u>

# FISCAL NOTE

No. 5

Bill Version: CSSB 98(FIN)

(S) Publish Date: 4-22-96

**STATE OF ALASKA  
1996 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_

Title: Personal Responsibility Act

Sponsor: Senate HESS

Requestor: Senate Finance

Department Affected: Labor

BRU: Labor Standards & Safety

Component: Occupational Safety & Health

COMPONENT SERIAL NO. 970

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

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	24.3	25.4	13.3	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	25.2	6.8	3.5	0.0	0.0	0.0
SUPPLIES	0.5	0.5	0.3	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>50.0</b>	<b>32.7</b>	<b>17.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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CHANGE IN REVENUE FUND SOURCE #						
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**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
1007 I/A Receipts	50.0	32.7	17.1	0.0	0.0	0.0
<b>TOTAL</b>	<b>50.0</b>	<b>32.7</b>	<b>17.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ None

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

This fiscal analysis assumes inflation at 4.38% and an effective date of 7/1/96. Lead time for complete program implementation is six months. (While the effective date is 7/1/96, full implementation will not be possible until 1/1/97.) Three months funding has been included in FY 99 for program shut down and increased workload associated with issuing previously denied licences. Interagency Receipts: RSA with Department of Revenue, Child Support Enforcement Division. Please see additional analysis attached.

Prepared by: Alan W. Dwyer, Director *for [Signature]* Phone: 269-4914  
 Division: Labor Standards and Safety Date: 4/19/96

Approved by Commissioner: Tom Casher, Commissioner  
 Agency: Department of Labor Date: 4/19/96

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**Analysis:**

This legislation will require additional administrative and clerical time and costs for the Occupational Safety and Health component as follows:

(1) When individuals apply in person for new or renewal certificates of fitness at any of five offices (Anchorage, Juneau, Fairbanks, Ketchikan, and Kenai) or at approved asbestos abatement worker training courses state-wide, the estimated increase in processing time will be 15 minutes per individual who is in substantial non-compliance with a support order. This does not include testing, proctoring, scoring or discussion of tests. Additional time will be required of program managers, when needed to assist applicants who have special concerns.

(2) New programming, different procedures, forms, and additional mailing and reporting costs will be incurred to provide the "temporary license" renewal letters and to answer phone calls regarding the change.

(3) Additional time will be required to process the releases and the permanent certificates, as individuals submit those to our office.

(4) Three months programming time will be required to convert to the automated system used by Mechanical Inspection and to modify it to respond to the bill's requirements.

We have approximately 2,350 renewal or new licenses requested per year by asbestos workers, explosives handlers, and painters using hazardous materials. Of these, we are estimating that approximately 10% may be in arrears on their child support, due to the seasonal nature of many of these positions in Alaska.

In the interest of efficiency, the division is adding only one new PFT position, which will be established in the Mechanical Inspection Section where photo ID equipment is located. However, some additional time will be required of the program staff in OSH, and it will be necessary to increase the range of the administrative clerk who works with these applicants, from a range 08 to a range 10, because of the complexity of issues.

Line 100 - Personal Services	FY97	FY98
Annual overtime for 1 PFT Admin Clerk III (10F) at 5 hrs per week		
Reclass Admin Clerk II (08) to Admin Clerk III (10)		
Salary	8.8	9.2
Benefits	2.4	2.5
Annual overtime for 1 PFT OSH IH Consultant (19E/F) at 5 hours per week		
Salary	10.4	10.9
Benefits	2.7	2.8
TOTAL	24.3	25.4
 Line 200 - Travel	 0.0	 0.0
 Line 300 - Contractual Services		
Professional Services-DP Programming (FY97 one-time)	18.0	0.0
Postage @ 2.52 x 2 x 2,350 x 10% (6 months in FY97)	0.6	1.1
Long Distance, including additional incoming toll free calls	1.0	2.0
Printing - Card Stock, Forms, Notices, and Letterhead	2.5	0.5
DP Operations Overhead	1.2	1.2
Indirect Costs @ 10% of Salaries	1.9	2.0
	25.2	6.8
 Line 400 - Commodities		
Office and DP Supplies	0.5	0.5
	0.5	0.5
 Line 500 - Equipment	 0.0	 0.0
<b>TOTAL</b>	<b>50.0</b>	<b>32.7</b>

# FISCAL NOTE

No. 6

Bill Version: CSSB98(FIN)

(S) Publish Date: 4-22-96

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_

Department Affected: Labor

Title: Personal Responsibility Act

BRU: Labor Standards & Safety

Component: Wage and Hour

Sponsor: Senate HESS

Administration

Requestor: Senate Finance

COMPONENT SERIAL NO. 345

**EXPENDITURES/REVENUES:**

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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CHANGE IN REVENUE						
FUND SOURCE #						

**FUNDING:**

(Thousands of Dollars)

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

**POSITIONS:**

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ None

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

Because there are only five employment agencies in the state and new applications are extremely rare, this bill would have minimal impact on the Wage and Hour Administration component's workload.

Prepared by: Alan W. Dwyer, Director *[Signature]* Phone: 269-4914  
Division: Labor Standards and Safety Date: 4/19/96

Approved by Commissioner: Tom Cashen, Commissioner *[Signature]*  
Agency: Department of Labor Date: 4/19/96

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# FISCAL NOTE

No. 7

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

Bill Version: CSSB 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: April 19, 1996  
Title: Personal Responsibility Act  
Sponsor: S. HES  
Requestor: S. FIN

Dept. Affected: Public Safety  
BRU: Motor Vehicles  
Component: Driver Services/Field Services  
COMPONENT SERIAL NO. 0500 & 0502

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	156.2	83.4	20.1			
TRAVEL	1.5	1.5	4			
CONTRACTUAL						
SUPPLIES	2.0	1.0	3			
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	159.7	85.9	20.8	-0-	-0-	-0-

CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
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CHANGE IN REVENUE (1004) Revenue Code	582.8	183.2	45.8	-0-	-0-	-0-
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**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GE Match						
1004 GE						
1005 GE/Program Receipts						
1006 GE/MHTIA						
Inter-agency receipts CSED	159.7	85.9	20.8			
TOTAL	159.7	85.9	20.8	-0-	-0-	-0-

Estimate of current year (FY 96) impact: \$ \_\_\_\_\_

**POSITIONS:**

FULL-TIME	4	2	2	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Juanita Hensley  
Division: Motor Vehicles

Phone: 465-2650  
Date: April 19, 1996

Approved by Commissioner:  
Agency:

Ronald L. Otte, Dept. of Public Safety

Date: 4/19/96

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This bill impacts the Division of Motor Vehicles by requiring the suspension of a driver's license of any person who is not in substantial compliance with a child support order. Under the provisions of this bill, the Division of Child Support Enforcement will be required to send the notice of driver license suspension to a person who is found to be in non-compliance with a child support order. The notice will give the person 150 days to comply with the order. If after the 150 days the person is not in compliance, the Division of Child Support Enforcement will notify DMV to suspend the driver's license. Once notice is received, from CSED, DMV will take action to suspend the driver's license.

The impact to DMV will be the actual suspending of the driver's license and the process of re-issuing of the license once the person is in compliance with the child support order.

In March 1995, CSED notified DMV there are approximately 10,702 obligors who are in excess of \$2500.00 or more in arrears. DMV verified through a computer verification that approximately 35% of the obligors driver's licenses are currently suspended, revoked or have warrants for their arrest for some reason. Because of this, it is estimated 3,500 driver's license suspensions will be generated the first year. It is further estimated after the first year's initial suspension action, the number of driver license suspensions will be reduced. It is estimated in the future years, 1,000 driver's licenses will be suspended for non-support.

The impacts from this bill will result in 7,000 updates to the driving record of the persons whose license is being suspended. One computer entry to add the suspension to the driving record; and another entry to end the suspension once the person has complied. Reinstating the driver's license will also impact the DMV field offices. The Motor Vehicle Representative will be required to see proof from CSED that the person is in compliance with their child support order before reinstating the driver's license. It is estimated 90 percent of all persons whose license is suspended will reinstate their driver's license. A \$100.00 reinstatement fee is charged anytime a person has had their license suspended or revoked within a 10 year period preceding application for a driver's license. It is estimated 1,575 individual's will pay the \$100. If the license is suspended or revoked more than one time within a 10 year period preceding application, a \$250 restatement fee is required. It is estimated 1,575 individual's will be required to pay the \$250. It is estimated the amount of additional new general fund program receipt revenue generated by this bill is approximately \$582.8 for FY 97 and \$183.2 the following years.

Total number of suspension notices received from CSED by DMV	3,500
Total number of suspension notices being ended when a person complies	3,150
Total number of license reinstatements	3,150

<u>OPERATING</u>	<u>FY 97</u>	<u>FY 98</u>
<u>Personal Services</u>	Salary and Benefits	
1 Driver Services Supervisor R14 (Juneau)	\$ 47.0	\$ 47.0
1 Motor Vehicle Representative II (Juneau)	\$ 36.4	
2 Motor Vehicle Representative II (Anch) (2 FY 97 @\$36.4)	\$ 72.8	\$ 36.4
TOTAL PERSONAL SERVICES	\$156.2	\$ 83.4
<u>Travel</u>		
Administrative Travel for mainline supervisor	\$ 1.5	\$ 1.5
<u>Supplies</u>		
Routine office supplies	\$ 2.0	\$ 1.0
TOTAL OPERATING	\$159.7	\$ 85.9
<u>REVENUE</u>	<u>FY 97</u>	<u>FY 98</u>
3,150 Reinstatements 1,575 @100, 1,575 @ \$250	\$551.3	
3,150 Duplicate license fees @\$10	\$ 31.5	
990 Reinstatements 495 @100, 495 @250		\$173.3
990 Duplicate license fees @10		\$ 9.9
TOTAL REVENUE	\$582.8	\$183.2

\*\*Contractual and Equipment costs were not included in this fiscal note. FY 97 Operating Budget submission eliminates positions, therefore, the existing equipment will be utilized for the requested positions associated with this bill.

# FISCAL NOTE

No. 8

Bill Version: CSSB 98(CFIN)

(S) Publish Date: 4-22-96

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Revision Date 4/19/96

Title: Personal Responsibility Act

Department: Commerce and Economic Development

BRU: Banking, Securities and Corporations

Component: Banking, Securities and Corporations

Sponsor: HESS Committee

Requestor: Senate Finance

COMPONENT SERIAL NO. 1233

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	29.1	24.3	8.1			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>29.1</b>	<b>24.3</b>	<b>8.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES</b>	29.1	24.3	8.1			
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1007 Interagency Receipts	29.1	24.3	8.1			
<b>TOTAL</b>	<b>29.1</b>	<b>24.3</b>	<b>8.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY 96) cost: \$ 0.0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

\$26.0 for FY 97 and \$21.2 for the remaining years will be used to fund one-third of an analyst/programmer for the Dept. of Commerce and Economic Development. This person will be shared by the Div. of Banking, Securities and Corporations, Div. of Insurance, and the Div. of Occupational Licensing. This position is necessary to program and maintain the programs for matching records. \$3.1 is the cost of receiving a 9-track ASCII tape, bimonthly, from the Central Registration Depository (CRD). The CRD is the central national agency for licensing security agents and broker dealers. The cost is \$510 per tape x 6 tapes per year. REVENUE - Inter-Agency Receipts to cover program costs. This bill begins October 1, 1996 and ends September 30, 1998. Programming costs in preparation of the bill will begin July 1, 1996.

Prepared by: Willis F. Kirkpatrick, Director  
Division: Banking, Securities and Corporations

Phone: 465-2521  
Date: \_\_\_\_\_

Approved by Commissioner: William L. Hensley  
Agency: Commerce and Economic Development

Date: 4-19-96

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No. 9

# FISCAL NOTE

Bill Version: CS SB 98 CFM

(S) Publish Date: 4-22-96

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Revision Date: April 19, 1996 Department: Commerce and Economic Development  
 Title: Personal Responsibility Act BRU: Occupational Licensing  
 Component: Operations  
 Sponsor: HESS Committee  
 Requestor: Senate Finance COMPONENT SERIAL #: 1844

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	41.5	41.5	10.5			
TRAVEL	5.0	5.0	0.0			
CONTRACTUAL	29.7	29.7	2.4			
SUPPLIES	1.0	1.0	0.3			
EQUIPMENT	6.3					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>83.5</b>	<b>77.2</b>	<b>13.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	83.5	77.2	13.2			0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (Inter Agency Receipts)	83.5	77.2	13.2	0.0	0.0	0.0
<b>TOTAL</b>	<b>83.5</b>	<b>77.2</b>	<b>13.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS

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

**ANALYSIS:** (Attach a separate page if necessary)  
 The bill prohibits the division of occupational licensing from issuing or renewing a license for a person who is not in compliance with orders, judgments, or payment schedules for child support. To comply with this bill, the division will be responsible for adapting the division's computerized licensing records to compare with the records provided by the child support enforcement division, coordinating the notification of applicants who are not in compliance, issuing the temporary licenses provided for in the bill, and responding to inquiries and complaints made to the division for refusing to issue or renew a license. The bill identifies an ending date for the program of September 30, 1998. Therefore, this fiscal note identifies full funding for FY 97 and FY 98, and three months into FY 99.

Prepared by: Jennifer Strickler, Admin. Officer Phone: 465-2144  
 Division: Occupational Licensing Date: April 19, 1996  
 Approved by Commissioner: William L. Hensley Date: 4-19-96  
 Agency: Commerce and Economic Development

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Page 12 of A

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO.: CSSB 98(FIN)

ANALYSIS: (Continued)

## DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT FISCAL NOTE CALCULATIONS

Two years ago, the child support enforcement division estimated the number of licensees not in compliance with child support requirements to be between 1,350 and 5,000. A preliminary match of occupational licensees against the child support database reported a 5,200 match in names although not all of these individuals may be in violation of child support requirements. Therefore, this fiscal note is based on the lower estimate of 1,350.

The estimated costs to the division of occupational licensing to implement the bill are as follows:

### PERSONAL SERVICES:

\$ 41.5

*The request of one position identified below assumes that an existing Paralegal position, PCN 08-2086 authorized to implement the student loan default program (a program with similar responsibilities to those established in this bill) to be utilized to support the child enforcement program as well. The one position shown below is needed in addition to fully implement the provisions of this bill. The division is unable to absorb further responsibilities without additional staff resources.*

#### 1.- Occupational Licensing Examiner I, Range 12, PFT, Juneau

This position will analyze the 1,350 applicants' matched by computer with the child support enforcement data and provide further manual analysis to determine which applicants are not in compliance with child enforcement requirements; send notices to the applicants; communicate with child support enforcement for release information; coordinate with other licensing staff for the issuance of a temporary license; coordinate withholding of licenses with enforcement staff, etc.

### TRAVEL:

\$ 5.0

The travel will allow staff to check on licensees who continue to practice without a license after expiration of the 150 day temporary permit. The cost identified is based on four two-day trips between Anchorage and Juneau, three two-day trips between Anchorage and Fairbanks; and trips to other areas of the state as necessary.

**CONTRACTUAL:**

**\$ 29.7**

Costs for contractual services covers;

Printing of temporary permits and licenses, \$1.0

Telephone and fax costs, \$3.5

Certified mail and other postage costs, \$4.5

Computer programming costs, \$20.7 (this funding is based on one-third of a programmer position of which full costs are anticipated to be shared with two other divisions)

**SUPPLIES:**

**\$1.0**

The cost of supplies is estimated to be \$1.0 for the new position.

**EQUIPMENT: (One-time costs)**

**\$ 6.3**

This is a one-time cost for equipment and office set-up for the new position.

**TOTAL:**

**\$83.5**

**REVENUE:** Inter-Agency Receipts to cover program costs.

**FUND SOURCE:** The division anticipates funding to be provided by inter-agency receipts from the Department of Revenue, which may include federal funding received by that department.

Fees collected by licensees affected by this bill can be used to offset the amount of inter-agency receipts from the Department of Revenue. Unlike the general fund program receipts from other licensing programs, the requirements of this bill do not relate to "regulation of the profession", therefore, licensing fees of an occupation will *not* be increased to pay for compliance with the requirements of this bill.

No. 10

Bill Version: CS SB 98 (FIN)

### FISCAL NOTE

(S) Publish Date: 4-22-96

#### STATE OF ALASKA 1996 LEGISLATIVE SESSION

Revision Date: April 19, 1996  
Title: Personal Responsibility Act

Department: Commerce and Economic Development  
BRU: Insurance  
Component: Operations

Sponsor: Senate HESS Committee  
Requestor: Senate Finance Committee

COMPONENT SERIAL NO. #354

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	26.0	21.2	5.3			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>26.0</b>	<b>21.2</b>	<b>5.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	26.0	21.2	5.3			
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other 1007 Interagency Receipts	26.0	21.2	5.3			
<b>TOTAL</b>	<b>26.0</b>	<b>21.2</b>	<b>5.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

There are three divisions impacted by this legislation within the Department of Commerce & Economic Development: Insurance; Banking, Securities, & Corp.; and Occupational Licensing. Each division is preparing a fiscal note which reflects one-third of the cost of an Analyst/Programmer IV, R-19 since each of our licensing programs will have to be modified and maintained for the new licensing and notice requirements to be implemented by this legislation. It is the intent of each division to RSA these funds to DCED's Division of Administrative Services since the data processing unit for the department is within that division. The change in revenue reflects the interagency receipts to be received from the Dept. of Revenue, which will then be RSAed to DCED's Div. of Admin. Ser.

Prepared by: Joan Brown, Administrative Officer *JTB* Phone: 465-2597  
 Division: Insurance Date: 4/19/96  
 Approved by Commissioner: William L. Hensley *WHL* Date: 4-19-96  
 Agency: Commerce and Economic Development

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Page 15 of A

# FISCAL NOTE

Bill Version: CSSB 98(FIN)

(S) Publish Date: 4-22-96

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title: Personal Responsibility Act BRU: Administration  
 Component: Administration  
 Sponsor: Senate HESS Committee  
 Requester: Senate Finance COMPONENT SERIAL NO. 479

### Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	28.0					
TRAVEL						
CONTRACTUAL	63.0	74.0	20.0			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>91.0</b>	<b>74.0</b>	<b>20.0</b>	<b>0.0</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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CHANGE IN REVENUES ( )	0.0	0.0	0.0	0.0	0.0	0.0
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### FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts						
1003 GF Match						
1004 GF	91.0	74.0	20.0			
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>91.0</b>	<b>74.0</b>	<b>20.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

### POSITIONS

POSITIONS	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME						
PART-TIME	1	0	0			
TEMPORARY						

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

Expenditures include a half time position during the first year to minimize the confusion and problems 400+ vendors located throughout the state will have. A new parttime position will be responsible for answering questions from vendors about the process, dealing with angry licensees, distributing the list monthly to vendors, and working with the agency on resolution to problems that arise. Other expenses include producing a manual that vendors can refer to on correct procedures, and postage and printing costs to get the list out monthly to vendors. It is impractical to send a magnetic medium to most vendors since they will not have the hardware to read it.

This legislation will place significant new burdens on the vendors. It is impossible to estimate their costs, but it should be recognized that such costs will be incurred. In response some vendors may choose to stop selling crew member licenses, which in turn will cause delays in hiring crew in the fishing industry.

Prepared by: Kevin Brooks, Director  
 Division: Administration  
 Approved by Commissioner: Frank Rus  
 Agency: Fish and Game

Phone: 465-5999  
 Date: 4/18/96  
 Date: 4/18/96

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# FISCAL NOTE

No. 12

Bill Version: CSSB 98 (FIN)

(S) Publish Date: 4-22-96

**STATE OF ALASKA  
1996 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_ Dep't. Affected: Fish and Game  
 Title: Personal Responsibility Act of 1995 BRU: Commercial Fisheries (Limited) Entry Commission  
 Sponsor: Senate Finance Committee Component: Limited Entry Program Administration  
 Requester: Senate HESS Committee COMPONENT SERIAL NO. 0471

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	38.1	17.8	17.8	17.8	17.8	17.8
TRAVEL						
CONTRACTUAL	2.5	2.5	2.5	2.5	2.5	2.5
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>40.6</b>	<b>20.3</b>	<b>20.3</b>	<b>20.3</b>	<b>20.3</b>	<b>20.3</b>
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other - Interagency Transfers	40.6	20.3	20.3	20.3	20.3	20.3
<b>TOTAL</b>	<b>40.6</b>	<b>20.3</b>	<b>20.3</b>	<b>20.3</b>	<b>20.3</b>	<b>20.3</b>

Estimate of any current year (FY96) cost: \$ 0.0

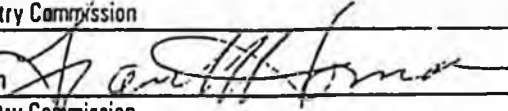
POSITIONS	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME						
PART-TIME	1	1	1	1	1	1
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

See Attachments

This bill will affect all commercial fishing vessel licenses which includes sport fishing charter operations.

Prepared By: Roger Kolden Phone: 789-6160  
 Agency: Commercial Fisheries (Limited) Entry Commission Date: 4/19/96

Approved by Commissioner: Frank Homan   
 Agency: Commercial Fisheries (Limited) Entry Commission Date: 4/19/96

Page 17 of A  
 (Rev 10/94) 95113no.11s/DBR

CSSB 98 (Finance)

One-time Requirements

- (1) Data Processing staff write programs to:
  - (a) merge monthly lists with CFEC database, and
  - (b) provide edits in existing revenue programs to check applicants against CSED list, and
  - (c) develop mechanism for issuing temporary vessel licenses and tracking the 150 day period for which they are valid; and
  - (d) develop a mechanism for recording releases
- (2) Develop the required "notice" to be sent to applicants.
- (3) Establish fee for temporary licenses, develop procedures to collect fees for temporary licenses, issue temporary licenses and issue regular licenses upon receipt of releases from CSED - manual processing will be necessary as CFEC's automated licensing procedures will not be able to handle these exceptions.
- (4) Prepare specifications for temporary vessel license receipts and annual stickers.
- (5) Publish ads and mail notices to inform fishermen, processors and ADF&G and FWP personnel of these changes.

Monthly Requirements

- (1) Data processing merges CSED list with CFEC licensing database.

Ongoing Requirements

- (1) Licensing staff check each applicant for a vessel license against the CSED list.
- (2) If applicant is on the list:
  - (a) collect the fee for the temporary vessel license
  - (b) issue a 150 day vessel license
  - (c) prepare and send required the notice with the vessel license
- (3) When a release is received from CSED:
  - (a) record the release on computer system
  - (b) issue the regular vessel license
- (4) If a release is not received:
  - (a) process a refund of the fee for the license withheld
- (5) Send notices advising any permit applicants intending to fish the vessel that their permits cannot be issued if the vessel license is withheld and informing them if the vessel has only been issued a temporary license.

Annual Requirements

- (1) Prepare specifications and solicit bids for temporary license materials.

Costs to CFEC

- 3.0 months of programmer time to write and test the programs: \$20.3
- 0.5 months of programming time to load files merging monthly lists and generate annual statistical reports: \$3.4
- 0.5 months to coordinate and set up procedures, and to notify fishermen, ADF&G, FWP, etc., of change: \$2.2
- 4.0 months - 1 part-time seasonal licensing position (CFPC II, range 10, working 20 hrs/wk, 8 mos/yr) to specialize in CSE-related activities. This is necessary in order to prevent negatively impacting the quality of service provided to other applicants: \$12.2
- Ad publication for alerting fishermen, and staff of ADF&G and F&WP: \$2.5

Assumptions:

The Entry Commission licenses approximately 16,500 vessels annually. Vessels may be owned by individuals, companies, partnerships or other business entities, but any person may submit the application as an agent for the owner.

CFEC has no hard information available to predict how many vessels may have to have licenses withheld and be issued temporary licenses, but data previously provided by CSED suggests possibly 5% or 825. However, far more people than just the applicant will be impacted by the legislation and the effect on CFEC will be compounded because permits cannot be issued unless and until the vessel is licensed. Delays in licensing vessels or issuing temporary vessel licenses will also delay issuance of permits to all fishermen associated with the vessel. Many vessels are leased and fished by different individuals in different fisheries throughout the year so the impact on others may be substantial.

If approximately 825 vessel licenses are withheld annually, then the permits of at least 825 fishermen will also be affected. On an annual basis, at least 1,650 applicants will require some action to be taken by CFEC staff. Assuming it takes .5 hour to review and process each application and issue the temporary permit and notice, this is 825 hours per year. Most of this activity would occur during the 8 months of peak licensing volume, Nov. through June, resulting in approximately 25 hours/week of increased licensing staff time.

In reality, once aware of these provisions, any vessel owner who is a delinquent child support obligor will probably have someone else apply for the vessel license as an obvious way around the problem, so including vessel licenses in the legislation may prove to have a negligible impact and/or benefit.

Page 1 of B

**CSSB 98(FIN)**  
**COST/SAVINGS ANALYSIS**  
**WAIVER APPROACH**  
 Department of Health and Social Services  
 Prepared 4/20/96

Packet B: Waiver Approach

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
AFDC Policy Provisions	\$ (690.4)	\$ (4,297.0)	\$ (6,101.7)	\$ (6,857.5)	\$ (7,057.4)	\$ (7,170.7)	\$ (32,174.7)
PA Administration	\$ 297.2	\$ 532.0	\$ 412.0	\$ 412.0	\$ 412.0	\$ 412.0	\$ 2,477.2
Alaska Work Programs	\$ -	\$ -	\$ 308.0	\$ 615.0	\$ 615.0	\$ 615.0	\$ 2,153.0
PA Data Processing	\$ 543.0	\$ 543.0	\$ 543.0	\$ 543.0	\$ 543.0	\$ 543.0	\$ 3,258.0
Child Care Benefits	\$ -	\$ -	\$ 215.8	\$ 438.4	\$ 448.7	\$ 460.5	\$ 1,563.4
Family and Youth Services	\$ 100.2	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 569.2
<b>Total Operating</b>	<b>\$ 250.0</b>	<b>\$ (3,128.2)</b>	<b>\$ (4,529.1)</b>	<b>\$ (4,755.3)</b>	<b>\$ (4,944.9)</b>	<b>\$ (5,046.4)</b>	<b>\$ (22,153.9)</b>
Less Federal Receipts	\$ 27.0	\$ (1,545.5)	\$ (2,162.9)	\$ (2,241.3)	\$ (2,326.9)	\$ (2,372.5)	\$ (10,622.1)
Less I/A Receipts (PFD Hold Harmless)	\$ (63.5)	\$ (395.3)	\$ (561.4)	\$ (630.9)	\$ (649.3)	\$ (659.7)	\$ (2,960.1)
<b>Net GF/GF Match Budget Impact</b>	<b>\$ 286.5</b>	<b>\$ (1,187.4)</b>	<b>\$ (1,804.8)</b>	<b>\$ (1,883.1)</b>	<b>\$ (1,968.7)</b>	<b>\$ (2,014.2)</b>	<b>\$ (8,571.7)</b>

FEDERAL RECEIPTS	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
AFDC Policy Provisions	\$ (313.4)	\$ (1,950.8)	\$ (2,770.1)	\$ (3,113.3)	\$ (3,204.0)	\$ (3,255.5)	\$ (14,607.1)
PA Administration	\$ 96.1	\$ 161.0	\$ 101.0	\$ 101.0	\$ 101.0	\$ 101.0	\$ 661.1
Alaska Work Programs	\$ -	\$ -	\$ 154.0	\$ 307.5	\$ 307.5	\$ 307.5	\$ 1,076.5
PA Data Processing	\$ 244.3	\$ 244.3	\$ 244.3	\$ 244.3	\$ 244.3	\$ 244.3	\$ 1,465.8
Child Care Benefits	\$ -	\$ -	\$ 107.9	\$ 219.2	\$ 224.3	\$ 230.2	\$ 781.6
<b>Total Federal Receipts</b>	<b>\$ 27.0</b>	<b>\$ (1,545.5)</b>	<b>\$ (2,162.9)</b>	<b>\$ (2,241.3)</b>	<b>\$ (2,326.9)</b>	<b>\$ (2,372.5)</b>	<b>\$ (10,622.1)</b>

DHSS FISCAL NOTE DISCUSSION  
CSSB 98(FIN): WAIVER TRACK

Background

This legislation provides two possible tracks for implementation, and we have developed a separate set of fiscal notes for each track, using different assumptions.

Section 7 of the bill provides for the establishment of a new Alaska Temporary Assistance program (AFDC) to replace the AFDC and Job Opportunities and Basic Skills Training (JOBS) programs upon enactment of pending federal welfare reform block grant legislation. Fiscal notes labeled DPA Comprehensive assume that the Temporary Assistance program takes effect on October 1, 1996, concurrent with repeal of the existing state and federal AFDC and JOBS programs. The federal legislation is expected to include a five-year limit on benefits for most families; a five-year limit based on the proposed federal language is included in section 7 of this legislation. This discussion and this set of fiscal notes do not cover the comprehensive track.

Sections 1 - 6 of the bill amend existing statutes for the Aid to Families with Dependent Children (AFDC) program and provide for the adoption of certain AFDC options under existing federal law, along with implementation of a series of AFDC waiver provisions under federal demonstration project authority. Fiscal notes labeled DPA Waiver assume that federal AFDC law does not change. This discussion and this set of fiscal notes cover the waiver track.

Federal Waivers

This legislation includes AFDC provisions that are state options under existing law, and provisions that are permissible only under federally approved policy waivers for experimental purposes. The waivers are required to be implemented in the context of a demonstration project that is subject to statistical and qualitative evaluation. Demonstration projects must be cost-neutral to the federal government, and the state must reimburse the federal government for costs that exceed the cost-neutral level.

Project design must include geographically coincident, randomly assigned experimental and control groups; the experimental group is subject to the provisions of the waiver, while the control group is subject to normal AFDC rules under the AFDC State Plan. The project outcomes must be evaluated by an independent contractor. Waivers are temporary, granted only for a duration long enough to conduct the experiment; most AFDC demonstration projects are approved for five to eight years.

In effect, the demonstration project methodology requires the state to establish two different, parallel programs with different eligibility rules, and to maintain parallel sets of data so the experimental and control group outcomes can be compared. These rigid federal project requirements constrain the states from doing comprehensive welfare reform and generate substantial operating costs.

### Waiver Track: Fiscal Note Summary

This bill includes a number of policy provisions. Only provisions that generate substantial costs or savings are discussed in this fiscal note package.

#### Assumptions: Waiver Track

We assume in this analysis that:

- Federal legislation that would trigger the comprehensive track does not occur, so that this legislation is implemented under the waiver track.
- The necessary data system and regulation changes to implement the demonstration are in place by July 1998, and the demonstration begins on July 1, 1998.
- All provisions of the legislation that involve waivers are implemented together as a single project in at least three locations in the state. The experimental group includes 4,400 randomly assigned families, which are subject to the waivers provisions. The control group includes 1,500 randomly assigned families, which are subject to normal AFDC program rules. The balance of the AFDC caseload (roughly 6,600 families) is not involved in the demonstration project and is subject to normal AFDC rules.
- Provisions that do not require federal waivers will impact the entire AFDC caseload. Implementation dates for these provisions are specified in the fiscal notes.
- This project will place substantial additional demands on Division of Public Assistance field Eligibility Determination staff. The fiscal note package does not include any additional funding in the Eligibility Determination component, based on our assumption of full funding of the Governor's FY 97 budget request for the Eligibility Determination component.

#### 1. AFDC Component

Sections 1 - 6 of this legislation establish a demonstration project and a number of AFDC policy waiver provisions and amend existing AFDC law to adopt options under existing federal law.

#### Waiver/Demonstration Project Provisions

##### Workfare project

Section 1 of the bill establishes an AFDC Workfare demonstration project. Members of the experimental group are, with specified exceptions, required to perform unpaid community service work for up to 21 hours per week.

Members of the experimental group are also subject to policy waiver provisions that are designed to increase incentives for paid employment, including:

- The earned income disregard is increased to the first \$200 of earnings plus 1/3 of the remainder for 24 cumulative benefit months, under a waiver.

The earned income "disregards" (the amounts of money a family may earn before the earnings are counted against their assistance benefit) are designed to make work pay and encourage AFDC parents to work and gain job experience by allowing working families to keep some of the income they earn. Currently, the first \$90 per month of earnings are disregarded for all families. For the first four months an individual has earnings, an additional \$ 30 per month plus one-third of the remainder is disregarded. After the applicable disregards are applied, the remaining income reduces the family's monthly grant by 89.87 cents for every dollar of income.

- The AFDC "100-hour rule" for Unemployed Parent cases is waived. The federal 100-hour-rule limits the number of hours the primary earner in a two-parent household may work without losing eligibility. This waiver of this rule eliminates another significant disincentive to work.
- The automobile allowance is increased from \$1,500 on one vehicle to \$5,000 on all vehicles owned, under waivers. Existing federal AFDC rules require that all but the first \$1,500 in the equity value of a family's vehicle be counted against the \$1000 AFDC asset limit. This policy is a significant disincentive and barrier to work, since families cannot own a reliable car that would help them find a job and keep working.

These work requirements and work incentives initially incur some additional costs because some families which would otherwise be ineligible would become eligible, and are projected to generate a net savings in the long term as more recipients move into employment and work longer hours, resulting in smaller assistance grants for families as their earnings increase, and in some families leaving the caseload because their earnings make them ineligible.

#### 24-month time limit

Section 5 of the bill establishes a limit of 24 cumulative months of benefits in a 60-month period for specified families, under waivers. Families that reach the end of the 24-month period will be ineligible for the subsequent 36 months unless they have complied with Workfare and the JOBS program and are still unable to secure adequate employment. This provision produces program savings as families begin lose AFDC eligibility in the third year of the project.

#### Diversion project

Section 1 of the bill also establishes a diversion program demonstration under federal waivers. This provision will give families an alternative to long-term AFDC dependency by offering eligible, job-ready AFDC applicants a one-time lump-sum payment in lieu of ongoing eligibility, to meet critical needs while they obtain employment and/or child support. The Diversion payment amount will be based on actual, immediate needs and is limited to a maximum of two months' worth of regular benefits. Families that opt for a

diversion payment will have the diversion payment counted as income if they reapply for AFDC within 3 months. The Diversion program produces program savings by enabling a quick return to the work force for applicants who might otherwise need assistance for several months.

#### Seasonal Benefit Reduction for Two-Parent Families

Section 3 of the bill includes a waiver provision to limit the assistance payment to most two-parent families to 50 percent of the normal maximum benefit during the months of July, August, and September when work is available. The reduction does not apply to two-parent families if either parent is physically or mentally incapacitated.

#### Federal Option Provisions

##### Benefits Based on Household Expenses

Section 3 adopts an existing federal option for the establishment of payment standards that take into account a family's income, assets, and other resources. DHSS will establish standards whereby families with lower living costs will receive smaller benefit payments than similar families paying full market price for living costs. This provision will be implemented gradually beginning in January 1997. By January 1998, the benefits of most families with low housing and basic utility costs will be reduced by up to 30 percent of the maximum assistance payment. At full implementation, approximately 2,600 families per month will receive a reduced benefit because they have low living expenses.

##### Assistance to Minors

Bill section 2 provides that, with specified exceptions, unmarried minor parents must live with a parent, another adult relative, or a legal guardian. If no such safe living arrangement is available, they must live in another adult-supervised living arrangement. Teen parents who do not cooperate with these requirements are ineligible for AFDC benefits. This provision produces savings by reducing the number of eligible teen parents. Teen parents who cooperate with the requirements will receive intensive case management services and some will need help to secure appropriate housing; the costs of these additional services are covered in the Public Assistance Administration component.

#### Sanctions

The bill sections that prohibit transferring assets to become eligible (a federal option, bill section 2); disqualify families if a family member refuses or quits a job without good cause (a waiver, bill section 2), require participation in Workfare, and require teen parents to attend school (a waiver, bill section 6) all impose financial penalties on families that fail to comply with certain program requirements. These penalties produce savings in program costs.

## 2. PFD Hold Harmless Component

PFD hold harmless program benefits replace public assistance benefits when receiving the dividend causes individuals to lose eligibility or have benefits reduced. PFD hold harmless funds approximately 10 percent of annual AFDC benefit costs. The AFDC component savings produced by this legislation produce proportionate savings in the PFD hold harmless component.

## 3. Public Assistance Administration Component

### Waiver project staff

Project development staff are necessary to develop, apply for, and monitor the demonstration project authorized by this legislation. Project staff will coordinate data system and program changes, oversee an evaluation contractor, coordinate policy and training, and maintain relationships with federal project oversight officials.

### Evaluation contractor

The federal government requires that demonstration projects be evaluated by an independent contractor. The evaluation contractor must be involved beginning with project development throughout the project, participating in the design of the data system changes needed for evaluation data and assignment of participants, monitoring compliance with federal cost-neutrality requirements, and producing interim and final reports on project outcomes.

### Services for Teen Parents

Section 2 of the bill, requires an unmarried minor custodial parent must to live with a parent or another relative. If no such safe home is available, teen parents are required to live in an approved, adult-supervised, supportive setting.

- **Alternate Housing**

Teen parents will have to find alternate housing if they cannot live at home. These community grant funds will be used to develop a supply of alternate housing for teen parents who cannot live at home. Grantees will provide "Second Chance Homes", which will provide shelter, as well as parenting, life skills, health and pregnancy prevention services to teen mothers.

- **Case management services for teen parents and their children**

These grants will procure intensive case management services to help teen parents who cannot live at home identify and arrange for alternative, adult-supervised, safe living arrangements.

#### **4. Alaska Work Programs Component**

The Workfare demonstration requires development of unpaid community work slots, case management of workfare participants, payment of transportation and payment of transportation and other expenses. Contractual funds are required to pay for these services.

#### **5. Public Assistance Data Processing Component**

The Eligibility Information System (EIS) is central to the administration of all public assistance programs. DPA field workers enter basic information on recipients, maintain case records, make eligibility determinations and benefit authorizations, and correspond with their clients using EIS. EIS generates benefit payments and stores and compiles management information.

Extensive modifications to the existing AFDC and JOBS structures in EIS are necessary to implement, administer, and monitor the demonstration project and other provisions of this legislation. Funding is needed to provide sufficient programming resources for the necessary EIS modifications.

#### **6. Child Care Benefits Component**

DHSS is required to pay for any child care needed by Workfare participants. Funding is needed to provide these services.

#### **7. Family and Youth Services, DFYS Central Office Component**

Teen Parent Living Arrangement Investigations Section 2 of the bill requires a minor parent to live with a parent or another relative unless no such safe home is available. Funds are necessary administer and pay for contract investigations of the appropriateness of the family home when minor parents claim it is unsafe or inappropriate.

# FISCAL NOTE

No. 13

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program.</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>AFDC</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>220</u>
	See also (SN#): _____

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(690.4)	(4,297.0)	(6,101.7)	(6,857.5)	(7,057.4)	(7,170.7)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(690.4)</b>	<b>(4,297.0)</b>	<b>(6,101.7)</b>	<b>(6,857.5)</b>	<b>(7,057.4)</b>	<b>(7,170.7)</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	(313.4)	(1,950.8)	(2,770.1)	(3,113.3)	(3,204.0)	(3,255.5)
1003 GF Match	(313.5)	(1,950.9)	(2,770.2)	(3,113.3)	(3,204.1)	(3,255.5)
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1007 I/A Receipts	(63.5)	(395.3)	(561.4)	(630.9)	(649.3)	(659.7)
<b>TOTAL</b>	<b>(690.4)</b>	<b>(4,297.0)</b>	<b>(6,101.7)</b>	<b>(6,857.5)</b>	<b>(7,057.4)</b>	<b>(7,170.7)</b>

Estimate of any current year (FY96) cost: \$0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Waiver Approach

This legislation amends the public assistance statutes and includes several provisions that impact AFDC program costs.

General Assumptions: Federal welfare reform does not occur. 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. We assume, for purposes of this analysis, that the necessary waiver/demonstration project authority is received from the federal government, that the state regulations and the data system changes needed to implement the demonstration project and the other policy provisions of this bill take effect by the effective dates noted, and that the demonstration project is operational July 1, 1998.

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

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

Phone: 465-2680  
 Date: 04/20/96

Date: 4-20-96

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ANALYSIS (cont.):							
AFDC Policy Provisions	FY97	FY98	FY99	FY00	FY01	FY02	Total
AFDC Workfare Project: Earned Income Disregards, 100-Hour-Rule, Job Retention, 24-month Time Limit, Auto Allowance & Diversion	\$ -	\$ -	\$ (78.5)	\$ (834.3)	\$ (849.0)	\$ (871.7)	\$ (2,633.5)
Benefit Reductions: Seasonal Benefits, Transfer of Assets and Benefits based on Household Expenses	\$ (611.6)	\$ (4,139.4)	\$ (5,865.6)	\$ (5,865.6)	\$ (6,050.8)	\$ (6,141.4)	\$ (28,674.4)
Minor Teen Parents	\$ (78.8)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (866.8)
Totals	\$ (690.4)	\$ (4,297.0)	\$ (6,101.7)	\$ (6,857.5)	\$ (7,057.4)	\$ (7,170.7)	\$ (32,174.7)

**DEMONSTRATION PROJECT - Effective July 1, 1998**

The demonstration project includes the following policy waiver provisions:

(Note: Only the policy provisions that are expected to have an impact on AFDC program costs are included in this analysis.)

**AFDC Workfare Project** which requires certain individuals to participate in unpaid work activities for 21 hours per week. Failure to comply results in a reduction in the family's assistance. With specified exceptions, families included in the experimental group may only receive AFDC for 24 months within a 60-month period. All individuals in the experimental group for the workfare project receive increased incentives to work:

**Earned Income Disregards:** The earned income disregards are increased to allow families to keep more of the income they earn and encourage recipients to gain the job experience that is essential to long-term self-sufficiency. The current time-limited \$30 and one third of the remainder is increased to \$200 plus one third of the remainder for 24 months.

**Waiver of "100-Hour-Rule":** The federal rule that prevents unemployed parents from working more than 100 hours per month is waived.

**Automobile Allowance:** Allows each family to own up to \$5000 in vehicle equity before the equity is counted against them.

**Job Retention:** Denies assistance to families when the adult applicant or caretaker refuses or quits a job without good cause.

**A Diversion Program:** Diversion payments provide families an alternative to long-term AFDC dependency by offering job-ready applicants a one-time lump-sum cash payment to meet critical needs while they obtain employment and/or child support.

**Seasonal Benefit Reduction for Two Parent Families:** Reduces assistance payments to Unemployed Parent families by 50% during the summer months of July, August and September when work is available.

**STATEWIDE PROGRAM CHANGES (Options under Current Federal Law) - Effective January 1, 1997**

**Transfer of Assets:** Denies assistance to families when an adult member intentionally transfers an asset for less than fair market value for the purpose of establishing eligibility for AFDC.

**Benefits based on household expenses:** Families who pay little or no housing costs receive a smaller assistance payment than families who pay market value for their housing.

**Assistance To Minors:** With specified exceptions, requires unmarried minor parents to live with a parent or legal guardian, an adult relative, or in another adult-supervised living arrangement.

# FISCAL NOTE

No. 14

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Bill Version: CSSB98(FIN)

(S) Publish Date: 4-22-96

Revision Date: \_\_\_\_\_  
 Title: An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program.  
 Sponsor: Senate HESS  
 Requestor: Senate Finance

Dept. Affected: Health and Social Services  
 BRU: Public Assistance  
 Component: PFD Hold Harmless  
 COMPONENT SERIAL NO. 225  
 See also (SN#): \_\_\_\_\_

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(63.5)	(395.3)	(561.4)	(630.9)	(649.3)	(659.7)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(63.5)</b>	<b>(395.3)</b>	<b>(561.4)</b>	<b>(630.9)</b>	<b>(649.3)</b>	<b>(659.7)</b>

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

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1050 PFD Fund	(63.5)	(395.3)	(561.4)	(630.9)	(649.3)	(659.7)
<b>TOTAL</b>	<b>(63.5)</b>	<b>(395.3)</b>	<b>(561.4)</b>	<b>(630.9)</b>	<b>(649.3)</b>	<b>(659.7)</b>

Estimate of any current year (FY96) cost: \$0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

PFD Hold Harmless payments replace AFDC benefits when receiving the dividend causes individuals to lose eligibility or to have benefits reduced. The AFDC policy provisions contained in this bill reduce costs in the AFDC component and produce proportional reductions in PFD Hold Harmless costs.

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

Phone: 465-2680  
 Date: 04/20/96

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

Date: 4-20-96

**ANALYSIS (cont.):**

Assumptions:

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**

FY97	\$	63.5
FY98	\$	395.3
FY99	\$	561.4
FY00	\$	630.9
FY01	\$	649.3
FY02	\$	659.7

FISCAL NOTE

No. 15

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Bill. version: CSSR 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program BRU: Public Assistance  
 Sponsor: Senate HESS Component: Public Assistance Admin  
 Requestor: Senate Finance COMPONENT SERIAL NO. 233  
 See also (SN#): \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	131.7	175.5	175.5	175.5	175.5	175.5
TRAVEL	5.0	9.0	9.0	9.0	9.0	9.0
CONTRACTUAL	34.5	136.0	16.0	16.0	16.0	16.0
SUPPLIES	1.0	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	20.0					
LAND & STRUCTURES						
GRANTS, CLAIMS	105.0	210.0	210.0	210.0	210.0	210.0
MISCELLANEOUS						
TOTAL OPERATING	297.2	532.0	412.0	412.0	412.0	412.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	96.1	161.0	101.0	101.0	101.0	101.0
1003 GF Match	96.1	161.0	101.0	101.0	101.0	101.0
1004 GF	105.0	210.0	210.0	210.0	210.0	210.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	297.2	532.0	412.0	412.0	412.0	412.0

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This legislation requires DHSS to operate an AFDC waiver demonstration project, provide services to teen parents, and conduct a comprehensive needs study.

WAIVER PROJECT ADMINISTRATION: DHSS will design and operate a waiver demonstration project that adds several new provisions to the AFDC program under the authority of section 1115(a) of the Social Security Act.

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

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: 04/20/96  
 Date: 4-20-96

**ANALYSIS (cont.):**

**Waiver evaluation contractor:** 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. Estimated cost of \$130,000 for the 5-year duration of the project is based on amounts other states pay for the evaluation of similar projects.

**TEEN PARENT SERVICES:** Section 2 of this legislation provides that a minor parent must live with a parent or another relative unless no such safe home is available. This provision is not a waiver project; we assume that the regulations to implement this provision take effect on 1/1/97.

**Investigations:** Funds for the investigation of homes when the teen claims the family home is unsafe are requested in a separate fiscal note prepared by the Division of Family and Youth Services.

**Case Management Services:** Existing case management services will be enhanced to assist teens in finding suitable alternate living situations when necessary and direct teens to educational and social services. Grants to provide these additional services is \$85,000 per year.

**Alternate Living Arrangements:** If there is no safe, available family home for the teen parent, the teen must live in an alternate, adult-supervised setting. Currently, the only option the state currently has is foster care, at high cost and with a limited number of available spaces. \$125,000 in community grants will develop and provide supervised alternate teen parent housing when no other appropriate placement is available. These funds are expected to pay for approximately 35 placements at \$3,570 per year.

Total annual cost of this provision is \$210,000; the cost is half, \$105,000, in FY98 to allow for the 1/1/98 implementation date.

**ANNUAL COST SUMMARY:****FY97**

(Positions budgeted for 9 months in this initial year.)

1	Project Coordinator	R19	46.9
1	Research Analyst III (existing unfunded position)	R18	45.8
1	Public Assistance Analyst	R16	39.0
	Equipment		20.0
	Office Space, phone, etc.		4.5
	Supplies		1.0
	Travel		5.0
	Evaluation coordinator		30.0
	Teen Parent Services		<u>105.0</u>
	<b>Total</b>		<b>307.2</b>

**FY98**

1	Project Coordinator	R19	62.5
1	Research Analyst III	R18	61.0
1	Public Assistance Analyst	R16	52.0
	Office Space, phone, etc.		6.0
	Supplies		1.5
	Travel		9.0
	Evaluation Contractor		40.0
	Needs Study		90.0
	Teen Parent Services		<u>210.0</u>
	<b>Total</b>		<b>532.0</b>

ANALYSIS (cont.):

FY99 through FY02

1	Project Coordinator	R19	62.5
1	Research Analyst III	R18	61.0
1	Public Assistance Analyst	R16	52.0
	Office Space, phone, etc.		6.0
	Supplies		1.5
	Travel		9.0
	Evaluation contractor		10.0
	Teen Parent Services		<u>210.0</u>
	Total		412.0

Position Title Project Coordinator		No. of Positions 1	Range/Step 19A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Juneau		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		62.5		
Benefits				
Premium Pay				
Other				
Total Personal Services		62.5		
Travel		5.0		
Contractual		2.0		
Commodities		0.5		
Equipment		10.0		
Other				
Total Cost		80.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	40.0		
1003	GF Match	40.0		
1004	General Fund			
1005	GF/Program Receipts			
1007	I/A Receipts			
1037	GF/MH			
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 coordinator

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services

BRU: Public Assistance

COMPONENT: Public Assistance Admin

**FY97**

Page: 1 1

Revised Date:

Position Title <b>Public Assistance Analyst I</b>		No. of Positions <b>1</b>	Range/Step <b>16A</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		<b>52.0</b>		
Benefits				
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>52.0</b>		
Travel		<b>2.0</b>		
Contractual		<b>2.0</b>		
Commodities		<b>0.5</b>		
Equipment		<b>10.0</b>		
Other				
<b>Total Cost</b>		<b>66.5</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002 Federal Receipts				
1003 GF Match		<b>33.2</b>		
1004 General Fund		<b>33.3</b>		
1005 GF/Program Receipts				
1007 I/A Receipts				
1037 GF/MH				
1061 CIP Receipts				
Other ( )				
<p>Justification</p> <p>Timely implementation of the many new program provisions require project staff to coordinate regulation development, inter agency cooperation, and dissemination of information instructions and training to eligibility staff and the recipient population.</p> <p>After assisting with implementation, this position continues as a member of the AFDC policy support unit.</p>				

**REQUEST for  
NEW POSITION**

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

**FY97**

Page: 1 1  
 Revised Date:

*Page 16 of B*

# FISCAL NOTE

No. 16

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

E Version: CSSB98(FIN)  
(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act relating to the AFDC program demonstration projects, and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Alaska Work Programs</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>238</u>
	See also (SN#): _____

(Thousands of Dollars)

Expenditures/Revenues:	FY97	FY98	FY99	FY00	FY01	FY02
<b>OPERATING EXPENDITURES</b>						
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	308.0	615.0	615.0	615.0
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>0.0</b>	<b>308.0</b>	<b>615.0</b>	<b>615.0</b>	<b>615.0</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>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	0.0	0.00	154.0	307.5	307.5	307.5
1003 GF Match	0.0	0.00	154.0	307.5	307.5	307.5
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>308.0</b>	<b>615.0</b>	<b>615.0</b>	<b>615.0</b>

Estimate of any current year (FY96) cost: \$0.0

**POSITIONS:**

	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

Section 1 of this legislation provides for a workfare demonstration project in which training, education, and work activities are required of certain AFDC recipients and applicants.

The workfare demonstration requires development of work slots; case management of individuals referred to the project, including monitoring and reporting on participation, payment of transportation and professional licensing costs of participants; payment of insurance equivalent to Worker's compensation; and evaluation of program performance.

We assume federal approval to operate the project is received with an effective date of 7/1/98 and that workfare is operated by a contractor. Average cost of workfare is \$1000 per slot per year. In the initial year, FY99, workfare placements average 308 a month; 615 a month FY00-FY02.

Prepared by: Jim Nordlund, Director   
 Division: Public Assistance

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

Phone: 465-3347  
 Date: 04/20/96  
 Date: 4/21/96

# FISCAL NOTE

No. 17

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Bill Version: CS SR 98 (FIN)

(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act Related to the AFDC program, demonstration projects, and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Public Assistance Data Processing</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>240</u>
	See also (SN#): _____

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	543.0	543.0	543.0	543.0	543.0	543.0
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						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
-------------------------	--	--	--	--	--	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	244.3	244.3	244.3	244.3	244.3	244.3
1003 GF Match	271.5	271.5	271.5	271.5	271.5	271.5
1004 GF	27.2	27.2	27.2	27.2	27.2	27.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	9	9	9	9	9	9
PART-TIME						
TEMPORARY						

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

The Eligibility Information System (EIS) is a large, complex data system with several subsystems. Whether welfare reform is implemented under passage of Federal legislation or State legislation under a Federal waiver package, extensive modifications to the Division's Eligibility Information System (EIS) and its subsystems will be necessary.

Welfare reform modifications to the EIS and its subsystems, the JOBS Automated System (JAS), and the JOBS Child Care and Supportive Service Payments System (JASP), will require a level of effort in excess of 15,000 hours or 116 FTE-months.

The effort includes the analysis, design, development, testing, and implementation of new system functionality implementing changes in program policy that revise or replace the Aid to Families with Dependent Children and Alaska Work Programs. Policy changes impact systems programs for Medicaid and will potentially impact the Food Stamp program, too.

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: 04/20/96

Date: 4-20-96

Page 18 of B

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**ANALYSIS (cont.):**

To undertake the changes to the Eligibility Information System and its subsystems necessary to implement welfare reform the following assumptions were applied in determining costs:

1. The EIS modifications will require a combination of state data processing staff and contractor staff.
2. The project level of effort requires 116 FTE months for analysis, design, development, testing, and implementation.
3. The project will require a minimum of 12 calendar months to complete the analysis, design, development, testing, and implementation.
4. Some of the requirements design must begin no later than July 1, 1996, requirements and design must be complete and programming started no later than December 1996. Some testing must begin by April 1997.
5. The contractor programming costs are covered in other budget requests, and assume the passage of the FY96 Supplemental request of \$3.5 million.
6. Other states with similar waiver proposals, such as Arizona and Indiana, had similar system approaches and costs.
7. The State personal services cost includes 9 data processing positions that were previously requested but removed from the Divisions FY97 PA Data Processing budget.
8. Calculations FY 97 include:

FTE	Job Class	Range	Cost	Location
1	Analyst/Programmer V	R21	\$74.8	Anch
3	Analyst/Programmer IV	R19	\$206.9	Anch
1	Analyst/Programmer III	R17	\$57.6	Anch
3	Public Assistance Analyst I's	R16	\$169.3	Anch
1	Administrative Clerk II	R08	\$34.4	Anch
9.0	Personal Services Total		\$543.0	

This is not a request for new positions; it is a request for funding to maintain the incumbents in six existing PCNs and fill three vacant PCNs.

# FISCAL NOTE

No. 18

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act relating to the AFDC program demonstration projects and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Child Care Benefits</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>1897</u>
	See also (SN#): _____

(Thousands of Dollars)

EXPENDITURES/REVENUES	FY97	FY98	FY99	FY00	FY01	FY02
<b>OPERATING EXPENDITURES</b>						
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	215.8	438.4	448.7	460.5
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>215.8</b>	<b>438.4</b>	<b>448.7</b>	<b>460.5</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	0.0	0.0	0.0
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(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	0.0	0.00	107.9	219.2	224.3	230.2
1003 GF Match	0.0	0.00	107.9	219.2	224.4	230.3
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>215.8</b>	<b>438.4</b>	<b>448.7</b>	<b>460.5</b>

Estimate of any current year (FY96) cost: \$0.0

**POSITIONS:**

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

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

Section 1 of this legislation provides for an AFDC demonstration project in which work, training, and educational activities are required for AFDC certain recipients. Child care is made available to those families whose children must be placed in day care in order for the adult to participate in mandated activities.

We assume federal approval is received to begin the demonstration project on 7/1/98. Child care is needed by 20% of the workfare participant families; 62 in FY99 and 123 in FY00 - FY02. Families with preschool children are exempt from participation so we assume only one child in each participant family needs child care.

Average child care in FY99 is \$290 a month; child care inflation rate is 2.5% a year.

Prepared by: Jim Nordlund, Director   
Division: Public Assistance

Phone: 465-3347  
Date: 04/20/96

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

Date: 4-20-96

Page 20 of B

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ANALYSIS (cont.):

Child Care Costs for Workfare:

<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
0.0	215.8	438.4	448.7	460.5

# FISCAL NOTE

No. 19

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98 (FIN)

(S) Publish Date: 4-22-96

Revision Date: \_\_\_\_\_  
 Title: An Act related to the AFDC Program,  
Demonstration Projects, and Payment Reductions  
 Sponsor: Senate HESS  
 Requestor: Senate (FIN)

Dept. Affected: Health and Social Services  
 BRU: Family and Youth Services  
 Component: DFYS Central Office  
 COMPONENT SERIAL NO. 259  
 See also (SN#): \_\_\_\_\_

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY97	FY98	FY99	FY00	FY01	FY02
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	33.8	33.8	33.8	33.8	33.8	33.8
SUPPLIES	2.6	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	4.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>100.2</b>	<b>93.8</b>	<b>93.8</b>	<b>93.8</b>	<b>93.8</b>	<b>93.8</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	100.2	93.8	93.8	93.8	93.8	93.8
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other (please specify)						
<b>TOTAL</b>	<b>100.2</b>	<b>93.8</b>	<b>93.8</b>	<b>93.8</b>	<b>93.8</b>	<b>93.8</b>

**POSITIONS:**

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

Estimate of any current year (FY96) 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.

The Division of Public Assistance expects 180 applications from unwed teen parents. It can be anticipated that 40 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 80 hours of contracted social worker time per year for continued assessment.

Continued

Prepared by: L. Diane Worley, Director  
 Division: Family & Youth Services  
 Approved by Commissioner: Karen Perdue, Commissioner  
 Agency: Department of Health & Social Services

Phone: 465-3191  
 Date: 04/19/96  
 Date: 4-20-96

Page 22 of B

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**ANALYSIS (cont.):**

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 also be necessary.

**Contract Clinical Social Worker (12 months)****Intake Assessment/Evaluation**

40 referrals x 10 hours = 400 hours x \$70/hr = \$28,000.00

**Re-evaluations for maintenance caseload**

80 hours x \$70/hr = \$5,600.00

Social Worker IV Range 18 Juneau State Office \$58,900.00

Travel: 1 trip to Fairbanks, 1 trip to Anchorage \$1,100.00

Equipment (Computer, Software) \$4,000.00

Supplies (Desk, Chair, Telephone, Office Supplies) \$2,580.00

**TOTAL \$100,200.00**

The personal services cost for the Social Worker IV is calculated for one year rather than six months as this person will have to be hired and trained for the entire Fiscal year in order to be ready to do the job by January 97. The contractual costs will be double the first year in order to process the initial investigations required by this fiscal note.

The equipment and supplies will decrease after the initial set up year for this position. The continuing office supplies should cost approximately \$200/yr for the continuing position.

it is not possible to project the fiscal impact of the amendment which includes licenses granted under 47.35 with those occupational licenses which may be adversely affected by child support arrearages. The division licenses approximately 980 foster homes and approximately 550 child care facilities. Most areas of the state constantly face a shortage of foster homes, and the loss of any of the existing homes will increase staff time in locating placements for children who cannot remain at home. It is possible that additional group homes or residential child care facilities will have to be developed, at a much higher daily cost, to offset the loss of those homes. In addition to unnecessary cost increases, it would be unfair to place children who could function well in foster care into more institutional living arrangements. Division staff time will also be negatively impacted in helping parents to find alternative day care arrangements when a provider's license is affected. Most communities also already face a shortage in licensed day care.

Page 1 of 6

CSSB 98(FIN)  
 COST/SAVINGS ANALYSIS  
 COMPREHENSIVE APPROACH  
 Department of Health and Social Services  
 Prepared 4/20/96

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
AFDC Policy Provisions	\$ (1,489.7)	\$ (5,057.1)	\$ (9,994.9)	\$ (11,692.7)	\$ (11,892.8)	\$ (11,990.4)	\$ (52,117.6)
PA Administration	\$ 220.5	\$ 415.5	\$ 325.5	\$ 325.5	\$ 325.5	\$ 325.5	\$ 1,938.0
PA Data Processing	\$ 543.0	\$ 543.0	\$ 543.0	\$ 543.0	\$ 543.0	\$ 543.0	\$ 3,258.0
Family and Youth Services	\$ 100.2	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 569.2
Total Operating	\$ (626.0)	\$ (4,004.8)	\$ (9,032.6)	\$ (10,730.4)	\$ (10,930.5)	\$ (11,028.1)	\$ (46,352.4)
Less Federal Receipts	\$ (396.3)	\$ (1,973.9)	\$ (4,260.7)	\$ (5,031.5)	\$ (5,122.3)	\$ (5,166.6)	\$ (21,951.3)
Less I/A Receipts (PFD Hold Harmless)	\$ (137.1)	\$ (465.3)	\$ (919.5)	\$ (1,075.7)	\$ (1,094.1)	\$ (1,103.1)	\$ (4,794.8)
Net GF/GF Match	\$ (92.6)	\$ (1,565.6)	\$ (3,852.4)	\$ (4,623.2)	\$ (4,714.1)	\$ (4,758.4)	\$ (19,606.3)
Less GF Program Receipts (Savings from Child Support Collections)	\$ 1,022.6	\$ 2,269.4	\$ 642.8	\$ -	\$ -	\$ -	\$ 3,934.8
Net GF/GF Match Budget Impact	\$ (1,115.2)	\$ (3,835.0)	\$ (4,495.2)	\$ (4,623.2)	\$ (4,714.1)	\$ (4,758.4)	\$ (23,541.1)

Package C: Comprehensive Approach

FEDERAL RECEIPTS	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
AFDC Policy Provisions	\$ (673.3)	\$ (2,295.9)	\$ (4,537.7)	\$ (5,308.5)	\$ (5,399.3)	\$ (5,443.6)	\$ (23,658.3)
PA Administration	\$ 32.7	\$ 77.7	\$ 32.7	\$ 32.7	\$ 32.7	\$ 32.7	\$ 241.2
PA Data Processing	\$ 244.3	\$ 244.3	\$ 244.3	\$ 244.3	\$ 244.3	\$ 244.3	\$ 1,465.8
Total Federal Receipts	\$ (396.3)	\$ (1,973.9)	\$ (4,260.7)	\$ (5,031.5)	\$ (5,122.3)	\$ (5,166.6)	\$ (21,951.3)

**DHSS FISCAL NOTE DISCUSSION**  
**CSSB 98(FIN): COMPREHENSIVE TRACK**

**Background**

This legislation provides two possible tracks for implementation, and we have developed a separate set of fiscal notes for each track, using different assumptions.

Sections 1 - 6 of the bill amend existing statutes for the Aid to Families with Dependent Children (AFDC) program and provide for the adoption of certain AFDC options under existing federal law, along with implementation of a series of AFDC waiver provisions under federal demonstration project authority. Fiscal notes labeled DPA Waiver assume that federal AFDC law does not change. This discussion and this set of fiscal notes do not cover the waiver track.

Section 7 of the bill provides for the establishment of a new Alaska Temporary Assistance program (ATAP) to replace the AFDC and Job Opportunities and Basic Skills Training (JOBS) programs upon enactment of pending federal welfare reform block grant legislation. Fiscal notes labeled DPA Comprehensive assume that the Temporary Assistance program takes effect on October 1, 1996, concurrent with repeal of the existing state and federal AFDC and JOBS programs. The federal legislation is expected to include a five-year limit on benefits for most families; a five-year limit based on the proposed federal language is included in section 7 of this legislation. This discussion and this set of fiscal notes cover the comprehensive track.

**Comprehensive Track: Fiscal Note Summary**

Section 7 of this legislation establishes the basic eligibility requirements and program standards for ATAP. We assume in this analysis that the federal legislation that triggers the implementation of ATAP will take effect on October 1, 1996, as provided under section 55 of this bill.

This project will place substantial additional demands on Division of Public Assistance field Eligibility Determination staff. The fiscal note package does not include any additional funding in the Eligibility Determination component, based on our assumption of full funding of the Governor's FY 97 budget request for the Eligibility Determination component.

The Governor's FY 97 budget request includes many of the other costs associated with implementing ATAP (including child care costs, work requirements and activities, and automated system development costs). In general, we assume full funding for the Governor's requests in this analysis. Any exception to that assumption is noted in the fiscal text.

These fiscal notes:

- Define the savings generated by the new ATAP program design on the AFDC component.
- Identify the effect of increased child support collections on funding for AFDC component;

- Request funds for Safety Net Services, including intensive case management and alternative living arrangements for teen parents as well as emergency food services for families;
- Provide for the costs of investigating the appropriateness of living arrangements for teen parents; and
- Cover the cost of the child support enforcement occupational licensing provisions on the administration of licenses for emergency medical personnel.

1. AFDC Component (Alaska Temporary Assistance Program)

This legislation establishes a new program design to provide assistance with living expenses, establish work activities, and provide self-sufficiency services to low-income families with children through the Alaska Temporary Assistance program.

Child Support Enforcement Occupational/Drivers License Provisions - Bill Section 22

This legislation also includes amendments to the Child Support Enforcement statutes. The occupational and drivers licensing provisions of the child support amendments, which also take effect upon the enactment of federal welfare reform, will increase the amount of support collected on behalf of ATAP children. The state share of child support collected on behalf of ATAP children is transferred to DHSS as General Fund Program Receipts, which reduce the need for unencumbered General Fund money in the AFDC component.

Alaska Temporary Assistance Program

Section 7 of the bill authorizes the Alaska Temporary Assistance program. References in this section of the analysis point to sections of the proposed statutory language within section 7.

Benefits Based on Household Expenses - 47.27.025(a)

This section provides for the establishment of payment standards that take into account a family's income, assets, and other resources. DHSS will establish standards whereby families with lower living costs will receive smaller benefit payments than similar families paying full market price for living costs. This provision will be implemented gradually beginning in January 1997. By January 1998, the benefits of most families with low housing and basic utility costs will be reduced by up to 30 percent of the maximum assistance payment. At full implementation, approximately 2,600 families per month will receive a reduced benefit because they have low living expenses.

No Additional Assistance for Second Parent - 47.27.025(b)(2)

This section provides that the current \$102 per month assistance payment increment for the second parent in two-parent households be eliminated, unless one of the parents is medically incapacitated. Under this provision, most two-parent families would qualify for the same amount of assistance as a single-parent family with the same number of children.

Seasonal Benefit Reduction for Two-Parent Families - 47.27.025(c)

This section limits the assistance payment to most two-parent families to 50 percent of the normal maximum benefit during the months of July, August, and September when work is available. The reduction does not apply to two-parent families if either parent is physically or mentally incapacitated.

Increased Earned Income Disregards: Elimination of the "100-Hour Rule" - 47.27.025, 47.27.005(2)

The earned income "disregards" (the amounts of money a family may earn before the earnings are counted against their assistance benefit) are designed to make work pay and encourage ATAP parents to work and gain job experience by allowing working families to keep some of the income they earn. DHSS will use the authority granted in these bill sections to increase the earned income disregards.

Increasing the disregards initially increases costs because families with earnings receive larger assistance grants than they do under existing rules. The costs are more than offset by savings that result from increases in the number of families with a working member, increases in the earnings of working families, and from families that lose eligibility because of employment resulting from the increased incentives to work.

Currently, the first \$90 per month of earnings are disregarded for all families. For the first four months an individual has earnings, an additional \$ 30 per month plus one-third of the remainder is disregarded. After the applicable disregards are applied, the remaining income reduces the family's monthly grant by 89.87 cents for every dollar of income.

Beginning in July 1998, the new earned income disregards will be the first \$300 per month plus 40 percent of the remainder for the family's first year on assistance. \$300 plus 30 percent in the second year, \$300 plus 20 percent in the third year, and \$300 plus 10 percent in years four and five. After application of the disregard, assistance will be reduced dollar-for-dollar by the remaining countable income.

The Administration also plans to discontinue the current federal AFDC "100-hour-rule" which limits the number of hours the primary earner in a two-parent household may work without losing eligibility; pending federal block grant legislation is not expected to require application of the 100-hour rule. The removal of this disincentive to work is also expected to produce savings.

Automobile Allowance - 47.27.025, 47.27.005(2)

Existing federal AFDC rules require that all but the first \$1,500 in the equity value of a family's vehicle be counted against the \$1000 AFDC asset limit. This policy is a significant disincentive and barrier to work, since families cannot own a reliable car that

would help them find a job and keep working. DHSS plans to use the rulemaking authority provided in this bill allow families to own one vehicle regardless of value.

This provision initially incurs some additional costs because some families which would otherwise be ineligible because of the value of a vehicle would become eligible, and is expected to generate a net savings in the long term because families will be better equipped to remain employed when they have reliable transportation.

Diversion Payments - 47.27.026

This provision will give families an alternative to long-term ATAP dependency by offering eligible, job-ready ATAP applicants a one-time lump-sum payment in lieu of ongoing eligibility, to meet critical needs while they obtain employment and/or child support. The Diversion payment amount will be based on actual, immediate needs and is limited to a maximum of two months' worth of regular benefits. Families that opt for a diversion payment will have the diversion payment counted as income if they reapply for ATAP within 3 months. The Diversion program produces program savings by enabling a quick return to the work force for applicants who might otherwise need assistance for several months.

Assistance to Minors - 47.27.027

This section provides that, with specified exceptions, unmarried minor parents must live with a parent, another adult relative, or a legal guardian. If no such safe living arrangement is available, they must live in another adult-supervised living arrangement. Teen parents who do not cooperate with these requirements are ineligible for ATAP benefits. This provision produces savings by reducing the number of eligible teen parents. Teen parents who cooperate with the requirements will receive intensive case management services and some will need help to secure appropriate housing; the costs of these additional services are covered in the Public Assistance Administration component.

Participation in Work Activities - 47.27.035

This section requires recipients to participate in a range of activities that are designed to transition most families into work as soon as possible, and no later than 24 months after they begin receiving assistance. Work activities are tied to other self-sufficiency activities set for in each family's self-sufficiency plan, as required in new statutory section 47.27.030. These new requirements, combined with the enhanced work incentives, produce substantial program savings through reductions in the caseload and increases in the earned income of recipients.

Sanctions - 47.27.015, 47.27.027, 47.27.030, 47.27.035, 47.27.085

The bill sections that prohibit transferring assets to become eligible, disqualify families if a family member refuses or quits a job without good cause, require teen parents to attend school, require family self-sufficiency plans, require participation in work activities, and

impose fraud disqualification penalties all impose financial penalties on families that fail to comply with certain program requirements. These provisions are expected to produce substantial savings in program costs.

Child Support Pass-Through Payments - 47.27.040(c)

This bill section authorizes continuation of the \$50 per month child support pass-through payment. Current federal law requires that the first \$50 per month of child support collected for children included in a single-parent AFDC case be paid to the AFDC custodial parent as an incentive for the parent to cooperate in the continued location of the absent parent and in the collection of support. Pending federal law changes will eliminate current federal funding for 50 percent of the cost of pass-through payments. This provision produces additional program costs for replacement of the lost federal share.

**2. PFD Hold Harmless Component**

PFD hold harmless program benefits replace public assistance benefits when receiving the dividend causes individuals to lose eligibility or have benefits reduced. PFD hold harmless funds approximately 10 percent of annual AFDC benefit costs. The AFDC component savings produced by this legislation produce proportionate savings in the PFD hold harmless component.

**3. Public Assistance Administration Component**

Services for Teen Parents In Section 7 of the bill, new statutory section 47.27.027 provides that an unmarried minor custodial parent must live with a parent or another relative. If no such safe home is available, teen parents are required to live in an approved, adult-supervised, supportive setting. New statutory section 47.27.005(1) authorizes self-sufficiency services for ATAP recipients. The costs for these services are documented in the fiscal note.

Alternate Housing for Teen Parents

Pending federal welfare reform legislation requires states help teen parents find alternate housing if they cannot live at home. These community grant funds will be used to develop a supply of alternate housing for teen parents who cannot live at home. Grantees will provide "Second Chance Homes", which would provide shelter, as well as parenting, life skills, health and pregnancy prevention services to teen mothers.

Case management services for teen parents and their children

These grants will procure intensive case management services to help teen parents who cannot live at home identify and arrange for alternative, adult-supervised, safe living arrangements for approximately 35 teen parents.

Needs Study

Section 50(a) of the bill requires DHSS conduct a comprehensive needs study to evaluate and form recommendations about the maximum monthly benefit standards for the temporary assistance program. Funds are required to engage an independent contractor to conduct the study and complete a report.

Emergency Food Services

About 225 agencies in Alaska distributed or provided 2.24 million pounds of food to needy families and individuals in 1995. This community service is an essential part of the state's safety net. Federal funding for food assistance is shrinking. Food donations to the agencies come from the private sector - individuals as well as corporations and local groups.

Welfare and other low-income families need emergency food in many situations. They may be waiting for their first paycheck after starting a new job, waiting for unemployment benefits after being laid off, or waiting for their application for assistance to be processed. They may suffer an unexpected catastrophe, or have a Veteran's benefit, SSI, welfare or other check delayed or lost in the mail.

Because of their concern that welfare reform and other federal budget cuts will reduce funding for the food network, and benefit reductions and other changes to the welfare system will create additional demand for emergency food, DHSS joined with food distribution groups to organize the agencies in the food network as the *Alaska Food Coalition*. Agencies which distribute food run on extremely tight budgets, and many may have to close when federal cuts eliminate their slim operating budgets.

The requested grant funds will be distributed to community food distribution organizations to support the development of more efficient, centralized collection and distribution centers for donated emergency food supplies

Welfare Reform Research, Monitoring, and Evaluation Staff

In bill section 7, new statutory section 47.27.005(7) requires DHSS to conduct research and monitor the effectiveness of the new Temporary Assistance program. Funding for a research analyst position is required for this new policy support and accountability activity.



# FISCAL NOTE

No. 21

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98 (FIN)

(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program.</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>AFDC</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>220</u>
	See also (SN#): _____

Expenditures/Revenues:	(Thousands of Dollars)					
	FY97	FY98	FY99	FY00	FY01	FY02
<b>OPERATING EXPENDITURES</b>						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(1,489.7)	(5,057.1)	(9,994.9)	(11,692.7)	(11,892.8)	(11,990.4)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(1,489.7)</b>	<b>(5,057.1)</b>	<b>(9,994.9)</b>	<b>(11,692.7)</b>	<b>(11,892.8)</b>	<b>(11,990.4)</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	(673.3)	(2,295.9)	(4,537.7)	(5,308.5)	(5,399.3)	(5,443.6)
1003 GF Match	(1,701.9)	(4,565.3)	(5,180.5)	(5,308.5)	(5,399.4)	(5,443.7)
1004 GF						
1005 GF/Program Receipts	1,022.6	2,269.4	642.8	0.0	0.0	0.0
1037 GF/Mental Health						
Other 1007 I/A Receipts	(137.1)	(465.3)	(919.5)	(1,075.7)	(1,094.1)	(1,103.1)
<b>TOTAL</b>	<b>(1,489.7)</b>	<b>(5,057.1)</b>	<b>(9,994.9)</b>	<b>(11,692.7)</b>	<b>(11,892.8)</b>	<b>(11,990.4)</b>

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

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

Comprehensive Approach

This legislation amends the public assistance statutes and replaces the Aid to Families with Dependent Children (AFDC) program with a new program, The Alaska Temporary Assistance Program. It includes several provisions that impact program costs.

General Assumptions: We assume, for purposes of this analysis, that the anticipated changes in federal law take effect on October 1, 1996 and that the state regulations necessary to implement each of the provisions of this bill take effect by the effective dates noted. We assume no impact on program costs due to the 60-month time limit because all individuals subject to the time limit go to work before receiving 60 months of assistance. The only individuals who continue to receive assistance after 60 months are those who are exempt from the provision. Only provisions with significant cost impacts are included in this analysis.

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

Approved by Com: Karen Pedue, Commissioner *Karen Pedue*  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 04/20/96

Date: 4-20-96

*Page 9 of 9*

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ANALYSIS (cont.):							
Alaska Temp. Assist. Pgm	FY97	FY98	FY99	FY00	FY01	FY02	Total
Work Incentives: Earned Income Disregards, Job Retention, 24-Month Time Limit, Auto Allowance, & Diversion	\$ (270.1)	\$ 1,958.2	\$ (1,797.8)	\$ (3,685.3)	\$ (4,039.8)	\$ (4,137.4)	\$ (11,972.2)
Benefit Reductions: Seasonal Benefits, Transfer of Assets, No Add'l Assistance for 2nd Parent and Benefits based on Household Expenses	\$ (1,590.8)	\$ (7,457.7)	\$ (8,639.5)	\$ (8,449.8)	\$ (8,295.4)	\$ (8,295.4)	\$ (42,728.6)
Minor Teen Parents	\$ (78.8)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (866.8)
Child support pass-through	\$ 450.0	\$ 500.0	\$ 600.0	\$ 600.0	\$ 600.0	\$ 600.0	\$ 3,450.0
Totals	\$ (1,489.7)	\$ (5,057.1)	\$ (9,994.9)	\$ (11,692.7)	\$ (11,892.8)	\$ (11,990.4)	\$ (52,117.6)

### WORK INCENTIVES

**Family Self-Sufficiency Plan and Participation in Work Activities:** Effective January 1, 1997, most families must cooperate in developing a self-sufficiency plan and participate in work activities. Failure to comply results in a reduction in assistance. With specified exceptions, families may not receive more than 24 months of assistance within a 60-month period.

**Earned Income Disregards:** Effective July 1, 1998. The earned income disregards are increased to allow families to keep more of the income they earn and encourage recipients to gain the job experience that is essential to long-term self-sufficiency. The disregards are phased down slowly over four years.

**Job Retention:** Effective January 1, 1997. Denies assistance to families when the adult applicant or caretaker refuses or quits a job without good cause.

**Automobile Allowance:** Effective January 1, 1997. Allows each family to own one vehicle, regardless of value, before the equity is counted to determine eligibility.

**A Diversion Program:** Effective January 1, 1997. Diversion payments provide eligible families an alternative to long-term dependency by offering applicants a one-time lump-sum cash payment to meet critical needs while they obtain employment and/or child support.

**Seasonal Benefit Reduction for Two Parent Families:** Effective July 1, 1997. Assistance payments to able-bodied, two parent families are reduced by 50% during the summer months of July, August and September when work is available.

### OTHER PROGRAM PROVISIONS

**Transfer of Assets:** Effective January 1, 1997. Denies assistance to families if an adult member intentionally transfers an asset for less than fair market value for the purpose of establishing eligibility for assistance.

**No Additional Assistance for the Second Parent in Two Parent Families:** Effective January 1, 1997. Eliminates the additional \$102 payment for the needs of the second parent in Unemployed Parent households.

**Benefits based on household expenses:** Effective January 1, 1997. Families that pay little or no housing costs receive a smaller assistance payment than families that pay market value for their housing.

**Assistance to Minors:** Effective January 1, 1997. With specified exceptions, requires unmarried minor parents to live with a parent or legal guardian, an adult relative, or in another adult-supervised living arrangement.

**Child Support Pass-Through:** Effective October 1, 1996. This section continues the state share of the child support pass-through payment, paid to recipients for whom CSED receives monthly child support collections.

**Child Support Collections:** The child support enforcement occupational and driver's license provisions of this legislation increase child support collections for AFDC children and shift program funding from general fund to general fund program receipts dollar for dollar.

# FISCAL NOTE

No. 22

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Bill Version: CSSR 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: \_\_\_\_\_  
 Title: Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program.  
 Sponsor: Senate HESS  
 Requestor: Senate Finance

Dept. Affected: Health and Social Services  
 BRU: Public Assistance  
 Component: PFD Hold Harmless  
 COMPONENT SERIAL NO. 225  
 See also (SN#): \_\_\_\_\_

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(137.1)	(465.3)	(919.5)	(1,075.7)	(1,094.1)	(1,103.1)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(137.1)</b>	<b>(465.3)</b>	<b>(919.5)</b>	<b>(1,075.7)</b>	<b>(1,094.1)</b>	<b>(1,103.1)</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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**FUND SOURCE**

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1050 PFD Fund	(137.1)	(465.3)	(919.5)	(1,075.7)	(1,094.1)	(1,103.1)
<b>TOTAL</b>	<b>(137.1)</b>	<b>(465.3)</b>	<b>(919.5)</b>	<b>(1,075.7)</b>	<b>(1,094.1)</b>	<b>(1,103.1)</b>

Estimate of any current year (FY96) cost: \$0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

PFD Hold Harmless payments replace AFDC benefits when receiving the dividend causes individuals to lose eligibility or to have benefits reduced. The AFDC policy provisions contained in this bill reduce costs in the AFDC component and produce proportional reductions in PFD Hold Harmless costs.

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: 04/20/96  
 Date: 4-20-96

Page 11 of 12

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

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**

FY97	\$	137.1
FY98	\$	465.3
FY99	\$	919.5
FY00	\$	1,075.7
FY01	\$	1,094.1
FY02	\$	1,103.1

# FISCAL NOTE

No. 23

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act related to the AFDC program, demonstration projects and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Public Assistance Admin</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>233</u>
	See also (SN#): _____

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	61.0	61.0	61.0	61.0	61.0	61.0
TRAVEL	2.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	2.0	92.0	2.0	2.0	2.0	2.0
SUPPLIES	0.5	0.5	0.5	0.5	0.5	0.5
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	155.0	260.0	260.0	260.0	260.0	260.0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>220.5</b>	<b>415.5</b>	<b>325.5</b>	<b>325.5</b>	<b>325.5</b>	<b>325.5</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	32.7	77.7	32.7	32.7	32.7	32.7
1003 GF Match	32.8	77.8	32.8	32.8	32.8	32.8
1004 GF	155.0	260.0	260.0	260.0	260.0	260.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>220.5</b>	<b>415.5</b>	<b>325.5</b>	<b>325.5</b>	<b>325.5</b>	<b>325.5</b>

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

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

This legislation creates a need for additional safety net services for low-income Alaska families in addition to the services provided under the Alaska temporary assistance program.

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

Phone: 465-2680  
 Date: 04/20/96  
 Date: 4-20-96

*Page 13 of 13*

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**ANALYSIS (cont.):**

**TEEN PARENT SERVICES:** Section 7 of this legislation provides that a minor parent must live with a parent or another relative unless no such safe home is available. We assume that the regulations to implement this provision take effect on 1/1/97.

**Investigations:** Funds for the investigation of homes when the teen claims the family home is unsafe are requested in a separate fiscal note prepared by the Division of Family and Youth Services.

**Case Management Services:** Existing case management services will be enhanced to assist those teens who are not able to live at home in identifying alternative living situations with relatives or other suitable adults. Grants to provide these additional services is \$85,000 per year.

**Alternate Living Arrangements:** If there is no safe, available family home for the teen parent, the teen must live in an alternate, adult-supervised setting. \$125,000 in community grants will develop and provide supervised alternate teen parent housing when no other appropriate placement is available. These funds are expected to pay for approximately 35 placements at \$3,570 per year.

Total annual cost of this provision is \$210,000. The cost is half in the implementation year of FY98.

**NEEDS STUDY:** Section 50 of this legislation directs the Department to conduct a comprehensive needs study and submit the results to the Legislature in January 1999. An independent contractor will conduct this study; estimate cost is \$90,000 in FY98.

**EMERGENCY FOOD SERVICES:** Welfare reform will reduce benefits to low-income families. To maintain a safety net for families, \$50,000 in grants is needed to assist community organizations to establish and operate emergency food programs.

**WELFARE REFORM POLICY SUPPORT STAFF:** A Research Analyst III is needed to support the development, implementation, and monitoring of the new Alaska Temporary Assistance program. Funding for an existing Research Analyst III position for welfare reform, which was requested in the FY97 Governor's budget, has been deleted. The annual cost for this position is \$65.5 (\$61 personal services, \$20 travel, \$2.5 office space and supplies).

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

No. 24  
Bill Version: CSSB 98 (FIN)  
(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act Related to the AFDC program, demonstration projects, and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Public Assistance Data Processing</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>240</u>
	See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	543.0	543.0	543.0	543.0	543.0	543.0
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						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FL ND SOURCE (Thousands of Dollars)

FL ND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	244.3	244.3	244.3	244.3	244.3	244.3
1003 GF Match	271.5	271.5	271.5	271.5	271.5	271.5
1004 GF	27.2	27.2	27.2	27.2	27.2	27.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>	<b>543.0</b>

Estimate of any current year (FY96) cost: \$0.0

**POSITIONS:**

POSITIONS:	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	9	9	9	9	9	9
PART-TIME						
TEMPORARY						

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

The Eligibility Information System (EIS) is a large, complex data system with several subsystems. Whether welfare reform is implemented under passage of Federal legislation or State legislation under a Federal waiver package, extensive modifications to the Division's Eligibility Information System (EIS) and its subsystems will be necessary.

Welfare reform modifications to the EIS and its subsystems, the JOBS Automated System (JAS), and the JOBS Child Care and Supportive Service Payments System (JASP), will require a level of effort in excess of 15,000 hours or 116 FTE-months.

The effort includes the analysis, design, development, testing, and implementation of new system functionality implementing changes in program policy that revise or replace the Aid to Families with Dependent Children and Alaska Work Programs. Policy changes impact systems programs for Medicaid and will potentially impact the Food Stamp program, too.

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

Phone: 465-2680  
Date: 04/20/96

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

Date: 4-20-96

**ANALYSIS (cont.):**

To undertake the changes to the Eligibility Information System and its subsystems necessary to implement welfare reform the following assumptions were applied in determining costs:

1. The EIS modifications will require a combination of state data processing staff and contractor staff.
2. The project level of effort requires 116 FTE months for analysis, design, development, testing, and implementation.
3. The project will require a minimum of 12 calendar months to complete the analysis, design, development, testing, and implementation.
4. Some of the requirements design must begin no later than July 1, 1996, requirements and design must be complete and programming started no later than December 1996. Some testing must begin by April 1997.
5. The contractor programming costs are covered in other budget requests, and assume the passage of the FY96 Supplemental request of \$3.5 million.
6. Other states with similar waiver proposals, such as Arizona and Indiana, had similar system approaches and costs.
7. The State personal services cost includes 9 data processing positions that were previously requested but removed from the Divisions FY97 PA Data Processing budget.
8. Calculations FY 97 include:

FTE	Job Class	Range	Cost	Location
1	Analyst/Programmer V	R21	\$74.8	Anch
3	Analyst/Programmer IV	R19	\$206.9	Anch
1	Analyst/Programmer III	R17	\$57.6	Anch
3	Public Assistance Analyst I's	R16	\$169.3	Anch
1	Administrative Clerk II	R08	\$34.4	Anch
9.0	Personal Services Total		\$543.0	

This is not a request for new positions; it is a request for funding to maintain the incumbents in six existing PCNs and fill three vacant PCNs.

# FISCAL NOTE

No. 25

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

.1 Version: CS SB 98 (FIN)  
(S) Publish Date: 4-22-96

Revision Date: \_\_\_\_\_  
Title: An Act related to the AFDC Program, Demonstration Projects, and Payment Reductions  
Sponsor: Senate HESS  
Requestor: Senate (FIN)

Dept. Affected: Health and Social Services  
BRU: Family and Youth Services  
Component: DFY3 Central Office  
COMPONENT SERIAL NO. 259  
Sec also (SN#): \_\_\_\_\_

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY97	FY98	FY99	FY00	FY01	FY02
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	33.8	33.8	33.6	33.8	33.8	33.8
SUPPLIES	2.6	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	4.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>100.2</b>	<b>93.8</b>	<b>93.8</b>	<b>93.8</b>	<b>93.8</b>	<b>93.8</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	100.2	93.8	93.8	93.8	93.8	93.8
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
<b>TOTAL</b>	<b>100.2</b>	<b>93.8</b>	<b>93.8</b>	<b>93.8</b>	<b>93.8</b>	<b>93.8</b>

**POSITIONS:**

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

Estimate of any current year (FY96) 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.

The Division of Public Assistance expects 180 applications from unwed teen parents. It can be anticipated that 40 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 80 hours of contracted social worker time per year for continued assessment.

Continued

Prepared by: L. Diane Worley, Director  
Division: Family & Youth Services  
Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Phone: 465-3191  
Date: 04/19/96  
Date: 4-22-96

Page 17 of C

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**ANALYSIS (cont.):**

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 also be necessary.

**Contract Clinical Social Worker (12 months)****Intake Assessment/Evaluation**

40 referrals x 10 hours = 400 hours x \$70/hr = \$28,000.00

**Re-evaluations for maintenance caseload**

80 hours x \$70/hr = \$5,600.00

Social Worker IV Range 18 Juneau State Office \$58,900.00

Travel: 1 trip to Fairbanks, 1 trip to Anchorage \$1,100.00

Equipment (Computer, Software) \$4,000.00

Supplies (Desk, Chair, Telephone, Office Supplies) \$2,580.00

**TOTAL \$100,200.00**

The personal services cost for the Social Worker IV is calculated for one year rather than six months as this person will have to be hired and trained for the entire Fiscal year in order to be ready to do the job by January 97. The contractual costs will be double the first year in order to process the initial investigations required by this fiscal note.

The equipment and supplies will decrease after the initial set up year for this position. The continuing office supplies should cost approximately \$200/yr for the continuing position.

It is not possible to project the fiscal impact of the amendment which includes licenses granted under 47.35 with those occupational licenses which may be adversely affected by child support arrearages. The division licenses approximately 980 foster homes and approximately 550 child care facilities. Most areas of the state constantly face a shortage of foster homes, and the loss of any of the existing homes will increase staff time in locating placements for children who cannot remain at home. It is possible that additional group homes or residential child care facilities will have to be developed, at a much higher daily cost, to offset the loss of those homes. In addition to unnecessary cost increases, it would be unfair to place children who could function well in foster care into more institutional living arrangements. Division staff time will also be negatively impacted in helping parents to find alternative day care arrangements when a provider's license is affected. Most communities also already face a shortage in licensed day care.

# FISCAL NOTE

No. 26

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Bill Version: CSSR 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An act relating to AFDC and demonstration projects.</u>	BRU: <u>Medical Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Medicaid Services</u>
Requestor: <u>Senate FIN</u>	COMPONENT SERIAL NO. <u>2077</u>
	See also (SN#): _____

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS						
<b>TOTAL OPERATING</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>

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

(Thousands of Dollars)

	FY97	FY98	FY99	FY00	FY01	FY02
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						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</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>

Estimate of any current year (FY98) cost: \$0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

For the purpose of welfare reform, CSSB 98 (FIN) directs the department to establish pilot projects that will encourage people to move from assistance to work. These pilot projects will require federal waivers. If federal welfare reform legislation is enacted, this bill establishes the Alaska Temporary Assistance Program. This bill contains no provision that directly alters the Medicaid program.

Under the waiver approach, people who lose Aid To Families With Dependent Children (AFDC) payments due to the waiver will continue to be eligible for Medicaid. Consequentially, this portion of the bill will have no measurable fiscal effect on the Alaska Medicaid program.

Under federal welfare reform, the link between Medicaid and AFDC (or what ever other program is established) is uncertain. Some welfare reform proposals require Medicaid to use current AFDC rules. Other proposals require Medicaid eligibility to be determined separately from any cash assistance program. Since the link between federal welfare reform and Medicaid is uncertain, the Division of Medical Assistance cannot determine this bill's fiscal impact on the Alaska Medicaid program.

Prepared by: Jon Sherwood  
Division: Medical Assistance

Phone: 465-3355  
Date: 04/19/96

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

Date: 4-21-96

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STATE OF ALASKA  
1996 LEGISLATIVE SESSION

No. 27

Bill Version: CS SR 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An act related to the AFDC program, BRU: State Health Services  
demonstration projects and payment reduction Component: Community Health/EMS Services  
 Sponsor: Senate HESS COMPONENT SERIAL NO. 2078  
 Requestor: Senate Finance See also (SN#): \_\_\_\_\_

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	0.9	0.9	0.9	0.9	0.9	0.9
TRAVEL						
CONTRACTUAL	10.5	0.5	0.5	0.5	0.5	0.5
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>11.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</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						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify) 1007 I/A	11.4	1.4	1.4	1.4	1.4	1.4
<b>TOTAL</b>	<b>11.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Personal Services Line 100

Most of the reviewing of licensing will be conducted during the renewal period of November through February. During this time, it is estimated that 40 hours of overtime @ \$16.82/hour of an Administrative Clerk III plus benefits will be needed for the additional work, or \$864.61.

Contractual Line 300

\$10.0 will be needed in the first year in professional services to reprogram the EMS certification database.  
 \$0.5 will be needed each year for the printing of the temporary licenses and mailing them out.

It is anticipated that these funds will be transferred from the Department of Revenue, Child Support Enforcement Division.

Prepared by: Peter M. Nakamura, MD, MPH *PMN*  
 Division: Public Health

Phone: (907) 465-3090  
 Date: 04/11/96

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

Date: 4-20-96

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*Page 20 of C*  
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## CHILD SUPPORT PROVISIONS IN CSSB98(Fin)

### Suspension/Revocation of Occupational and Driver's Licenses

- ▶ 32 states already have occupational and/or driver's license suspension/revocation laws.
- ▶ State legislation is required in all versions of federal welfare reform legislation.
- ▶ Occupational/driver's licensing provisions in CSSB98(FIN) will go into effect only upon the effective date of federal legislation and will sunset two years after the effective date of the state legislation.
- ▶ During a two year period, this legislation will increase collections by approximately 25%. The State is estimated to receive an additional \$3,934.8 in AFDC reimbursements and custodial families may receive up to \$16 million in additional child support. The State will receive a 10:1 return on an investment of \$391.9.
- ▶ Obligor must be in substantial compliance to avoid any adverse action. Substantial compliance is defined as being no more than four months in arrears on a support order or a payment plan.
- ▶ DMV will issue the driver's license and will notify the obligor that suspension will occur in 150 days unless the obligor works with CSED to establish a payment plan or come into compliance with the support order.
- ▶ The Division of Occupational Licenses will issue a temporary license for 150 days and will notify the obligor that the permanent license will not be issued unless the obligor works with CSED to establish a payment plan or come into compliance with the support order.
- ▶ The obligor is sent warning letters prior to any revocation action. The obligor has the right to a judicial review.

### Reduction in Interest Rate

- ▶ Late payments will accrue 6% simple interest. Existing interest rate is 12%.

### Relief from Administrative Order

- ▶ CSED will be able to correct clerical mistakes and errors on the part of CSED when establishing a child support order.
- ▶ CSED will be able to vacate an order which was based upon a default amount. CSED will then establish a new order, with arrears that reflect the true income of the obligor which existed during the time period of the default.

(OVER)

**Relief from Administrative Orders (continued)**

- ▶ CSED will be able to "clean up" some of the 4,400 default cases, representing \$103 million in arrears.
- ▶ Only the obligor can apply for a vacated and reestablished order in default cases.
- ▶ Both the custodian and the non-custodial parent will receive notification of a proposed action. The custodial parent will have the opportunity to contest the action.

**Grandparent Liability**

- ▶ Both maternal and paternal grandparents of teen parents will share the responsibility of support for the grandchild.
- ▶ A child support order for grandparents will be based upon a proportionate share of the costs of raising the grandchild, but would not exceed the amounts allowed under Civil Rule 90.3.
- ▶ A grandparent is defined as the natural or adoptive parent of the minor child.