SB

98

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/28/95 FURTHER:

DATE TURNED INTO OFFICE: 4-22-96

The Finance Committee considered SENATE BILL NO. 98

Changes related to the aid to families with dependent children program, the Medicaid program, the general relief assistance program, and the adult public assistance program; efd.

and recommends:

[✓] be replaced with ____ CS SB 98 (Fin)

[ ] adopt previous ____ CS ____ (____)

[ ] attached amendment(s)

[ ] adopt Letter of Intent by ____ Committee

[ ] further referral to the ____ Committee

Senate Bill:
[ ] same title
[✓] new title

House Bill:
[ ] same title
[ ] technical change
[ ] new: SCR#____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
Rod E Allen II Amended	✓		✓		
	✓		✓		
	✓				
Co-Chair:	✓				
Co-Chair:	✓				

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
Fiscal Notes to be received from DHHS Saturday 26 new notes			

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

[ ] APPROPRIATION -- no fiscal note

*Include fiscal notes accompaning Governor's bill

Fiscal Notes for CSSB 98 (Fin)	Cost	Revenue
1. DOR (Child Support Enforcement	$1,276.7	$1,022.6
2.. DOE (Teacher Certification)	16.4	
3. DOLabor (Mechanical Insp.)	58.8	
4. DOLabor (Occ.Safety & Health)	50.0	
5. DOLabor (Wage & Hour Admin.)	0	
6. DPS (Driver Services)	159.7	582.8
7. DC&ED (Banking, Sec. & Corps.)	29.1	29.1
8. DC&ED (Occup.Licensing)	83.5	83.5
9. DC&ED (Insurance)	26.0	26.0
10. DF&G (Admin.)	91.0	
11. DF&G (Limited Entry)	40.8	
12. DH&SS (AFDC)	(690.4)	
13. DH&SS (PFD Hold Harmless)	(63.5)	
14. DH&SS (Pub.Asst.Admin.)	297.2	
15. DH&SS (Alaska Work Program)	0	
16. DH&SS (Pub.Asst.Data Proc.)	543.0	
17. DH&SS (Child Care Benefits)	0	
18. DH&SS (DFYS Central Office)	100.2	
19. DH&SS (Medicaid Services)	0	
20. DH&SS (AFDC)	(1,489.7)	
21. DH&SS (PFD Hold Harmless)	(137.1)	
22. DH&SS (Pub.Asst.Admin.)	220.5	
23. DH&SS (Pub.Asst.Data Proc.)	543.0	
24. DH&SS (DFYS Central Office)	100.2	
25. DH&SS (Medicaid Services)	0	
26. DH&SS (Community Health/EMS Services)	11.4	

comprehensive budget

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98 (FIN)

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						
TOTAL OPERATING	1,276.7	1,219.1	303.7	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )	1,022.6	2,269.4	642.8	0.0	0.0	0.0

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			
TOTAL	1,276.7	1,219.1	303.7	0.0	0.0	0.0

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
Phone: 269-6801
Date: 4/19/96
Approved by
Commissioner: Wilson Condon
Date: 4/21
Agency: Dept. of Revenue

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

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:	Glenda Straube	Phone:	269-6801
Division:	Child Support Enforcement Division	Date:	4/19/96
Approved by Commissioner:	Wilson Condon	Date:	4/21
Agency:	Revenue		

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CS SB 98 (FIN)

Revision Date: 4/19/96
Title: Personal Responsibility Act of 1995

Department Affected: Education
BRU: Teaching and Learning Support
Component: Teacher Certification

Sponsor: Senate HESS Committee
Requester: Senate Finance Committee

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						
TOTAL OPERATING	16.4	17.8	4.4	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES						

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
TOTAL	16.4	17.8	4.4	0.0	0.0	0.0

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: Richard S. Cross, Deputy Commissioner
Agency: Education
Date: April 19, 1996

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98(FIN)

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						
TOTAL OPERATING	58.8	45.4	23.7	0.0	0.0	0.0
CAPITAL						
CHANGE IN REVENUE FUND SOURCE						

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
TOTAL	58.8	45.4	23.7	0.0	0.0	0.0

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
Division: Labor Standards and Safety
Phone : 269-4914
Date : 4/19/96

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

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

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
Line 100 - Personal Services		
1 PFT Admin Clerk III (10 A/B) Anchorage		
Salary	25.5	26.6
Benefits	11.6	12.1
TOTAL	37.1	38.7
Line 200 - Travel	0.0	0.0
Line 300 - Contractual Services		
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
	14.5	6.2
Line 400 - Commodities		
Office and DP Supplies	0.7	0.5
Line 500 - Equipment		
Workstation, chair, and computer with software (FY97 one-time)	6.5	0.0
TOTAL	58.8	45.4

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98(FIN)

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						
TOTAL OPERATING	50.0	32.7	17.1	0.0	0.0	0.0
CAPITAL						
CHANGE IN REVENUE FUND SOURCE #						

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
TOTAL	50.0	32.7	17.1	0.0	0.0	0.0

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 Dwight Gubbins Phone: 269-4914
Division: Labor Standards and Safety Date: 4/19/96

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

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

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
TOTAL	50.0	32.7

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98(FIN)

Revision Date:
Title: Personal Responsibility Act
Sponsor: Senate HESS
Requestor: Senate Finance

Department Affected: Labor
BRU: Labor Standards & Safety
Component: Wage and Hour Administration
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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
CHANGE IN REVENUE FUND SOURCE #						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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 for Dwight Jackson Phone: 269-4914
Division: Labor Standards and Safety Date: 4/19/96

Approved by Commissioner: for Ed Mason Tom Cashen, Commissioner
Agency: Department of Labor Date: 4/19/96

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

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO: CSSB 98 (FIN)

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-
CHANGE IN REVENUES (1004) Revenue Code	582.8	183.2	45.8	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/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: Del Smith
Agency: Ronald L. Otte, Dept. of Public Safety
Date: 4/19/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

Rev 11/94

This bill impact's 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 want 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

OPERATING	FY 97	FY 98
Personal Services	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
Travel		
Administrative Travel for mainline supervisor	$ 1.5	$ 1.5
Supplies		
Routine office supplies	$ 2.0	$ 1.0
TOTAL OPERATING	$159.7	$ 85.9

REVENUE	FY 97	FY 98
3,150 Reinstatements 1,575 @100, 1,575 @ $250	$551.3	
3,150 Duplicate license fees @$10	$ 31.5	
390 Reinstatements 495 @100, 495 @250		$173.3
390 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

STATE OF ALASKA — **BILL NO. CSSB 98 (Fin)**

1996 LEGISLATIVE SESSION

Revision Date 4/19/96 — Department: Commerce and Economic Development

Title: Personal Responsibility Act — BRU: Banking, Securities and Corporations

Component: Bankins, 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	FY00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	29.1	24.3	8.1			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	29.1	24.3	8.1	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES	29.1	24.3	8.1			

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			
TOTAL	29.1	24.3	8.1	0.0	0.0	0.0

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 — Phone: 465-2521

Division: Banking, Securities and Corporations — Date:

Approved by Commissioner: William L. Hensley — Date: 4-18-96

Agency: Commerce and Economic Development

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98 (FIN)

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

Department: Commerce and Economic Development
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						
TOTAL OPERATING	83.5	77.2	13.2	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES	83.5	77.2	13.2			0.0

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
TOTAL	83.5	77.2	13.2	0.0	0.0	0.0

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

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

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.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98 (Fin.)

Revision Date: April 19, 1996
Title: Personal Rasponsibility 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						
TOTAL OPERATING	26.0	21.2	5.3	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES	26.0	21.2	5.3			

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1007 Interagency Receipts	26.0	21.2	5.3			
TOTAL	26.0	21.2	5.3	0.0	0.0	0.0

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 — Phone: 465-2597
Division: Insurance — Date: 4/19/96

Approved by Commissioner: William L. Hensley — Date: 4-19-96
Agency: Commerce and Economic Development

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

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98(FIN)

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						
TOTAL OPERATING	91.0	74.0	20.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ( )	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	91.0	74.0	20.0			
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	91.0	74.0	20.0	0.0	0.0	0.0

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

POSITIONS

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 licensee, which in turn will cause delays in hiring crew in the fishing industry.

Prepared by: Kevin Brooks, Director Kevin Brooks Phone: 465-5999
Division: Administration Date: 4/18/96

Approved by Commissioner: Frank Rue Glenn Brucker for Date: 4/18/96
Agency: Fish and Game

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CS SB98 (FIN)

Revision Date:
Title: Personal Responsibility Act of 1995
Sponsor: Senate Finance Committee
Requester: Senate HESS Committee

Dept. Affected: Fish and Game
BRU: Commercial Fisheries (Limited) Entry Commission
Component: Limited Entry Program Administration
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	17.3	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						
TOTAL OPERATING	40.6	20.3	20.3	20.3	20.3	20.3
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
TOTAL	40.6	20.3	20.3	20.3	20.3	20.3

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

POSITIONS

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

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

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.

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

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
Total Operating	$ 250.0	$ (3,128.2)	$ (4,529.1)	$ (4,755.3)	$ (4,944.9)	$ (5,046.4)	$ (22,153.9)
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)
Net GF/GF Match Budget Impact	$ 286.5	$ (1,187.4)	$ (1,804.8)	$ (1,883.1)	$ (1,968.7)	$ (2,014.2)	$ (8,571.7)

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
Total Federal Receipts	$ 27.0	$ (1,545.5)	$ (2,162.9)	$ (2,241.3)	$ (2,326.9)	$ (2,372.5)	$ (10,622.1)

Department of Health and Social Services
Division of Public Assistance
March 21, 1996

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 or participants, monitoring compliance with federal cost-neutrality requirements, and producing interim and final reports on project outcomes.

Services for Teen Parents

Section 2 of this 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

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98 (FIN)
DPA Waiver #1

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
Component: AFDC
Sponsor: Senate HESS
COMPONENT SERIAL NO. 220
Requestor: Senate Finance
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						
TOTAL OPERATING	(690.4)	(4,297.0)	(6,101.7)	(6,857.5)	(7,057.4)	(7,170.7)
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

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)
TOTAL	(690.4)	(4,297.0)	(6,101.7)	(6,857.5)	(7,057.4)	(7,170.7)

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
Division: 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

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

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)	$ (5,865.8)	$ (5,865.8)	$ (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.)

An 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

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98(FIN)
DPA Waiver #2

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						
TOTAL OPERATING	(63.5)	(395.3)	(561.4)	(630.9)	(649.3)	(659.7)
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

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)
TOTAL	(63.5)	(395.3)	(561.4)	(630.9)	(649.3)	(659.7)

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: Arden Perdue, Commissioner
Agency: Department of Health & Social Services
Date: 4-20-96

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

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

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98 (FIN)
DPA Waiver # 3

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: Public Assistance Admin
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)						
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:

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 — Phone: 465-2680
Division: Division of Public Assistance — Date: 04/20/96

Approved by Com: Karen Perdue, Commissioner — Date: 4-20-96
Agency: Department of Health & Social Services

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

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 Coordinater	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 cordinator		30.0
	Teen Parent Services		105.0
	Total		307.2

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		210.0
	Total		532.0

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		210.0
	Total		412.0

Position Title		No. of Positions	Range/Step	Bargaining Unit
Project Coordinator		1	19A	GGU
Time Status	Staff Months	Location		Election District
FT	12 months	Juneau		

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

Page: 1 1

Revised Date:

FY97

Position Title	No. of Positions	Range/Step	Bargaining Unit
Public Assistance Analyst I	1	16A	GGU

Time Status	Staff Months		Location	Election District
FT	12 months		Juneau	

TYPE of EXPENDITURE		AMOUNT
Salary		52.0
Benefits		
Premium Pay		
Other		
Total Personal Services		52.0
Travel		2.0
Contractual		2.0
Commodities		0.5
Equipment		10.0
Other		
Total Cost		66.5
FUNDING SOURCE for TOTAL COST		
1002 Federal Receipts		
1003 GF Match		33.2
1004 General Fund		33.3
1005 GF/Program Receipts		
1007 I/A Receipts		
1037 GF/MH		
1061 CIP Receipts		
Other ( )		

Justification

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.

After assisting with implementation, this position continues as a member of the AFDC policy support unit.

REQUEST for NEW POSITION

AGENCY: Health and Social Services

BRU: Public Assistance

COMPONENT: Public Assistance Admin

FY97

Page: 1 1

Revised Date:

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98 (FIN)
DPA Waiver # 4

Revision Date:
Title: An Act relating 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: Alaska Work Programs
COMPONENT SERIAL NO. 238
See also (SN#):

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
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
TOTAL OPERATING	0.0	0.0	308.0	615.0	615.0	615.0
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)						
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)						
TOTAL	0.0	0.0	308.0	615.0	615.0	615.0

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

Approved by Com: Karen Perdue, Commissioner
Agency: Department of Health & Social Services
Date: 4/21/96

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

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB98 (Fin)
DPA Waiver # 5

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: Public Assistance Data Processing
COMPONENT SERIAL NO. 240
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						
TOTAL OPERATING	543.0	543.0	543.0	543.0	543.0	543.0
CAPITAL EXPENDITURES						
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)						
TOTAL	543.0	543.0	543.0	543.0	543.0	543.0

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

POSITIONS:

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: Karen Perdue, Commissioner
Agency: Department of Health & Social Services
Date: 4-20-96

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

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 997.
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

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98 (FIN)
DP Waiver # 6

Revision Date:
Title: An Act relating 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: Child Care Benefits
COMPONENT SERIAL NO. 1897
See also (SN#):

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
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
TOTAL OPERATING	0.0	0.0	215.8	438.4	448.7	460.5
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)						
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)						
TOTAL	0.0	0.0	215.8	438.4	448.7	460.5

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

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

ANALYSIS (cont.):

Child Care Costs for Workfare:

FY98	FY99	FY00	FY01	FY02
0.0	215.8	438.4	448.7	430.5

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB98(FIN)

Waiver

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	33.6	33.6	33.6	33.6	33.6	33.6
SUPPLIES	2.6	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	4.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	100.2	93.8	93.8	93.8	93.8	93.8
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

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)						
TOTAL	100.2	93.8	93.8	93.8	93.8	93.8

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 — Phone: 465-3191
Division: Family & Youth Services — Date: 04/19/96

Approved by Commissioner: Karen Perdue, Commissioner — Date: 4-26-96
Agency: Department of Health & Social Services

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

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
Equiment (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

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98(FIN)
Waiver

Revision Date:
Title: An act relating to AFDC and demonstration projects.
Sponsor: Senate HESS
Requestor: Senate FIN

Dept. Affected: Health and Social Services
BRU: Medical Assistance
Component: Medicaid Services
COMPONENT SERIAL NO. 2077
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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) 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: 4-20-96

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

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	$ 225.5	$ 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)

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)

Department of Health and Social Services
Division of Public Assistance
March 21, 1996

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 Determation 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 genaral, we assume full funding for the Governor's requests in this analysis. Any exception to that assumtion is noited 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 89.37 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.

4. Public Assistance Data Processing Component

The Eligibility Information System (EIS) is central to the administration of all public assistance programs. DPA field workers perform 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 new temporary assistance program. Funding is needed to provide sufficient programming resources for the necessary EIS modifications.

5. Family and Youth Services, DFYS Central Office Component

Teen Parent Living Arrangement Investigations In Section 7 of the bill, new statutory section 47.27.027 provides that a minor parent must 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.

6. State Health Services, Community Health/EMS Services Component

Funds are necessary to cover the cost of the child support enforcement occupational licensing provisions on the administration of licenses for emergency medical personnel.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98 (FIN)
DPA Comprehensive #1

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
Component: AFDC
Sponsor: Senate HESS
COMPONENT SERIAL NO. 220
Requestor: Senate Finance
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	(1,489.7)	(5,057.1)	(9,994.9)	(11,692.7)	(11,892.8)	(11,990.4)
MISCELLANEOUS						
TOTAL OPERATING	(1,489.7)	(5,057.1)	(9,994.9)	(11,692.7)	(11,892.8)	(11,990.4)
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

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)
TOTAL	(1,489.7)	(5,057.1)	(9,994.9)	(11,692.7)	(11,892.8)	(11,990.4)

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
Division: 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

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

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)	$ (868.8)
Child support pass-through	$ 450.0	$ 600.0	$ 600.0	$ 600.0	$ 600.0	$ 600.0	$ 3,450.0
Totals	$ (1,489.7)	$ (5,057.1)	$ (9,994.9)	$ (11,692.7)	$ (11,892.3)	$ (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

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98(FIN)
DPA Comprehensive #2

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	(137.1)	(465.3)	(919.5)	(1,075.7)	(1,094.1)	(1,103.1)
MISCELLANEOUS						
TOTAL OPERATING	(137.1)	(465.3)	(919.5)	(1,075.7)	(1,094.1)	(1,103.1)
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

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)
TOTAL	(137.1)	(465.3)	(919.5)	(1,075.7)	(1,094.1)	(1,103.1)

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: Karen Perdue, Commissioner
Agency: Department of Health & Social Services
Date: 4-20-96

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

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

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98 (FIN)
DPA Comprehensive # 3

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: Public Assistance Admin
COMPONENT SERIAL NO. 233
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						
TOTAL OPERATING	220.5	415.5	325.5	325.5	325.5	325.5
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

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)						
TOTAL	220.5	415.5	325.5	325.5	325.5	325.5

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
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

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

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

BILL NO. CSSB 98(FIN)
DPA Comprehensive # 4

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: Public Assistance Data Processing
COMPONENT SERIAL NO. 240
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						
TOTAL OPERATING	543.0	543.0	543.0	543.0	543.0	543.0
CAPITAL EXPENDITURES						
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)						
TOTAL	543.0	543.0	543.0	543.0	543.0	543.0

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

POSITIONS:

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

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

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 997.
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

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB98(FIN)
Comprehensive

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	33.6	33.6	33.6	33.6	33.6	33.6
SUPPLIES	2.6	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	4.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	100.2	93.8	93.8	93.8	93.8	93.8
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

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)						
TOTAL	100.2	93.8	93.8	93.8	93.8	93.8

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 — Phone: 465-3191
Division: Family & Youth Services — Date: 04/19/96

Approved by Commissioner: Karen Perdue, Commissioner — Date: 4-24-96
Agency: Department of Health & Social Services

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

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
Equiment (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

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB 98(FIN) Comprehensive

Revision Date:
Title: An act relating to AFDC and demonstration projects.
Sponsor: Senate HESS
Requestor: Senate FIN

Dept. Affected: Health and Social Services
BRU: Medical Assistance
Component: Medicaid Services
COMPONENT SERIAL NO. 2077
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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1007 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) 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: 4-24-96

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

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB98 (Fin)
Comprehensive

Revision Date:
Title: An act related to the AFDC program, demonstration projects and payment reduction
Sponsor: -Senate HESS
Requestor: Senate Finance

Dept. Affected: Health and Social Services
BRU: State Health Services
Component: Community Health/EMS Services
COMPONENT SERIAL NO. 2078
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						
TOTAL OPERATING	11.4	1.4	1.4	1.4	1.4	
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

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
TOTAL	11.4	1.4	1.4	1.4	1.4	1.4

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 those funds will be transferred from the Department of Revenue, Child Support Enforcement Division.

Prepared by: Peter M. Nakamura, MD, MPH
Division: Public Health
Phone: (907) 465-3090
Date: 04/11/96

Approved by Com: Karen Perdue, Commissioner
Agency: Department of Health & Social Services
Date: 4-25-96

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

4-18-96
RP
Moved
Adopted

AMENDMENT ~~#~~ 1

TO: CSSB 98 (FIN) BY
LS0692\B

Page 11, line 17 following during those months

Delete "compared to previous months"

Page 16, line 23

Delete "if" and replace with "when"

4-18-96
SF
offered
Add at
p. 31
before Sec 22.

Adopted
as
amended.

AMENDMENT #2

TO: CSSB 98 (FIN) BY
LS0692\B

AS 25.27 is amended by adding a new section to read:

Sec. 25.27.195 RELIEF FROM ADMINISTRATIVE ORDER. (a) A clerical mistake in an administrative order issued by the agency or an error arising from an oversight or omission by the agency may be corrected by the agency at any time on the motion of an obligor.

(b) Upon the motion of an obligor, the agency may, at any time, vacate an administrative support order issued by the agency under AS 25.27.160 that was based on a default amount rather than on the obligor's actual ability to pay.

(c) Before an order may be vacated under (a) or (b) of this section, the agency must send notice of the intended action to the obligor and the custodian and provided an adequate opportunity for the obligor and custodian to be heard on the issue.

(d) If an order is vacated under (b) of this section, the agency may at the same time issue a new order establishing a support amount, based on information about the obligor's income or on the Alaska average wage standard, for periods of time covered by the previous order. Upon issuance of the new order, the agency may adjust the obligor's account to reflect the support amounts established in the new order. In no case may the agency adjust the obligor's account below zero.

Amend #3
moved Sen. Rieger
w/o objection
adopted
4/18/96

Amendment To CSSB 98 (FIN) By Rieger

Page 31, Line 30

after "section" insert:

"and who have received notice of arrearage at least sixty days prior to the date of placement on the list"

Page 42, Lines 13 - 19
38, lines 2-8

after "applicable," delete all material and insert:

"the obligor has an arrearage which is equal to no more than four months of the monthly ongoing obligation."

moved Sen. Frank
Zharoff
Donley abstain
passed

AMENDMENT #4(c)

OFFERED IN THE SENATE
TO: CSSB98(FIN) 4/18/96

page 47, line 2

Following "child"

Delete "but not to exceed"

Insert "which is limited to a proportionate share of the amount required to provide care in a supervised setting to the [redacted] grandchild or grandchildren, as determined by the court, but in no event more than"

Page 47, line 9:

Following "award.":

Delete "A grandparent ordered to pay child support under this paragraph is considered to be a child support obligor for the purpose of all laws, rules, and regulations relating to child support obligors."

Insert "For the purposes of this paragraph, a grandparent is the natural or adoptive parent of the minor parent."

moved Sen. Sharp
adopted
4/18/96

AMENDMENT #6

BY SHARP

OFFERED IN THE SENATE
TO: CSSB98(FIN) 4/18/96

Page 37, line 13 **DELETE**
Page 37, line 18 DELETE
Page 37, line 22 **DELETE**

Page 37, line 14-21 **renumber** - (line 14 renumber (xvi) and lines 16, [redacted], 20 and 21 accordingly)

4-18-96

9-LS0692\B.1 BS
Lauterbach mowd
4/18/96

Amend # 8
Adopted

AMENDMENT

OFFERED IN THE SENATE BY SENATOR HALFORD

TO: CSSB 98(FIN), draft version "B"

Page 50, line 31:

Delete "sec. 57"

Insert "sec. 53"

4-18-96

Amend #9

BS

moved

Adopted

as amended

AMENDMENT #9

OFFERED IN THE SENATE BY

TO: CSSB 98(FIN)

add to Sec 32

page 44, line 26

Following "provide that"

Delete "that a list of or names of, or information concerning persons applying for or receiving day care assistance under 44.47.250 - 44.47.310 or"

Insert "financial information concerning an eligibility determination of a person or persons applying for or receiving"

Conceptual Amend DD

Penalties are not triggered unless the one who receives info is notified that info must remain confidential.

Page 45, line 3

Replace "or" with "and"

Page 45:

Delete lines 9-19

Adopted 6-1

(See attachment for Sen. Donley's language)

Insert "Section 47.05.030. MISUSE OF PUBLIC ASSISTANCE LISTS AND RECORDS. (a) Except **as provided in (b) of this section and** for purposes directly connected with the administration of general assistance, adult public assistance, the day care assistance program authorized under AS 44.47.250 - 44.47.310, or **the Alaska temporary assistance program** [AID TO FAMILIES WITH DEPENDENT CHILDREN], and in accordance with the regulations of the department, a person may not solicit, disclose, receive, make use of, or authorize, knowingly permit, participate in, or acquiesce in the use of, a list of names of, or information concerning, persons apply for or receiving the assistance directly or indirectly derived from the records, papers, files, or communications of the department or subdivisions or agencies of the department, or acquired in the course of the performance of official duties.

(b) It is not a misuse of public assistance records for the department to disclose financial information concerning an eligibility determination of a person or persons applying for or receiving assistance to a legislator for official purposes in connection with the legislator's official functions and related to the administration of the program consistent with federal law. Any information provided to a legislator under this subsection shall remain confidential and shall not be subject to further disclosure.

DP

Corrected
Amend.

4/18/46

Adopted

4/18/96 WORK DRAFT

Zharoff Phillips

WORK DRAFT

WORK DRAFT

4-18-96 BS moved Adopted

RP move to delete #5. failed
Grandparent provisions
Sec. 41 pp. 46(28-31)
47(1-11)
also Sec. 47 OF Obj - Held

RP motion to delete Sec. 22 (pp. 31-42) License suspensions (pending) #7 2-5 Failed

9-LS0692\B
Lauterbach
4/17/96

Amend #10 p. 49 lines 5 & 6 insert "State" before funds. BS moved Adopted

CS FOR SENATE BILL NO. 98(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

"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

New Text Underlined [DELETED TEXT BRACKETED]

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), Alaska Rules of Civil Procedure; and providing for an effective date."

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

* **Section 1.** AS 47.25 is amended by adding new sections to read:

ARTICLE 1A. AFDC WORKFARE PROJECT.

Sec. 47.25.301. WAIVER APPLICATION FOR PROJECT. (a) The Department of Health and Social Services shall seek appropriate waivers from the federal government to implement the AFDC demonstration project described in AS 47.25.301 - 47.25.308. To the extent that the federal government approves the necessary waivers, the department shall implement the project. The purposes of the project are to promote personal responsibility and self-sufficiency.

(b) At a minimum, the department shall implement AS 47.25.303 so that there are experimental groups in at least three different areas of the state, with at least one experimental group in a municipality with a population over 25,000, one in a municipality with a population between 5,000 and 25,000, and one in a municipality or community with a population under 5,000. The department shall implement AS 47.25.303 with the minimum number of control groups that are required by the federal government for approval of the waivers applied for under this section.

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

(1) apply for and implement only the waivers that relate to the parts of the project that are not substantially affected by the changes in federal statutes or

regulations;

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

Sec. 47.25.302. EARNED INCOME DISREGARD; WAIVER OF "100-HOUR" RULE; AUTO ALLOWANCE. When determining the AFDC eligibility of a family that is participating in an experimental group in the project under AS 47.25.303 and when determining the amount of assistance to which the family is entitled, the department shall

(1) disregard, for the first 24 months for which the family receives assistance, $200 plus one-third of the remainder of the earned income of each person in the family unless federal regulations require that more earned income of a person must be disregarded, in which case the department shall disregard earned income as required by federal law; for a family that applies for AFDC after this paragraph has been implemented, this 24 months begins with the month for which the family is first granted AFDC; for a family that is already receiving assistance when this paragraph is implemented, this 24 months begins with the first month during which this paragraph is implemented;

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

(3) allow the exclusion of $5,000 of the combined equity of motor vehicles used by the family for basic family transportation, transportation of a disabled child in the household, or transportation of a member of the family to or from employment, training, or participation in an activity required under AS 47.25.303; if the combined equity of vehicles described in this paragraph exceeds $5,000, the department shall apply the excess equity amount toward the asset limit otherwise applicable to the family.

Sec. 47.25.303. WORKFARE. (a) The department shall operate a workfare project. Each member of a family in an experimental group in the workfare project who is 18 years of age or older shall participate for 21 hours a week in an

uncompensated activity if assigned to the activity by the department. The department shall assess the availability of activities that satisfy the purposes of this subsection in the project area and attempt to develop additional activities where necessary. When assessing the availability of activities that are suitable as uncompensated activities under this section and in assigning persons to those activities, the department shall consider activities recommended by governmental representatives of boroughs, cities, and communities and others in the project area. The activities may include provision of child care for other project participants, community work experience, work-related training programs, high school completion, GED programs, or culturally relevant subsistence activities. The department shall penalize the family for failure of a person to comply with this subsection by disregarding that person as a member of the family for purposes of determining the amount of AFDC assistance given to the family. The period of time during which the department shall disregard the noncomplying person for purposes of determining the amount of the family's AFDC assistance is

(1) until the person is in compliance with this subsection if the person has not previously been disregarded under this subsection;

(2) the longer of six months or until the person is in compliance with this subsection if the person has previously been disregarded under (1) of this subsection;

(3) the longer of 12 months or until the person is in compliance with this subsection if the person has previously been disregarded under (2) of this subsection.

(b) If organizations exist in the project area that have had successful experience in conducting employment placement services, community services, remedial education services, and job training programs, the department may offer contracts on a competitive basis or grants under the department's grant application process to administer (a) of this section. A contract or grant under this subsection must provide that the department shall make the determinations required under (c) and (d) of this section and the contractor or grantee shall perform the duties assigned to the department under (a) of this section with respect to uncompensated activities, including assessment of their availability, development of additional activities,

consideration of activities recommended by governmental representatives, and assignment of persons to specific activities after referral of those persons to the contractor or grantee by the department. The department may, after consultation with the appropriate contractor or grantee under this subsection, if any, use AFDC benefits to subsidize payments or provide services to participants in community work projects or work training projects; an amount distributed as a subsidy under this subsection is not considered to be wages.

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

(1) has paid employment of at least 20 hours a week; a person who has paid employment of less than 20 hours a week shall participate in an uncompensated activity assigned under (a) of this section for the number of hours that, when added to the hours of paid employment, equals 21;

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

(3) is enrolled as a full-time student in good standing in a career education program, college, or university, as defined in regulations adopted under AS 14.43;

(4) is the parent or other relative of a child under six years of age living in the same household who personally provides care for the child;

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

(6) is a parent who is providing care for a child who is experiencing a disability.

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

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

(2) transportation expenses determined by the department to be

necessary for the person's participation in the activity.

(e) In this section, "project area" means the areas chosen by the department in which to operate the workfare project described in this section.

Sec. 47.25.305. COOPERATION. State agencies shall cooperate with the department to the extent necessary to implement AS 47.25.301 - 47.25.308.

Sec. 47.25.306. IMMUNITY FROM LIABILITY. (a) The Department of Health and Social Services, and its employees, agents, and grantees, are not liable for civil damages as a result of an act or omission in the implementation, operation, or administration of an authorized project under AS 47.25.301 - 47.25.308.

(b) The provisions of (a) of this section do not preclude liability for civil damages as a result of recklessness or intentional misconduct.

(c) The provisions of (b) of this section do not constitute a waiver or limitation of sovereign or other immunity.

Sec. 47.25.307. REGULATIONS. The Department of Health and Social Services shall adopt regulations necessary to implement AS 47.25.301 - 47.25.308. The regulations adopted by the department may include

(1) eligibility criteria for the project described in AS 47.25.301 - 47.25.308 that differ from eligibility requirements in AS 47.25.310 - 47.25.429 and the regulations adopted under those statutes;

(2) a maximum number of participants to be included in the project, if necessary;

(3) exemptions from requiring participation in the project because of exceptional circumstances; and

(4) provisions for financial or nonfinancial sanctions for applicants who fail to cooperate with project requirements.

Sec. 47.25.308. DEFINITIONS. In AS 47.25.301 - 47.25.308,

(1) "AFDC" means the program of aid to families with dependent children under AS 47.25.310 - 47.25.420;

(2) "department" means the Department of Health and Social Services.

ARTICLE 1B. DIVERSION PROGRAM.

Sec. 47.25.309. DIVERSION PROGRAM. (a) The Department of Health and

Social Services shall operate a diversion program that is designed to increase family income through employment and child support payments by offering lump-sum diversion payments in place of ongoing financial assistance under the AFDC program. A diversion payment may be offered to an adult applicant for AFDC who is job-ready and who needs short-term financial assistance to meet critical needs in order to secure employment and support for the applicant's family.

(b) Diversion program benefits may be paid only to an applicant's family that appears, based on the information provided to the department on an AFDC application, to be eligible for AFDC benefits and to include a job-ready individual. The department may offer, to an AFDC applicant with the potential to participate in the diversion program, a choice between

(1) having the AFDC application processed under AS 47.25.310 - 47.25.429; or

(2) having the AFDC application referred to the diversion project under this section.

(c) The amount of the diversion payment must be sufficient to meet the family's immediate needs as determined by the department and the participant. A diversion payment may not exceed the amount the family would be eligible to receive in the first two months of eligibility for assistance under AS 47.25.310 - 47.25.420 if the family did not elect to receive a diversion payment under this section.

(d) As a condition of a family receiving a diversion payment under this section, the participant must sign a binding contract between the participant and the department that

(1) specifies the amount of the diversion payment and the needs it is intended to cover;

(2) provides that, during the three-month period beginning with the month in which the diversion payment was received, child support collected on behalf of a child whose needs were considered in determining the diversion payment shall be paid to the family; and

(3) provides that, if the family reapplies for AFDC assistance under AS 47.25.310 - 47.25.429 during the three months beginning with the month in which

the family received a diversion payment, the diversion payment shall be prorated over the three-month period and deducted from any AFDC benefit the family may be eligible for under the new application.

(e) A family that receives a diversion payment may not receive another diversion payment before the 12th month following the month in which it last received a diversion payment.

(f) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.429, and (d)(2) of this section supersedes inconsistent provisions of AS 25.27.120 and 25.27.130.

(g) In this section,

(1) "AFDC" means the program of aid to families with dependent children under AS 47.25.310 - 47.25.420;

(2) "department" means the Department of Health and Social Services.

* Sec. 2. AS 47.25 is amended by adding new sections to read:

Sec. 47.25.311. INELIGIBILITY FOR ASSISTANCE. (a) A person is ineligible for assistance under AS 47.25.310 - 47.25.420 for the following time periods upon administrative disqualification for making a false statement or misrepresentation knowing it was false, or for knowingly failing to disclose a material fact, in order to obtain or increase assistance under AS 47.25.310 - 47.25.420:

(1) six months following the first disqualification;

(2) 12 months following the second disqualification; and

(3) permanently following the third disqualification.

(b) A family is not eligible for assistance under AS 47.25.310 - 47.25.420 if the family includes an adult who has intentionally transferred an asset or assets at less than fair market value for the purpose of establishing eligibility for assistance. The period of ineligibility shall begin on the first day of the month following the transfer of the asset or assets and shall remain in effect for a number of months equal to the fair market value of the transferred asset or assets divided by the maximum payment amount for the family as established under AS 47.25.320(a), or for 12 months,

whichever is less.

(c) A family is not eligible for assistance for the following time periods after the day on which the adult applicant or a custodial parent in the family, without good cause, refused to accept, or separated from, suitable employment and that refusal or separation caused the family's need for assistance:

(1) one month for the first refusal or separation without good cause;

(2) six months for the second refusal or separation without good cause; and

(3) 12 months for the third and subsequent refusal or separation without good cause.

(d) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

Sec. 47.25.315. ASSISTANCE TO MINORS WITH CHILDREN. (a) Except as provided in (c) of this section, the department shall require, as a condition of eligibility for assistance, that a minor parent must reside in a

(1) place of residence maintained by the minor's parent, legal guardian, or other adult relative of the minor as the parent's, guardian's, or other adult relative's own home; or

(2) foster home, maternity home, or other adult-supervised supportive living arrangement; however, the minor may satisfy the condition of eligibility imposed by this subsection by residing in a foster home, maternity home, or other adult-supervised supportive living arrangement only if

(A) the minor parent does not have a parent, legal guardian, or other adult relative who is living and whose whereabouts are known;

(B) there is no living parent, legal guardian, or adult relative of the minor parent who will allow the minor to live in the home of the parent, legal guardian, or adult relative; or

(C) the department determines that the physical or emotional health or safety of the minor parent or the minor's child would be jeopardized

if the minor and the minor's child lived in the same residence with any of the minor's parents, legal guardian, or other adult relatives.

(b) Notwithstanding AS 47.25.360, the department shall, where possible, pay assistance on behalf of a minor parent who is subject to the requirements of (a) of this section to the minor's parent, legal guardian, or other adult relative, or, as applicable, to the head of the adult-supervised supportive living arrangement where the minor parent resides.

(c) The provisions of (a) of this section do not apply if

(1) the minor parent lived apart from the minor's parent or legal guardian for either one year before the birth of the dependent child or one year before the minor parent submitted the application for assistance; or

(2) the department otherwise determines under regulations that there is good cause for waiving the requirements of (a) of this section in the case of a particular minor parent.

(d) In this section, "minor parent" means a person who is under the age of 18, who has never married, and is either

(1) the natural parent of a dependent child living in the same household; or

(2) eligible for assistance as a pregnant woman.

(e) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

*** Sec. 3.** AS 47.25.320 is amended by adding new subsections to read:

(h) To the extent allowed under federal law or under a waiver approved under federal law, the department shall reduce the shelter allowance used under AS 47.25.310 - 47.25.420 for a family whose shelter costs are lower than the standard shelter allowance used by the department for similar families. The shelter allowance for a family whose costs are below the standard allowance shall be an amount equal to the family's actual verified shelter costs. In this subsection,

(1) "shelter allowance" means the portion of the benefit under

AS 47.25.310 - 47.25.420 that is allocated by the department for shelter costs;

(2) "shelter costs" means

(A) rental payments or mortgage payments for the family's housing, including payments made for property or mortgage insurance and property taxes; and

(B) the cost of utilities, including heat, electricity, basic telephone service, water, sewer. and garbage services incurred for the family's housing; the department may establish different utility cost standards for different areas of the state and may use an average utility cost per month based on estimated level payments over a 12-month period.

(i) To the extent allowed under federal law or under a waiver approved under federal law, the department shall, for the months of July, August, and September, reduce by 50 percent the maximum assistance for which the family is otherwise eligible if the family's eligibility for assistance is based on the unemployment of the family's principal wage earner. However, if the commissioner determines that temporary economic conditions have resulted in decreased employment opportunities during those months compared to previous months and a reduction in assistance would impose an undue hardship on a family, the department may waive application of this paragraph with respect to that family.

* **Sec. 4.** AS 47.25.360 is amended to read:

Sec. 47.25.360. GRANTING OF ASSISTANCE. Upon the completion of the investigation the department shall decide whether the child is eligible for assistance under AS 47.25.310 - 47.25.420, the amount of assistance, and the date on which it starts. The department shall notify the person having custody of the child of its decision. **Except as provided in AS 47.25.315(b), the** [THE] assistance shall be paid monthly to the person having custody of the child upon order of the department.

* **Sec. 5.** AS 47.25 is amended by adding a new section to read:

Sec. 47.25.364. TIME LIMITS ON BENEFITS. (a) A family is not eligible for more than 24 months of assistance under AS 47.25.310 - 47.25.420 during any 60 consecutive months that occur after the effective date of this section.

(b) The eligibility of a family described in (a) of this section shall be extended

beyond 24 months if the family

(1) includes an individual who is the caretaker or spouse of a caretaker of a dependent child or who is a pregnant woman, who is

(A) determined, under regulations of the department, to be physically or mentally unable to perform gainful activity; or

(B) a parent who is providing care for a child who is experiencing a disability; or

(2) has cooperated with the department and every adult in the family who has been assigned to an activity under AS 47.25.303 or 47.25.421 - 47.25.429 has substantially complied with the requirements of the program to which the person was assigned but

(A) a temporary and verified physical condition, as supported by appropriate medical documentation, prevents adults in the family from attaining and maintaining employment that would provide the family with net income equal to or greater than what the family would receive from the assistance grant;

(B) the department failed to provide services required under AS 47.25.303(d) or 47.25.427 with respect to the family; or

(C) despite all appropriate efforts, the adults in the family have been unable to find employment that would provide the family with total net income equal to or greater than what the family would receive from assistance.

(c) Notwithstanding (a) of this section, a family that becomes ineligible for assistance solely by operation of (a) of this section nevertheless remains eligible for medical assistance under AS 47.07 for a period of 12 months after losing eligibility for assistance under (a) of this section.

(d) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

*** Sec. 6.** AS 47.25 is amended by adding a new section to read:

Sec. 47.25.366. SCHOOL ATTENDANCE. (a) The department shall reduce

the assistance for which an assistance unit is otherwise eligible under AS 47.25.310 - 47.25.420 if a minor parent in the assistance unit fails, without good cause, to meet standards of adequate levels of school attendance, as defined in regulations of the department. The reduction under this subsection shall be achieved by disregarding the needs of the person who failed to meet the school attendance standards. The person's needs shall be disregarded until the minor parent complies.

(b) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* Sec. 7. AS 47 is amended by adding a new chapter to read:

CHAPTER 27. ALASKA TEMPORARY ASSISTANCE PROGRAM.

Sec. 47.27.005. DUTIES OF THE DEPARTMENT. The department shall

(1) administer the Alaska temporary assistance program by providing assistance with basic living expenses and self-sufficiency services to needy children and their families under this chapter;

(2) establish, by regulation, program standards that will provide incentives to work, incentives for financial planning, and opportunities to develop self-sufficiency while providing assistance with basic living expenses;

(3) prepare, submit to the federal government, and amend, if necessary, a state plan designed to assure that federal money is available to the state for the operation of the program set out in this chapter to provide assistance for basic living expenses and self-sufficiency services to needy children and their families consistent with the state objectives identified in (2) of this section;

(4) adopt methods of program administration to ensure consistency with the federal requirements under any successor federal program that replaces the aid to families with dependent children program;

(5) make reports to the federal government as required under any successor federal program that replaces the aid to families with dependent children program, in the form and containing the information required, and comply with the provisions that the federal government determines are necessary to ensure correct and

verifiable information on the program;

(6) provide to the legislature an annual executive summary of the information required to be reported to the federal government under (5) of this section;

(7) conduct studies and research in order to evaluate and monitor the effectiveness of the state program; and

(8) adopt regulations and take action to implement, interpret, and administer the provisions of this chapter.

Sec. 47.27.010. ELIGIBLE FAMILIES. The following families may apply for assistance under the Alaska temporary assistance program:

(1) a single parent who has the physical custody of one or more related dependent children;

(2) a caretaker of one or more dependent children who is a relative to at least the fifth degree;

(3) a woman in the last trimester of pregnancy; or

(4) a two-parent family with physical custody of one or more related dependent children.

Sec. 47.27.015. DISQUALIFYING CONDITIONS. (a) A family is not eligible for assistance under the Alaska temporary assistance program if the family includes an adult who

(1) has received benefits under the Alaska temporary assistance program, or a program of another state operated under a federal assistance grant program for needy families, for a total of 60 months as the caretaker or spouse of a caretaker of a dependent child or as a pregnant woman, unless the caretaker or pregnant woman is

(A) determined, under regulations of the department to be physically or mentally unable to perform gainful activity;

(B) a parent who is providing care for a child who is experiencing a disability; or

(C) a family determined by the department to be exempt from this paragraph by reason of hardship; the number of families for which an exemption is in effect under this subparagraph may not exceed 10 percent or

the maximum percentage of families allowed an exemption under federal law, whichever is greater; or

(2) is determined to be fleeing to avoid prosecution, custody, or confinement after conviction, in this or another jurisdiction, for a crime that is classified as a felony or a class A misdemeanor under AS 11 or the criminal laws of the jurisdiction where the criminal activity was committed.

(b) A family is not eligible for assistance under this chapter for a period of 120 months beginning on the date the adult applicant for the family is convicted of having fraudulently misrepresented the applicant's residence in order to receive assistance in more than one state under a program financed with federal money under any successor federal program that replaces the aid to families with dependent children program.

(c) A family is not eligible for the following time periods if the family's demonstrated need for assistance is due to a refusal of or voluntary separation from suitable employment by the adult applicant, or a custodial parent or caretaker, without good cause:

(1) one month for the first refusal or separation without good cause;

(2) six months for the second refusal or separation without good cause; and

(3) 12 months for the third and subsequent refusal or separation without good cause.

(d) A family is not eligible for assistance for up to 12 months if the family's demonstrated need is due to an intentional transfer of an asset or assets at less than fair market value for the purpose of establishing eligibility for assistance. A period of ineligibility shall begin on the first day of the month following the transfer of the asset or assets and shall remain in effect for a number of months equal to the fair market value of the transferred asset or assets divided by the maximum payment amount for the family as established under AS 47.27.025, or for 12 months, whichever is less.

(e) An Alaska temporary assistance program applicant or participant who is administratively disqualified for making a false statement or misrepresentation knowing it was false, or for knowingly failing to disclose a material fact, in order to obtain or

increase assistance or services under this chapter is not eligible to receive assistance under this chapter for a period of

(1) six months following the first disqualification;

(2) 12 months following the second disqualification; and

(3) permanently following the third disqualification.

Sec. 47.27.020. APPLICATION AND REQUIREMENTS FOR ASSISTANCE. (a) An applicant for assistance under the Alaska temporary assistance program shall complete an application in writing, or by electronic means, and in a form specified by the department. The applicant must be a pregnant woman or an individual who has physical custody of the dependent child or children. The application must be complete and must provide all of the information about the family and the child or children that is requested by the department. The applicant shall provide all supporting documentation for verification that the department determines to be necessary to establish eligibility.

(b) On the application, each applicant shall attest to whether the family, at any time, has received assistance from another state program that was established with federal money under any successor federal program that replaces the aid to families with dependent children program and whether the family has ever been disqualified from receiving assistance under a successor federal program that replaces aid to families with dependent children for the period for which the application has been submitted.

(c) An applicant shall agree to cooperate with the department to establish a family self-sufficiency plan and to participate in work activities if assigned by the department.

(d) An applicant shall acknowledge the assignment of support rights as required by AS 47.27.040(a) and shall agree to cooperate with the child support enforcement agency of the Department of Revenue to the extent required under AS 47.27.040(b). The applicant shall agree to report all child support payments received directly by the family, during or for a period for which the family is receiving assistance under this chapter, to the department within 15 days after receipt of those payments.

(e) An applicant shall update the information requested in the application at regular intervals as established by the department in regulation. The department may conduct reviews of an application and audit the information provided as necessary to determine eligibility.

Sec. 47.27.025. FAMILY ASSISTANCE. (a) The department shall provide assistance for basic living expenses to families that establish eligibility based on a determination of need that considers the family's available income, assets, and other resources, as established by the department in regulation. Each dependent child in the family is eligible for assistance except as otherwise provided in AS 47.27.015 or 47.27.027(b), and assistance received as a dependent child does not count against eligibility for assistance under this chapter as a caretaker or spouse of a caretaker of a dependent child or as a pregnant woman.

(b) The amounts of assistance for basic living expenses may not exceed the following:

(1) for a dependent child living with a nonneedy relative caretaker, $452 per month, plus $102 for each additional child;

(2) for a dependent child living with at least one needy parent or relative caretaker, $821 per month, plus $102 for each additional child and $102 for a second needy parent if the second parent is physically or mentally unable to perform gainful activity as defined by department regulation; or

(3) for a family consisting solely of an eligible pregnant woman, $514 per month.

(c) The department shall, for the months of July, August, and September, reduce by 50 percent the maximum assistance for which the family is otherwise eligible if the family's eligibility for assistance is based on the unemployment of the family's principal wage earner. However, if the commissioner determines that temporary economic conditions have resulted in decreased employment opportunities during those months and a reduction in assistance would impose an undue hardship on a family, the department may waive application of this paragraph with respect to that family.

(d) The department shall reduce assistance under this section to the extent that

the family's shelter costs are lower than the standard shelter allowance used by the department for similar families. The shelter allowance for a family whose costs are below the standard allowance shall be an amount equal to the family's actual verified shelter costs. In this subsection,

(1) "shelter allowance" means the portion of the assistance provided under this section that is allocated by the department for shelter costs;

(2) "shelter costs" means

(A) rental payments or mortgage payments for the family's housing, including payments made for property or mortgage insurance and property taxes; and

(B) the cost of utilities, including heat, electricity, basic telephone service, water, sewer, and garbage services incurred for the family's housing; the department may establish different utility cost standards for different areas of the state and may use an average utility cost per month based on estimated level payments over a 12-month period.

(e) The department may, instead of paying all of the cash assistance to a family under this section, use all or part of the cash assistance as a wage subsidy paid to an employer who employs a person in the family at a wage that is higher than the wage subsidy. A subsidy under this subsection may not exceed one year in duration.

Sec. 47.27.026. DIVERSION PAYMENTS. (a) The department may offer a lump-sum diversion payment in place of ongoing assistance and services to an adult applicant who applies for assistance under AS 47.27.020 if the adult applicant is job ready and is determined to need only short-term financial assistance to meet critical needs in order to secure employment and support for the adult applicant's family. The department shall set standards and conditions for diversion payments by regulation.

(b) The department may pay diversion benefits to an applicant's family only if that family appears to be eligible for benefits under AS 47.27.020 and to include a job-ready individual based on the information provided to the department in the application completed under AS 47.27.020. The department may offer to an applicant with the potential to participate in the diversion project a choice between

(1) having the Alaska temporary assistance program application

processed under AS 47.27.020 and the regulations adopted by the department; or

(2) having the application referred to the diversion project of the Alaska temporary assistance program for a determination of project benefits under this section.

(c) The amount of the diversion payment must be sufficient to meet the family's immediate needs as determined by the department and the participant. A diversion payment may not exceed the amount the family would be eligible to receive as cash assistance in the first two months of eligibility under AS 47.27.025 if the family did not elect to receive a diversion payment.

(d) As a condition of a family receiving a diversion payment under this section, the participant must sign an agreement that

(1) specifies the amount of the diversion payment and the needs it is intended to cover;

(2) provides that, during the three-month period beginning with the month in which the diversion payment was received, child support collected on behalf of a child whose needs were considered in determining the diversion payment shall be paid to the family; and

(3) provides that if the family reapplies for Alaska temporary assistance program assistance under AS 47.27.020 during the three months beginning with the month in which the family received a diversion payment, the diversion payment shall be treated as unearned income, prorated over the three-month period, and deducted from any Alaska temporary assistance program benefit the family may be eligible for under the new application.

(e) A family that receives a diversion payment may not receive another diversion payment before the 12th month following the month in which it last received a diversion payment.

(f) To the extent that (d)(2) of this section is inconsistent with AS 25.27.120 or 25.27.130, or with another provision of this chapter, (d)(2) of this section governs.

Sec. 47.27.027. ASSISTANCE TO MINORS. (a) If an applicant under AS 47.27.020 is not married, is under the age of 18, and has not been previously emancipated under AS 09.55.590, the applicant must

(1) live in a home maintained by the applicant's parent, legal guardian,

or other adult relative, unless the applicant establishes that there is good cause, as established by the department in regulation, to waive this requirement; if the department waives this requirement, the applicant must live in an approved, adult-supervised, supportive living environment;

(2) agree that assistance for basic living expenses on behalf of the applicant's family may be paid to the applicant's parent, legal guardian, or other adult relative, or, if applicable, to the adult head of the adult-supervised, supportive living environment in which the applicant resides; and

(3) maintain attendance in a secondary school or other appropriate training program unless the applicant has a high school diploma or general equivalent diploma.

(b) The department shall reduce the assistance for which an assistance unit is otherwise eligible under this chapter if a minor parent in the assistance unit fails, without good cause, to meet standards of adequate levels of school attendance, as defined in regulations of the department. The reduction under this subsection shall be achieved by disregarding the needs of the person who failed to meet the school attendance standards. The person's needs shall be disregarded until the minor parent complies.

Sec. 47.27.030. FAMILY SELF-SUFFICIENCY PLAN. (a) A participant in the Alaska temporary assistance program shall cooperate with the department, or its designee, to develop and sign a family self-sufficiency plan that includes

(1) the steps the family will take towards the self-sufficiency of the family;

(2) the self-sufficiency services the department will provide to assist the family to attain self-sufficiency;

(3) specific benchmarks to indicate the steps toward successful completion of the family plan;

(4) a statement that the family may be subject to benefit reductions or other sanctions if the family fails to comply with the family plan; and

(5) a statement that describes the necessary conditions and the steps that must be taken to renegotiate the terms of the family plan.

(b) The family self-sufficiency plan must set a time period for the achievement of self-sufficiency from assistance under the Alaska temporary assistance program. That time period may not provide for any more than a total of 60 months of assistance under the Alaska temporary assistance program. Unless the members of the family who are not dependent children are all exempt under AS 47.27.035(b) - (d), the time period for receiving assistance may not exceed a cumulative total of 24 months unless each nonexempt person is in compliance with the work activity assignment made under AS 47.27.035.

(c) A family is exempt from the requirement that the family have a self-sufficiency plan under this section if the family

(1) does not include a needy adult;

(2) does not include an adult physically or mentally able to perform gainful activity; or

(3) is receiving a diversion payment under AS 47.27.026.

Sec. 47.27.035. PARTICIPATION IN WORK ACTIVITIES. (a) An Alaska temporary assistance program participant shall, after the participant's family has received a cumulative total of 24 months of assistance or sooner if assigned to do so by the department, participate in work activities as assigned by the department or its designee in order for the family to continue to receive assistance or services from the department under the Alaska temporary assistance program, unless the participant is exempt from the work participation requirements under one or more of the exemptions set out in (b) - (d) of this section.

(b) A parent or caretaker with a dependent child of up to 12 months of age may be exempt from work participation requirements for up to 12 months, as established in the family self-sufficiency plan.

(c) A parent or caretaker may be exempt from work participation requirements in the family self-sufficiency plan if

(1) the parent or caretaker is providing home care for a child who is experiencing a disability or a related, disabled person who requires 24-hour care;

(2) the parent or caretaker establishes an inability to participate for medical reasons supported by documentation from a physician or other licensed

medical professional;

(3) the participation would impose an unreasonable hardship on the family; or

(4) there is a dependent child in the home that has not yet attained six years of age and the parent or caretaker demonstrates an inability to obtain needed child care because appropriate child care is not available.

(d) The department may not require a person to participate in work activities under (a) of this section

(1) if the person is the sole custodial parent for a child under six years of age unless the department agrees to pay for the costs of child care determined by the department to be necessary for the person's participation; and

(2) unless the department agrees to pay for transportation expenses determined by the department to be necessary for the person's participation in the activity.

(e) A participant in work activities under this section is not a state employee for purposes of AS 39.25 (State Personnel Act).

(f) A participant in work activities under this section is not considered an employee of the state or other public employer for purposes of AS 23.40.070 - 23.40.260 (Public Employment Relations Act) nor shall any provision of a collective bargaining agreement entered into under AS 23.40.070 - 23.40.260 be construed to interfere with the department's authority to assign participants to work activities as authorized under this section.

Sec. 47.27.040. ASSIGNMENT OF SUPPORT RIGHTS; COOPERATION WITH CHILD SUPPORT ENFORCEMENT AGENCY. (a) An Alaska temporary assistance program applicant is considered to have assigned to the state, through the child support enforcement agency of the Department of Revenue, all rights to accrued and continuing child support, from all sources, that is due for the support of any individuals in the family for whom support is sought. The assignment takes effect upon a determination that the applicant's family is eligible for assistance under this chapter. Except with respect to the amount of any unpaid support obligation accrued under the assignment, the assignment terminates when the family ceases to be a

participant in the Alaska temporary assistance program.

(b) An Alaska temporary assistance program participant shall cooperate with the child support enforcement agency of the Department of Revenue in establishing paternity or establishing, modifying, or enforcing a child support order requiring the payment of support by the noncustodial parent for a dependent child for whom Alaska temporary assistance program assistance is received unless the participant establishes good cause for refusing to cooperate.

(c) The department may distribute to an Alaska temporary assistance program participant $50 per month from a monthly child support payment, or the amount of the child support payment if it is less than $50, received by the child support enforcement agency for the support of a child for whom Alaska temporary assistance program assistance is paid.

Sec. 47.27.045. ALIENATION AND ATTACHMENT. Assistance granted under this chapter is inalienable by assignment or transfer and is exempt from garnishment, levy, or execution as is provided in AS 09.38.

Sec. 47.27.050. GRANTS AND CONTRACTS FOR SERVICES. (a) The department may contract with or award grants to qualified entities in the state to administer an Alaska temporary assistance program or a distinct part of the Alaska temporary assistance program. The department may establish standards for the administration of services under the grant or contract, including fees to be charged to applicants for or recipients of those services.

(b) Contracts authorized under this section are to be administered in accordance with AS 47.05.015. Grants authorized under this section are to be awarded using requirements, established in regulation, that are substantially similar to those set out in AS 47.05.015 for contracts.

(c) This section may not be construed to expand the powers of a municipality.

(d) In this section, "qualified entities" include municipalities, other political subdivisions of the state, nonprofit corporations formed under AS 10.20, churches and religious organizations, and incorporated and unincorporated businesses operating within the state that meet the requirements established by the department in regulation.

Sec. 47.27.055. AGENCY COLLABORATION. (a) The department shall

coordinate with other state agencies that provide assistance, benefits, or services to applicants that are eligible for and to participants in the Alaska temporary assistance program in order to facilitate the application for and delivery of assistance, benefits, or services to promote family self-sufficiency. Subject to appropriations, state agencies may locate their facilities and operations near each other in order to improve service delivery.

(b) The department may provide information received under this chapter to other state agencies in order to facilitate the delivery of services. Information received from an applicant for or participant in the Alaska temporary assistance program shall be treated as confidential by all state agencies that share the information under this section and is not open to public inspection or copying under AS 09.25.110 - 09.25.125. Misuse of public assistance lists or information is punishable as a violation of AS 47.05.030.

(c) Departments in the executive branch shall cooperate in fulfilling the purposes of this chapter, including, subject to appropriations, the establishment of temporary positions that will provide job opportunities for families participating in the Alaska temporary assistance program. Temporary positions established for this purpose are in the exempt service under AS 39.25.110 but are not subject to AS 39.25.195. An individual participating in the Alaska temporary assistance program who holds a temporary position established for purposes of this subsection is not a public employee for purposes of AS 23.40.070 - 23.40.260.

Sec. 47.27.060. JOB DEVELOPMENT. The department may establish cooperative agreements with the Department of Labor, Department of Community and Regional Affairs, Department of Education, and Department of Commerce and Economic Development, and with other public or private sector organizations for the purpose of developing job, training, and educational opportunities for families eligible for assistance under this chapter.

Sec. 47.27.065. FEDERAL-STATE COOPERATION. In the administration of this chapter, the department shall cooperate with the Secretary of the United States Department of Health and Human Services and shall take actions necessary to comply with the requirements of federal law to obtain public assistance block grants or other

federal assistance available for the purposes of this chapter. The department shall make reports in the form and containing the information required to the Secretary of the United States Department of Health and Human Services. The department may cooperate with federal agencies charged with the administration of the federal public assistance block grants and other financial assistance.

Sec. 47.27.070. ALASKA NATIVE ORGANIZATIONS' FAMILY ASSISTANCE PROGRAMS. (a) The department may coordinate only with the following Alaska Native organizations, as designated under federal law, in the development of family assistance programs:

(1) Arctic Slope Native Association;

(2) Kawerak, Inc.;

(3) Maniilaq Association;

(4) Association of Village Council Presidents;

(5) Tanana Chiefs Conference;

(6) Cook Inlet Tribal Council;

(7) Bristol Bay Native Association;

(8) Aleutian and Pribilof Island Association;

(9) Chugachmiut;

(10) Tlingit Haida Central Council;

(11) Kodiak Area Native Association;

(12) Copper River Native Association; and

(13) Metlakatla Indian Community of the Annette Islands Reserve; however, the department may cooperate with the Metlakatla Indian Community under this chapter only if the community waives any claim to sovereign immunity with respect to matters involved with the family assistance program.

(b) The department may cooperate with the Alaska Native organizations named in (a) of this section to propose program criteria to the Secretary of the United States Department of Health and Human Services in order to promote programs comparable to the state program in the same area.

(c) Notwithstanding other provisions of this section, the department may coordinate with an Alaskan Native organization under (a) of this section only if, for

purposes of this chapter, the Alaska Native organization incorporates a nonprofit entity under state law and the nonprofit entity is active and in good standing, as determined by the Department of Commerce and Economic Development.

Sec. 47.27.075. EMERGENCY ACCOUNT ESTABLISHED. There is established within the general fund the Alaska temporary assistance program emergency account. The account consists of appropriations that were made by the legislature from federal money available for assistance under this chapter, including lapsing money that was previously appropriated from federal money for the Alaska temporary assistance program, but that were not expended or obligated in the fiscal year for which they were appropriated.

Sec. 47.27.080. APPEALS; DISPUTE RESOLUTION. (a) An applicant or participant who receives a determination from the department that denies, limits, or modifies the assistance or services provided under this chapter may request a hearing before the department or a representative of the department appointed for that purpose. If a representative is appointed, the representative shall conduct the hearing under the regulations adopted by the department. The appeal is not subject to AS 44.62.330 - 44.62.630.

(b) The department may require an applicant or participant to participate in an informal dispute resolution process before a formal hearing. The department may adopt regulations establishing the informal dispute resolution process.

Sec. 47.27.085. SANCTIONS; RECOVERY OF COSTS. (a) The department shall penalize an Alaska temporary assistance program applicant or participant who, without good cause, fails to comply with a condition of the family self-sufficiency plan or who fails to participate in work activities required as a part of the Alaska temporary assistance program by disregarding that person as a member of the family for purposes of determining the amount of assistance given to the family. The period of time during which the department shall disregard the noncomplying person for purposes of determining the amount of the family's assistance is

(1) until the person is in compliance under this subsection if the person has not previously been disregarded under this subsection;

(2) the longer of six months or until the person is in compliance under

this subsection if the person has previously been disregarded under (1) of this subsection;

(3) the longer of 12 months or until the person is in compliance under this subsection if the person has previously been disregarded under (2) of this section.

(b) An Alaska temporary assistance program applicant or participant who, without good cause, fails to cooperate with establishment of paternity or the establishment, modification, or enforcement of a support order for a child for whom assistance is received is subject to a reduction or limitation in assistance or services for the term of noncooperation as required by federal law and as specified in regulations adopted by the department.

(c) An Alaska temporary assistance program applicant or participant who receives assistance or services when not entitled to them under this chapter because the information provided by the applicant or participant was inaccurate or incomplete is liable to the department for the value of the assistance and services improperly provided to the applicant or participant.

(d) In a civil action brought by the state to recover the value of assistance or services improperly provided under this chapter, the state may recover costs of investigation and prosecution of the civil action, including attorney fees as determined under court rules.

Sec. 47.27.900. DEFINITIONS. In this chapter,

(1) "assistance for basic living expenses" means assistance provided under the Alaska temporary assistance program that may include cash, vouchers, or third-party vendor payments;

(2) "child care assistance" means payments made by the Department of Health and Social Services or the Department of Community and Regional Affairs to Alaska temporary assistance program participant families or to providers for the care of children of the participant families;

(3) "child support" includes court-ordered or administratively ordered child support, medical support, and spousal support;

(4) "child support enforcement agency" means the child support enforcement agency in the Department of Revenue;

(5) "commissioner" means the commissioner of health and social services;

(6) "department" means the Department of Health and Social Services;

(7) "dependent child" means an individual who

(A) has not attained

(i) 18 years of age; or

(ii) 19 years of age and is a full-time student in a secondary school or in the equivalent level of vocational or technical training; and

(B) is not an applicant under AS 47.27.020;

(8) "self-sufficiency services" means work-related services, community service work referrals, child care assistance, and other services determined by the department in regulation to promote family self-sufficiency;

(9) "work activities" includes job readiness assessments, on-the-job training, education and vocational training, job sampling, job search requirements, subsidized and unsubsidized work, and community work service.

Sec. 47.27.990. SHORT TITLE. This chapter may be cited as the Alaska temporary assistance program.

* **Sec. 8.** AS 15.07.055(a) is amended to read:

(a) The following agencies are designated voter registration agencies:

(1) the Department of Public Safety, division of motor vehicles;

(2) divisions of the Department of Health and Social Services that provide public assistance through the food stamp program, Medicaid program, Special Supplemental Food Program for Women, Infants, and Children (WIC), and **Alaska temporary assistance program** [AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) PROGRAM];

(3) the division of the Department of Community and Regional Affairs that is responsible for municipal and regional assistance programs; and

(4) all recruitment offices of the armed forces of the United States located in Alaska.

* **Sec. 9.** AS 23.10.055 is amended by adding a new paragraph to read:

(14) an individual engaged in activities for a nonprofit religious, charitable, civic, cemetery, recreational, or educational organization where the employer-employee relationship does not, in fact, exist, and where services are rendered to the organization under a work activity requirement of AS 47.27 (Alaska temporary assistance program).

* **Sec. 10.** AS 23.40.075 is amended to read:

Sec. 23.40.075. ITEMS NOT SUBJECT TO BARGAINING. The parties may not negotiate terms contrary to **the**

(1) [THE] reemployment rights for injured state employees under AS 39.25.158; [OR]

(2) [THE] reemployment rights of the organized militia under AS 26.05.075;

(3) authority of the Department of Health and Social Services under AS 47.27.035 to assign Alaska temporary assistance program participants to a work activity considered appropriate by the Department of Health and Social Services; or

(4) authority for agencies to create temporary positions under AS 47.27.055(c).

* **Sec. 11.** AS 25.20.050(f) is amended to read:

(f) If the child support enforcement agency is a party in an action in which paternity is contested, the agency shall request the court to order the tests and procedures described in (e) of this section. The agency may recover the costs of tests as a cost of the action, except that costs may not be recovered from a person who is a recipient of **assistance** [AID] under **AS 47.27 (Alaska temporary assistance program)** [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

* **Sec. 12.** AS 25.27.025 is amended to read:

Sec. 25.27.025. RATE OF INTEREST. The rate of interest imposed under AS 25.27.020(a)(2)(C) shall **be six percent a year** [EQUAL THE RATE IMPOSED UNDER AS 43.05.225] or a lesser rate that is the maximum rate of interest permitted to be imposed under federal law.

* **Sec. 13.** AS 25.27.040(a) is amended to read:

(a) The agency may appear on behalf of minor children or their mother or legal custodian or the state and initiate efforts to have the paternity of children born out of wedlock determined by the court. When the agency is a party to a court action in which paternity is contested, it shall request and pay for genetic testing and procedures under AS 25.20.050(f). The agency may recover the costs of the tests as a cost of the court action, except that costs may not be recovered from a person who is a recipient of **assistance** [AID] under **AS 47.27 (Alaska temporary assistance program)** [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

* **Sec. 14.** AS 25.27.065(b) is amended to read:

(b) When the right to receive child support has been assigned to a governmental entity, an agreement under (a) of this section that has not been adopted as an administrative order of the agency is not effective during a period when the obligee is receiving assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420].

* **Sec. 15.** AS 25.27.120(a) is amended to read:

(a) An obligor is liable to the state in the amount of assistance granted under AS 47.07 and AS 47.27 [AS 47.25.310 - 47.25.420] to a child to whom the obligor owes a duty of support except that, if a support order has been entered, the liability of the obligor for assistance granted under AS 47.27 [AS 47.25.310 - 47.25.420] may not exceed the amount of support provided for in the support order, and, if a medical order of support has been entered, the liability of the obligor for assistance granted under AS 47.07 may not exceed the amount of support provided for in the medical order of support.

* **Sec. 16.** AS 25.27.125(b) is amended to read:

(b) The annual estimated balance in the account maintained by the commissioner of administration under AS 37.05.142 may be used by the legislature to make appropriations to the Department of Health and Social Services to carry out the purposes of AS 47.10.230 - 47.10.260 and AS 47.27 [AS 47.25.310 - 47.25.420].

* **Sec. 17.** AS 25.27.130(c) is amended to read:

(c) The recovery of any amount for which the obligor is liable that exceeds the total assistance granted under AS 47.07 and **AS 47.27** [AS 47.25.310 - 47.25.420] shall be paid to the obligee.

*** Sec. 18.** AS 25.27.130(d) is amended to read:

(d) Except as provided in (f) of this section, if the obligee ..ot receiving assistance under AS 47.07 or **AS 47.27** [AS 47.25.310 - 47.25.420] at the time the state recovers money in an action under this section, the recovery of any amount for which the obligor is liable shall be distributed to the obligee for support payments, including medical support payments, that have become due and unpaid since the termination of assistance under AS 47.07 or **AS 47.27** [AS 47.25.310 - 47.25.420] under a support order in favor of the obligee.

*** Sec. 19.** AS 25.27.130(e) is amended to read:

(e) After payment to the obligee under (d) of this section, the state may retain an amount not to exceed the total unreimbursed assistance paid on behalf of the obligee under AS 47.07 or **AS 47.27** [AS 47.25.310 - 47.25.420].

*** Sec. 20.** AS 25.27.130(f) is amended tc read:

(f) Notwithstanding (d) of this section, the state shall, if required under federal law or regulations, distribute amounts recovered through offset of the obligor's federal tax refund as past due support with first distribution to the state for unpaid support assigned to the state under AS 47.07.025 and **AS 47.27.040** [AS 47.25.345].

*** Sec. 21.** AS 25.27.165(i) is amended to read:

(i) The agency may recover any costs it pays for genetic tests required by this section, except that costs may not be recovered from a person who is a recipient of **assistance** [AID] under **AS 47.27 (Alaska temporary assistance program)** [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

*** Sec. 22.** AS 25.27 is amended by adding new sections to read:

Sec. 25.27.244. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S OCCUPATIONAL LICENSE. (a) The agency shall compile and maintain a list of obligors who are not in substantial compliance with a support order or payment schedule negotiated under (g)(1) of this section. The list must include the names, social security numbers, dates of birth, and last known addresses of the obligors. The

list shall be updated by the agency on a monthly basis.

(b) The agency shall, on a monthly basis, provide a copy of the list to each licensing entity through a computer readable magnetic medium. A licensing entity subject to this section shall implement procedures to accept and process the list. Notwithstanding any other law to the contrary, a licensing entity may not issue or renew a license for a person on the list except as provided in this section.

(c) Promptly after receiving an application from an applicant and before issuing or renewing a license, a licensing entity shall determine whether the applicant is on the most recent list provided by the agency. If the applicant is on the list, the licensing entity shall immediately serve notice under (e) of this section of the licensing entity's intent to withhold issuance or renewal of the license. The notice shall be considered given when delivered personally to the applicant or deposited in the United States mail addressed to the applicant's last known mailing address on file with the licensing entity.

(d) A licensing entity shall issue a temporary license valid for a period of 150 days to an applicant whose name is on the list if the applicant is otherwise eligible for a license. The temporary license may not be extended. Only one temporary license may be issued during a regular license term and its validity shall coincide with the first 150 days of that license term. A license for the full or remainder of the license term may be issued or renewed only upon compliance with this section. If a license or application is denied under this section, money paid by the applicant or licensee shall be refunded by the licensing entity after retention of the temporary license fee, if any.

(e) Notices for use under (c) of this section shall be developed by each licensing entity under guidelines provided by the agency and are subject to approval by the agency. The notice must include the address and telephone number of the agency and shall emphasize the necessity of obtaining a release from the agency as a condition for the issuance or renewal of a license. The notice must inform an applicant whose license is governed by (d) of this section that the licensing entity shall issue a temporary license for 150 calendar days under (d) of this section if the applicant is otherwise eligible and that, upon expiration of that time period, the license will be denied unless the licensing entity has received a release from the agency. The

agency shall also develop a form that the applicant may use to request a review by the agency. A copy of this form shall be included with each notice sent under (c) of this section.

(f) The agency shall establish review procedures consistent with this section to allow an applicant to have the underlying arrearages and relevant defenses investigated, to provide an applicant information on the process of obtaining a modification of a support order, or to provide an applicant assistance in the establishment of a payment schedule on arrearages if the circumstances warrant.

(g) If the applicant wishes to challenge being included on the list, the applicant shall submit to the agency a written request for review within 30 days after receiving the notice under (c) of this section by using the form developed under (e) of this section. Within 30 days after receiving a written request for review, the agency shall inform the applicant in writing of the agency's findings. The agency shall immediately send a release to the appropriate licensing entity and the applicant if any of the following conditions is met:

(1) the applicant is found to be in substantial compliance with each support order applicable to the applicant or has negotiated an agreement with the agency for a payment schedule on arrearages and is in substantial compliance with the negotiated agreement; if the applicant fails to be in substantial compliance with an agreement negotiated under this paragraph, the agency shall send to the appropriate licensing entity a revocation of any release previously sent to the entity for that applicant;

(2) the applicant has submitted a timely request for review to the agency, but the agency will be unable to complete the review and send notice of findings to the applicant in sufficient time for the applicant to file a timely request for judicial relief within the 150-day period during which the applicant's temporary license is valid under (d) of this section; this paragraph applies only if the delay in completing the review process is not the result of the applicant's failure to act in a reasonable, timely, and diligent manner upon receiving notice from the licensing entity that the applicant's name is on the list;

(3) the applicant has, within 30 days after receiving the agency's

findings following a request for review under (2) of this subsection, filed and served a request for judicial relief under this section, but a resolution of that relief will not be made within the 150-day period of the temporary license under (d) of this section; this paragraph applies only if the delay in completing the judicial relief process is not the result of the applicant's failure to act in a reasonable, timely, and diligent manner upon receiving the agency's notice of findings; or

(4) the applicant has obtained a judicial finding of substantial compliance.

(h) An applicant is required to act with diligence in responding to notices from the licensing entity and the agency with the recognition that the temporary license granted under (d) of this section will lapse after 150 days and that the agency and, where appropriate, the court must have time to act within that 150-day period. An applicant's delay in acting, without good cause, that directly results in the inability of the agency to complete a review of the applicant's request or the court to hear the request for judicial relief within the required period does not constitute the diligence required under this section that would justify the issuance of a release.

(i) Except as otherwise provided in this section, the agency may not issue a release if the applicant is not in substantial compliance with the order for support or is not in substantial compliance with an agreement negotiated under (g)(1) of this section. The agency shall notify the applicant in writing that the applicant may request any or all of the following: (1) judicial relief from the agency's decision not to issue a release or the agency's decision to revoke a release under (g)(1) of this section; (2) a judicial determination of substantial compliance; (3) a modification of the support order. The notice must also contain the name and address of the court in which the applicant may file the request for relief and inform the applicant that the applicant's name shall remain on the list if the applicant does not request judicial relief within 30 days after receiving the notice. The applicant shall comply with all statutes and rules of court implementing this section. This section does not limit an applicant's authority under other law to request an order to show cause or notice of motion to modify a support order or to fix a payment schedule on arrearages accruing under a support order or to obtain a court finding of substantial compliance with a support order.

(j) A request for judicial relief from the agency's decision must state the grounds on which relief is requested and the judicial action shall be limited to those stated grounds. Judicial relief under this subsection is not an appeal, and shall be governed by court rules adopted to implement this section. Unless otherwise provided by court rule, the court shall hold an evidentiary hearing within 20 calendar days after the filing of service on the opposing party. The court's decision shall be limited to a determination of each of the following issues:

(1) whether there is a support order or a payment schedule on arrearages;

(2) whether the petitioner is the obligor covered by the support order; and

(3) whether the obligor is in substantial compliance with the support order or payment schedule.

(k) If the court finds that the obligor is in substantial compliance with the support order or payment schedule, the agency shall immediately send a release under (g) of this section to the appropriate licensing entity and the applicant.

(l) When the obligor is in substantial compliance with a support order or payment schedule, the agency shall mail to the applicant and the appropriate licensing entity a release stating that the applicant is in substantial compliance. The receipt of a release shall serve to notify the applicant and the licensing entity that, for the purposes of this section, the applicant is in substantial compliance with the support order or payment schedule unless the agency, under (a) of this section, certifies subsequent to the issuance of a release that the applicant is once again not in substantial compliance with a support order or payment schedule.

(m) The agency may enter into interagency agreements with the state agencies that have responsibility for the administration of licensing entities as necessary to implement this section to the extent that it is cost effective to implement the interagency agreements. The agreements shall provide for the receipt by the other state agencies and licensing entities of federal money to cover that portion of costs allowable in federal law and regulation and incurred by the state agencies and licensing entities in implementing this section.

(n) Notwithstanding any other provision of law, the licensing entities subject to this section shall assess a fee for issuance of a temporary license under this section. The licensing entity shall set the amount of the fee so that the fees collected under this section, to the extent reasonable, cover the costs of implementing and administering this section.

(o) The process described in (g) of this section is the sole administrative remedy for contesting the issuance to the applicant of a temporary license or the denial of a license under this section. The procedures specified in AS 44.62.330 - 44.62.630 do not apply to the denial or failure to issue or renew a license under this section.

(p) The agency and licensing entities, as appropriate, shall adopt regulations necessary to implement this section.

(q) In this section,

(1) "applicant" means a person applying for issuance or renewal of a license;

(2) "license"

(A) means, except as provided in (B) of this paragraph, a license, certificate, permit, registration, or other authorization that, at the time of issuance, will be valid for more than 150 days and that may be acquired from a state agency to perform an occupation, including the following:

(i) license relating to boxing or wrestling under AS 05.10;

(ii) authorization to perform an occupation regulated under AS 08;

(iii) teacher certificate under AS 14.20;

(iv) authorization under AS 18.08 to perform emergency medical services;

(v) asbestos worker certification under AS 18.31;

(vi) boiler operator's license under AS 18.60.395;

(vii) certificate of fitness under AS 18.62;

(viii) hazardous painting certification under AS 18.63;

(ix) security guard license under AS 18.65.400 -

18.65.490;

(x) license relating to insurance under AS 21.27;

(xi) employment agency permit under AS 23.15.330 - 23.15.520;

(xii) registration as a broker-dealer, agent, or investment adviser under AS 45.55.030;

(xiii) certification as a pesticide applicator under AS 46.03.320;

(xiv) certification as a storage tank worker or contractor under AS 46.03.375; and

(xv) certification as a water and wastewater works operator under AS 46.30;

~~(B) does not include~~

(i) a vessel license issued under AS 16.05.490 or 16.05.530;

(ii) a commercial fishing license under AS 16.05.480, including a crew member fishing license;

~~(iii) an entry permit or interim use permit issued under~~ AS 16.43;

(iv) a license issued under AS 47.35;

(v) a business license issued under AS 43.70; or

~~(vi) a driver's license issued under AS 28.15;~~

(3) "licensee" means a person holding a license or applying to renew a license;

(4) "licensing entity" means the state agency that issues or renews a license; in the case of a license issued or renewed by the Department of Commerce and Economic Development after an applicant's qualifications are determined by another agency, "licensing entity" means the department;

(5) "list" means the list of obligors compiled and maintained under (a) of this section;

(6) "substantial compliance with a support order or payment schedule"

means that, with respect to a support order or a negotiated payment schedule under (g) of this section, whichever is applicable, the obligor has no more than $2,500 past due and has cumulatively paid an amount equal to or greater than the amount due for eight months during the past 12 months; with respect to a support order or payment schedule that has been in effect for less than one year, "substantial compliance" means that the obligor has no more than $2,500 past due and has cumulatively paid an amount equal to or greater than 67 percent of the amount due during the period the support order or payment schedule has been in effect.

Sec. 25.27.246. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S DRIVER'S LICENSE. (a) The agency shall compile and maintain a list of obligors who have a driver's license and are not in substantial compliance with a support order or payment schedule negotiated under (f)(1) of this section. The list must include the names, social security numbers, dates of birth, and last known addresses of the obligors. The list shall be updated by the agency on a monthly basis.

(b) The agency shall serve notice under (d) of this section to each person on the list that the person's driver's license will be suspended in 150 days, and will not be reissued or renewed the next time it is applied for if the person's name is on the list at the time of the subsequent application, unless the licensee receives a release from the agency. The notice shall be considered given when delivered personally to the obligor or deposited in the United States mail addressed to the obligor's last known mailing address on file with the agency.

(c) If the licensee fails to obtain a release during the 150-day period following notice under (b) and (d) of this section, the agency shall notify the department that the licensee's driver's license should be suspended and further renewals or applications should be denied until the agency sends the department a release for the licensee. Upon receiving the agency's notice under this subsection, the department shall suspend the licensee's driver's license and may not issue or renew a driver's license for the licensee until the department receives a release to do so from the agency. If a license is suspended or an application is denied under this section, money paid by the applicant or licensee may not be refunded by the department.

(d) The notice under (b) of this section must include the address and telephone

number of the agency and shall emphasize the necessity of obtaining a release from the agency as a condition for avoiding suspension or denial of the person's driver's license. The notice must also inform the licensee that, if a license is suspended or an application is denied under this section, money paid by the licensee will not be refunded by the department. The agency shall also develop a form that the licensee may use to request a review by the agency. A copy of this form shall be included with each notice sent under (b) of this section.

(e) The agency shall establish review procedures consistent with this section to allow a licensee to have the underlying arrearages and relevant defenses investigated, to provide a licensee with information on the process of obtaining a modification of a support order, or to provide a licensee with assistance in the establishment of a payment schedule on arrearages if the circumstances warrant.

(f) If a licensee wishes to challenge being included on the list, the licensee shall submit to the agency a written request for review within 30 days after the notice under (b) of this section was personally delivered or postmarked by using the form developed under (d) of this section. Within 30 days after receiving a written request for review, the agency shall inform the licensee in writing of the agency's findings. The agency shall immediately send a release to the department and the licensee if any of the following conditions is met:

(1) the licensee is found to be in substantial compliance with each support order applicable to the licensee or has negotiated an agreement with the agency for a payment schedule on arrearages and is in substantial compliance with the negotiated agreement; if the licensee fails to be in substantial compliance with an agreement negotiated under this paragraph, the agency shall send to the department a revocation of any release previously sent to the entity for that licensee;

(2) the licensee has submitted a timely request for review to the agency, but the agency will be unable to complete the review and send notice of findings to the licensee in sufficient time for the licensee to file a timely request for judicial relief within the 150-day period before the licensee's license will be suspended under (c) of this section; this paragraph applies only if the delay in completing the review process is not the result of the licensee's failure to act in a reasonable, timely,

and diligent manner upon receiving notice from the agency that the licensee's driver's license will be suspended in 150 days;

(3) the licensee has, within 30 days after receiving the agency's findings following a request for review under (2) of this subsection, filed and served a request for judicial relief under this section, but a resolution of that relief will not be made within the 150-day period before license suspension under (c) of this section; this paragraph applies only if the delay in completing the judicial relief process is not the result of the licensee's failure to act in a reasonable, timely, and diligent manner upon receiving the agency's notice of findings; or

(4) the licensee has obtained a judicial finding of substantial compliance.

(g) A licensee is required to act with diligence in responding to notices from the agency with the recognition that the person's driver's license will be suspended after 150 days or that a subsequent license will not be issued and that the agency and, where appropriate, the court must have time to act within that 150-day period or before the subsequent license is needed, as applicable. A licensee's delay in acting, without good cause, that directly results in the inability of the agency to complete a review of the licensee's request or the court to hear the request for judicial relief within the required period does not constitute the diligence required under this section that would justify the issuance of a release.

(h) Except as otherwise provided in this section, the agency may not issue a release if the applicant is not in substantial compliance with the order for support or is not in substantial compliance with an agreement negotiated under (f)(1) of this section. The agency shall notify the licensee in writing that the licensee may request any or all of the following: (1) judicial relief from the agency's decision not to issue a release or the agency's decision to revoke a release under (f)(1) of this section; (2) a judicial determination of substantial compliance; (3) a modification of the support order. The notice must also contain the name and address of the court in which the licensee may file the request for relief and inform the licensee that the licensee's name shall remain on the list if the licensee does not request judicial relief within 30 days after receiving the notice. The licensee shall comply with all statutes and rules of

court implementing this section. This section does not limit a licensee's authority under other law to request an order to show cause or notice of motion to modify a support order or to fix a payment schedule on arrearages accruing under a support order or to obtain a court finding of substantial compliance with a support order.

(i) A request for judicial relief from the agency's decision must state the grounds on which relief is requested and the judicial action shall be limited to those stated grounds. Judicial relief under this subsection is not an appeal and shall be governed by court rules adopted to implement this section. Unless otherwise provided by court rule, the court shall hold an evidentiary hearing within 20 calendar days after the filing of service on the opposing party. The court's decision shall be limited to a determination of each of the following issues:

(1) whether there is a support order or a payment schedule on arrearages;

(2) whether the petitioner is the obligor covered by the support order; and

(3) whether the obligor is in substantial compliance with the support order or payment schedule.

(j) If the court finds that the obligor is in substantial compliance with the support order or payment schedule, the agency shall immediately send a release under (f) of this section to the department and the licensee.

(k) When the obligor is in substantial compliance with a support order or payment schedule, the agency shall mail to the applicant and the department a release stating that the licensee is in substantial compliance. The receipt of a release shall serve to notify the licensee and the department that, for the purposes of this section, the applicant is in substantial compliance with the support order or payment schedule unless the agency, under (a) of this section, certifies subsequent to the issuance of a release that the licensee is once again not in substantial compliance with a support order or payment schedule.

(l) The process described in (f) of this section is the sole administrative remedy for contesting the suspension or the denial of a driver's license under this section. The procedures specified in AS 28 or AS 44.62.330 - 44.62.630 do not apply

to the suspension or failure to issue or renew a license under this section.

(m) The agency and department, as appropriate, shall adopt regulations necessary to implement this section.

(n) In this section,

(1) "department" means the Department of Public Safety;

(2) "driver's license" or "license" means a driver's license, as defined in AS 28.40.100;

(3) "licensee" means a person holding or requesting a driver's license;

(4) "list" means the list of obligors compiled and maintained under (a) of this section;

(5) "substantial compliance with a support order or payment schedule" means that, with respect to a support order or a negotiated payment schedule under (f) of this section, whichever is applicable, ~~the obligor has no more than $2,500~~ past due and has cumulatively paid an amount equal to or greater than the amount due for eight months during the past 12 months; ~~with respect to a support order or payment schedule that has been in effect for less than one year, "substantial compliance" means that the obligor has no more than $2,500 past due and has cumulatively paid an amount equal to or greater than 67 percent of the amount due during the period the support order or payment schedule has been in effect.~~

* **Sec. 23.** AS 36.30.850(b)(11) is amended to read:

(11) agreements with providers of services under AS 44.47.250; AS 47.07; AS 47.08; AS 47.10; AS 47.17; AS 47.24; **and AS 47.27, including contractors under AS 47.27.050** [AS 47.25.195 AND 47.25.310];

* **Sec. 24.** AS 39.25.110 is amended by adding a new paragraph to read:

(31) a participant in the Alaska temporary assistance program under AS 47.27 who holds a temporary position with the state in order to obtain job training or experience.

* **Sec. 25.** AS 44.19.626(a) is amended to read:

(a) As the lead state planning and coordinating entity, the Alaska Human Resource Investment Council has responsibility, to the extent authorized by federal and state law, for planning and coordinating federal, state, and local efforts in human

resource programs in this state related to employment training, **including the work activities of the Alaska temporary assistance program under AS 47.27**.

* **Sec. 26.** AS 44.29.020(a) is amended to read:

(a) The Department of Health and Social Services shall administer the state programs of public health and social services, including

(1) maternal and child health services;

(2) preventive medical services;

(3) public health nursing services;

(4) nutrition services;

(5) health education;

(6) laboratories;

(7) mental health treatment and diagnosis;

(8) management of state institutions, except for adult penal institutions;

(9) medical facilities;

(10) adult public assistance;

(11) **Alaska temporary assistance program** [AID TO FAMILIES WITH DEPENDENT CHILDREN];

(12) child welfare services;

(13) general relief; and

(14) licensing and supervision of child care facilities.

* **Sec. 27.** AS 44.47.280 is amended to read:

Sec. 44.47.280. ELIGIBILITY OF FAMILIES FOR BENEFITS. The department shall determine the eligibility of families for day care benefits on the basis of the following factors:

(1) [NET] income of the family, including salary, alimony, child support, retirement benefits, social security, and any other source of income;

(2) number of children in the family;

(3) whether there is one parent or guardian solely responsible for the care of the family [;

(4) REPEALED

(5) OTHER FACTORS FOUND RELEVANT BY THE

DEPARTMENT].

* **Sec. 28.** AS 47.05.010(1) is amended to read:

(1) administer adult public assistance, **the Alaska temporary assistance program** [AID TO FAMILIES WITH DEPENDENT CHILDREN], and all other assistance programs, and receive and spend **money** [FUNDS] made available to it;

* **Sec. 29.** AS 47.05.010(2) is amended to read:

(2) adopt regulations necessary for the conduct of its business and for carrying out federal and state laws granting adult public assistance, **temporary assistance for needy families under the Alaska temporary assistance program** [AID TO FAMILIES WITH DEPENDENT CHILDREN], and other assistance;

* **Sec. 30.** AS 47.05.010(5) is amended to read:

(5) cooperate with the federal government in matters of mutual concern pertaining to adult public assistance, **the Alaska temporary assistance program** [AID TO FAMILIES WITH DEPENDENT CHILDREN], and other forms of public assistance;

* **Sec. 31.** AS 47.05.010 is amended by adding a new paragraph to read:

(14) provide education and health-related services and referrals designed to reduce the number of out-of-wedlock pregnancies and the number of induced pregnancy terminations in the state.

* **Sec. 32.** AS 47.05.020 is amended to read:

Sec. 47.05.020. REGULATIONS TO PROTECT CONFIDENTIAL PUBLIC ASSISTANCE RECORDS. The power of the department to adopt regulations includes the power to adopt and enforce reasonable regulations governing the custody, use, and preservation of the records, papers, files, and communications of the department. **The regulations must provide ~~that a list of or names of, or information concerning,~~ persons applying for or receiving ~~day care assistance under AS 44.47.250 - 44.47.310 or~~ assistance under the Alaska temporary assistance program shall be disclosed to a legislator on request of the legislator in connection with official purposes within the scope of the legislator's legislative functions.** When, under the law, names and addresses of recipients of public assistance are furnished to or held by

another agency or department of government the agency or department of government shall adopt regulations necessary to prevent the publication of the lists or their use for purposes not directly connected with the administration of public assistance **or legislative functions. A legislator to whom information is disclosed under this section may not further disclose the information except to another legislator and then only in connection with official purposes within each legislator's legislative functions**.

* **Sec. 33.** AS 47.05.030 is amended to read:

Sec. 47.05.030. MISUSE OF PUBLIC ASSISTANCE LISTS AND RECORDS. Except **as otherwise provided in AS 47.05.020 or** for purposes directly connected with the administration of general assistance, adult public assistance, the day care assistance program authorized under AS 44.47.250 - 44.47.310, or **the Alaska temporary assistance program** [AID TO FAMILIES WITH DEPENDENT CHILDREN], and in accordance with the regulations of the department, a person may not solicit, disclose, receive, make use of, or authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or names of, or information concerning, persons applying for or receiving the assistance directly or indirectly derived from the records, papers, files, or communications of the department or subdivisions or agencies of the department, or acquired in the course of the performance of official duties.

* **Sec. 34.** AS 47.05.080(a) is amended to read:

(a) Benefit overpayments collected by the department in administering programs under AS 47.25.120 - 47.25.300 (general relief), [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN),] AS 47.25.430 - 47.25.615 (adult public assistance), [AND] AS 47.25.975 - 47.25.990 (food stamps), **and AS 47.27 (Alaska temporary assistance program)** shall be remitted to the Department of Revenue under AS 37.10.050(a).

* **Sec. 35.** AS 47.07.020(b)(1) is amended to read:

(1) persons eligible for but not receiving assistance under any plan of the state approved under [42 U.S.C. 601 - 615 (TITLE IV-A, SOCIAL SECURITY ACT, AID TO FAMILIES WITH DEPENDENT CHILDREN) OR] 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental Security Income) **or a federal**

program designated as the successor to the aid to families with dependent children program;

*** Sec. 36.** AS 47.07.020(b)(5) is amended to read:

(5) persons under age 21 who are in an institution designated as an intermediate care facility for the mentally retarded and who are financially eligible as determined by the standards of the federal **program designated as the successor to the** aid to families with dependent children program;

*** Sec. 37.** AS 47.07.020(b)(7) is amended to read:

(7) persons under age 21 who are receiving active treatment in a psychiatric hospital and who are financially eligible as determined by the standards of **the federal program designated as the successor to the** [42 U.S.C. 601 - 615 (TITLE IV-A, SOCIAL SECURITY ACT,] aid to families with dependent children **program** [)];

*** Sec. 38.** AS 47.07.020(b)(8) is amended to read:

(8) persons under age 21 and not covered under (a) of this section, who would be eligible for benefits under the federal **program designated as the successor to the** aid to families with dependent children program, except that they have the care and support of both their natural and adoptive parents;

*** Sec. 39.** AS 47.07.020(b)(9) is amended to read:

(9) pregnant women not covered under (a) of this section and who meet the income and resource requirements of the federal **program designated as the successor to the** aid to families with dependent children program;

*** Sec. 40.** AS 47.07.035(26) is amended to read:

(26) individuals under age 21 who are not eligible for benefits under the federal **program designated as the successor to the** aid to families with dependent children program because they are not deprived of one or more of their natural or adoptive parents;

*** Sec. 41.** Rule 90.3(c), Alaska Rules of Civil Procedure, is amended by adding a new paragraph to read:

(3) In addition to ordering a parent to pay child support as calculated under this rule, the court may, in appropriate circumstances, order one or more

grandparents of a child to pay child support to an appropriate person in an amount determined by the court to serve the best interests of the child, ~~but not to exceed~~ the amount that would have been awarded if the child's parents had the incomes of the child's grandparents and paragraphs (a) and (b) were applied. An order under this paragraph may be issued only with respect to a child whose parents are both minors, and the order terminates when either parent becomes 18 years of age. The court must specify in writing the reasons why it considers it to be appropriate to order a grandparent to pay child support under this paragraph and the factors considered in setting the amount of the child support award. A grandparent ordered to pay child support under this paragraph is considered to be a child support obligor for the purpose of all laws, rules, and regulations relating to child support obligors.

* **Sec. 42.** AS 25.27.244 and 25.27.246, added by sec. 22 of this Act, are repealed.

* **Sec. 43.** AS 43.05.225(2)(B) is repealed.

* **Sec. 44.** AS 47.25.310(c) is repealed.

* **Sec. 45.** AS 47.25.301, 47.25.302, 47.25.303, 47.25.305, 47.25.306, 47.25.307, 47.25.308, and 47.25.309 are repealed on the date established under sec. 60 of this Act.

* **Sec. 46.** AS 47.25.310, 47.25.311, 47.25.315, 47.25.320, 47.25.330, 47.25.340, 47.25.345, 47.25.350, 47.25.360, 47.25.364, 47.25.365, 47.25.366, 47.25.370, 47.25.380, 47.25.395, 47.25.400, 47.25.410, 47.25.420, 47.25.421, 47.25.423, 47.25.425, 47.25.427, and 47.25.429 are repealed on the date established under sec. 55 of this Act.

* **Sec. 47.** COURT RULE CHANGE. The court rule change in sec. 41 of this Act may take effect with the affirmative vote of a majority of the membership of each house, notwithstanding art. IV, sec. 15, Constitution of the State of Alaska, because the rule being amended is not a rule governing practice or procedure.

* **Sec. 48.** WAIVER APPLICATIONS. The Department of Health and Social Services shall promptly apply to the federal government for waivers if the department determines that waivers are necessary to implement AS 47.25.309, added by sec. 1 of this Act, or any part of secs. 2 - 6 or 44 of this Act. If waivers are not necessary for any particular provision, the department shall promptly submit a state plan amendment to the federal government to implement the change made by the provision.

* **Sec. 49.** REPORT. (a) In furtherance of the public policy of increasing child support enforcement and collections, the child support enforcement agency shall, within 18 months

after the effective date of this section, make a report to the governor based on data collected by the licensing entities and the agency in a format prescribed by the agency. The report must contain

(1) the number of delinquent obligors on the lists maintained by the agency under AS 25.27.244 - 25.27.246, enacted by sec. 22 of this Act, at the end of the first 12 months during which the lists were maintained;

(2) the number of delinquent obligors who also were applicants or licensees subject to AS 25.27.244 - 25.27.246, enacted by sec. 22 of this Act, during the first 12 months during which AS 25.27.244 - 25.27.246 were applicable;

(3) the number of new licenses and renewals that were delayed or denied and temporary licenses issued subject to AS 25.27.244 and the number of new licenses and renewals granted following receipt by licensing entities of releases under AS 25.27.244 by the end of the first 12 months during which AS 25.27.244 was applicable;

(4) the number of licenses under AS 28.15 that were suspended under AS 25.27.246 and the number of licenses under AS 28.15 that were reinstated following receipt by the Department of Public Safety of releases under AS 25.27.246 by the end of the first 12 months during which AS 25.27.246 was applicable; and

(5) the costs incurred in the implementation and enforcement of AS 25.27.244 - 25.27.246, enacted by sec. 22 of this Act, during the first 12 months during which AS 25.27.244 - 25.27.246 were applicable;

(b) A licensing entity receiving an inquiry from the agency under (a) of this section shall cooperate with the agency. When queried as to the licensed status of an applicant who has had a license denied or suspended under AS 25.27.244 or 25.27.246 or has been granted a temporary license under AS 25.27.244, the licensing entity shall respond only that the license was denied or suspended or that the temporary license was issued.

*** Sec. 50.** REDETERMINATION OF ASSISTANCE LEVELS. (a) On the first day of the First Regular Session of the Twenty-First Alaska State Legislature, the Department of Health and Social Services shall submit to the legislature the results of a comprehensive needs study that includes estimates of the basic assistance amounts required by Alaska families who are receiving aid to families with dependent children (AFDC) or assistance under a program that is a successor to AFDC.

(b) If the First Regular Session of the Twenty-First Alaska State Legislature does not enact a bill that becomes law that adjusts the payment structure or the levels of assistance provided under AFDC or its successor program, each maximum assistance amount under AFDC or its successor program, as applicable, is reduced, effective January 1, 2000, by the percentage by which the total state funds appropriated for AFDC or its successor program for operation during fiscal year 1999 exceeded the total state funds appropriated for AFDC or its successor program for operation during fiscal year 1997, with no adjustment required if the 1999 funds did not exceed the 1997 funds.

BS moved Adopted Amend #10

*** Sec. 51.** TRANSITION. (a) The Department of Health and Social Services and the Department of Revenue, child support enforcement agency, may proceed to adopt regulations necessary to implement this Act. Regulations to implement a provision of this Act take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the relevant provision of this Act.

(b) Regulations adopted by the Department of Health and Social Services under the authority of AS 47.25.310 - 47.25.420 before the effective dates of secs. 1 - 7 of this Act remain in effect, and may be implemented and enforced to the extent that the regulations are not inconsistent with the corresponding provisions of secs. 1 - 7 of this Act, until the department has made regulation changes under AS 44.62 (Administrative Procedure Act) to implement this Act.

(c) Notwithstanding sec. 46 of this Act, an application for assistance filed under AS 47.25.310 - 47.25.420 remains effective as an application for the Alaska temporary assistance program following the effective date of sec. 7 of this Act until the Department of Health and Social Services requires a new application with the development of a family self-sufficiency plan; new applications shall be required no later than one year following the effective date of sec. 7 of this Act.

(d) Litigation, hearings, investigations, collection actions, and other proceedings pending under a law amended or repealed by this Act continue in effect and may be completed by the Department of Health and Social Services notwithstanding the repeal or amendment under the Act.

*** Sec. 52.** APPLICABILITY. (a) AS 47.25.311(a), added by sec. 2 of this Act, and AS 47.27.015(e), added by sec. 7 of this Act, apply to disqualifications imposed on or after the effective dates of AS 47.25.311(a) and AS 47.27.015(e), respectively.

(b) AS 47.25.311(c), added by sec. 2 of this Act, and AS 47.27.015(c), added by sec. 7 of this Act, apply to refusals to accept, and separations from, suitable employment without good cause that occur on or after the effective dates of AS 47.25.311(c) and AS 47.27.015(c), respectively.

(c) AS 47.25.315, added by sec. 2 of this Act, and AS 47.27.027, added by sec. 7 of this Act, apply to minors who apply or reapply for assistance under AS 47.25.310 - 47.25.420 or AS 47.27.020, respectively, on or after the effective dates of AS 47.25.315 and AS 47.27.027, respectively.

*** Sec. 53.** AS 47.25.301, added by sec. 1 of this Act, and secs. 48, 51(a) and (b), and 52 of this Act take effect immediately under AS 01.10.070(c).

*** Sec. 54.** Sections 12, 41, 43, 47, and 51(c) and (d) of this Act take effect October 1, 1996.

*** Sec. 55.** Sections 7 - 11, 13 - 21, 23 - 40, and 46 of this Act take effect October 1, 1996, except that if the federal law providing for the aid to families with dependent children program has not been repealed by that date, those sections take effect on the first day after October 1, 1996, that the repeal of the federal aid to families with dependent children program is effective. The commissioner of health and social services shall notify the revisor of statutes and the lieutenant governor of the effective date of the repeal of the federal law providing for the aid to families with dependent children program.

*** Sec. 56.** AS 47.25.302 - 47.25.309, enacted by sec. 1 of this Act, secs. 2 - 6 of this Act, and sec. 44 of this Act take effect on the earlier of the following dates:

(1) the effective date for which the federal government approves and authorizes implementation of a state plan amendment effecting the change; or

(2) the effective date of a waiver received from the federal government that authorizes implementation of the provision.

*** Sec. 57.** Sections 22 and 49 of this Act take effect on the effective date of a provision of a federal law that requires the state to have procedures under which the state has authority to withhold or suspend, or to restrict the use of, driver's licenses or professional and occupational licenses of individuals owing overdue child support.

*** Sec. 58.** Section 42 of this Act takes effect two years after the effective date established under sec. ~~57~~ 53 of this Act.

*** Sec. 59.** The commissioner of health and social services shall notify the revisor of

statutes and the lieutenant governor of the effective date of

(1) the sections and parts of sections governed by sec. 56 of this Act and of whether the effective date was determined by a waiver approval or a determination that a waiver is not necessary; and

(2) sec. 22 of this Act.

*** Sec. 60.** Section 45 of this Act takes effect on the earlier of July 1, 2003, or the effective date established in sec. 55 of this Act.

Alaska State Legislature

Sen. Lyda Green, Chairman
Sen. Loren Leman, Vice-Chairman
Sen. Mike Miller
Sen. Johnny Ellis
Sen. Judith Salo

State Capitol
Room 123
Juneau, Alaska 99801-1182
907-465-3762

Senate Committee on
Health, Education and Social Services

Objectives of SB 98 "The Personal Responsibility Act of 1995"

The objectives of the Legislative Majority's welfare reform package are:

* To help all AFDC recipients become employed and self-sufficient.

* To make work more financially rewarding than public assistance.

* To make public assistance temporary, not a way of life.

* To develop a partnership between the public assistance recipient and government to ensure that a recipient's individual commitment to self-sufficiency complements the efforts of government to provide basic opportunities during the public assistance period.

* To restore personal dignity and respect through financial independence and self-reliance.

* To develop a partnership between private business, nonprofit organizations, government and public assistance recipients to establish mutually-beneficial workfare projects that enhance training, volunteer and work situations in the private sector.

* To eliminate abuses of the system.

* To provide both the opportunity and the incentive to become self-sufficient.

Alaska State Legislature

Sen. Lyda Green, Chairman
Sen. Loren Leman, Vice-Chairman
Sen. Mike Miller
Sen. Johnny Ellis
Sen. Judith Salo

State Capitol
Room 123
Juneau, Alaska 99801-1182
907-465-3762

Senate Committee on
Health, Education and Social Services

SB 98
"Personal Responsibility Act of 1995"
SPONSOR STATEMENT

SB 98 is designed around the premise that government public assistance is a helping hand to self-sufficiency, not a replacement for self-sufficiency.

The legislation follows the lead of successful reform programs in other states; offering innovative ideas and programs in an attempt to break the cycle of dependence and to repair a broken system.

The growing number of welfare recipients nationwide and the associated costs have forced many states and the federal government to propose better and more effective alternatives. Alaska should be pro-active and learn from the mistakes of other governments by changing our welfare system to avoid the destructive situations occurring throughout the United States.

The basic premise behind this bill is to help those who are on welfare to find jobs and become self-sufficient. The current welfare system discourages work and encourages long-term dependence on government.

SB 98 is designed to alter the focus of the government's efforts: work, self-reliance and personal responsibility are to receive the highest emphasis. Recipients need to be empowered with the tools to get them back on their feet again and to be self-sufficient; this legislation offers that helping hand.

In general terms, the main provisions of the bill provide for:

* Incentives to go to work, graduate from high school or a vocational program;

* Elimination of the 100-Hour Rule that discourages employment; raising the automobile allowance from $2000 to $5000 to better assist recipients with transportation to work;

* A workfare pilot project in areas with the highest number of AFDC recipients;

* Permanent ineligibility for individuals convicted of welfare fraud;

* The signing of a personal responsibility agreement by recipients of AFDC;

* A two-year time limit on benefits for those recipients in the workfare program or the JOBS program;

* Additional 12 months of Medicaid coverage during transitional period from welfare to work;

* No increase in cash benefits for additional children conceived on welfare;

* A single parent 17 or under to live with parents, adult relatives or other adult-supervised arrangements in order to qualify for AFDC;

* Reduces AFDC to federal minimums. Alaska's cash welfare payments for a family of three ($923.00) are far above the national median ($367.00);

* Maximum of five years of public assistance for able-bodied recipients, with specified exceptions (does <u>not</u> apply to physically or mentally disabled recipients);

* Parentage establishment at the time of AFDC application, with specified exceptions;

* Establishes an "Immediate Referral Policy" directing new applicants into the JOBS program and assisting with developing a self-sufficiency plan for the family, prior to approval for AFDC;

* Establishes a noncash, temporary assistance policy to help needy families through a crisis situation. The DHSS may grant food stamps, child care assistance and/or Medicaid for up to six consecutive months, instead of cash AFDC benefits.

Workfare and the JOBS program will be used for training, work experience and to instill a work ethic. Additional incentives and sanctions will encourage recipients to make sure that their children are in school on a regular basis; to finish training programs; to graduate from high school; to complete treatment programs and to retain the jobs that they secure.

The time has come to make real changes to welfare. Public assistance can, and should be, an effective transitional program for those in need of temporary assistance. SB 98 is a first step in an effort to break the cycle of welfare dependence and to help welfare recipients become more productive, self-sufficient and financially independent.

Alaska State Legislature

Sen. Lyda Green, Chairman
Sen. Loren Leman, Vice-Chairman
Sen. Mike Miller
Sen. Johnny Ellis
Sen. Judith Salo

State Capitol
Room 123
Juneau, Alaska 99801-1182
907-465-3762

Senate Committee on
Health, Education and Social Services

FACTS ABOUT WELFARE IN ALASKA

Welfare unduplicated recipient count, Oct. 1994	71,980
Estimated population of Alaska, July 1994	603,000
Percentage of the state's population	11.93 %

61 % of those currently receiving AFDC have been on welfare for **MORE** than two years.

15 %	2 - 3 years
20 %	3 - 5 years
25 %	5 years or longer
61 %	More than two years

The length of time that recipients are staying on welfare in Alaska is lengthening and the number of long-term dependents of welfare continues to grow.

Maximum benefit amounts as of 1/95 for a family of three on AFDC:

FAMILY OF THREE	URBAN	RURAL
AFDC Cash Grant	$923	$923
Food Stamps	$388	$602
Medicaid	$500	$500 (Average in '92, in '92 $$)
Daycare Assistance	varies	varies
ASHA Housing	varies	varies
Energy Assistance	(Annual grants range from $150 - $910)	

Alaska State Legislature

Sen. Lyda Green, Chairman
Sen. Loren Leman, Vice-Chairman
Sen. Mike Miller
Sen. Johnny Ellis
Sen. Judith Salo

State Capitol
Room 123
Juneau, Alaska 99801-1182
907-465-3762

Senate Committee on Health, Education and Social Services

CSSB98 (HES)
Personal Responsibility Act of 1995

SECTIONAL ANALYSIS

Section 1. Short title of the bill.

Section 2. Requires DHSS to share information about illegal aliens with the I.N.S.

Section 3-4. Provides for permanent ineligibility for public assistance if a person is convicted of welfare fraud in this state or another jurisdiction.

Section 5. Establishes a 30-day residency requirement for AFDC.

Section 6. Prohibits cash benefit increases in AFDC for additional children conceived on welfare; establishes a five-year time limit on AFDC benefits for persons who are not mentally or physically disabled; requires that unmarried minor parents live with their parents, relatives or in other adult-supervised arrangements in order to qualify for AFDC.

Section 7. Reduces AFDC payment levels.

Section 8. Requires parentage establishment at the time of AFDC application; requires the DHSS to refer AFDC applicants to the JOBS program and to help them develop a plan for self-sufficiency; allows the DHSS to provide temporary noncash assistance for up to six months to certain AFDC applicants.

Section 9. Requires the signing of a personal responsibility agreement by AFDC recipients; makes changes in the AFDC eligibility requirements relating to the "100-hour rule" and the automobile allowance (increases to $5000); requires DHSS to pay new residents at the AFDC rates that are in effect in their prior state of residence for their first six months of residency unless the family has a 13-week Alaska job history.

Section 10. Provides that AFDC payments for unmarried minor parents be made to the minor's parent, legal guardian or adult relative.

Section 11. Requires an agreement to participate in a drug or alcohol treatment program, if the DHSS determines that an AFDC recipient is addicted to drugs or alcohol and if a program is available; provides for transitional benefits for a recipient who marries (DHSS may grant up to six months of AFDC payments during the transitional period); establishes a workfare pilot project: allows DHSS to assign adults in the project area to uncompensated activities in order to retain AFDC eligibility, with specified exceptions; defines the project area; sets a two-year time limit, with specified exceptions, for AFDC benefits to a family that includes a member that has been assigned to the JOBS program or a workfare activity (would allow for 12 months of additional Medicaid eligibility).

Section 12. Provides for a penalty for failure to keep a child in school regularly and for failure of a teenage AFDC parent to attend school; grants a financial bonus for graduation or equivalent; provides for a penalty for an AFDC recipient who quits a job, without good cause, that was held at the time the person applied for AFDC; provides that only one penalty may be assessed at any given time.

Section 13. Would provide for temporary loss of benefits for noncompliance or nonparticipation in specified programs.

Section 14. Provides for permanent ineligibility for public assistance if a person is convicted of welfare fraud in this state or another jurisdiction.

Section 15-17. Provides that interim assistance shall be terminated after an initial determination of ineligibility for SSI and may not continue during the appeal process. Requires that repayment be made upon a final determination of eligibility or ineligibility.

Section 18. Repeals a statute that currently prohibits the DHSS from requiring a minor parent to live with an adult in order to be eligible for AFDC.

Section 19. Establishes the completion date for the five-year workfare pilot project: March 1, 2001.

Section 20. Establishes the applicability of certain sections of the bill and applies those sections to situations occurring on or after the effective dates.

Section 21. Gives the DHSS the authority to promulgate regulations immediately, but the regulations shall not take effect until the specified effective dates.

Section 22. Requires the DHSS to review the workfare pilot project and to submit a written report of their findings to the Legislature by January 15, 2002.

Section 23. Establishes a delayed effective date, March 1, 1996, for sections of the bill.

Section 24. Establishes an immediate effective date for specified sections of the bill.

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

State	Need Standard 3 Persons*	Maximum Benefits 3 Persons	Maximum Benefits Ranking	Benefit as a Percent of Poverty*	Rank by Percent of Poverty
Alabama	573	160	51	15.6%	51
Alaska	975	923	1	71.9%	1
Arizona	954	347	33	33.8%	33
Arkansas	705	204	47	19.9%	47
California	715	607	6	59.2%	6
Colorado	421	421	20	41.0%	20
Connecticut	735	735	2	71.6%	2
Delaware	338	338	35	32.9%	35
Dist. Of Columbia	712	420	21	40.9%	21
Florida	991	303	40	29.5%	40
Georgia	424	280	43	27.3%	43
Hawaii	1,140	712	4	60.3%	5
Idaho	991	317	38	30.9%	38
Illinois	890	367	29	35.8%	29
Indiana	320	320	37	31.2%	37
Iowa	849	426	18	41.5%	18
Kansas	396	396	25	38.6%	25
Kentucky	526	228	46	22.2%	46
Louisiana	658	190	48	18.5%	48
Maine	553	418	22	40.7%	22
Maryland	507	366	30	35.7%	30
Massachusetts	579	579	7	56.4%	7
Michigan	509	424	19	41.3%	19
Minnesota	532	532	11	51.9%	11
Mississippi	368	368	28	35.9%	28
Missouri	312	285	42	27.8%	42
Montana	478	389	26	37.9%	26
Nebraska	364	364	31	35.5%	31
Nevada	699	348	32	33.9%	32
New Hampshire	1,405	307	39	29.9%	39
New Jersey	985	443	16	43.2%	16
New Mexico	381	381	27	37.1%	27
New York	577	577	8	56.2%	8
North Carolina	544	266	44	25.9%	44
North Dakota	501	501	13	48.8%	13
Ohio	901	341	34	33.2%	34
Oklahoma	645	324	36	31.6%	36
Oregon	460	460	15	44.8%	15
Pennsylvania	587	403	24	39.3%	24
Rhode Island	554	554	9	54.0%	9
South Carolina	440	440	17	42.9%	17
South Dakota	491	491	14	47.9%	14
Tennessee	500	185	50	18.0%	50
Texas	751	188	49	18.3%	49
Utah	553	415	23	40.4%	23
Vermont	724	724	3	70.6%	3
Virginia	322	291	41	28.4%	41
Washington	1,158	546	10	53.2%	10
West Virginia	497	249	45	24.3%	45
Wisconsin	647	517	12	50.4%	12
Wyoming	674	674	5	65.7%	4

Note*

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

The percent of poverty is based on the 1994 Federal Poverty Guideline (FPG) for a family of three persons converted to a monthly rate. The FPG for all states is $1,026, except Alaska, which is increased 25 percent to $1,284; and Hawaii which is increased 15 percent to $1,180.

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

State of Alaska
Department of Health and Social Services
Division of Public Assistance

AFDC NEED AND MAXIMUM PAYMENT STANDARDS

SSI COLA	4.2% 1/1/88	4.0% 1/1/89	4.7% 1/1/90	6.4% 1/1/91	3.7% 1/1/92	3.0% 1/1/93	*Change in Law* * 10/1/93		2.6% 1/1/94		2.8% 1/1/95	
FAMILY SIZE	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Need Std	Max Pymt	Need Std	Max Pymt	Need Std.	Max Pymt
ADULT INCLUDED (AI)												
2	692	719	752	792	821	845	845	821	867	821	891	821
3	779	809	846	891	923	950	950	923	975	923	1002	923
4	866	899	940	990	1025	1055	1055	1025	1083	1025	1113	1025
5	953	989	1034	1089	1127	1160	1160	1127	1191	1127	1224	1127
6	1040	1079	1128	1188	1229	1265	1265	1229	1299	1229	1335	1229
7	1127	1169	1222	1287	1331	1370	1370	1331	1407	1331	1446	1331
Ea. Additional	87	90	94	99	102	105	105	102	108	102	111	102
AFDC-INCAP/AFDC-UP (AFDC-UP effective 10/1/90)												
2	599	621	648	682	705	725	845	821	867	821	891	821
3	864	887	927	976	1011	1040	950	923	975	923	1002	923
4	941	977	1021	1075	1113	1145	1055	1025	1083	1025	1113	1025
5	1028	1067	1115	1174	1215	1250	1160	1127	1191	1127	1224	1127
6	1115	1157	1209	1273	1317	1355	1265	1229	1299	1229	1335	1229
7	1202	1247	1303	1372	1419	1460	1370	1331	1407	1331	1446	1331
Ea. Additional	87	90	94	99	102	105	105	102	108	102	111	102
ADULT NOT INCLUDED (ANI)												
1	275	286	299	315	326	335	466	452	478	452	491	452
2	550	572	598	630	653	672	571	554	586	554	602	554
3	637	662	692	729	755	777	676	656	694	656	713	656
4	724	752	786	828	857	882	781	758	802	758	824	758
5	811	842	880	927	959	987	886	860	910	860	935	860
6	898	932	974	1026	1061	1092	991	962	1018	962	1046	962
7	985	1022	1068	1125	1163	1197	1096	1064	1126	1064	1157	1064
Ea. Additional	87	90	94	99	102	105	105	102	108	102	111	102
SINGLE ADULT/PREGNANT WOMAN												
1	437	453	473	498	515	530	530	514	544	514	559	514

* *Change in Law (Ch 29 SLA 1993)*

Revised 11/94

APA NEED AND MAXIMUM PAYMENT STANDARDS

SSI COLA	1.3% 1/1/87	4.2% 1/1/88	4.0% 1/1/89	4.7% 1/1/90	6.4% 1/1/91	3.7% 1/1/92	3.0% 1/1/93	*Change in Law* * 10/1/93		2.6% 1/1/94		2.8% 1/1/95	
HOUSEHOLD TYPE	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Need Std	Max Pymt	Need Std	Max Pymt	Need Std	Max Pymt
A Individual	632	659	685	717	756	784	808	807	796	828	808	851	820
B Individual	523	545	567	594	626	649	668	667	657	684	665	703	673
A Couple, 1 Elig	759	791	823	862	909	943	971	970	955	995	967	1023	979
B Couple, 1 Elig	600	625	650	681	718	745	767	766	753	786	761	808	769
A Couple, Both Elig	937	976	1015	1063	1120	1161	1196	1195	1180	1226	1197	1260	1215
B Couple, Both Elig	778	811	843	883	931	965	994	993	978	1019	989	1048	1001
NH Personal Needs	70	70	75	75	75	75	75	74	75	74	75	74	75
NH 300%	1020	1062	1104	1158	1221	1266	1302	1302	–	1338	–	1374	-

* *Change in Law (Ch 29 SLA 1993)*

SSI ELIGIBILITY/PAYMENT STANDARDS

HOUSEHOLD TYPE	1.3% 1/1/87	4.2% 1/1/88	4.0% 1/1/89	4.7% 1/1/90	5.4% 1/1/91	3.7% 1/1/92	3.0% 1/1/93	*No Change* 10/1/93	2.6% 1/1/94	2.8% 1/1/95
A Individual	340	354	368	386	407	422	434	434	446	458
B Individual	226.67	236	245.34	257.34	271.34	281.34	289.34	289.34	297.34	305.34
A Couple, Both Elig	510	532	553	579	610	633	652	652	669	687
B Couple, Both Elig	340	354.67	368.67	386	406.67	422	434.67	434.67	446	458
NH Personal Needs	25	25	30	30	30	30	30	30	30	30

FEDERAL POVERTY LEVELS

	FAMILY SIZE	100% QMB SIX-UP	133% PREGNANT WOMAN HEALTHY CHILDREN	186% TRANSITIONAL MEDICAID	200% QDWI
ALASKA MONTHLY STANDARDS	1	767	1020	1419	1534
	2	1025	1364	1897	2050
	3	1284	1707	2375	
Effective 4/1/94	4	1542	2051	2853	
	5	1800	2394	3330	
	6	2059	2738	3808	
	7	2317	3082	4286	
	8	2575	3425	4764	
	Ea. Additional	259	344	478	

Legislative Research Agency

Alaska State Legislature

130 Seward Street, Suite 218
Juneau, Alaska 99801-2196

Phone: (907) 465-3991
Fax: (907) 463-3351

March 23, 1995

MEMORANDUM

TO: Senator Lyda Green

FROM: Paula d. Scavera PdS
Legislative Analyst

RE: **Participation in Public Assistance by Community with 1993 Estimated Population**
Research Request 95.170

You requested an update of previous Legislative Research memorandums which show the number of persons receiving public assistance benefits and the percent of census district populations these people represent. You asked that we use the 1993 estimated population figures from the Alaska Department of Labor in place of the 1990 census data.

Attached is a twelve-page table which shows the unduplicated numbers of persons who received public assistance payments in October 1994 from each public assistance program and the population in each community and census district. This table also shows the benefit amount paid for each program in each community for October 1994. The communities are arranged alphabetically within each census district. The 1993 estimated Alaska population figures and from the Alaska Department of Labor. The public assistance participation numbers for the month of October 1994 are from the Alaska Department of Health and Social Services.

Although October is generally the month in which public assistance participation is lowest throughout the year, the October 1994 payment schedule was used because it is the most current information available. *

If you need further assistance, please contact this office.

Attachment

OCTOBER 1994 PUBLIC ASSISTANCE UNDUPLICATED PARTICIPATION BY COMMUNITY WITHIN CENSUS DISTRICT--1993 ESTIMATED POPULATION

Community	1993 Estimated Pop.	Aid to Families with Dependent Children			Food Stamps			Adult Public Assistance			Medicaid Only		Total Public Assistance		
		Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.
ALEUTIANS EAST															
Akutan	482	6	1,307		3	772		3	691		2		14	2,770	
False Pass	70	9	3,294			1,112		2	828		2		13	5,234	
King Cove	794	22	5,753		12	2,589		1	521		6		41	8,863	
Sand Point	1,002	28	8,303		18	7,259		3	585		10		59	16,147	
Cold Bay	120														
Nelson Lagoon	85														
Balance, Aleutians East	16														
TOTAL CENSUS DISTRICT	2,569	66	$18,657	2.56%	32	$11,732	1.26%	9	$2,625	0.35%	21	0.80%	128	$33,014	4.98%
ALEUTIANS WEST															
Atka	100	13	3,690		6	2,170		6	1,555		2		27	7,415	
Dutch Harbor		6	1,846			1,013					1		7	2,859	
Nikolski	32							3	772		2		5	772	
St. George Island	157														
St. Paul Island	636	22	5,883		9	3,871		7	1,559		9		47	11,313	
Unalaska	4,317	6	1,642		9	766		11	2,859		4		30	5,267	
Adak	4,017														
Amchitka CDP	15														
Attu	22														
Eareckson AFS	534														
Shemya (Station CDP)															
Balance, Aleutians West	19														
TOTAL CENSUS DISTRICT	9,849	47	$13,061	0.48%	24	$7,820	0.24%	27	$6,745	0.27%	19	0.19%	116	$27,626	1.18%
ANCHORAGE															
Anchorage	247,894	13,945	4,080,936		4,325	1,150,992		4,040	1,365,591		3,313		25,623	6,597,519	
Eagle River		429	124,224		59	30,254		93	31,147		108		688	185,625	
Eklutna	402														
TOTAL CENSUS DISTRICT	248,296	14,374	$4,205,160	5.79%	4,383	$1,181,246	1.77%	4,133	$1,396,738	1.66%	3,422	1.38%	26,311	$6,783,144	10.60%

OCTOBER 1994 PUBLIC ASSISTANCE UNDUPLICATED PARTICIPATION BY COMMUNITY WITHIN CENSUS DISTRICT--1993 ESTIMATED POPULATION

		Aid to Families with Dependent Children			Food Stamps			Adult Public Assistance			Medicaid Only		Total Public Assistance		
Community	1993 Estimated Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.
BETHEL															
Akiachak	513	81	17,627		39	11,712		37	13,861		37		194	43,200	
Akiak	299	41	5,943		43	11,593		16	3,899		14		114	21,435	
Aniak	525	52	10,939		26	7,352		15	6,387		16		109	24,678	
Atmautluak	273	81	15,965		43	17,037		17	6,703		15		157	39,705	
Bethel	5,009	415	93,900		330	69,551		119	42,876		89		952	206,327	
Chefornak	336	67	11,025		56	18,903		30	10,570		25		177	40,498	
Chuathbaluk	120	26	6,280		21	6,988		8	2,427		9		65	15,695	
Crooked Creek	122	19	5,894		21	6,410		7	3,034		12		59	15,388	
Eek	261	56	8,256		21	8,527		21	8,042		16		114	24,825	
Goodnews Bay	238	41	7,792		34	8,130		21	8,669		24		120	24,591	
Kasigluk	487	141	26,394		39	26,577		26	9,848		34		239	62,819	
Kipnuk	501	111	22,574		56	19,351		24	7,922		40		231	49,847	
Kongiganak	305	70	15,588		34	16,647		12	4,218		22		138	36,453	
Kwethluk	587	96	19,192		90	28,372		43	16,308		38		267	63,872	
Kwigillingok	319	41	10,453		34	14,954		19	6,903		29		123	32,310	
Lime Village	51	11	2,871			1,520		7	3,076				18	7,467	
Lower Kalskag	302	74	14,686		47	14,758		21	8,776		24		166	38,220	
Mekoryuk	199	26	5,373		60	7,720		18	6,966		10		114	20,059	
Napakiak	330	93	18,462		47	15,422		31	10,270		19		189	44,154	
Napaskiak	367	70	12,830		94	20,915		20	7,887		25		209	41,632	
Newtok	262	44	9,724		43	17,108		12	4,636		20		119	31,468	
Nightmute	174	30	5,446		21	7,348		10	3,808		9		70	16,602	
Nunapitchuk	426	85	14,690		60	19,673		24	9,294		25		194	43,657	
Oscarville	50							2	974		1		3	974	
Platinum	49	7	1,455		4	1,222		2	730		1		15	3,407	
Quinhagak	501	85	21,182		13	12,829		46	17,562		25		169	51,573	
Red Devil	69	7	1,744		4	795		1	543		2		15	3,083	
Sleetmute	116	26	5,934		34	6,584		12	3,973		3		75	16,491	
Stony River	63	4	1,885		17	2,868		2	778		1		24	5,531	
Toksook Bay	484	85	19,824		51	18,202		23	9,788		41		201	47,814	
Tuluksak	375	85	23,615		30	15,160		20	9,187		27		162	47,962	
Tuntutuliak	317	78	17,131		60	19,467		20	8,284		28		186	44,882	
Tununak	335	44	8,387		30	13,455		19	7,103		28		121	28,945	
Upper Kalskag	184	26	1,843		39	6,043		15	6,374		9		89	14,260	
Napaimute	2														
Balance, Aniak CSA (in Bethel)	72														
Balance, Lower Kuskokwim	12														
TOTAL CENSUS DISTRICT	14,635	2,219	$464,904	15.16%	1,541	$473,194	10.53%	720	$271,726	4.92%	718	4.91%	5,197	$1,209,824	35.51%

OCTOBER 1994 PUBLIC ASSISTANCE UNDUPLICATED PARTICIPATION BY COMMUNITY WITHIN CENSUS DISTRICT--1993 ESTIMATED POPULATION

		Aid to Families with Dependent Children			Food Stamps			Adult Public Assistance			Medicaid Only		Total Public Assistance		
Community	1993 Estimated Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.
BRISTOL BAY BOROUGH															
King Salmon	805	9	2,673			1,004		1	253				10	3,930	
Naknek	621	6	1,744		3	1,286		5	1,739		1		15	4,769	
South Naknek	147	3	930		3	340							6	1,270	
Balance, Bristol Bay	3														
TOTAL CENSUS DISTRICT	1,576	19	$5,347	1.19%	6	$2,630	0.37%	6	$1,992	0.38%	1	0.07%	32	$9,969	2.01%
DENALI BOROUGH															
Anderson	650	16	4,898		10	3,769		4	1,290		3		33	9,957	
Cantwell	144	3	821					1	109		1		5	930	
Healy	516	6	776		16	4,072		5	1,669		14		42	6,517	
Ferry	59														
Lignite CDP	105														
McKinley Park	182														
Balance , Denali Borough	285														
TOTAL CENSUS DISTRICT	1,941	26	$6,495	1.32%	26	$7,841	1.32%	10	$3,068	0.52%	19	0.96%	80	$17,404	4.12%
DILLINGHAM															
Aleknagik	181				6	599		6	1,767		1		13	2,366	
Clarks Point	53	6	1,731		6	2,548					3		15	4,279	
Dillingham	2,200	104	24,877		32	19,230		49	14,948		31		216	59,055	
Ekwok	93	38	9,903		24	11,082		9	2,980		2		72	23,965	
Koliganek	200	22	5,841		24	8,245		7	2,729		15		68	16,815	
Manokotak	421	28	7,751		30	11,922		15	5,000		21		93	24,673	
New Stuyahok	416	104	26,766		24	18,159		18	6,082		18		163	51,007	
Togiak	676	72	15,939		41	11,506		43	15,227		33		189	42,672	
Twin Hills	74	6	1,846		3	1,474		2	443		1		12	3,763	
Ekuk	2														
Portage Creek	6														
Balance, Dillingham	34														
TOTAL CENSUS DISTRICT	4,356	380	$94,654	8.71%	189	$84,765	4.33%	149	$49,176	3.42%	125	2.86%	842	$228,595	19.33%
FAIRBANKS NORTH STAR															
Eielson AFB	3,787	6	904		13	747		4	1,301		1		24	2,952	
Ester	195	8	2,663			427		5	1,578		1		14	4,668	
Fairbanks	33,281	2,784	822,236		1,079	241,144		885	293,840		904		5,651	1,357,220	
Fox	299	5	1,511		12	607		2	547		5		24	2,665	
Ft Wainwright		35	6,934		202	11,787		6	2,531		16		260	21,292	
North Pole	1,502	570	168,626		177	52,360		96	32,190		245		1,088	253,176	
Salcha CDP	394	35	8,787		19	2,959		15	3,535		16		86	15,281	
Two Rivers	624	3	821		6	500		1	521		2		12	1,842	
College	12,725														
Harding Lake	31														
Moose Creek	616														
Pleasant Valley CDP	552														
Balance, Eielson Reservation CSA	11														
Balance, Fairbanks North Star	28,411														
TOTAL CENSUS DISTRICT	82,428	3,447	$1,012,522	4.18%	1,507	$310,531	1.83%	1,014	$336,043	1.23%	1,191	1.44%	7,160	$1,659,096	8.69%

OCTOBER 1994 PUBLIC ASSISTANCE UNDUPLICATED PARTICIPATION BY COMMUNITY WITHIN CENSUS DISTRICT--1993 ESTIMATED POPULATION

Community	1993 Estimated Pop.	Aid to Families with Dependent Children			Food Stamps			Adult Public Assistance			Medicaid Only		Total Public Assistance		
		Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.
HAINES BOROUGH															
Haines	1,521	122	31,375		35	11,042		53	15,845		2		212	58,262	
Covenant Life CDP	72														
Lutak CDP	42														
Mosquito Lake CDP	98														
Balance, Haines Borough	756														
TOTAL CENSUS DISTRICT	2,489	122	$31,375	4.91%	35	$11,042	1.41%	53	$15,845	2.13%	2	0.08%	212	$58,262	8.52%
JUNEAU															
Juneau	28,822	1,103	$314,873	3.83%	320	$104,834	1.11%	371	$127,119	1.29%	390	1.35%	2,184	$314,873	7.58%
KENAI PENINSULA															
Anchor Point	1,016	137	41,861		52	12,896		34	10,521		58		281	65,278	
Clam Gulch	83	9	1,696			443		5	1,394		3		17	3,533	
Cooper Landing	261	3	821			89		3	594		2		8	1,504	
English Bay (Nanwalek)	174														
Homer	3,885	309	92,165		225	32,726		129	42,918		159		822	167,809	
Hope	154	17	3,968		6	1,158		4	774		2		29	5,900	
Kasilof	437	86	23,817		43	9,492		23	6,430		34		186	39,739	
Kenai	6,813	678	188,480		262	60,266		181	58,238		271		1,392	306,984	
Moose Pass	105	14	3,475		6	1,318		3	589		2		26	5,382	
Nikiski (Nikishka)	2,954	243	65,174		77	18,637		38	11,142		71		429	94,953	
Nanilchik	509	31	8,615		12	2,810		12	4,070		11		67	15,495	
Port Graham	177	6	1,563		9	1,131		3	871		5		23	3,565	
Seldovia	429	9	2,493			1,035		7	2,213		2		18	5,741	
Seward	2,732	152	42,999		83	17,370		79	21,134		71		385	81,503	
Soldotna	3,809	683	186,163		161	46,609		146	44,635		239		1,229	277,407	
Sterling	4,550	140	40,402		56	13,662		25	7,071		52		272	61,135	
Tyonek	143	9	1,592		21	7,199		4	1,956		2		36	5,747	
Cohoe	556														
Crown Point CDP	80														
Fox River CDP	407														
Fritz Creek	1,611														
Grouse Creek Groupd	584														
Halibut Cove	79														
Happy Valley CDP	363														
Jakalof Bay	35														
Kachemak	389														
Kalifonski	312														
Nikolaevsk CDP	435														
Primrose CDP	69														
Ridgeway CDP	2,707														
Salamatof	1,019														
Balance, Kenai-Cook Inlet CSA	7,369														
Balance, Seward CSA	665														
TOTAL CENSUS DISTRICT	44,411	2,526	$705,284	5.69%	1,015	$221,841	2.28%	696	$214,550	1.57%	984	2.22%	5,220	$1,141,675	11.75%

OCTOBER 1994 PUBLIC ASSISTANCE UNDUPLICATED PARTICIPATION BY COMMUNITY WITHIN CENSUS DISTRICT–1993 ESTIMATED POPULATION

		Aid to Families with Dependent Children			Food Stamps			Adult Public Assistance			Medicaid Only		Total Public Assistance		
Community	1993 Estimated Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	Percent of District Pop	Number of Persons	October 1994 Benefits	Percent of District Pop.
KETCHIKAN GATEWAY															
Ketchikan	8,846	591	185,725		414	73,204		247	81,729		263		1,515	340,658	
Saxman	394	19	2,631		6	1,012		3	933		2		30	4,576	
Ward Cove		6	1,297		3	145		4	1,131		2		15	2,573	
Balance, Ketchikan Gateway	5,683														
TOTAL CENSUS DISTRICT	14,923	616	$189,653	4.13%	423	$74,361	2.83%	254	$83,793	1.70%	267	1.79%	1,559	$347,807	10.45%
KODIAK ISLAND BOROUGH															
Akhiok	86	9	$1,573		6	$813					1		16	2,386	
Chiniak (Cape Chiniak)	77				9	370					2		11	370	
Karluk	65	6	864		6	1,730		2	636		2		16	3,230	
Kodiak	7,428	552	134,712		454	65,041		147	49,405		248		1,402	249,158	
Larsen Bay	153	13	3,374		21	2,289		2	368		6		41	6,031	
Old Harbor	311	53	12,859		41	11,329		9	1,815		11		115	26,003	
Ouzinkie	221	28	6,628		9	4,579		7	2,696		7		51	13,903	
Port Lions	264	16	3,277		15	1,298		6	2,329		3		40	6,904	
Women's Bay CDP	693														
Kodiak Station CDP	2,016														
Balance, Kodiak Island CSA	3,698														
TOTAL CENSUS DISTRICT	15,012	677	$163,287	4.51%	561	$87,449	3.73%	173	$57,249	1.15%	281	1.87%	1,692	$307,985	11.27%
LAKE & PENINSULA BOROUGH															
Chignik	191	3	1,025		6	1,495		2	1,130		1		12	3,650	
Chignik Lake	134	31	8,585		9	5,595		2	553		6		48	14,733	
Egegik	123	6	1,642		3	194		2	628		1		12	2,464	
Igiugig	41							2	799		1		3	799	
Iliamna	98	13	3,095		15	5,769		5	2,132		8		41	10,996	
Ivanof Bay	30				3	592					1		4	592	
Kokhanok (Kokahonak)	158	38	10,718		9	8,717		8	2,665		6		61	22,100	
Levelock	109	6	1,951		21	2,406		5	1,566		9		41	5,923	
Newhalen	167	3	1,229			855					1		5	2,084	
Nondalton	231	35	11,856		18	9,884		14	5,415		7		73	27,155	
Pedro Bay	42				9	1,051							9	1,051	
Perryville	103	16	3,712		9	3,806		2	811		2		29	8,329	
Pilot Point	72	6	1,927			1,001					4		10	2,928	
Port Heiden	132	6	1,944		6	1,149		6	1,997		6		24	5,090	
Chignik Lagoon	88														
Port Alsworth	51														
Ugashik	5														
Balance, Lake & Peninsula	52														
TOTAL CENSUS DISTRICT	1,827	163	$47,684	8.95%	106	$42,514	5.81%	48	$17,696	2.63%	55	2.99%	372	$107,894	20.38%

OCTOBER 1994 PUBLIC ASSISTANCE UNDUPLICATED PARTICIPATION BY COMMUNITY WITHIN CENSUS DISTRICT--1993 ESTIMATED POPULATION

		Aid to Families with Dependent Children			Food Stamps			Adult Public Assistance			Medicaid Only		Total Public Assistance		
Community	1993 Estimated Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.
MAT-SU BOROUGH															
Alexander Creek	33	9	2,298			233					1		10	2,531	
Big Lake	1,736	342	101,205		92	29,542		25	8,138		43		503	138,885	
Chikaloon	241	12	3,463		9	2,036		1	362				22	5,861	
Houston	878	153	46,364		71	13,901		22	6,515		20		265	66,780	
Palmer	3,205	1,068	282,651		373	90,005		246	70,960		324		2,011	443,616	
Skwentna	127	15	5,134		9	3,298					1		25	8,432	
Sutton	340	66	18,261		25	4,347		10	3,158		5		106	25,766	
Talkeetna	289	93	27,094		25	7,722		22	6,498		11		151	41,314	
Trapper Creek	276	57	17,397		25	2,122		6	1,375		9		97	20,894	
Wasilla	4,381	2,107	583,222		733	191,858		368	110,406		409		3,617	885,486	
Willow	324	198	55,528		80	19,559		19	5,240		29		326	80,327	
Independence Butte Butte CDP	2,344														
Chase	44														
Knik	317														
Lazy Mountain CDP	955														
Meadow Lakes CDP	2,792														
Balance, Mat-Su	27,654														
TOTAL CENSUS DISTRICT	45,936	4,121	$1,142,617	8.97%	1,442	$364,623	3.14%	719	$212,652	1.57%	852	1.85%	7,134	$1,719,892	15.53%
NOME															
Brevig Mission	243	47	10,164		59	11,597		16	6,024		12		135	27,785	
Diomede Village (Inaik)	168	28	7,804		12	1,148		8	3,009		5		53	11,961	
Elim	278	19	5,214		28	9,336		14	4,315		8		69	18,865	
Gambell	562	63	15,395		67	17,869		31	10,950		25		186	44,214	
Golovin	152	9	3,177		8	3,045		5	1,189		4		27	7,411	
Koyuk	281	44	9,520		36	9,419		17	6,231		11		108	25,170	
Nome	3,618	196	45,514		198	37,622		76	23,791		30		499	106,927	
Savoonga	556	98	22,256		138	31,154		20	7,162		22		278	60,572	
Shaktoolik	195	22	4,863		28	7,409		7	3,189		3		60	15,461	
Shishmaref	533	95	20,926		122	15,811		31	11,083		22		270	47,820	
St. Michael	298	54	10,550		40	11,875		10	3,944		16		120	26,369	
Stebbins	453	88	24,951		67	25,790		27	9,549		30		213	60,290	
Teller	264	16	3,881		16	3,651		17	6,014		5		54	13,546	
Unalakleet	730	54	13,017		16	7,180		17	6,412		7		94	26,609	
Wales	147	3	923		43	4,844		8	2,237		7		62	8,004	
White Mountain	180	28	7,863		55	8,963		11	4,767		7		102	21,593	
Council	8														
Port Clarence	28														
Solomon	6														
Balance, Nome	63														
TOTAL CENSUS DISTRICT	8,763	866	$206,018	9.88%	932	$206,713	10.64%	315	$109,866	3.59%	215	2.46%	2,328	$522,597	26.57%

OCTOBER 1994 PUBLIC ASSISTANCE UNDUPLICATED PARTICIPATION BY COMMUNITY WITHIN CENSUS DISTRICT--1993 ESTIMATED POPULATION

		Aid to Families with Dependent Children			Food Stamps			Adult Public Assistance			Medicaid Only		Total Public Assistance		
Community	1993 Estimated Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.
NORTH SLOPE BOROUGH															
Anaktuvik Pass	308							2	739		3		5	739	
Atqasuk (Atkasook)	240	3	502								2		5	502	
Barrow	3,986	48	13,268		48	8,894		15	6,631		48		160	28,793	
Kaktovik	226							2	934				2	934	
Nuiqsut	386	3	804			426		4	1,508		14		22	2,738	
Point Hope	704	11	2,064		13	2,463		8	2,849		10		42	7,376	
Point Lay	168					45		3	1,016		1		4	1,061	
Wainwright	535	6	1,273		3	1,875		5	2,749		1		16	5,897	
Deadhorse	22														
Prudhoe Bay	47														
Balance, Barrow-Point Hope	25														
Balance, Prudhoe Bay-Kaktovik	96														
TOTAL CENSUS DISTRICT	6,743	72	$17,911	1.06%	65	$13,703	0.96%	39	$16,426	0.58%	80	1.19%	256	$48,040	3.79%
NORTHWEST ARCTIC															
Ambler	297	65	13,681		31	11,521		10	3,357		11		117	28,559	
Buckland	380	61	13,980		80	20,532		7	2,114		20		167	36,626	
Deering	159	25	5,967		18	4,358		4	1,686		7		54	12,011	
Kiana	403	61	15,563		22	12,260		18	5,548		5		106	33,371	
Kivalina	372	43	8,775		44	12,733		18	5,457		18		123	26,965	
Kobuk	81	22	5,353		13	5,409		2	843		7		44	11,605	
Kotzebue	3,004	273	60,198		155	43,645		67	21,226		39		534	125,069	
Noatak	369	61	11,220		13	4,292		17	4,139		14		106	19,651	
Noorvik	543	75	15,074		62	17,151		20	5,795		32		189	38,020	
Selawik	640	118	23,607		66	21,839		31	10,572		27		243	56,018	
Shungnak	236	39	8,809		31	11,786		11	3,570		18		99	24,165	
Balance, Northwest Arctic	147														
TOTAL CENSUS DISTRICT	6,631	844	$182,227	12.72%	536	$165,526	8.08%	205	$64,307	3.09%	198	2.98%	1,782	$412,060	26.88%

OCTOBER 1994 PUBLIC ASSISTANCE UNDUPLICATED PARTICIPATION BY COMMUNITY WITHIN CENSUS DISTRICT–1993 ESTIMATED POPULATION

Community	1993 Estimated Pop.	Aid to Families with Dependent Children			Food Stamps			Adult Public Assistance			Medicaid Only		Total Public Assistance		
		Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.
PRINCE OF WALES															
Coffman Cove	237	4	907		2	559		1	362		2		9	1,828	
Craig	1,512	73	21,501		35	7,923		18	5,002		27		153	34,426	
Edna Bay	80	9	3,844			1,270					4		13	5,114	
Hollis	95					299								299	
Hydaburg	422	48	10,840		20	6,390		9	3,619		13		90	20,849	
Hyder	111	12	3,811		8	1,517		3	1,086		2		25	6,414	
Kasaan	45	5	1,375		3	107					1		9	1,482	
Klawock	759	55	13,267		20	8,059		16	5,490		21		111	26,816	
Metlakatla	1,527	178	36,666		36	11,038		29	9,363		39		283	57,067	
Meyers Chuck	40				3	594		1	362		2		6	956	
Point Baker	55	2	823		8	627		8	2,721		3		22	4,171	
Port Protection	48	4	1,075		6	696		1	612				11	2,383	
Thorne Bay	618	38	9,790		11	3,716		7	1,980		13		70	15,486	
Whale Pass	97	8	1,959		6	1,033		1	362		1		16	3,354	
Annette	47														
Dora Bay CDP	61														
Labouchere Bay CDP	126														
Long Island CDP	1														
Naukati Bay CDP	262														
Polk Inlet CDP	146														
Port Alice CDP	49														
Balance, Metlakatla CSA	26														
Balance, Outer Ketchikan CSA	23														
Balance, Prince of Wales CSA	536														
TOTAL CENSUS DISTRICT	6,923	437	$105,858	6.31%	157	$43,828	2.27%	94	$30,959	1.36%	129	1.86%	817	$180,645	11.80%
SITKA BOROUGH															
SITKA	9,052	331	$104,438	3.66%	188	$41,608	2.08%	90	$40,499	0.99%	112	1.24%	721	$104,438	7.97%
SKAGWAY/HOONAH/ANGOON															
Angoon	644	59	11,904		18	5,611		11	3,712		11		100	21,227	
Elfin Cove	64							1	149				1	149	
Gustavus	301	3	798			379					1		4	1,177	
Hoonah	918	63	20,445		34	7,728		22	10,306		4		123	38,479	
Klukwan (Chilkat)	135	2	479								1		3	479	
Pelican	240				1	442		1	329		1		3	771	
Skagway	751	12	4,290		8	1,481		7	2,848		7		34	8,619	
Tenakee Springs	100	3	875		12	1,075		4	1,382		1		20	3,332	
Cube Cove	143														
Freshwater Bay CDP	68														
Game Creek CDP	75														
Hobart Bay CDP	81														
Whitestone Logging Camp CDP	170														
Balance, Angoon CSA	17														
Balance, Hoonah-Yakutat	106														
TOTAL CENSUS DISTRICT	3,813	147	$38,790	3.73%	74	$16,716	1.94%	46	$18,726	1.21%	27	0.70%	289	$74,232	7.57%

OCTOBER 1994 PUBLIC ASSISTANCE UNDUPLICATED PARTICIPATION BY COMMUNITY WITHIN CENSUS DISTRICT--1993 ESTIMATED POPULATION

		Aid to Families with Dependent Children			Food Stamps			Adult Public Assistance			Medicaid Only		Total Public Assistance		
Community	1993 Estimated Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.
SOUTHEAST FAIRBANKS															
Chicken															
Delta Junction	693	202	48,891		67	17,428		57	16,968		49		376	83,287	
Dot Lake	86	13	3,014			1,258		9	2,631		7		29	6,903	
Eagle	166	10	2,604		32	6,341		8	2,981		7		57	11,926	
Fort Greely	1,134	3	408		29	1,994							32	2,402	
Northway (Village CDP)	111	45	11,079		3	2,435		19	8,201		16		84	21,715	
Tanacross	78	29	6,839		3	1,941		10	3,543		1		43	12,323	
Tetlin	88	19	6,765		19	5,369		12	5,192		8		59	17,326	
Tok	1,088	80	21,843		58	15,898		21	7,566		23		182	45,307	
Alcan CDP	14														
Big Delta	443														
Dry Creek CDP	100														
Eagle Village CDP (Eagle)	31														
Healy Lake	50														
Northway CDP	120														
Northway Junction CDP	104														
Balance, Southeast Fairbanks	1,888														
TOTAL CENSUS DISTRICT	6,194	401	$101,443	6.48%	212	$52,664	3.42%	136	$47,082	2.20%	112	1.81%	861	$201,189	13.91%
VALDEZ-CORDOVA															
Chenega Bay	89										2		2		
Chistochina	64								535					535	
Chitina	57	14	3,486		12	1,553		6	2,359		4		36	7,398	
Copper Center	455	112	32,492		47	18,059		36	10,694		21		215	61,245	
Cordova	2,432	60	16,892		20	7,668		29	10,122		29		138	34,682	
Gakona	100	20	3,398		6	2,183		10	3,981		3		39	9,562	
Glennallen	511	23	6,503		15	4,133		11	3,548		14		63	14,184	
Gulkana	109	6	2,105		3	1,451		1	362		1		11	3,918	
Mentasta Lake	100	19	4,385		6	1,463		3	1,072		5		34	6,920	
Slana	67	13	3,884		13	2,813		2	400		3		31	7,097	
Tatitlek	126							1	280		4		5	280	
Valdez	4,339	72	17,188		52	6,452		42	7,292		78		244	30,932	
Whittier	271	35	9,257		6	3,337		5	1,986				45	14,580	
Copperville CDP	181														
Eyak	165														
Kenny Lake	494														
McCarthy	28														
Mendeltna CDP	41														
Paxson	30														
Tazlina	93														
Tonsina	38														
Balance, Copper River CSA	667														
Balance, Cordova CSA	30														
Balance, Prince William Sound	161														
TOTAL CENSUS DISTRICT	10,648	373	$99,590	3.50%	179	$49,112	1.68%	146	$42,631	1.37%	165	1.55%	863	$191,333	8.10%

OCTOBER 1994 PUBLIC ASSISTANCE UNDUPLICATED PARTICIPATION BY COMMUNITY WITHIN CENSUS DISTRICT--1993 ESTIMATED POPULATION

		Aid to Families with Dependent Children			Food Stamps			Adult Public Assistance			Medicaid Only		Total Public Assistance		
Community	1993 Estimated Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.
WADE HAMPTON															
Alakanuk	602	141	31,956		154	43,574		28	9,620		67		390	84,980	
Chevak	645	163	37,228		111	38,360		32	10,052		75		381	85,640	
Emmonak	755	144	33,909		103	37,030		37	11,127		58		342	82,066	
Fortuna Ledge (Marshall)	303	56	11,044		26	9,535		11	4,431		23		115	25,000	
Hooper Bay	900	270	58,954		188	61,268		42	14,540		78		579	134,762	
Kotlik	514	137	37,924		98	36,010		21	8,476		32		288	81,710	
Mountain Village	779	174	36,241		60	32,502		29	9,506		39		302	78,519	
Pilot Station	512	126	25,773		107	36,137		36	14,487		40		309	76,397	
Pitkas Point	138	15	4,186			1,709		6	2,341		2		23	8,236	
Russian Mission	287	63	15,289		21	9,922		18	7,755		26		128	32,966	
Scammon Bay	422	156	32,361		73	34,163		24	7,083		26		278	73,607	
Sheldon Point	137	30	6,315		17	6,285		5	1,713		6		58	14,313	
St. Marys (Andreafsky)	478	52	12,201		39	10,373		20	7,995		35		145	30,569	
Balance, Wade Hampton	19														
TOTAL CENSUS DISTRICT	6,491	1,526	$342,771	23.51%	997	$356,868	15.36%	309	$109,126	4.76%	507	7.81%	3,339	$808,765	51.44%
WRANGELL/PETERSBURG															
Kake	758	26	8,773		15	5,610		6	1,524		10		58	15,907	
Petersburg	3,419	99	27,444		9	6,853		26	6,811		43		178	41,108	
Port Alexander	118	8	1,562		9	1,796		1	194		3		22	3,552	
Wrangell	2,659	125	39,796		45	10,948		47	12,339		43		260	63,083	
Kupreanof	24														
Rowan Bay CDP	49														
St. John's Harbor CDP															
Balance, Petersburg CSA	250														
Balance, Wrangell CSA	97														
TOTAL CENSUS DISTRICT	7,174	258	$77,575	3.50%	79	$25,207	1.07%	80	$20,868	1.08%	100	1.36%	517	$123,650	7.01%
YAKUTAT BOROUGH															
Yakutat	691	26	8,806	3.81%	1	2,317	0.14%	18	5,661	2.60%	7	1.04%	53	16,784	7.61%

OCTOBER 1994 PUBLIC ASSISTANCE UNDUPLICATED PARTICIPATION BY COMMUNITY WITHIN CENSUS DISTRICT--1993 ESTIMATED POPULATION

Community	1993 Estimated Pop.	Aid to Families with Dependent Children			Food Stamps			Adult Public Assistance			Medicaid Only		Total Public Assistance		
		Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.
YUKON KOYUKUK															
A[illegible]ket (including Alatna)	190	6	[illegible]75		32	6,039		14	5,882		11		64	13,296	
A[illegible]	85	7	1,[illegible]			1,329		3	1,336		1		11	4,409	
A[illegible] Village	107	36	9,[illegible]83		35	6,569		5	1,384		3		79	17,636	
B[illegible]	113	6	1,[illegible]86		12	1,104		7	2,949		3		28	5,159	
Be[illegible]et (Evansville)	48	3	98					1	426		1		5	524	
B[illegible] Creek	35	10	1,[illegible]35		3	952		1	511		1		15	3,258	
C[illegible]vitsik	92	10	3,[illegible]92		12	2,075		6	2,271		5		32	7,438	
Circle City	98	22	5,665		16	3,614		2	724		6		47	10,003	
Clear		10	2,767		10	928		1	280		2		22	3,975	
Fort Yukon	607	81	20,802		154	20,696		36	15,144		26		296	56,642	
Galena	709	13	3,199		16	3,251		6	2,114		14		49	8,564	
Grayling	191	30	7,263		9	6,817		8	3,917		10		56	17,997	
Holy Cross	273	44	10,897		60	11,117		9	3,591		10		124	25,605	
Hughes	63				13	2,951		5	1,476		3		21	4,427	
Huslia	217	26	4,542		13	4,630		14	4,531		8		61	13,703	
Kaltag	236	13	2,155		19	5,173		16	4,993		2		50	12,321	
Koyukuk	129	3	252		6	890		6	2,507		7		23	3,649	
Livengood		6	1,096			631		2	724				8	2,451	
Manley Hot Springs	111	13	3,425		16	3,378		4	1,561		1		34	8,364	
McGrath	518	35	8,428		27	9,462		7	2,178		9		77	20,068	
Minto	217	45	10,788		32	10,097		23	8,258		7		107	29,143	
Nenana	402	106	27,082		38	14,025		22	7,262		20		186	48,369	
Nikolai	113	16	4,166			1,181		7	2,670		2		25	8,017	
Nulato	368	29	6,400		16	5,199		14	5,029		37		96	16,628	
Rampart	65				3	150		2	1,219		1		6	1,369	
Ruby	206	19	6,138		35	4,571		8	3,006		10		73	13,715	
Shageluk	166	22	4,598		43	8,254		9	3,440		6		80	16,292	
Stevens Village	89	13	4,052		22	4,005		11	4,335		3		49	12,392	
Takotna	48	6	1,357		3	597		3	919		2		14	2,873	
Tanana	351	6	1,642		16	3,598		14	5,724		11		48	10,964	
Venetie	237	52	10,509		41	9,181		22	7,746		2		117	27,436	
Wiseman	28	3	554		3	225		1	239		2		10	1,018	
Central	42														
Circle Hot Springs Station CDP	24														
Lake Minchumina	33														
Telida	11														
Balance, Koyukuk-Middle Yukon	445														
Balance, McGrath-Holy Cross	56														
Balance, Yukon Flats	84														
TOTAL CENSUS DISTRICT	6,807	692	$166,670	10.16%	704	$152,689	10.35%	289	$108,346	4.25%	230	3.38%	1,915	$427,705	28.13%

OCTOBER 1994 PUBLIC ASSISTANCE UNDUPLICATED PARTICIPATION BY COMMUNITY WITHIN CENSUS DISTRICT--1993 ESTIMATED POPULATION

Community	1993 Estimated Pop.	Aid to Families with Dependent Children			Food Stamps			Adult Public Assistance			Medicaid Only		Total Public Assistance		
		Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.	Number of Persons	Percent of District Pop.	Number of Persons	October 1994 Benefits	Percent of District Pop.
TOTAL STATE	599,200	35,872	$9,867,671	5.99%	15,733	$4,113,374	2.63%	10,149	$3,411,514	1.69%	10,227	1.71%	71,981	$17,078,499	12.01%

This summary approximates the number of unduplicated persons.

AFDC persons - Roughly 70 percent of the AFDC families also receive food stamp benefits. The persons are not duplicated in the food stamp person count.
Food Stamp persons - Some Food Stamp persons reside in AFDC households but do not receive AFDC cash assistance.
Food Stamp benefits - Includes the total cash equivalent value of food stamps issued to AFDC families, Food Stamp-only households, and APA recipients.
Medicaid-only persons - Medicaid-only persons are certain groups of people who are not eligible for cash assistance (AFDC or APA) but who qualify for Medicaid.

Note: Numbers may not add due to rounding. Individuals whose exact location could not be identified were prorated among communities by the Department of Health and Social Services.

Sent To You By
Legislative Research Agency

STATE	INITIATIVE	KEY DATES
RECEIVED	23 applications from 22 States	
Arkansas	Eliminate increased AFDC benefits for additional children; provide special counseling to 13-17 year olds and require participation in educational activity.	Received 1/14/93 Approved 4/5/94
California	Implement Cal Learn, a Learnfare program that provides both bonuses and sanctions. Increase the resource limit to $2,000 and the automobile exemption to $4,500 and allow savings of up to $5,000 in restricted accounts. Create an Alternative Assistance Program that allows AFDC applicants and recipients with earned income to choose Medicaid and Child Care Assistance in lieu of a cash grant. Implement multiple reforms to the GAIN (JOBS) program.	Received 9/29/93 Approved 3/1/94
Colorado	Establish a 2-year time limitation sanction for non cooperative employable AFDC adults; consolidate AFDC, Food Stamp, and Child Care benefits into a single comprehensive benefits package; disregard a portion of all earned income, replacing all current income disregards; require all AFDC households with children under the age of 24 months to have current immunization, failure to comply will result in a financial sanction; provide incentives to participants who graduate from high school or obtain a GED; exempt the asset value of one care; and increase the resource limit to $5,000 for those families with an able-bodied adult who is employed or has been employed within the last 6 months.	Received 6/30/93 Approved 1/13/94

STATE	INITIATIVE	KEY DATES
Connecticut	Statewide: expand AFDC-UP eligibility; change filing unit requirements; increase motor vehicle and asset limits; eliminate 185 percent of need test; disregard student earnings; increase earned income disregards; redirect support payments to the AFDC family; extend transitional child care and Medicaid benefits; change voluntary quit policy to comply with Food Stamp policy; various JOBS program changes, including: 1-year post AFDC case management; require 20 hrs participation of parents with children under 6; change sanction; change limit on job search; in pilot sites, require work activity after two years of AFDC; eliminate most JOBS exemptions; establish a child support assurance program.	Received 12/30/93 Approved 9/29/94
Florida	With some exceptions, limits AFDC benefits to 24 months in any 60 month period followed by participation in transitional employment. Replaces current $90 and $30 and one third disregards with single, non time-limited disregard of $200 plus one-half reminder; disregards income of a stepparent whose needs are not included in the assistance unit for the first 6 months of receipt of public assistance; excludes interest income in determining benefits, lowers age of child for JOBS exemption to 6 months, raises asset limit to $5,000 plus a vehicle of reasonable worth used primarily for self-sufficiency purposes; and extends transitional Medicaid and child care benefits. Eliminates 100 hour and required quarters of work rules, and (on a case by case basis) the 6 month time limit requirements in the AFDC-UP program. Requires school conferences, regular school attendance, and immunizations.	Received 9/21/93 Approved 1/27/94
Georgia	Provide family planning and parenting services; eliminate increased AFDC benefit for additional children conceived while receiving AFDC; require able bodied adults to accept full time employment if they are not caring for children under 14.	Received 5/18/93 Approved 11/1/93

STATE	INITIATIVE	KEY DATES
Hawaii	Place individuals on waiting list for placement in employment and training components under JOBS in On the Job Training (OJT) positions.	Received 11/3/93 Approved 6/24/94
Illinois	Change earnings disregards and increase gross income test.	Received 8/2/93 Approved 11/23/93
Indiana	Statewide, for up to 12,000 job-ready AFDC adult recipients, measured at any point in time: limit AFDC cash benefits to 24 consecutive months; extend grant diversion to up to 24 months; freeze AFDC benefits for up to 24 months for working recipients at the payment level in effect at entry into employment; increase the AFDC resource limit to $1,500; extend post-employment supportive services (e.g., case management); and increase sanctions for failure to comply with JOBS program requirements. For all AFDC families statewide: eliminate the incremental increase in AFDC benefits for additional children conceived on welfare and not count such additional children for purposes of the JOBS exemption for the care of a child under age 3; establish fiscal sanctions for voluntarily terminating employment; require AFDC applicants and recipients to sign a personal responsibility agreement; eliminate the 100 hour rule for AFDC-UP; require children to attend school and to be immunized; eliminate the JOBS exemptions for recipients living in rural or hard to-access areas and those employed 30 or more hours per week; establish food stamp eligibility periods that are consistent with those in AFDC and Medicaid; for the purposes of determining food stamp eligibility and benefits, disregard child support payments and earnings for a 6 month period following the initiation of employment; and require Food Stamp Program fair hearing requests to be in writing. Also, in up to 5 counties, the State will implement Emergency Assistance pilots.	Received 6/21/94 Approved 12/15/94

STATE	INITIATIVE	KEY DATES
Iowa	Multi-faceted proposal including: changes in income disregards, increased resource limits, limiting JOBS exemptions, extending child care transitional benefit to 24 months, requiring most parents to develop self-sufficiency plan which includes individually based time frame for achieving self-sufficiency. Those unable to achieve self-sufficiency, but demonstrating effort and satisfactory performance, will have their time frames extended; those failing to do so, or choosing not to develop a plan, can be terminated from AFDC and cannot re-apply for 6 months.	Received 4/29/93 Approved 8/13/93
Michigan	Eliminate deprivation as eligibility factor; remove certain AFDC and Food Stamp Program restrictions on self-employment business income and assets; exclude one vehicle of any value; require immunization of pre-school-age AFDC children; allow federal funding for visitation and custody services provided by the child support enforcement agency; pilot applicant job search; eliminate JOBS exemptions; and change sanction under the JOBS to 25% of AFDC and Food Stamp benefits for the first 12 months of non-compliance and loss of family's AFDC benefits after 12 months of non participation.	Received 3/8/94 Approved 10/6/94
Mississippi	Implements three component demonstration. - a statewide component and two components implemented in pilot counties. Statewide component would require school attendance and immunizations, and would eliminate work force and hours-of-work requirements for UP cases. The Work First component (6 counties) cashes-out food stamps and provides program participants with short term subsidized public or private OJT at State minimum wage and supplemental payments to offset any loss of benefits, provide participants with work place mentoring and other support services, create employer-funded "individual education accounts," and distribute child support collections directly to custodial family. Also, non-custodial non-working parents may by State law have to participate in JOBS and Work First. The Work Encouragement Component (2 counties) removes the time limit on the $30 and 1/3 earned income disregard and raises the percent of deficit paid in AFDC grant from 60% to 100%.	Received 12/10/93 Approved 12/22/94

STATE	INITIATIVE	KEY DATES
New York	Provide payments for one time work-related expenses or other services, or child care, in lieu of AFDC benefits; modify allowable work experience, job training and other employment activities in addition to job search for AFDC and food stamp applicants and recipients; consolidate and streamline food stamp and AFDC eligibility requirements, including expansion of AFDC UP eligibility; provide incentives for children to attend school; make unemployed non custodial parents of children of AFDC applicants eligible for JOBS services; and encourage start up of microenterprises.	Received 6/7/94 Approved 10/19/94
North Dakota	Would make women in their first and second trimester of pregnancy eligible for AFDC.	Received 8/19/93 Approved 4/11/94
Oklahoma	Require school attendance of AFDC recipients aged 13-18.	Received 12/28/92 Approved 1/25/94
Oregon	Provide program participants with short term subsidized public or private OJT at State minimum wage and supplemental payments to offset any loss of benefits, provide participants with workplace mentoring and other support services, create employer-funded "individual education accounts," and distribute child support collections directly to custodial family. Modify eligibility computation and income disregard, and increase resource limitation to $10,000 for program participants.	Received 10/28/93 Approved 9/19/94

STATE	INITIATIVE	KEY DATES
Pennsylvania	Participants would enter into written agreement intended to move them to employment. In the third month of employment, recipient families would receive a benefit consisting of an AFDC payment plus the cash equivalent of the family's Food Stamps allotment; AFDC earned income disregards and Food Stamps deductions would be replaced with a deduction of $200 plus 30 percent; resource limits would rise in from $2,000 to $5,000; and recipients could exclude the equity value of one vehicle up to $7,500 as well as tax refunds and deposits into educational and retirement accounts. AFDC-UP eligibility and work activity requirements would be eliminated, and full time students through age 20 could receive AFDC. Child care providers would receive direct payment to cover the cost of care up to the established local market rate ceiling. Transitional Child Care and Medicaid would be provided to families with earned income up to 235 percent of poverty and case management services for such families may continue for 12 months after assistance. Transitional Medicaid for cases closed due to receipt of child support would be extended to 12 months.	Received 2/18/94 Approved 11/3/94
South Dakota	Time limits AFDC cash benefits for 24 months for those assigned to employment readiness track and for 60 months for those in training track followed by required employment or volunteer service; makes full family ineligible for 3 months for voluntarily quitting employment; provides one month transitional allowance after case closes due to earnings; disregards earned income and other assets of full time students.	Received 8/6/93 Approved 3/14/94
Vermont	Require participation in subsidized employment after 30 mo for AFDC and 15 mo for AFDC-UP cases, broaden AFDC-UP eligibility, change earnings disregards, change JOBS exemptions, disburse child support to AFDC family, require most minors to live in supervised setting, extend eligibility in child only cases.	Received 10/27/92 Approved 4/12/93

STATE	INITIATIVE	KEY DATES
Virginia	Includes 4 project components: 1) Recipients on AFDC for at least 2 years who meet other criteria can volunteer to be considered for jobs expected to pay $15-18,000/yr. Training stipends equal to AFDC will be paid initially. 2) Provide additional 24 mo. child care and Medicaid transition benefits. 3) Establish a child support insurance program for those leaving AFDC due to earnings. 4) Change method of counting step parent income when AFDC recipient marries; increase resource limit to $5,000 for education and housing purposes; extend AFDC eligibility to full time students until age 21.	Received 7/13/93 Approved 11/23/93
Wisconsin	AFDC and cashed out food stamps benefits are combined into one Work Not Welfare (WNW) payment with benefits limited to 24 monthly payments and 12 months of transition benefits within a 48 month period; after 24 months of payments no additional cash payments are available for 36 months unless an exemption is granted. The WNW benefit must be "earned" by participation in education, training or work related activities and in most cases benefits do not change between eligibility determinations as income changes. The AFDC portion of the WNW payment for children conceived after first receiving a WNW payment is not increased unless a child was conceived after not receiving a WNW payment for six months; child support collections are paid directly to the family; the 100 hour rule is eliminated for AFDC-UP cases; and earned income disregard of $30 and 1/3 is replaced by continuous disregard of $30 and 1/6.	Received 7/14/93 Approved 11/1/93
Wisconsin	Eliminate increased AFDC benefit for additional children conceived while receiving AFDC.	Received 2/9/94 Approved 6/24/94

STATE	INITIATIVE	KEY DATES
Wyoming	Require able bodied AFDC applicants and recipients to work or perform community service, require school attendance for those 16 and over, change sanction penalties for non compliance with work requirements, increase resource limit for employed families, limit or eliminate AFDC benefits in certain cases where recipient is in post-secondary ed. program, and provide JOBS to non custodial parents court-ordered to participate. ALSO SEE DENIED SECTION BELOWDenied additional waiver request to provide lesser of benefit for Wyoming or prior state of residence for 12 months for new residents.	Received 5/20/93 Approved 9/1/93
DENIED	3 Applications from 3 States	
Illinois	Would have paid lesser of previous State of Illinois benefit for 12 months for new residents.	Received 10/7/92 Denied 8/3/93
Massachusetts	Require JOBS participants to pay co payment for child care.	Received 1/14/93 Denied 9/15/94
Wyoming	Provide lesser of benefit for Wyoming or prior state of residence for 12 months for new residents.	Received 5/20/93 Denied 9/1/93

STATE	INITIATIVE	KEY DATES
WITHDRAWN OR REVIEW TERMINATED		
Illinois	Provide incentives for school attendance; require participation in a Community Service Corps (CSC) for those with children under 3; provide wage subsidy for up to 6 months after completing CSC.	Received 10/7/92
Ohio	Increase automobile asset limit to $60000.	Received 10/13/93
		— Withdrawn 4/18/94
South Carolina	Provides for work experience at for-profit sites, disregard of training allowances, changes to earnings disregards. State developing alternative proposal.	Received 12/9/92
		— Withdrawn 11/4/93
Texas	Would extend AFDC benefits to two parent families without regard to labor force attachment or number of hours worked.	Received 9/29/93
	Review terminated because State would not accept cost neutrality provisions.	— Terminated 4/18/94
	In three pilot counties, replaces current earned income disregards for AFDC families headed by teen parent(S) with flat the gap earned income disregard.	
	Review terminated because State would not accept cost neutrality provisions.	

STATE	INITIATIVE	KEY DATES
RECEIVED	27 Applications from 20 States	
Arizona	Statewide, would not increase benefits for additional children conceived while receiving AFDC; limit benefits to adults to 24 months in any 60 month period; allow recipients to deposit up to $200/month (with 50% disregarded) in Individual Development Accounts; require minor mothers to live with parents; extend Transitional Child Care and Medicaid to 24 months and eliminate the 100-hour rule for AFDC-U cases. Also, in a pilot site, would provide individuals with short term subsidized public or private OJT subsidized by grant diversion which includes cashing out Food Stamps.	Received 8/3/94
California	Statewide, would amend Work Pays Demonstration Project by adding provisions to: reduce benefit levels by 10% (but retaining the need level); reduce benefits an additional 15% after 6 months on assistance for cases with an able bodied adult; time limit assistance to able bodied adults to 24 months, and not increase benefits for children conceived while receiving AFDC.	Received 3/14/94
California	Statewide, would make AFDC and Food Stamp policy more compatible by making AFDC households categorically eligible for Food Stamps; allowing recipients to deduct 40 percent of self-employment income in reporting monthly income; disregarding $100 per quarter in non recurring gifts and irregular/infrequent income; disregarding undergraduate student assistance and work study income if payments are based on need; reinstating food stamp benefits discontinued for failure to file a monthly report when good cause is found for the failure; and simplifying vehicle valuation methodology.	Received 7/23/94
California	Would amend the Assistance Payments Demonstration Project by: exempting certain categories of AFDC families from the State's benefit cuts; paying the exempt cases based on grant levels in effect in California on November 1, 1992; and renewing the waiver of the Medicaid maintenance of effort provision at section 1902(c)(1) of the Social Security Act, which was vacated by the Ninth Circuit Court of Appeals in its decision in Beno v. Shalala.	Received 8/26/94
California	Statewide, would amend the Work Pays Demonstration Project by adding provisions to not increasing AFDC benefits to families for additional children conceived while receiving AFDC.	Received 11/9/94

STATE	INITIATIVE	KEY DATES
California	In San Diego County, require AFDC recipients ages 16-18 to attend school or participate in JOBS.	Received 12/5/94
California	Statewide, would require 100 hours CWEP participation per month for JOBS mandatory individuals who have received AFDC for 22 of the last 24 months and are working fewer than 15 hours per week after two years from JOBS assessment and: have failed to comply with JOBS without good cause, have completed CWEP or are in CWEP less than 100 per month, or have completed or had an opportunity to complete post-assessment education and training; provide Transitional Child Care and Transitional Medicaid to families who become ineligible for AFDC due to increased assets or income resulting from marriage or the reuniting of spouses; increase the duration of sanctions for certain acts of fraud.	Received 12/28/94
Georgia	In 10 pilot counties would operate Work for Welfare Project which would require every recipient and non-supporting parent to work 20 hours per month in a state, local government, federal agency or nonprofit organization; extends job search; and increases sanctions for JOBS noncompliance. On a statewide basis, would increase the automobile exemption to $4,500 and disregard earned income of children who are full-time students.	Received 6/30/94
Kansas	Statewide, would, after 30 months of participation in JOBS, make adults ineligible for AFDC for 3 years; replace $30 and 1/3 income disregard with continuous 40% disregard; disregard lump sum income and income and resources of children in school; count income and resources of family members who receive SSI; exempt one vehicle without regard for equity value if used to produce income; allow only half AFDC benefit increase for births of a second child to families where the parent is not working and eliminate increase for the birth of any child if families already have at least two children; eliminate 100 hour rule and work history requirements for UP cases; expand AFDC eligibility to pregnant women in 1st and 2nd trimesters; extend Medicaid transitional benefits to 24 months; eliminate various JOBS requirements, including those related to target groups, participation rate of UP cases and the 20 hour work requirement limit for parents with children under 6; require school attendance; require minors in AFDC and RPA Food Stamps cases to live with a guardian; make work requirements and penalties in the AFDC and Food Stamp programs more uniform; and increase sanctions for not cooperating with child support enforcement activities.	Received 7/26/94

STATE	INITIATIVE	KEY DATES
Maine	In 6 counties, would increase participation in Work Supplementation to 18 months; use Work Supplementation for any opening; use diverted grant funds for vouchers for education, training or support services; and extend transitional Medicaid and child care to 24 months.	Received 8/5/94
Maryland	Statewide, eliminate increased AFDC benefit for additional children conceived while receiving AFDC and require minor parents to reside with a guardian. In pilot site, require able-bodied recipients to do community service work after 18 months of AFDC receipt; impose full family sanction on cases where JOBS non-exempt parent fails to comply with JOBS for 9 months; eliminate 100 hour rule and work history requirements for AFDC-UP cases; increase both auto and resource limits to $5000; disregard income of dependent children; provide one time payment in lieu of ongoing assistance; require teen parents to continue education and attend family health and parenting classes; extend JOBS services to unemployed non-custodial parents; and for work supplementation cases cash-out food stamps.	Received 3/1/94
Massachusetts	Statewide, would end cash assistance to most AFDC families, requiring recipients who could not find full time unsubsidized employment after 60 days of AFDC receipt to do community service and job search to earn a cash "subsidy" that would make family income equal to the applicable payment standard; provide direct distribution of child support collections to, and cash out food stamps for, those who obtain jobs; continue child care for working families as long as they are income eligible (but requiring sliding scale co-payment); restrict JOBS education and training services to those working at least 25 hours per week; extend transitional Medicaid for a total of 24 months; and require teen parents to live with guardian or in a supportive living arrangement and attend school.	Received 3/22/94
Missouri	Statewide, would require minor parents to live at home or in other adult supervised setting; disregard parental income of minor parents if less than 100% of Federal Poverty Guidelines; disregard earnings of minor parents if they are students; provide option to standard filing unit requirements for households with minor parents; eliminate work history and 100 hour rule for two-parent families under 21 yrs old; exclude the value of one automobile. Submission indicates additional provisions may be added to project later - see section on "Anticipated" waivers.	Received 8/15/94

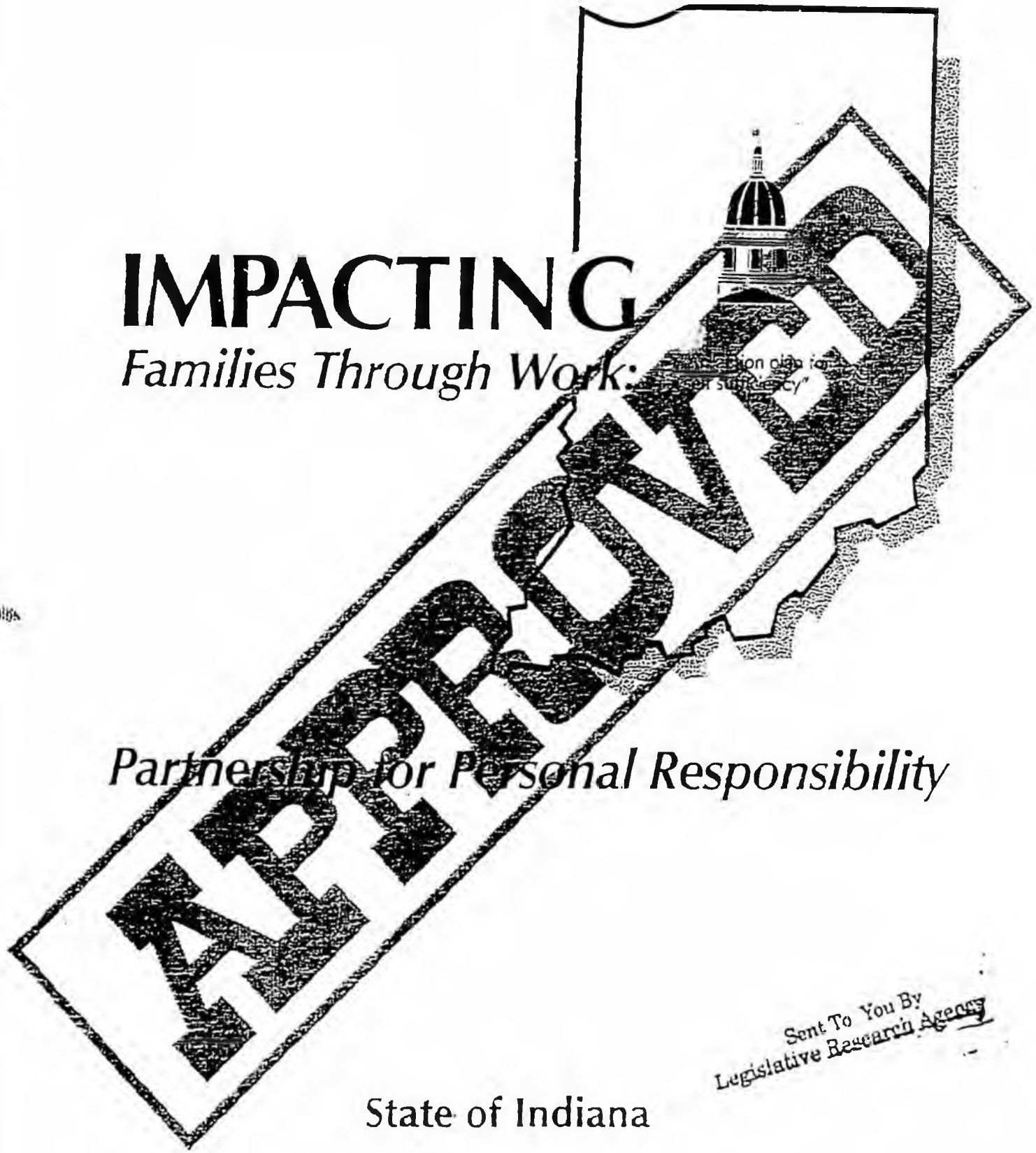
STATE	INITIATIVE	RECEIPT DATES
Montana	Statewide, would establish: (1) Job Supplement Program consisting of a set of AFDC-related benefits to assist individuals at risk of becoming dependent upon welfare; (2) AFDC Pathways Program in which all applicants must enter into a Family Investment Contract and adults' benefits would be limited to a maximum of 24 months for single parents and 18 months for AFDC-UP families; and (3) Community Services Program requiring 20 hours per week for individuals who reach the AFDC time limit but have not achieved self sufficiency. The office culture would also be altered in conjunction with a program offering a variety of components and services; and simplify/unify AFDC and Food Stamp intake/eligibility process by: 1) eliminating AFDC deprivation requirement and monthly reporting and Food Stamp retrospective budgeting; 2) unifying program requirements; 3) simplifying current income disregard policies. Specific provisions provide for cashing out food stamps, expanding eligibility for two parent cases, increasing earned income and child care disregards and resource limits, and extending transitional child care.	Received 4/19/94

STATE	INITIATIVE	KEY DATES
Nebraska	Statewide, would assign recipients with mental, emotional or physical barriers to self sufficiency or who do not have parental responsibility for the children to a Non-Time Limited Program and require all other recipients to choose either a Time-Limited, High Disregards Program or a Time Limited, Alternative Benefit Program. Under all three programs would eliminate increase in benefits for birth of children conceived while receiving AFDC; raise resource limits to $5,000 and exclude the value of one vehicle; require school attendance; deem, to the family, income of parents living with a minor parent in excess of 300% of the poverty level, but where minor parent lives independently, secure support from the minor's parents. Under the Time Limited, High Disregards Program, would provide cash assistance for a total of 24 months during a 48 month period (with provisions for certain exemptions and extensions); cash out Food Stamps; reduce AFDC payments, but replace earned income disregards with a disregard of 60% of earned income; require all adult wage earners to participate in educational job skills training, work experience, intensive job search, or employment; make employment a JOBS component, but only for a job deemed to lead to self-sufficiency; extend job search requirements; require both parents in two-parent families to participate in JOBS; impose first JOBS sanction for a least one month, the second for at least 90 days and the third permanently; extend transitional Medicaid and child care to 24 months; eliminate 100 hour rule and work place attachment requirements for AFDC-UP cases. Under the Time-Limited, Alternative Benefit Program the same provisions would apply except that recipients of this program would have somewhat higher benefits, but with the current earned income disregards.	Received 10/4/94
New Hampshire	AFDC applicants and recipients would have the first $200 plus 1/2 the remaining earned income disregarded.	Received 9/20/93
New Mexico	Would increase vehicle asset limit to $4500; disregard earned income of students; develop an AFDC Intentional Program Violation procedure identical to Food Stamps; and allow one individual to sign declaration of citizenship for entire case.	Received 7/7/94

STATE	INITIATIVE	KEY DATES
North Dakota	Would require families to develop a social contract specifying time limit for becoming self-sufficient; combine AFDC, Food Stamps and LIHEAP into single cash payment with simplified uniform income, expense and resource exclusions; increase income disregards and exempt stepparent's income for six months; increase resource limit to $5000 for one recipient and $8000 for families with two or more recipients; exempt value of one vehicle; eliminate 100 hour rule for AFDC-UP;impose a progressive sanction for non-cooperation in JOBS or with child support; require a minimum of 32 hours of paid employment and non paid work; require participation in EPDST; and eliminate child support pass through.	Received 9/9/94
Ohio	Three demonstration components proposed would test provisions which: divert AFDC and Food Stamp benefits to a wage pool to supplement wages of at least $8/hour; eliminate 100 hour rule for UP cases; provide fill-the-gap budgeting for 12 months from month of employment; increase child support pass through to $75; provide a one-time bonus of $150 for paternity establishment; provide an additional 6 months of transitional child care; increase automobile asset limit to $4500 equity value; require regular school attendance by 6 to 19 year olds; continue current EEAP demo waivers (i.e., eliminate many JOBS exemptions and provide incentive payments and sanctions), and disregard JTPA earnings without time limit.	Received 5/28/94
Oklahoma	In six counties, would eliminate 100-hour rule for UP cases; increase auto asset level to $5000; time-limit AFDC receipt to cases with non-exempt JOBS participants to 36 cumulative months in a 60 month period followed by mandatory workfare program; provide intensive case management; and apply fill-the-gap budgeting.	Received 2/24/94
Oregon	Statewide, would provide transitional child care benefits without regard to months of prior receipt of AFDC and provide benefits for 24 months.	Received 8/8/94
Oregon	Statewide, would increase automobile asset limit to $9000.	Received 11/12/93
Pennsylvania	In 7 sites, would require school attendance as condition of eligibility.	Received 9/12/94

STATE	INITIATIVE	KEY DATES
Pennsylvania	Statewide, would exempt as resources college savings bonds and funds in savings accounts earmarked for vocational or secondary education and disregard interest income earned from such accounts.	Received 12/29/94
South Carolina	In pilot sites, would increase earned income disregards; disregard earned income of children, interest, dividends, and payments by the Employment Security Commission or DOD, and allow stepparents some earnings disregard as recipients; relax parental deprivation requirements for AFDC-U cases; disregard the cash value of one vehicle and life insurance and increase resource limit to $3000; and require participants to comply with individualized, time limited, self-sufficiency plan as a condition of welfare receipt, placing recipients in public or private work experience if an unsubsidized job is not found.	Received 6/13/94
Virginia	Statewide, would provide one time diversion payments to qualified applicants in lieu of AFDC; change first time JOBS non-compliance sanction to a fixed period of one month or until compliance and remove the conciliation requirement; require paternity establishment as condition of eligibility; remove good cause for non-cooperation with child support and exclude from AFDC grant caretakers who cannot identify, misidentify, or fail to provide information on the father; require minor parents to live with an adult guardian; require AFDC caretakers without a high school diploma, aged 24 and under, and children, aged 13-18, to attend school; require immunization of children; allow $5000 savings for starting business; and increase the eligibility for Transitional and At Risk Child Care. Also, require non-exempt participants to sign an Agreement of Personal Responsibility as a condition of eligibility and assign to a work site under CWEP for a number of hours determined by dividing AFDC grant plus the value of the family's Food Stamp benefits by the minimum wage; eliminate increased AFDC benefit for additional children born while a family received AFDC; time limit AFDC benefits to 24 consecutive months; increase earned income disregards to allow continued eligibility up to the federal poverty level; provide 12 months transitional transportation assistance; modify current JOBS exemption criteria for participants; and eliminate the job search limitation. In 12 sites, would operate sub-component paying wages in lieu of AFDC benefits and Food Stamps for CWEP and subsidized employment, extend transitional Medicaid; plus other provisions.	Received 12/2/94

STATE	INITIATIVE	KEY DATES
Washington	Eliminate 100-hour rule and work history requirements for AFDC-UP cases and subtract client earnings from 55 percent of the State need standard rather than the payment standard.	Received 11/16/93



IMPACTING

Families Through Work:

Partnership for Personal Responsibility

Sent To You By
Legislative Research Agency

State of Indiana

Evan Bayh, Governor

December 15, 1994

OFFICE OF THE GOVERNOR
INDIANAPOLIS, INDIANA 46204-2797

EVAN BAYH
GOVERNOR

December 15, 1994

Fellow Hoosiers:

Acre by acre, and brick by brick, Hoosiers have worked hard building our beloved state for over 175 years. Together, we have succeeded in creating an economy and a society that today is envied by so many others.

Through good times and bad, Hoosiers have persevered because we remain committed to the same core values that guided our state's founders so many years ago: The dignity of hard work, a deep belief in family, a commitment to community, and the importance of assuming personal responsibility.

When looking for solutions to the long-standing problems of welfare, the time has come to commit ourselves — not to some new bureaucratic initiative — but to something tried and true: the same core values that have made our state great.

Regrettably the current welfare system is inconsistent with these values. Today welfare encourages dependence, not independence. It undermines the dignity of hard work. And, causing irreparable damage, welfare provides incentives to tear families apart. It is a system that does not work.

Indiana's welfare reform plan will make work pay, encourage family unity, build our communities, and demand personal responsibility.

I am pleased the federal government approved our plan to fix the welfare system, and make it consistent with the same values Hoosiers have always cherished.

Sincerely,

Evan Bayh

OFFICE OF THE GOVERNOR
INDIANAPOLIS, INDIANA 46204-2797

EVAN BAYH
GOVERNOR

For immediate release: Thursday, December 15, 1994

GOVERNOR BAYH ANNOUNCES COMPREHENSIVE WELFARE REFORM PACKAGE;
PLAN WILL CUT WELFARE ROLLS IN HALF

Governor Evan Bayh said today his administration has won approval of the most aggressive and comprehensive welfare reform program in the United States.

"Indiana's welfare reform program ensures that those who can work, will work," Governor Bayh said. "It will change welfare from a system that focuses on writing welfare checks to one that makes able-bodied people earn paychecks."

"We are affirming the core values Hoosiers share - work, family, opportunity and responsibility - in an aggressive, but fair manner," the governor said. "Indiana's welfare reform program makes work pay and provides assistance families need to move from dependence to independence."

The governor's reform program, consisting of 42 waivers to federal regulations governing welfare, was submitted to the federal government in June, 1994. The U.S. Department of Health and Human Services notified the state today that the majority of individual waivers are approved. Several of the requested waivers dealing with administrative matters could not be granted without changes to federal law while the others can be implemented with state plan amendments.

"No state has such a statewide, comprehensive approach to welfare reform as Indiana is taking, beginning today," Governor Bayh said.

Features of the welfare reform program include:

- Time limited (24 months) assistance provided to certain Aid to Families with Dependent Children recipients while they look for work.

* A family cap, halting increases in cash benefits for children born more than 10 months after a family begins receiving AFDC.

* Requiring all AFDC applicants to sign a Personal Responsibility Agreement that ties AFDC payments to specific promises by the recipients, including promises that their children will attend school and receive appropriate vaccinations against disease at the appropriate age.

* Allowing eligible AFDC recipients to earn a paycheck without immediately losing necessary support services such as health care.

* Sanctions for those who abuse the system, including permanent ineligibility for individuals convicted of welfare fraud.

* Private sector job placement and extended wage supplements.

* Minor parents required to live with parent or responsible adult.

* Immunization of children required on schedule or parents lose $90/month.

* Children must attend school or parents lose $90/month.

* All children will retain all Medicaid eligibility regardless of parent non-compliance.

Governor Bayh saluted both Democratic and Republican legislators who have worked closely with the administration to fashion a program with bipartisan support. "This has been a long and arduous process, but this new approach to getting people off of welfare and back to work incorporates ideas and suggestions from both Republican and Democratic legislators," the governor said, pointing out that legislators from both parties have been instrumental in fashioning the program that has received federal approval. "I will continue to meet with our bipartisan task force and look forward to pursuing our program in the General Assembly."

During the next seven years, the governor's welfare program will achieve more than $140 million in savings and move approximately 37,000 adults to self-sufficiency, reducing the welfare rolls by nearly 50 percent. There are currently 70,505 adult AFDC recipients.

Under the governor's program, 9,000 to 12,000 AFDC adult recipients will participate in the IMPACT program's job placement track at any given time. From the date recipients are placed in this track, they will receive a maximum of 24 months of AFDC assistance and 12 additional months of transitional child care and transitional Medicaid benefits. At the end of this time period, recipients must wait three years before applying for AFDC.

IMPACT will demand that participants engage in intensive case management and job placement. Vocational and educational training will be provided only as needed. The number one priority will be to connect recipients to jobs.

Adults with the ability and circumstances that allow them to work will get no benefits if they refuse to move toward self-sufficiency. AFDC and Medicaid benefits for children of those adults, however will continue.

All AFDC applicants and recipients will sign a Personal Responsibility Agreement, beginning in January. Preparation for the 24-month time limited assistance portion of the welfare reform program is underway. Full implementation will begin no later than July 1, 1995.

The governor also restated his support for legislation that would insure that township trustees have the right to deny taxpayer money to those who have refused a job under the governor's welfare reforms.

"Indiana's trustees share our goal of putting people to work, and we want to do whatever it takes to give them the legislation they need to protect taxpayers," the governor said. He noted that members of his reform team have been consulting regularly with members and leadership of the Township Trustee Association.

"Indiana's welfare reform program is based on the belief that work is the best social program ever devised," Governor Bayh said. "It is the foundation on which we will strengthen our families and communities."

For more information: Fred J. Nation 317-232-4578
Steve Campbell 317-232-1012
Melissa Skolfield U.S. HHS--202-690-6853

OBJECTIVES OF INDIANA'S WELFARE REFORM

The objectives of Governor Evan Bayh's welfare reform are:

- ✓ To help all AFDC recipients become employed and self-sufficient through acceptance of personal responsibility for themselves and their families.
- ✓ To make work more financially rewarding than public assistance.
- ✓ To make public assistance temporary, not a permanent way of life.
- ✓ To develop a partnership between business and government to stimulate economic development to increase the capacity for new jobs.
- ✓ To develop a partnership between the public assistance recipient and government to ensure that a recipient's individual commitment to self-sufficiency complements the efforts of government to provide basic opportunities during the public assistance period.
- ✓ To punish abuses of the system by those who do not accept responsibility for themselves and their families.

"Indiana's welfare reform plan gives those on public assistance both the opportunity and strong incentive to become self-sufficient."

Evan Bayh, Governor

INDIANA'S WELFARE REFORM
MOST AGGRESSIVE IN THE NATION

	Georgia	Illinois	Indiana	Michigan	New Jersey	Wisconsin
Statewide	✓		✔		✓	
Time Limited Benefits			✔	✓		✓
Family Cap	✓		✔		✓	✓
Personal Responsibility Agreement			✔	✓		
Extended Grant Diversion			✔			
Immunization for Children			✔	✓		
Minors Live at Home			✔			
Mandatory School Attendance			✔			✓
100 Hour Rule		✓	✔	✓		✓
Quits Employment			✔			
More Aggressive Sanctions	✓		✔	✓	✓	✓
Resource Limits		✓	✔	✓	✓	✓
Local Government Partnerships			✔			✓
Decrease in Bureaucratic Processing			✔			
Elimination of JOBS' Exemptions			✔	✓	✓	

FSSA 12/15/94

EXECUTIVE SUMMARY

Public assistance should be a process to self-sufficiency, with a work ethic and temporary help focus. It begins with the reasonable expectation that a family's request for public assistance is a request for temporary help, and with the understanding that self-sufficiency is a personal responsibility and not an obligation of the government.

A critical component of reforming public assistance must be to stress self-sufficiency through employment. Private businesses should be asked to play a role in developing new jobs to provide an expanded base for our communities. Businesses may be particularly well-suited to form partnerships with government to enhance economic development efforts that provide employment to public assistance recipients. This will enable recipients to receive a paycheck from an employer, instead of a handout from government.

Through the Partnership for Personal Responsibility, employers will be encouraged to hire public assistance recipients through subsidies equivalent to recipients' AFDC payments. The advantage to the employer is the employment of an employee at a subsidized rate. The recipient is given an opportunity to earn wages for work with a potential for permanent employment.

No appointment is necessary to get this process in motion. It is an opportunity for Family and Social Services Administration employees to help a family refocus its direction and begin to eliminate the barriers that brought about the need for help.

Those needing state assistance through the Aid to Families with Dependent Children program will get an appointment for a first interview... an intake session. This will include assessment of the family's needs and strengths. No benefits will be granted until an applicant signs an agreement promising to do everything possible to work toward self-sufficiency and provide a healthy and safe environment for children. This Personal Responsibility Agreement ties welfare payments to specific promises by the recipient.

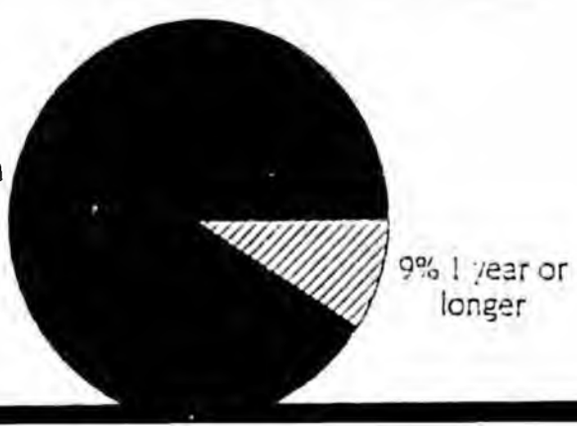
The agreement states that the family receives no additional payments for any children born while the mother is receiving AFDC. Minors who are parents or who are pregnant will promise to live with their parents or in some other adult supervised setting.

All recipients will promise to make certain their children receive all appropriate vaccinations against disease at the appropriate age.

All will promise also to accept any reasonable employment as soon as it becomes available. They also must agree to follow an individual Self-Sufficiency plan. This is an action plan that will be developed by the family and the caseworker.

Returning to Welfare

Most who leave but return to welfare do so within a year.



EXECUTIVE SUMMARY (Cont.)

IMPACT is Indiana's version of federal JOBS legislation. An estimated 12,000 people per year will participate in the IMPACT self-sufficiency program. Allowing for turnover in the program, about 9,000 will be participating at any given time.

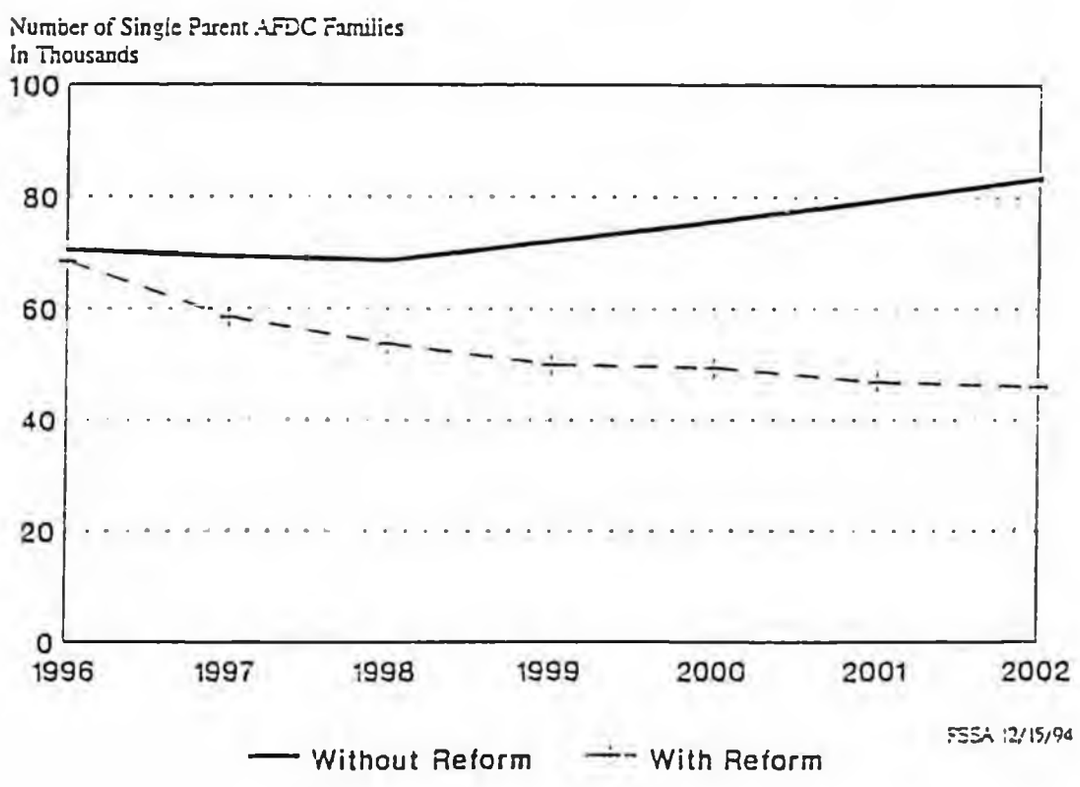
The agreement applicants sign will state they understand that, if placed in IMPACT's progressive job seeking track, their AFDC benefits will end two years from the date of that admission. Those who are not suited for the progressive job seeking track because of age, lack of readiness or other debilitating conditions are ineligible for progressive job placement will be placed in IMPACT's Job Readiness program.

Parents under age 18 who must care for a child under age 3 and who have not completed high school or the equivalent may be provided care coordination services. Periodic reassessments will be provided.

The state will commit itself to assist the family in meeting the agreement by providing appropriate benefits and services. These can include counseling, training, education, child care, family planning and other services. The state will allow recipients to keep their paycheck, while diverting the recipients' AFDC grant to an employer for business development and employee benefits.

IMPACT will help employers recruit and train quality employees. To ease the risk for employers, IMPACT will provide on-the-job training funds, work supplementation funds and targeted job tax credits.

WELFARE REFORM: FOCUSING ON EMPLOYMENT



TWO YEAR PROCESS TO SELF-SUFFICIENCY

SELF-SUFFICIENCY PLAN
(Within 30 Days)

- Family Assessment.
- Personal responsibility agreement signed.
- Self-Sufficiency Plan developed.

↓

JOB SEARCH OR JOB READINESS
(30 - 90 Days)

- In-depth educational and vocational assessment.
- Self-Sufficiency Plan initiated.
- Time limited assistance while looking for work.

↓

JOB PLACEMENT

- Employment supportive services (Child Care, Transportation, Medicaid).
- Monthly review of progress continues.

↓

TRANSITION AND SELF-SUFFICIENCY

- Case management services available.
- Limited transitional services begin (Medicaid & Child Care).

THE INDIANA COMPREHENSIVE WAIVER

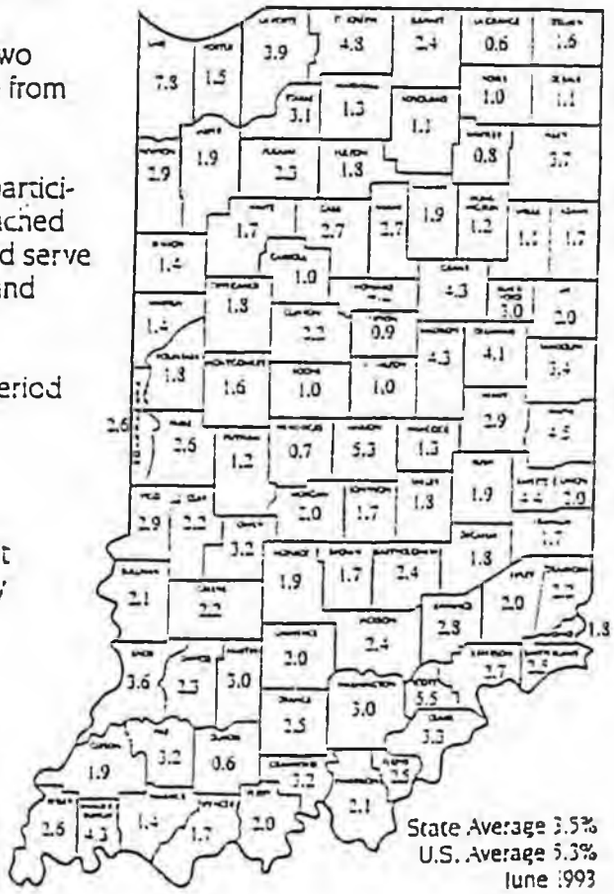
Indiana obtained approval from the federal government to set aside rules and regulations that stand in the way of achieving self-sufficiency. Major waivers are:

- Twenty-four month time limit on AFDC benefits for participants in the Job Placement Track.
- No increase in benefits for children born more than 10 months after a family begins receiving AFDC.
- Development of a Personal Responsibility Agreement with each AFDC recipient which commits the recipient to child immunizations and job search in exchange for AFDC benefits.
- Extension of the AFDC grant diversion to an employer beyond the current nine months, to a maximum of 24 months, in order to encourage jobs and benefit development by the private sector.

Other waiver components include:

- Eliminate the food stamp requirement to hold hearings requested verbally to reduce the high rate of hearings which are scheduled but not attended by the persons requesting the hearing. Hearings would have to be requested in writing.
- Permit diversion of the AFDC grant to employers for training and other employment related costs.
- Eliminate the 100 hour rule, which prevents two able bodied parents living in the same house from working more than 100 hours in a month.
- Fix the AFDC payment during the 24 month participation in IMPACT until 100% of poverty is reached to minimize the financial risk to the family and serve as an incentive to encourage people to find and maintain employment.
- Allow additional earned income during the period of IMPACT participation.
- Establish more aggressive sanctions for non-compliance, including a minimum two months of program ineligibility as a result of non-compliance; twelve months ineligibility for the second non-compliance; and thirty-six months for the third non-compliance.
- Extend case management services following the 24 month program.

PERCENTAGE OF POPULATION
RECEIVING AFDC ASSISTANCE



- Denial of AFDC benefits to individuals who quit a job within the three month period immediately preceding receipt of the first check for benefits.
- Require school attendance for the teen parent.

State Plan amendments include:

- Deny AFDC benefits to parents who obtain physical custody of their children for the sole purpose of attaining AFDC eligibility.
- Require a minor parent to live with a parent or other responsible adult.
- Require permanent ineligibility for an individual convicted of welfare fraud.

INDIANA'S WELFARE REFORM PLAN: FOCUSING ON FAMILIES

Indiana's welfare reform plan focuses on families. Families must enter into a partnership with the state to achieve self-sufficiency.

State agencies, in turn, will enter into partnerships among themselves and with businesses to assist families moving from dependence to independence.

Taxpayers also are part of this partnership. They provide the money that pays for welfare. Taxpayers will benefit from reforms that ensure welfare is a temporary condition, not a way of life and ensure Indiana's welfare system demands responsibility and independence, not dependence.

The responsibilities and roles of these partners are outlined on the following pages.

PARTNERSHIPS WITH FAMILIES

FAMILIES SHALL:

- Understand welfare is temporary assistance, not a way of life.
- Develop a self-sufficiency plan and go to work as quickly as possible.
- Recognize sanctions will be imposed for quitting a job, refusing to accept a job or dropping out of IMPACT.
- Take responsibility for children receiving all appropriate vaccinations against disease at the appropriate age.
- Ensure children attend school.
- Understand AFDC benefits will be limited to number of children in family within the first 10 months of qualifying for AFDC.
- Live with parents or other adults if the recipient is a teenager.
- Understand AFDC assistance will last only two years once placed in the IMPACT Job Placement Track.

PARTNERSHIPS WITH STATE GOVERNMENT

FAMILY AND SOCIAL SERVICES ADMINISTRATION SHALL:

- Provide child care for up to 3 years, including 24 months of child care AFDC recipients receive while on IMPACT, and 12 months of transitional child care.
- Provide Medicaid for up to 3 years, including 24 months of Medicaid benefits AFDC families receive while on IMPACT, and 12 month of transitional Medicaid benefits.
- Freeze the food stamp benefit for the first six months AFDC recipient is employed.
- Stop penalizing two parent families by eliminating the rule that limits either parent from working more than 100 hours a month.
- Provide job training and job placement assistance for up to two years.
- Permit earned income up to 100 percent of the federal poverty level.
- Identify one caseworker per family to ensure the self-sufficiency plan is implemented.
- Aggressively continue to collect child support on behalf of AFDC recipients. Indiana child support collections have increased more than 476 percent since 1985, growing steadily every year. Collections in 1994 are likely to total $170 million, compared to $149.7 million in 1993.

DEPARTMENT OF HEALTH SHALL:

- Work with hospitals to provide an opportunity to new parents for establishing paternity.
- Work with FSSA to ensure immunizations are available to all AFDC families.

DEPARTMENT OF WORKFORCE DEVELOPMENT SHALL:

- Identify job openings on a county-by-county basis and share information with FSSA's Division of Family and Children county offices.
- Install kiosks in a number of FSSA's Division of Family and Children county offices for families to identify available jobs rather than enrolling in AFDC.

BUREAU OF MOTOR VEHICLES SHALL:

- Exchange data with FSSA that will assist in eligibility determination and fraud investigation.

DEPARTMENT OF EDUCATION SHALL:

- Work with FSSA to ensure children attend school.
- Enable a limited number of FSSA caseworkers to be placed in some schools to help reduce the dropout rate of teen parents.

PARTNERSHIPS WITH BUSINESSES

- AFDC grants diverted to employers for up to 24 months for new jobs.
- IMPACT employees trained in basic skills.
- AFDC grants can be used for on-the-job training.
- Employers can receive a federal tax credit of up to $2400 for hiring IMPACT employees.

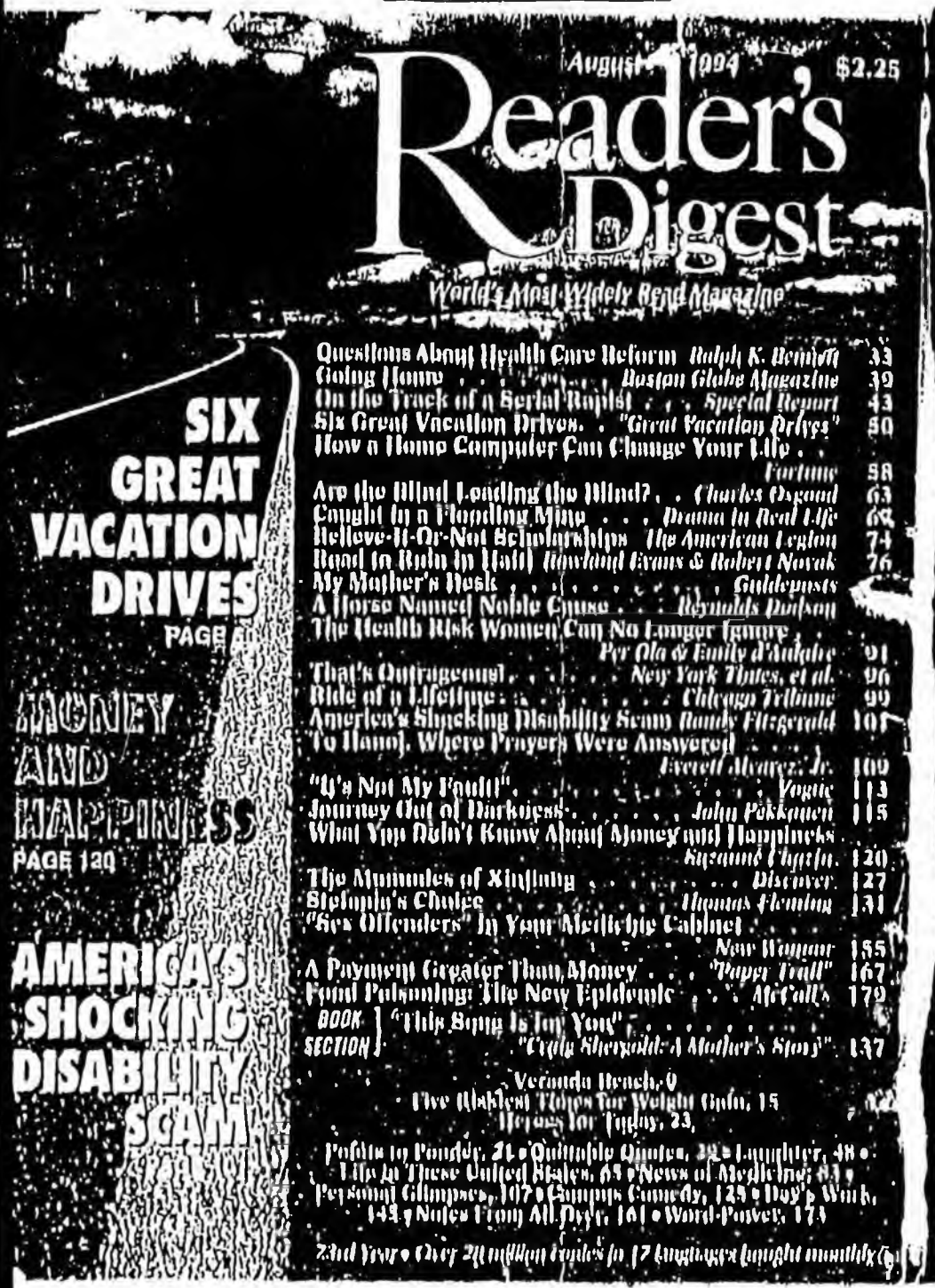
PARTNERSHIP WITH TAXPAYERS

- When welfare reform is implemented, taxpayers will benefit.
- The cost of AFDC is shared by county, state and federal governments. The county's share is 14.5 percent, the state's share is 22 percent and the federal share is 63.5 percent. As welfare rolls are reduced, the drain on scarce resources for public assistance will lessen.
- During the seven year demonstration period of welfare reform, more than $140 million in state dollars will be saved by moving approximately 37,000 adults to self-sufficiency.

STATUS OF FAMILIES ON AFDC

- In State Fiscal Year 1994, $206,188,773 in AFDC benefits were distributed to Hoosier Families.
- On an average monthly basis, approximately 195,000 people receive AFDC. 125,000 are children and 70,000 are adults.
- The percent of population in Indiana receiving AFDC averages 3.5 percent, compared to 5.3 percent nationwide.
- Approximately 190,000 families made up of 510,000 individuals receive food stamps at an annual cost of $417 million.
- Approximately 90 percent of the adult AFDC recipients are female.
- The average age of an adult AFDC recipient is 28. Seven percent of AFDC recipients are teenage mothers.
- Approximately 5,200 children are born annually to a mother who is receiving AFDC.
- The average number of people in an AFDC family is three; the average number of children is two. The average AFDC monthly benefit is $288.
- Forty-six percent of parents receiving AFDC have a high school degree or GED. Eleven percent have some post high school education and one percent have a college degree.
- Thirty-three percent of families on AFDC remain on the program for less than one year; 21 percent remain on AFDC for to two years; 13 percent remain on the program two to three years; and 33 percent remain on AFDC three years or more.
- In 1992, the identity of the father was not determined for 24.7 percent of the children born to AFDC families, compared to 29.5 percent nationwide.
- The unemployment rate averages 4.4 percent in Indiana, compared to 5.6 percent for the nation.
- A parent and two children, with an annual income of $12,320, are at 100 percent of the 1994 federal poverty guidelines.

August 1994



Wanted: drunks, junkies, child abusers and other misfits willing to share $25 billion ... from taxpayers. Contact the federal government for details

America's Shocking Disability Scam

BY RANDY FITZGERALD

It's the first of the month in New York City, and several dozen occupants of the seedy Concourse Hotel in the Bronx are waiting anxiously outside for the mail carrier to deliver their U.S. Treasury Supplemental Security Income (SSI) checks. A red Buick slowly circles the block like a shark sizing up its prey.

Once the stack of envelopes has been distributed, the residents parade to a check cashing store two blocks away. Then one by one, cash in hand, they approach the Buick, now parked in front of the hotel. "How much you need?" a passenger asks 33 year-old Elizabeth, whose skeletal, twitching hands clutch a wad of $20 bills.

"Enough to get me through the week," she replies hoarsely. He takes the money and gives her a fistful of vials containing crack cocaine. Over the next hour, tens of thousands of dollars will be spent in the neighborhood on cocaine and heroin, courtesy of U.S. taxpayers.

SSI, one of the nation's largest and fastest growing cash welfare programs, was established by Congress in 1974 to assist low income Americans who were elderly, blind or otherwise unable to work. This year six million recipients will pocket $25 billion in SSI benefits, up from 4.8 million recipients and $6.1 billion just four years ago. What's more, 2.2 million *new* SSI applications were filed last year, swamping local agencies that review cases.

Once on SSI, the vast majority of recipients get cash—often retroactive lump-sum benefits—but no rehabil-

station or job training. The result: few people—including addicts and those who could be trained—ever leave SSI, making the program an entitlement for life. ..

"SSI tends to perpetuate the very conditions—alcoholism, drug addiction, certain forms of mental illness—that preclude work and promote dependency," says Carolyn Weaver, director of Social Security and Pension Studies at the American Enterprise Institute, a think tank based in Washington, D.C. And because SSI can be a golden key to other federal programs like Medicaid and food stamps, some people will do just about anything to qualify.

An estimated 50,000 alcoholics and drug addicts receive nearly $1.5 billion a year from SSI and its companion program, Social Security Disability Insurance (SSDI). But only three percent are known to be receiving the required treatment for their addictions. (SSDI is for workers who paid into the Social Security system and who are now disabled, while SSI is for the poor.) "Taxpayer dollars are used directly to subsidize and perpetuate drug and alcohol abuse," according to a minority-staff report earlier this year by the U.S. Senate Special Committee on Aging.

Death by Installment. In the office of the homeless shelter Bob Coté runs in Denver hang nine photographs. There's sad-eyed Clark Pittman, 53 years old when his heart stopped. After receiving his first SSI check, he bought two fifths of high-proof bourbon instead of the cheap wine he had used for years. Over the next six hours, he drank himself to death.

Nearby is a photo of Billy Palmer, 62 years old when he got a lump-sum SSI payment of $6000 and left Coté's shelter. He died of an alcoholic seizure after weeks on a binge. Then there's Bob Paxton, a bus mechanic from Iowa who cashed his SSI checks at a nearby liquor store and died, in a drunken stupor, at 57.

Coté first became aware of what he calls SSI's "suicide on the installment plan" in 1990. He noticed four federal workers on Denver's skid row putting pamphlets in the hands of drunks passed out on the sidewalks. Coté picked up one of the brochures, published by the Social Security Administration (SSA). "Are you an alcoholic or a drug addict?" it asked. "Then you may qualify for SSI." Law firms that specialized in SSI erected billboards soliciting skid-row business.

Steve and Ray are typical of those who signed up. Steve and his wife had been heroin addicts for two decades when they got lump-sum SSI payments of $2500 each in 1990.

"We bought drugs," Steve admits. "It only kept us going about a month. Then we had to boost [steal] again. I don't know of anyone on SSI who's made a clean break from drugs or alcohol." Steve's wife has since died, and today Steve's monthly checks reach him through his brother, a "representative payee" who is supposed to look out for Steve. His brother, too, is a heroin addict.

Ray got on SSDI in 1991. The first of every month he rents a motel room with his $530 SSDI check, buys whiskey, cocaine and marijuana, invites friends over and parties for two or three days until the money is gone. Asked if this was a responsible use of taxpayer money, Ray replied, "It's none of anybody's business."

In Chicago, Administrative Law Judge Francis O'Byrne has spent the past 20 years handling SSI cases. But he has never been as frustrated by the system as he is today. He has a backlog of 500 appeals, and under current rules he finds himself approving benefits in 70 percent of them. "We've created a monster," Judge O'Byrne says. "No one who is incompetent to handle their own money should have their hands on taxpayers' money."

Not since 1972 has Raymond Corrao, 56, been legally employed. He has supported himself and his heroin addiction by dealing drugs in California. In 1989 Corrao applied for SSI, claiming he was disabled by heroin and alcohol addiction. But a year later, a judge ruled that Corrao was ineligible because his drug dealing constituted "substantial gainful activity."

Corrao sued in federal court to reverse the ruling. Last April, the US Court of Appeals remanded the case to the district court for reconsideration. If the lower court rules in his favor, Corrao could receive a lump-sum SSI payment of more than $30,000, along with continued monthly benefits.

"Something is wrong with this system," fumes Sen. William Cohen (R., Maine). "The message is, show us you are a hard-core drug addict and, as long as you continue to shoot up or drink up, the money is going to keep coming."

Shopping Spree. Before Administrative Law Judge David Tennant of Raleigh, N.C., stood a frightened eight-year-old and her parents. The girl had terrible scars all over her body, where her father had burned her with cigarettes. She was under psychiatric care at a government clinic. Now her parents were seeking SSI children's disability benefits for the very condition they had caused.

Judge Tennant had no illusion that the SSI checks would be spent on the girl's care. If he approved the application, the SSA would be subsidizing an abusive father and an indifferent mother. Yet Tennant had no choice. Under current law the parents were entitled, on the child's behalf, to receive the monthly largess.

Applications for children's disability have exploded in volume since the Supreme Court ruled in 1990 that children should be evaluated for

SSI in a manner similar to that for adults. In response, SSA issued new rules defining certain behavior in children—such as extreme shyness or public disruptiveness—as indicative of a disabling impairment. Suddenly some 230,000 children who had been denied benefits under the previous narrower rules were awarded lump-sum back payments averaging $10,000 each, for a total of $2.3 billion.

Unfortunately, Congress had previously legislated that back payment of all but $2000 had to be spent within six months if a family wanted to remain eligible for SSI. The result: a shopping spree at taxpayer expense. Consider a Greenville, Ky., woman who got $13,000 in 1992 for her hyperactive 11-year-old. She splurged on a car, refrigerator, stove, washer, dryer, television and computer.

After the court decision, SSA pursued an outreach program to recruit children onto the rolls. In less than four years, the children's SSI caseload more than doubled to 775,000, and outlays soared to $3.1 billion. Because most recipients automatically qualify for Medicaid, that entitlement program's budget is rising sharply as well.

Coaching Sessions. With outreach comes abuse. In Chicago a woman force-fed her son so he would be grossly overweight and qualify as the victim of an eating disorder. In Tampa, Fla., principal Stephanie Moffitt of the Sulphur Springs Elementary School heard from staff members that more than a dozen students admitted to being coached by their parents to act up in school so the family could get an SSI check each month. How did the parents learn of SSI? Through "public service" ads on TV and word of mouth.

In eastern Arkansas, monthly SSI checks are known as "crazy money." In some counties, children's disability cases have soared as much as 255 percent in two years. One family managed to get all 11 children on SSI rolls. Cost to taxpayers: $61,512 a year.

"What the children who honestly qualify for SSI need most is free medical care," says Judge Tennant. "Give them medical services, not money. Judges should also have case-review power after a year. Taxpayers deserve to see how their money is spent."

A Laotian refugee was so outraged by SSI fraud in Southern California that he complained to state officials. They asked him to adopt a new identity, "John," and wear a hidden microphone to document the scam.

John employed what is known in immigrant communities as a middleman—an expert for hire who navigates the maze of government benefit programs. Middlemen fill out the SSI forms, coach applicants on how to act with the physician, and interpret during these sessions.

The "body mike" John wore captured his middleman's instructions: "Just say headache, nightmares, loss

of memory. You can receive a lot of money, seven or eight thousand the first year. You pay me three thousand, and the rest you get to spend, okay?"

John was then driven with nine other immigrants to a clinic. All ten had a 2 p.m. appointment with the same doctor. As they waited, John overheard the others joking about the "free money" they were about to receive. Doctors filled out the forms in a veritable assembly line.

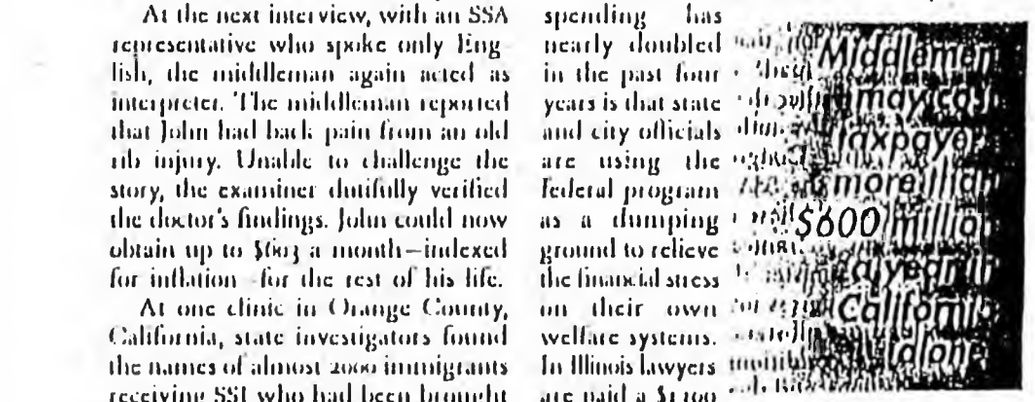
At the next interview, with an SSA representative who spoke only English, the middleman again acted as interpreter. The middleman reported that John had back pain from an old rib injury. Unable to challenge the story, the examiner dutifully verified the doctor's findings. John could now obtain up to $603 a month—indexed for inflation—for the rest of his life.

At one clinic in Orange County, California, state investigators found the names of almost 2000 immigrants receiving SSI who had been brought in by middlemen. As of last November, this one group had collected $39 million in SSI payments in less than three years.

"We think this is happening in virtually every immigrant community in the nation," reports Chris Rodriguez, a deputy chief investigator for the California Department of Justice. According to one estimate, the middleman problem may cost US taxpayers more than $600 million a year in California alone.

Dumping Ground. During its investigation, the California Department of Justice also stumbled across a new scam: state prison inmates collecting SSI for drug addiction and alcoholism while behind bars. At a single facility, investigators discovered 100 inmates on SSI. Last year Bureau County, Illinois, state's attorney Marc Bernabei notified the SSA that SSDI checks—$771 a month—were going to Lee Adams, who had been sentenced in 1993 to life in prison for stabbing to death his nine-month-old son.

Another reason federal disability spending has nearly doubled in the past four years is that state and city officials are using the federal program as a dumping ground to relieve the financial stress on their own welfare systems. In Illinois lawyers are paid a $1300 bounty by the state for each person they transfer from state welfare rolls onto SSI.



Disability applicants have told Judge O'Byrne how social workers threatened to drop them from the state's roll if they did not apply to the federal program. Similarly, New York City caseworkers encourage recipients to apply for SSI, which pays over $150 per month extra.

"HRA [the Human Resources Administration] encourages clients to apply for all benefits to which they may be entitled, including SSI," remarks Cesar A. Perales, former deputy mayor

for Health and Human Services. "It is in the city's fiscal and programmatic interest to ensure that all eligible clients receive federal assistance."

Double Jeopardy. Last March the U.S. Senate approved a proposal by Senator Cohen to require drug addicts and alcoholics to enter treatment in return for benefits. Payments would stop after three years if substance abuse was the basis of a disability claim. In May the U.S. House approved similar legislation, adding the provision that retroactive payments be made over a period of months rather than in a lump sum.

Legislative authorities predict that even after Congressional action, it will take the SSA at least a year to implement these changes. There is also no guarantee that the agency will administer the reforms in the spirit Congress intended. For example, most substance abusers develop medical conditions as a result of the addictions, and these conditions could still qualify them for benefits whether or not they are in treatment. The SSA's continued emphasis on using its resources for "outreach" rather than "caseload review" may undermine the intent of Congress.

Even more can and should be done to protect taxpayers:

1. Illegal acts—including drug possession and sales—should be grounds for the revocation of disability benefits.

2. Instead of lump sums or monthly cash, SSI recipients should be given vouchers for use in obtaining appropriate treatment.

3. Congress must demand a systematic SSA review to weed out recipients who no longer qualify.

4. Administrative law judges should receive the power to review cases periodically to help protect children subject to abuse.

5. The SSA must be given authority to levy monetary sanctions against physicians and clinics making false statements in SSI filings.

6. The SSA should hire employees with foreign-language skills, to eliminate the use of middlemen as interpreters.

Waste, fraud and abuse in SSI victimize both the truly disabled and those who pay the bills. Says Thomas Schatz, president of Citizens Against Government Waste, "Perhaps no single government social program mocks our best-laid plans more than SSI."

Reprints of this article are available. See page 202.

Siren Song

A high-powered executive was speeding down a Detroit street, talking on his car phone. The police soon pulled him over. The executive completed his call and looked up at the officer. "Yes?" he said.

"I bet you don't even know why I stopped you!" the officer replied.

Said the executive, "You want to use my phone?"

Contributed by Evelyn F. Hansen

scan appointment, Dr. Kassell looked very serious. He waited till we both sat down, then said, "I'm sorry, but things are worse than I thought. The tumor is far too large for the gamma knife."

"Isn't there anything you can do?" I asked.

Dr. Kassell hesitated. "We could carry out a surgical operation to reduce the tumor to a size where we could use the gamma knife. But the tumor is in a very bad place. Craig could die on the operating table. The most I think it would give him would be another six to nine months of life."

Poor Ernie was gulping. I felt numb. Dr. Kassell looked at the floor.

"Have you got children, Dr. Kassell?" I asked.

He nodded. "Three daughters."

"If one of them were in this situation, would you operate on her?"

He looked taken aback. "Marion, I don't know." He shook his head. "Only you and Craig can decide if it's a risk you want to take. Go home for Christmas. Talk to your family and your doctors, and think hard about what I've said."

Then he added quietly, "If you decide to go ahead, I'm willing to operate."

By the time we had returned to England, Ernie's mind was made up. "There's no question about it, Mal. We've got to go back." But I was frightened. One night I prayed, "Please, God, tell me what to do." When I woke, I knew I had to talk to Craig.

REPRINTS

AUGUST 1994

Five Riskiest Times for Weight Gain ..... page 15
Questions to Ask About Health Care Reform* ..... page 33
Six Great Vacation Drives ..... page 50
How a Home Computer Can Change Your Life ..... page 58
Believe It Or Not Scholarships ..... page 74
The Health Risk Women Can No Longer Ignore ..... page 91
America's Shocking Disability Scam ..... page 101
Journey Out of Darkness ..... page 115
"Sex Offenders" in Your Medicine Cabinet ..... page 155
Food Poisoning: The New Epidemic ..... page 179

Prices (including postage and handling):
10 for $6; 25 for $13; 50 for $24; 100 for $40; 500 for $80; 1000 for $130
A packet of all these reprints is available for $5 (include issue date)
Prices in effect for one year from above date.
*A packet containing this article and six related reprints is available for $5
Make checks payable to Reader's Digest
Write: Reprint Editor, Reader's Digest, Box 405, Pleasantville, N.Y. 10570

BY MORTIMER B. ZUCKERMAN
EDITOR-IN-CHIEF

WELFARE'S SCANDALOUS COUSIN

President Clinton, in his State of the Union address, referred his audience to a group of men and women who have volunteered for his imaginative community-service program. But there is another class of citizens—the untold hundreds of thousands who have been involved in the abuse of the trust and sacrifices of their fellow citizens. The engine of their mischief is the Supplemental Security Income program, which has had little attention compared with the Aid to Families with Dependent Children program.

The original idea of SSI was splendid. It was to help old, disabled and blind Americans. It is no longer recognizable. Consider:

■ Old people legally brought to America by their families can qualify for SSI after three years on the basis of poverty. About 400,000 now qualify, turning SSI into a retirement program for people who have never contributed a cent to the Social Security funds during their working lives.

■ Refugees—a loose term—can begin collecting hundreds of dollars a month the moment they are admitted. Some 700,000 cost us almost $4 billion a year. Thousands have been encouraged by entrepreneurial "social workers" to qualify for SSI by fabricating tales of political and other wartime suffering that has left them too traumatized to hold a job.

■ Drug addicts and alcoholics can qualify as disabled, making it possible for virtually anyone hooked on dope or booze to get a monthly check, even if he has no other disability. Today the federal government is paying some $1.4 billion annually to 250,000 substance abusers—who often spend the money on the substance, not on treatment. Example: A Denver liquor store owner has been receiving $160,000 to run a tab for 40 alcoholics.

■ Many disability claimants now allege "vocational impairment" when their claims for physical impairments are denied. Heather Mac Donald in the current *City Journal* cites the example of Linda Zeitz, 42, a former sales rep for Coca-Cola who contends that she has suffered agoraphobia since 1978 because of her consumption of "birth control pills, junk food and large amounts of Tab." Such an applicant nowadays merely has to show that the impairments prevent the performance of past work, or, in the light of age, education and experience, any other work. Such subjective standards are too often a cover for social handicaps that no doctor can cure—the lack of an education, a self-destructive lifestyle, a poor work ethic and other behavior patterns that the average American would simply consider to be antisocial or even criminal. A disability industry has been created for attorneys, clinics and doctors who earn fees by helping claimants qualify. It has come to the point where work itself can be described as dangerous to mental and emotional stability, especially if the work can be described as "competitive."

Supplemental Security Income is a little-known but widely abused program costing taxpayers billions. It needs reform.

■ Children with violent and destructive behavior can be rated as "disabled" rather than simply undisciplined. The courts have declared as impairments factors that limit the child's ability to engage in "age-appropriate activities." But the standards are hopelessly subjective—so much so that parents intent on abusing the system are encouraging children to misbehave in school or are holding their kids out of class so that they fail the age-appropriate tests.

Too many of the incentives of the SSI program are perverse. When recipients receive cash assistance, but no rehabilitation or job training, there is a disincentive to work. When the SSI payments are higher than AFDC payments, parents are egged on to qualify their children as disabled. The system gives cash awards for bringing up children badly. Drug addicts, offered cash for up to three years, have little incentive to conquer the addiction because it means losing SSI benefits. And states have an incentive to support a shift to SSI from AFDC since they bear about 45 percent of the cost of AFDC but none of SSI.

SSI—it should be renamed Social Security Iniquity—has created a set of incentives for fraud and failure. The loopholes should be closed. The sections on disability should be reformed so that compensation is reserved for the physically and mentally handicapped. The American taxpayer is willing to help those who genuinely merit help, but no longer to subsidize the addicted, the ignorant, the mischievous and the work-shy. ■

GOVERNMENT & SOCIETY

Let the Welfare Debate Begin

The role of government is at the core of congressional proposals to solve the problem of public aid

By Barbara Vobejda and Judith Havemann
Washington Post Staff Writers

Fresh from a recent meeting with congressional leaders, Republican Wisconsin Gov. Tommy G. Thompson swept his arms from left to right, gesturing to show the dramatic shift that has taken place in the debate over how to rebuild America's welfare system.

"We made a light-year advance in the last three months," Thompson said. "I never thought I would see the day."

REFORM

As Congress opens its hearings on welfare reform, the discussion has moved far beyond the changes proposed by President Clinton last June, driven by the Republican electoral victory and a bipartisan recognition of the popularity of the issue.

The contentious fight that lies ahead is over deeply held beliefs about the role of government and its treatment of the nation's disadvantaged population. Congressional Republicans want not only to cut costs, but also create policies that discourage welfare dependence and attack what they see as a national crisis—the increase in out-of-wedlock births. Republicans, however, do not agree on the best way to accomplish this.

Governors like Thompson argue that they know best how to accomplish these goals and that Washington should turn over the money to them with few strings attached. And on the sidelines are the people who began this debate, President Clinton and the Democrats, who are struggling to secure a role in the process.

Whatever the outcome, the debate that has begun before a House Ways and Means human resources subcommittee is itself historic, a wholesale rethinking of four decades of social policy. Prompted by growing welfare rolls and increasing costs, elected leaders across the political spectrum agree on the need to change what they say is a deeply flawed program.

"We ended welfare as we know it in 1988, but six to seven years later it is clear that we did not really change the system," says Ways and Means Committee Chairman Bill Archer of Texas, referring to passage of the Family Support Act, the last round of welfare reform. Welfare, he says, "remains a cruel hoax that hurts its own beneficiaries."

But the Republican proposals before the committee are stirring enormous controversy. If conservatives are celebrating the competition in Washington to offer more and more revolutionary plans, liberals are wincing at the prospect of families being pushed off welfare.

Major battles are brewing over a number of issues, including the wisdom of providing unrestricted cash payments to the states and whether it is fair to deny benefits to unwed teenage mothers, children whose paternity has not been established and legal immigrants who have not become citizens.

Still, the enthusiasm—among Democrats and Republicans—to rewrite welfare policy is somewhat reminiscent of the euphoria early in the health care debate last year.

Rep. E. Clay Shaw Jr. of Florida, who is chairing the hearings, said at a briefing for reporters that he wants to "break down partisan lines" because "everybody is trying to move the welfare reform agenda."

But, as in health care reform, the euphoria could wither when details of the plan are put on the table. Democrats are already warning that they will not support a gut-wrenching debate on welfare that we had on health care reform and come out promising a mouse," says Robert H. Haveman, economics professor at the University of Wisconsin's Institute for Research on Poverty.

Already, there is some disarray among Republicans. Although the proposal contained in the GOP "Contract With America" calls for cutting off cash assistance to legal immigrants who have not become citizens, House Speaker Newt Gingrich of Georgia says he thinks the party should "revisit the question" of a permanent ban on non-citizen benefits.

But Shaw says he has no plans to remove it from the bill. "I am not going to take an off-hand comment at a press conference as instructions," he says. And Archer says, "We do not believe that people who come to this country for opportunity and freedom should expect a handout."

DEMOCRATS HAVE THEIR OWN problems of disarray, and some are decrying the lack of leadership from President Clinton on the issue.

"The White House has not gotten together to come up with an alternative," says Democratic Rep. Charles B. Rangel of New York, a member of the subcommittee. "The Democrats in the House have not gotten together to come up with an alternative. Everybody is so stunned by defeat we have become incoherent."

The debate in Washington will ultimately be felt on a diverse collection of disadvantaged families across the country. The largest program, Aid to Families with Dependent Children, includes 14 million recipients, nearly 70 percent of them children.

The average welfare family receives a monthly payment of about $380, as well as food stamps and Medicaid. State studies have shown that fewer than 15 percent of those on welfare receive AFDC continuously for five years, according to the American Public Welfare Association. Much more typical is a family that cycles on and off: Half of single parents who apply for welfare leave the program within a year, but nearly half of those return to the program within a year of leaving.

It is these parents and their children who could be harmed, warned Marian Wright Edelman, president of the Children's Defense Fund. "Congress needs to slow down, lay out the facts and the consequences of their actions," she said at a recent news conference. "While the American people voted for change, and for less government, they did not vote for callous government or to hurt millions of children."

The current round of welfare reform has been anticipated for more than two years, since Clinton promised during the 1992 campaign to "end welfare as we know it." When the administration introduced its proposal, which would force welfare recipients into work programs after two years, it was decried by advocates for the poor and some congressional Democrats as unduly strict.

The Democratic-led Congress and the administration decided not to push forward quickly with welfare reform, largely because Congress was mired in health care legislation. But that, many say now, was a mistake. The fall election essentially handed the Republicans an opportunity to push their own plan. At the same time, Republican governors—now numbering 30—were given a stronger voice than ever before.

That turn of events has led to the current state of play, a committee beginning hearings even as it continues negotiating with governors over what the legislation will ultimately look like.

Following an appeal after the election by governors for more spending flexibility, congressional leaders agreed to begin negotiating over a proposal to create huge block grants to the states, replacing more than 300 federal programs. Those negotiations have involved an extraordinary exchange between the staffs of House Republicans and a group of four Republican governors who have been active in welfare reform, leading to an announcement that several of the block grants had been agreed upon. That proposal, Republicans say, will ultimately replace the welfare legislation contained in the "Contract With America." The governors, led by Michigan Gov. John Engler, have pushed for block grants that would consolidate programs in several areas, including food and nutrition, cash assistance, such as Aid to Families with Dependent Children, and child care. The states would agree to no funding increases on five years.

That would mean a significant change in the current status. Individuals meeting eligibility criteria would no longer be guaranteed benefits, meaning if a state has spent its funds and a recession sends more families into poverty, they could be denied food stamps, for example, or be put on waiting lists.

But the block grant negotiations are far from complete and, while they enjoy broad support in concept, are likely to face political and technical obstacles when the spending formulas and other details are scrutinized.

THE FOOD AND NUTRITION BLOCK grant, for example, may face opposition from farm state legislators, grocers and members of Congress whose states could lose funding.

An analysis by the Center on Budget and Policy Priorities, an advocacy group for the poor, calculated that, under the block grant formula proposed by Republican governors, many states would face substantial losses in federal food assistance, such as food stamps. If the formula had been in effect since 1989, for example, California and Florida would have lost nearly half of the aid they received last year.

Thompson, Engler and other governors argue that they are willing to accept less funding because they believe the elimination of federal regulations and added flexibility will save substantial sums.

Also, it appears that members of Congress may agree to eliminate what has been an important principle in federal-state spending regulations for welfare, the "maintenance of effort" requirement that prohibits states from reducing their own spending when federal funds increase.

Still, there is not unanimity among governors, some of whom are concerned that they may find themselves picking up the tab for assistance to families formerly covered under federal entitlements. Others are concerned about the provision denying aid to legal immigrants, and many have asked that they not be required to follow other provisions contained in the "Contract With America" bill, such as an end to cash benefits for unwed teenage mothers.

Despite the lack of consensus on what a welfare bill should contain, there are some areas that seem acceptable both to Republicans and moderate Democrats, including requirements that teenage mothers live with a parent or guardian; that their benefits be reduced; that child support enforcement be stepped up; that work be required as a condition of receiving welfare, at least for some recipients; and that states be allowed—or required—to deny additional benefits to welfare mothers who have more babies.

"These are things that Republicans and Democrats campaigned on," says Douglas Besharov, a scholar at the American Enterprise Institute. "On these provisions, there is very widespread agreement."

Shaw says he hopes to finish his hearings by the end of January, begin marking up a bill early in February and send it to the full committee by the middle of next month.

Although Republican leaders have promised to act on the provisions of the "Contract With America," including welfare reform, within 100

COMMENTARY

True Welfare Reform

Bring on the orphanages and remove children from bad—but not necessarily poor—homes

By John J. DiIulio Jr.

What can—and should—be done by government to save America's severely abused and neglected kids? The place to begin is with the simple truth. Children cannot be socialized by adults who are themselves disorganized (or worse), families that exist in name only, nor neighborhoods in which crime and repeat criminals are viable as and out of jail, period. Only a small fraction of children are raised by abusive and neglectful parents, but the number is large enough to be a significant social crisis. Costs best measured not in welfare dollars but in lives lost to drugs and crime. The only way to prevent these losses is to remove the children from their homes to other, stable settings.

These truths are backed up by a huge body of research and practical experience. Yet not one word was heard from Washington's latest welfare reform debate could include the straightforward discussion of how government can best deal with this situation must now be sorely disappointed (or downright disgusted).

Even national leaders in both parties agreed on proposals for workfare and two-year limits as if they were brand new policy ideas, not the subjects of debates that have already been conducted with mixed results in several states.

Then House member Newt Gingrich proposed taking kids away from welfare moms who failed to notice work requirements. Enter the Bad Law Abortion Care post-death reform policy. Administration dismissed all talk of orphanages as ridiculous. Gingrich responded on cable TV with the movie "Boys Town" (no less).

Just only two weeks ago, Republican Representative Archer of Texas, chairman of the House Ways and Means Committee, used a public hearing to badger Health and Human Services Secretary Donna Shalala into admitting that, under the administration's welfare plan, able-bodied women who do not comply with work requirements could indeed lose their children to foster homes, group homes or adoption. But Archer couldn't quite get Shalala to say "orphanage."

Hey kids, knock it off! Apparently, you still haven't gotten the message: The American people want Washington to deal with pressing national concerns in a frank, forthright, creative and cost-conscious way.

In the case of black, inner-city children, the truth is that we must begin at the very beginning. These kids are less likely than white kids to get adequate prenatal care. Buried in the race-and-IQ debate over Charles Murray and Richard Herrnstein's "The Bell Curve" is research showing that black kids who get good prenatal care do as well or better than whites on IQ tests. Whatever their home circumstances, decent prenatal care gives kids a fighting chance in life.

But look beyond the inner city too. Recognize that about 75 percent of metropolitan-area blacks do not live in poverty. Instead, as recent research has suggested, they live in working- and middle-class neighborhoods where welfare dependency, crime and joblessness are less common than senior proms, family reunions and church-going.

In such places, one can see that being born healthy to loving parents of whatever income is about the luckiest accident that can befall a human being.

Unfortunately, about one-half of 1 percent of all kids in this country grow up in circumstances where neither parents nor other adults adequately care for them. Many of these children are severely abused and neglected by deviant, delinquent or criminal adults, including their biological parents. A disproportionate number of them are black inner-city residents, but brutalized kids come in every race, creed and suburban ZIP code.

Today, in most states and big cities, these young unfortunates are "cases" that get "processed" by overburdened family courts, client- and budget-maximizing youth and family services bureaucracies, and dysfunctional foster-care complexes. Nationally, a typical "at-risk" kid will have numerous contacts with the system before he or she is "placed out." But by then it is almost always too little and too late. They live in one foster home after another. They become juvenile and adult violent-crime victims and criminal predators. They end up jobless and on welfare. They do drugs and get sick. A high fraction of the black males finish life in prison (nobody visits) or dead (nobody mourns) well before their time.

THE EVIDENCE IS EVERYWHERE YOU turn. For instance, a December 1991 report by the New York City Comptroller's Office found that the city's Child Welfare Administration is so fixated on returning abused and neglected kids to their biological parents that it violates state laws, ignores its own policies on placing out, and assigns troubled children to one foster home after another. Papers filed in an ongoing lawsuit against Philadelphia's Department of Human Services document how that agency has failed to protect the children in its custody from severe abuse and neglect. And so it goes.

The social costs of tolerating this abuse and neglect are high—especially in the children. A recent study found that 75 percent of violent incarcerated juveniles had suffered serious abuse by a family member, and 78 percent had been witnesses to extreme violence. Over half of all youths in long-term state juvenile institutions have one or more immediate family members (father, mother, sibling) who have been incarcerated.

Most very bad boys, in fact, come from very bad homes in very bad neighborhoods. So do most very bad girls. About 47 percent of female prisoners have at least one immediate family member behind bars; 13 percent have been physically or sexually abused; and 34 percent have parents or guardians who abused alcohol or drugs.

In short, America's high-rate violent offenders did not become criminally depraved because they were economically deprived (whatever their material circumstances, only a tiny fraction of males, and an even tiner fraction of young females, ever commit violent crimes or become career criminals). Rather, they became criminally depraved because they were raised to be violent, impulsive, self-centered and remorseless by adults who taught these traits by example.

And the reverse is true. The vast scientific literature on what it takes to transform a troubled toddler into a good parent, conscientious student, loyal friend, dedicated worker or law-abiding citizen can be boiled down to two words: unconditional love.

Children of whatever socio-economic status, bio-genetic disposition, or demographic description do better in all phases of life if they grow up believing that there are adults in their world who care desperately about their physical, emotional and intellectual well-being, and who want nothing in return save love itself. But kids who start out life abused and neglected only to be carted through a bureaucratic maze of foster homes, family courts and juvenile institutions learn a different and fatally debilitating lesson: Life is brutal; rewards and punishments are arbitrary; the future is totally unpredictable; and human attachments are fleeting.

To help these children, America must think out loud about ways that government can help to make orphanages (call them what you will) urban America's version of the agriculturally based, communally organized Israeli Kibbutz. Some ideas:

- In urban black areas, the orphanages should be staffed and run exclusively by blacks, including retirees, who live in metropolitan areas and be formally connected to churches and unapologetically religious in character. The orphanages could turn any child over to state authorities for any reason. If this spells "creaming"—taking on only the youngest kids or the easiest cases—then so be it. Every life saved is in the pro column.
- Consider giving such orphanages public seed money and much private support, with no strings attached. The institutions should be held accountable for results—producing children and young adults who are literate, well-behaved and prepared for the challenges of adult life. But they should not be subject to the procedural regulations that define government's failed bureaucratic networks of youth services agencies and foster-care complexes.

CRITICS CRY THAT ORPHANAGES WOULD cost too much. That's true if we're talking about huge numbers of kids and working through the existing bureaucratic system of youth homes, foster care and the rest. But that's most definitely not what we're talking about. We're talking about a radically different way of caring for severely abused and neglected kids, beginning with America's brutalized black inner-city kids.

Let's get real. By the year 2000, there will be 500,000 more males between the ages of 11 and 17 in the population than there are now. Criminology tells us that 6 percent of these boys—almost without exception the 6 percent whose "family lives" are the most grim—will commit 50 percent of all the serious crime committed by the cohort and become high-rate, predatory offenders: 30,000 more killers, rapists, carjackers and thieves.

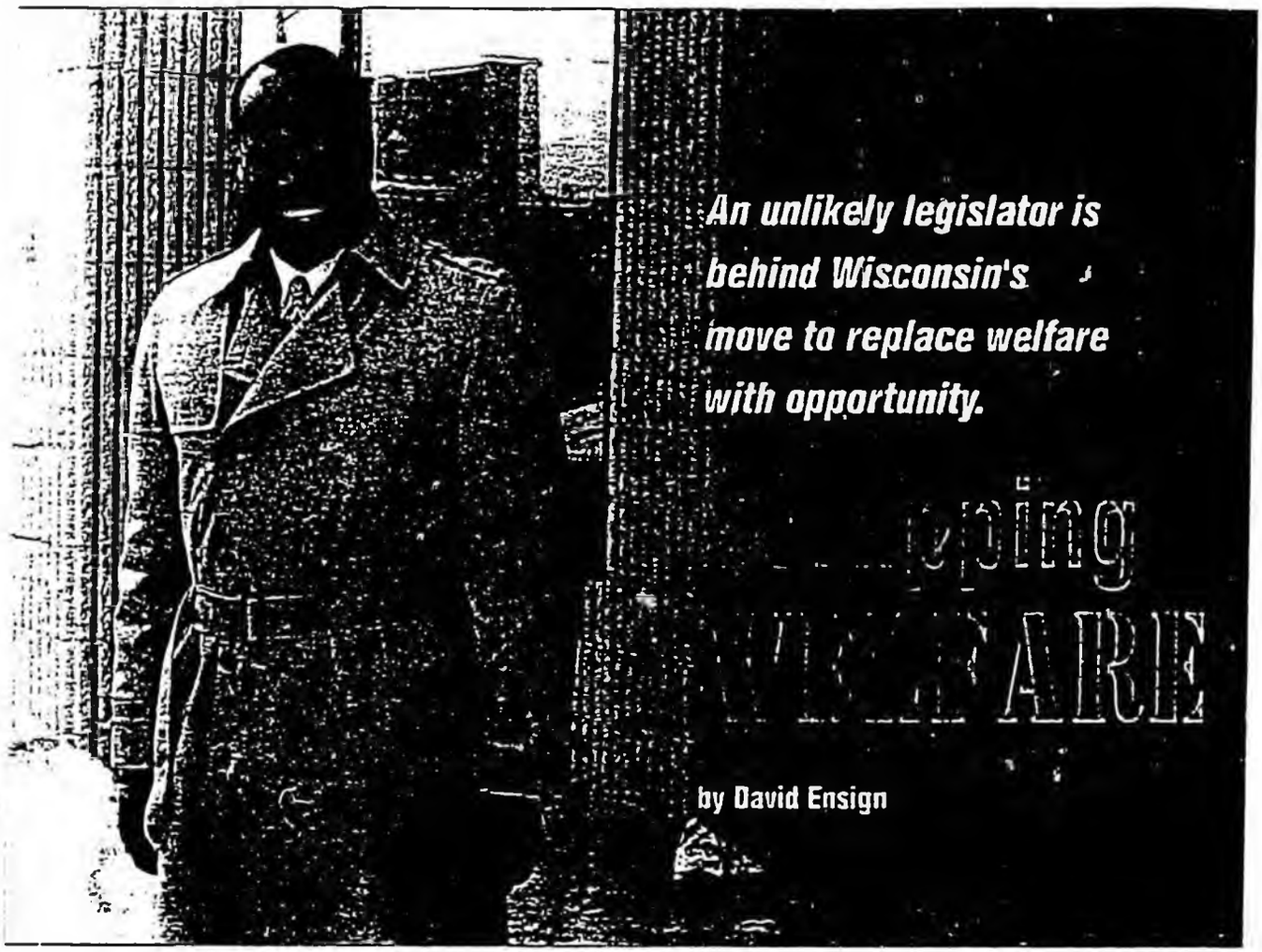
It's already too late for these kids. They're headed for the streets, prisons and graveyards. But if we removed the next 500,000 severely abused and neglected toddlers to stable settings where adults really cared for them, by 2010 we might get at least 30,000 more doctors, teachers, car mechanics and family men.

As things stand now, federal policies requiring states to follow "family preservation" policies manage only to imprison severely abused and neglected children in bureaucratic systems and horrible homes. Policies that forbid the creative, community-centered development of orphanages or like institutions must be counted among the real root causes of our welfare and crime problems.

In America, government for too long has allowed the criminally deviant to prey upon the truly disadvantaged: it has treated poor black inner-city kids like human refuse and mere statistics. But if government gives loving, caring adults and religious institutions half a chance to care for abused and neglected kids, America can make all its children bloom. ■

John DiIulio is professor of politics and public affairs at Princeton University and director of the Brookings Institution's Center for Public Management.

COMPLIMENTS OF THE
ALASKA STATE LIBRARY



An unlikely legislator is behind Wisconsin's move to replace welfare with opportunity.

by David Ensign

Photo by David Ensign

Wisconsin Rep. Antonio Riley wants welfare reform to help lift people in inner-city Milwaukee out of poverty.

Not too many freshmen lawmakers find themselves the subject of a *National Enquirer* piece. But then, not too many freshmen lawmakers are former welfare recipients leading the charge to scrap Aid to Families with Dependent Children. Add to his agenda the fact that Rep. Antonio Riley is a young African-American, and you get the kind of stereotype-shattering story that has brought network news cameras and national attention to the 30-year-old Wisconsin legislator.

Promises to "end welfare as we know it" have quickly become campaign cliches in many places, but Wisconsin gave its pledge the force of law late last year when Gov. Tommy G. Thompson signed the Riley-co-sponsored bill that, pending a federal waiver, will end the state's $450 million-a-year participation in AFDC. The move makes Wisconsin the first state to opt out of the Depression-era program that has become the nation's major form of welfare.

While many of those carrying the torch for welfare reform get their ideas from places like the Heritage Foundation, Riley gets his inspiration from inner-city Milwaukee and the people in his mostly poor district.

"The people that I represent want the opportunity to help themselves," says Riley. "The people who I talk to in my district who are on welfare, they want off of welfare."

AFDC clients in Riley's district and across Wisconsin have grown used to the idea of welfare reform. For several years, would-be welfare reformers have watched as the governor hatched a variety of programs such as Bridefare, Learnfare and the recently announced Crimefare. These controversial programs were designed to tackle problems of welfare mothers having additional children to collect benefits, children on welfare dropping out of school and welfare recipients participating in crimes. Thompson upped the ante last year when the federal government approved a waiver for this "Work Not Welfare" pilot proposal that will cut off AFDC benefits to recipients after two years. But lawmakers responded by amending the Work Not Welfare bill to repeal AFDC in Wisconsin altogether. They also extended the governor's pilot

David Ensign is publications manager in the CSG Midwestern office.

program beyond two counties with relatively light AFDC caseloads to include Milwaukee County, which has more welfare recipients than any other county in the state.

While the governor used his veto powers to remove Milwaukee County from the pilot program, he accepted the legislature's challenge to remake welfare.

As Thompson told the *Milwaukee Journal*, "Wisconsin is probably in the best shape to do this because of our progressive nature, our good economy and the fact we have tried many welfare programs that have been successful."

Still, while critics of the most recent move say it goes too far, Riley says the other Thompson reforms miss the central problems. While acknowledging that the governor's efforts have had some success, Riley argues that those reforms have aimed at the recipients of welfare and not at the system itself.

"The beauty of this debate we are having now in Wisconsin is that we have successfully changed the focus from the recipient onto the system that tends to breed and to reward certain kinds of behavior that tends to create the cycle of dependency," he says.

"The people who I talk to in my district who are on welfare, they want off of welfare."

— Wisconsin Rep. Antonio Riley

Policy-makers from across the political spectrum have sounded a similar refrain in blasting a welfare system fraught with work disincentives.

"I see the impact of this system on a daily basis, the poverty pimps, the little corner stores that rip off the WIC (Women, Infants and Children) system and the children, who in most cases are the victims," says Riley.

Poverty among children in Wisconsin, as in many states, has increased dramatically in recent years. Nationally, the poverty rate for those under 18 reached 21 percent in 1991, the highest since 1965. The adult poverty rate stood at 11 percent. The U.S. youth poverty rate is the highest among Western nations, as is the gap here between youth and adult poverty rates. The increasing number of children raised in poverty has added a poignant new dimension to the rhetoric about the cycle of poverty.

The increasing number of children raised in poverty has added a poignant new dimension to the rhetoric about the cycle of poverty.

Having broken out of that cycle himself, Riley has a perspective on the issue unusual for a lawmaker. The self-described "bastard child of a bartender who was shot to death," Riley was born in Chicago but grew up in Milwaukee with his eight siblings, his mother and stepfather. When his stepfather, whom Riley refers to as Dad, was forced by a heart attack to quit his job as a cab driver in the early 1970s, the Riley family went on welfare. At times, he says, all he had to eat came from school breakfast and lunch programs.

But he managed to finish high school and become the first person in his family to earn a college degree. Even that experience included a short stint on general assistance one summer during the early 1980s recession when employment was scarce and money his mother made from selling candy out of her home was not enough to pay tuition. After graduating in 1987 from Carroll College in Waukesha, Wis., Riley took a job selling cosmetics. In 1990 he worked for the Democratic candidate for governor, and later as an aide to Milwaukee Mayor John Norquist. The local Democrats, in search of a candidate for an open Assembly seat, asked Riley to run in 1992, and he won a four-candidate race.

In Madison, Assembly Speaker Walter Kunicki appointed Riley vice chair of the welfare reform committee chaired by Rep. Barbara Notestein. From that position, Riley and Notestein set forth the proposals that, with Thompson's signature, have grabbed attention across the country.

The attention will wane in time, but the hard work is just beginning.

"The next steps, hopefully, involve a bipartisan effort to develop a program that would replace the AFDC program with one that emphasizes work and employment," says Notestein.

Thompson sounded a similar note at the bill-signing in December, saying "the new system should be less about welfare and more about work."

Work is exactly what most of Riley's constituents want. Nevertheless, his role in calling for an end to the system that supports many of his constituents has not been easy. People were skeptical as the policy developed, but support has solidified as they began to see the move as an opportunity to reinvent a system that most agree is not working.

"People who are professionals, people who are on welfare, people on general relief, people who don't have much of anything come up to me and they say, 'Mr. Riley, man, I'm with you. I know what you're trying to do, and it's about time.' "

For Antonio Riley, it's exactly the right time. While the media attention — with the notable exception of certain inquiring minds — has been gratifying, it's the memory of other times that drives him to take on one of the most daunting challenges facing state policy-makers.

"I've been there," says Riley. "But I haven't really found my way until I've reached behind me and brought others along . . . I remember so vividly what happened to me and my family, and when I see people that I represent, and I talk to them . . . they need me to fight for them. And I fight for them by doing this." □

nesses and part of that time in classes.

The courses are designed around the mall itself. Thus, a student taking a course on environmental issues would broaden his understanding of how businesses and communities deal with recycling and waste by working with Browning Ferris Industries, the mall's waste contractor, which gave a $1 million grant to subsidize the project. Other courses explore career choices, entrepreneurship and business, and even "Arts in the Marketplace."

About 15 students are enrolled in each of the five mall courses. Some general state aid, which follows the students wherever they go, is transferred from the school district to the mall's Learning Center.

Some educators have been critical of the mall school, arguing that the courses are centered around the needs of business and corporate interests rather than those of students.

But supporters point out that parents and teachers have a voice in deciding what the students do and that the internships are monitored closely. "What we were looking to do," says Mary Ann Nelson, a St. Louis Park assistant school superintendent, "is to make a change in delivery systems and to use the mall as a laboratory for us to try some new ideas."

—James E. Dunn Jr.

For more information, contact Mary Ann Nelson, Assistant Superintendent of Schools, 6425 W. 33rd St., St. Louis Park, MN 55426; phone 612-928-6067.

ANTONIO RILEY: SPEAKING FROM EXPERIENCE

There are politicians all over the country clamoring for an end to the current welfare system. But there aren't many who see the problem the way Antonio Riley does in Wisconsin—from the perspective of a 30-year-old legislator who grew up on welfare himself in the 1970s, had to accept it again as a college student in the 1980s and now represents an inner-city Milwaukee district in which a large proportion of the residents are on AFDC.

Given all that history, one might expect Riley to be suspicious about current attempts to do away with AFDC, perhaps seeing them as likely to take away what little his constituents currently have.

But a few months ago, when conservative Republican Governor Tommy G. Thompson proposed a pilot program cutting off welfare benefits after two years, Riley led a successful effort to outdo him—and end AFDC altogether in Wisconsin in 1999. If the Clinton administration provides a waiver, the entire program will expire in Wisconsin that year, to be replaced, as Riley sees it, by a combination of supports that enable people to earn a decent wage.

"The issue for me is tough, given my district," Riley says. But he believes it is a risk worth taking. In his view, the current welfare system is simply a disaster. He calls it a failer of people. "Look at the staggering number of poor in this state. The current system has failed," he says. "I don't think it's unrealistic to say we can do better."

Riley's father, a bartender, was murdered in a robbery on the streets of Chicago. His family moved to Milwaukee, where they had to accept relief when his stepfather, a cabdriver, suffered a heart attack. But he worked his way through college, prospered quickly as a cosmetics salesman, became an aide to Milwaukee Mayor John O. Norquist and made it to the Assembly in 1992.

Riley was assigned as a freshman to the welfare reform committee, where he took the lead in crafting a Democratic substitute to Thompson's "two years and out" welfare reform plan. To the surprise of many, Thompson endorsed parts of Riley's more ambitious but still vague idea of total overhaul. And Riley and the governor stood next to each other as the entire package was signed into law. "I had mixed emotions," Riley admits. "There is uncertainty when you want to change the system. But I felt relief that there would be no more tinkering, that the real work could commence." *—Penelope Lemov*

Three Towns Find a Way to Contain Crime: Loan-a-Cop

If there's a certain point where a city's problem becomes a region's problem, East Palo Alto, California, reached it in 1992, when 42 homicides occurred in the city of 25,000 people.

That was the year the FBI branded the 2½-square-mile municipality the murder capital of the nation. The news, however, didn't shock residents of East Palo Alto, where poverty, racial tension and drug trafficking contrast with life in the adjoining and more affluent communities of Palo Alto and Menlo Park. When East Palo Alto's violence began spilling out of its borders, the mayors of the three cities convened to see what could be done.

Since that meeting last March, a number of steps have been taken, but the one that has had the most

Norm Cook photograph

Doling Out Welfare Reform

For the president's plan to work, states and localities will have to do the heavy lifting.

BY DAVID RAPP

The idea that Washington and the states should provide for the basic welfare of poor children and their mothers has been an established national policy for 60 years. The main federal-state welfare program, Aid to Families with Dependent Children, now covers some 14 million people, including 9 million children, at a cost that approaches $25 billion a year.

The idea that the administrators of this largess—state and county governments—should be spending most of their time and energy getting the beneficiaries off the dole has been official policy only since 1988. That was the year when, thanks in large part to the aggressive lobbying efforts of one Arkansas governor, Congress created the Jobs Opportunities and Basic Skills Program. JOBS was the first explicit federal policy statement that welfare should be a transitional period to self-sufficiency rather than a way of life.

Obviously, the states have had more experience at maintaining their basic welfare programs than at educating and training people for self-subsisting employment. Yet Bill Clinton, now ensconced atop the huge federal welfare bureaucracy, is staking much of his political future on the bet that states and localities can make good on his campaign pledge to "end welfare as we know it."

The central tenet of Clinton's legislative promise, which he has now sent to Congress, is that most adult welfare recipients should count on only two years of help from the government before they must fend for themselves. It's a surefire applause line in Washington, but one that carries a sobering message to state and local governments: Who, after all, is going to educate and train millions of young mothers—many of them teenagers—to enter the private-sector work force? And failing that, who will keep them busy in community service jobs after they reach the welfare time limit?

Community service jobs, for one thing, are not that easy to create. The Comprehensive Employment and Training Act of the 1970s created 750,000 public service jobs, but they were of uneven (some say suspect) quality and, as such, created a storm of controversy for all levels of government. State and local initiatives have fared much better. Under Mayor Edward Koch, for instance, New York City was able to put 3,500 to 4,000 people to work in community service jobs during an average month—out of an AFDC caseload of 250,000.

So the real test for states and localities is going to be in getting welfare recipients ready for real-world jobs. Again, governments at every level have created a dizzying array of programs to train people for jobs, but as often as not, these entail little more than showing participants how to write a resumé and dress for an interview.

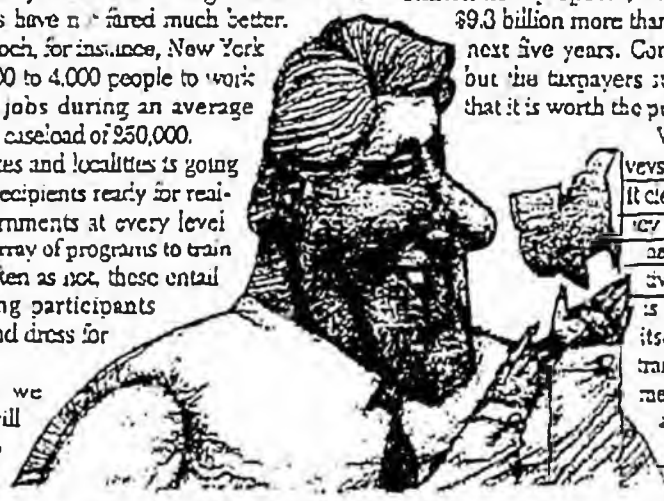
Ending welfare "as we know it," then, clearly will take something on the order of what Riverside County has done with California's welfare experiment, called Greater Avenues for Independence, or GAIN. Riverside County officials have instituted an almost evangelistic program that communicates one message to every able-bodied person who walks in the door: You are here to get a job. Every element of the program, from orientation to education seminars to job searching, is provided under high expectations for both welfare recipients and welfare office staff. Under this regime, various outside experts have observed, "welfare feels temporary."

But Riverside is one county that was pretty much allowed under the 1988 federal JOBS law to frame and conduct its own demonstration project. As a result, entrepreneurial local leaders have been able to overturn and transform an entrenched bureaucratic mindset.

So what happens in states that don't have the freedom to experiment or the resources to spend large amounts on adult education and training? The JOBS experience shows what it will probably take. Tennessee, for instance, decided that the best way was to promote collaboration and integration of existing state and county programs for business, higher education and housing. The state has been able to meet its federal participation rate only through a highly orchestrated campaign of shared responsibility: Private industry councils, adult education programs, local housing and health programs, state universities and community colleges each have a role in getting welfare recipients into the work force.

Officials in Riverside County, in Tennessee and in other innovative places believe they are already moving in the direction Clinton wants to take welfare. But they also say it will require much more than JOBS has promised to make anything more than a dent in the problem. In other words, it will take more money.

This raises the political stakes even higher for Clinton, who has already had to scale back his original idea because he cannot find the money to pay for it. Applying the two-year time limit just to those recipients born after 1971, as Clinton now proposes, will still cost the U.S. Treasury $9.3 billion more than the current program over the next five years. Congress will probably go along, but the taxpayers still will have to be convinced that it is worth the price.



What will convince them? Surveys and focus-group studies make it clear that voters want welfare policy to reflect what they value—hard work, responsibility, initiative and self-improvement. There is no way that Washington by itself can mandate that kind of transformation in welfare. As former Governor Bill Clinton is well aware, the responsibility for success will rest on governments closest to the problem. G

Ted Pina illustration

The Welfare Monster

States and the federal government have created a welfare monster that fosters reliance on an antiquated, fragmented system. Five states are experimenting with ways to turn people from dependence to independence.

Dianna Gordon

To reform the antiquated welfare system, states battle the mythical Hydra. For every problem solved, two more crop up like regenerating heads. If you cut off one head by putting people in jobs, they lose vital health and child care. Tighten up on who is eligible, and children may go hungry. Attack hunger by increasing benefits, and there is less incentive for people to leave the system.

As in the myth where two heads grew for every one Hercules cut off, the welfare system has become a multiheaded monster of conflicting and duplicative programs that not only allow dependence, but in many cases encourage it.

All told, at least 75 separate federal programs are operating to aid the needy. Three that particularly affect the states and are critical to reform are Aid to Families with Dependent Children (AFDC), food stamps and Medicaid. Food stamps are subsidized by the federal government with administrative costs shared by the states. Medicaid and AFDC expenses are split between the states and the federal government.

AFDC originated in 1935 as a way to help widows and orphans. Operated by the U.S. Department of Health and Human Services (HHS), in 1992 the program served an estimated 13.5 million people at an approximate cost of $22 billion. Food stamps, instituted in the 1960s as a way to distribute surplus government food to needy families, are administered by the U.S. Department of Agriculture and provide coupons for food. The program helped feed 27.4 million people in 1993 at a cost of $24 billion. Medicaid arrived in 1965 and was designed to pay for health care for the poor. Expenditures have grown to an estimated $120 billion and participation has increased 40 percent since 1982 to 30 million recipients in FY 1992.

Excluding Medicaid, welfare programs cost the federal government about $53.4 billion annually. The states kick in around $15.3 billion each year.

In human terms, the number of people on AFDC or food stamps has risen virtually every month since 1989, approximately 36 percent between July 1989 and December 1993. An unprecedented number of people need assistance: One child in seven nationwide is a recipient of AFDC while one person in 10 is on food stamps.

While fulfilling the original, Depression-era goals of helping the desperate and downtrodden, welfare programs now have burgeoned into complicated bureaucratic systems that are costly and foster dependence instead of independence and self-sufficiency. It's little wonder that states have taken the lead in seeking ways to "end welfare as we know it."

"The public hates it, recipients hate it, politicians hate it, business hates it," says Representative Bill Purcell of Tennessee. "We must reward work rather than welfare."

Efforts to revamp an archaic system have been helped by a federal administration willing to grant waivers to states that want to experiment with new programs, although the process is still fraught with burdensome paperwork and myriad rules and regulations.

Recently Colorado, Florida, Iowa, Vermont and Wisconsin received waivers for demonstration projects. All of them seek to limit the time a recipient can stay on welfare, but in different ways.

"I think looking at those five, you can see how states can use the same language of time limits and mean totally different things," notes Mark Greenberg of the Center for Law and Social Policy.

Furor in Wisconsin

The idea of time limits was broached nationally by Bill Clinton, who suggested during his 1992 presidential campaign and reiterated in his January 1994 State of the Union message a possible formula of two years and out for welfare recipients with a transitional program followed by work. The president had in mind various exceptions to that formula and a safety net for families unable to comply.

But no one took the statement more literally than Wisconsin, where the federal bent bolstered Governor Tommy Thompson's efforts to put a strict two-year time limit on benefits. When Wisconsin submitted its waiver request last July, the plan called for dropping welfare recipients off the rolls after 24 months. It also denied benefits to any child conceived while a mother was on AFDC.

The governor says the program, Work Not Welfare, would make welfare "what it was meant to be—a temporary hand up, not a permanent handout."

Thompson calls the plan the "nation's most no-nonsense experiment with time-limited cash benefits in the AFDC program."

The federal government, however, stipulated that Wisconsin provide some protection for recipients living in an area where jobs were not available. Medicaid will continue for people who lose welfare benefits, and AFDC cover-

Dianna Gordon is an assistant editor for *State Legislatures*. Shen Freisel and Laune Itkin, who track human services issues for NCSL from the Washington, D.C., office, contributed to this article.

age continues, under certain circumstances, for children born while a mother is in the welfare program.

As approved by federal and state officials, the plan will:

- Require recipients to sign a statement pledging to work for benefits.
- Eliminate the "100-hour rule" that specifies that a principal wage-earner in a two-parent family enrolled in AFDC-UP (unemployed parents) can work no more than 100 hours per month.
- Set up "Independence Accounts" of cash in lieu of benefits that can be used over 48 months.
- Provide an additional year of transitional medical and child care benefits for recipients who find jobs.
- Makes recipients ineligible to receive any benefits for 36 months after initial grants run out.

The program, slated to begin after January 1995, will involve 1,000 people in two Wisconsin counties with good economic bases. Some say this is not a good test area.

"It's only about 1 percent of the 80-some-thousand families on welfare in this state," says Representative Antonio Riley, whose district includes inner city Milwaukee and Milwaukee County where 50 percent of the state's AFDC cases can be found. There's also a 25 percent unemployment rate for African American men in his district.

"We need to look at the 57,000 people on welfare in Milwaukee County. [The county] should have been included in the demonstration to find out if it will work," he says.

Under the legislation creating the Work Not Welfare project, Wisconsin will abolish AFDC Jan. 1, 1999—the first state to do so since the program was established in the 1930s. A proposal to replace it must be presented in 1995.

Reform legislators are already working on a plan. "We realize that one size is not going to fit all," Riley points out. "What we want to do is move people from welfare to work and from work out of poverty."

"And we must have programs for those who cannot help themselves," he adds.

In what amounts to a definitive description of the welfare system nationwide, Riley says, "This issue goes beyond welfare—it is a working poor issue. We need to provide them with the tools they need to stay in the workforce.

The Growing AFDC Caseload

July 1989 to November 1993

State	Cases (in thousands) July 1989	November 1993	Percent Change
New Hampshire	5.3	11.2	111.3
Florida	121.6	254.5	109.3
Arizona	57.0	112.7	96.5
Nevada	7.4	13.7	85.1
Alaska	7.3	12.4	69.9
North Carolina	78.3	131.2	67.6
New Mexico	20.1	32.9	63.7
Delaware	7.3	11.5	57.5
Guam	1.1	1.7	56.5
Texas	183.6	283.4	54.4
Connecticut	37.7	58.0	53.8
Georgia	93.1	141.5	52.0
Tennessee	70.6	105.7	49.7
South Carolina	35.5	52.5	47.9
District of Columbia	18.1	26.7	47.5
California	604.7	888.1	46.9
Rhode Island	15.2	22.3	46.6
Indiana	51.0	74.8	46.7
Hawaii	13.9	19.9	43.2
Idaho	5.8	8.3	43.1
Vermont	7.0	9.8	40.0
Kentucky	58.3	79.7	36.7
Oregon	30.6	41.8	36.6
Virginia	54.2	74.0	36.5
Missouri	67.4	91.1	35.2
New York	336.6	443.7	31.8
Oklahoma	35.7	46.6	30.5
Washington	78.1	101.5	30.0
Montana	9.0	11.6	28.9
Massachusetts	87.6	112.7	28.7
Maine	18.0	22.9	27.2
Maryland	63.0	79.3	25.9
Colorado	33.2	41.1	23.8
Virgin Islands	0.9	1.1	22.2
Utah	14.8	18.0	21.6
New Jersey	100.1	121.6	21.5
Kansas	24.7	30.0	21.5
Pennsylvania	173.5	206.9	19.3
Illinois	198.5	236.7	19.2
Minnesota	53.7	63.4	18.1
Ohio	218.6	253.2	15.8
West Virginia	35.1	40.6	15.7
Alabama	44.5	51.0	14.6
Iowa	33.7	38.6	14.5
Wyoming	3.0	3.7	14.0
Nebraska	14.1	16.0	13.5
North Dakota	5.4	6.0	11.1
Arkansas	24.0	26.1	8.8
Michigan	210.2	226.7	7.8
South Dakota	6.6	7.0	6.1
Puerto Rico	59.4	59.6	0.3
Wisconsin	79.0	78.0	-1.3
Mississippi	59.2	58.0	-2.0
Louisiana	91.3	88.6	-3.5
United States	3,746.1	5,011.6	33.8

Source: American Public Welfare Association.

Federal Welfare Reform Debate Begins

A welfare system that has evolved over 50 years will never be transformed overnight. Congress and the administration are preparing proposals for a debate to "end welfare as we know it" that will certainly continue throughout the summer and during the fall campaigns.

As New York State Senator Jim Lack cautioned the U.S. Senate Finance Committee, "We are committed to working closely with you to fashion legislation that will comprehensively provide education, training and employment of welfare recipients and ensure that those who work will rise above poverty, and to improve child support collections. For state legislators, this means a new welfare reform policy we can implement, that takes into account how state laws are enacted, that gives the states the flexibility to innovate and address local needs and does not shift costs to the states."

In November, with 162 of 176 members signed on, House Republicans introduced their welfare reform proposal, HR 3500. "This bill emphasizes the view that the majority of people now on welfare want to support themselves and their families and will do so if given the proper encouragement and support," said Congressman Rick Santorum of Pennsylvania, co-chair of the Republican welfare task force. "Republicans want to provide the needed balance between new benefits to support the transition to the workplace and new requirements for benefits to motivate some welfare recipients."

The bill requires 90 percent of AFDC recipients to work for their benefits after two years of assistance, emphasizes the responsibility of parents to support their children, encourages states to refuse welfare to unmarried parents and requires unmarried minor mothers to live with their parents.

HR 3500 provides approximately $10 billion to the states and $9 billion toward deficit reduction by ending income support programs (including AFDC, food stamps, Medicaid and Supplemental Security Income) for legal immigrants. This has the potential of shifting the costs of serving legal immigrants to the states.

In the Senate, two notable Republican proposals echo demonstration programs under way in Iowa, Vermont and Florida. Minority Leader Bob Dole of Kansas and Colorado Senator Hank Brown have introduced a proposal to require a binding social contract between recipients and the welfare agency that requires recipients to prepare for a job. After two years, they must either have work or be placed in community service for benefits with sanctions for noncompliance.

U.S. Senator Nancy Kassebaum of Kansas recently introduced a new concept to the welfare reform debate—"the swap." She proposes that the federal government take full financial responsibility for Medicaid in exchange for states funding the total cost of the AFDC and Women, Infants and Children programs.

"Giving the states both the power and the responsibility for welfare—with their own money at stake—would create powerful incentives for finding more effective ways to serve families in need," she said in March. "Washington does not have a magic answer to the welfare problem. The governors and state legislatures have no magic solutions either; but they have the potentially critical advantage of being closer to the people involved and closer to the day-to-day realities of making welfare work."

House Democrats are split into several ideological groups that are developing competing welfare reform proposals.

Seventy-seven members of the moderate Mainstream Forum have urged Clinton not to give up on his campaign promise and to move forward on time-limited welfare reform. Eighty-six House Democrats led by Hawaii Representative Patsy Mink sent a letter to the president opposing time-limited benefits as "unacceptably arbitrary." Ways and Means Chairman Dan Rostenkowski of Illinois has stated firmly that welfare reform will have to wait until next year.

New York Senator Daniel Patrick Moynihan, who wrote the Family Support Act of 1988 and now, as chairman of the Senate Finance Committee, will be crucial to the passage of any welfare reform proposal, has said: "We do have a welfare crisis. And we can do both health care and welfare reform."

Through the American Public Welfare Association, state welfare commissioners have unveiled a time-limits proposal that builds on the current JOBS program and requires the federal government to provide 90 percent of the funds for reform.

An administration working group is preparing a proposal that the president will introduce in the spring. While no final decisions have been made, widely circulated drafts and newspaper accounts reveal a time-limited program phased in slowly, primarily for those born before 1972. The transitional program will emphasize an intensive two-year education and training period followed by work for wages in the private or public sector.

The cost of this reform could be as high as $7 billion annually, and the working group is grappling with how to find sufficient cuts in other programs and other means to fund the program.

Many questions remain about the details of these proposals. Can welfare recipients achieve self-sufficiency in the low-wage labor market? Are there enough jobs available, and how can states train recipients to compete for them? Will sufficient funding be available for child care? Will increased funding for welfare reform come at the expense of states through elimination of programs, cost-shifting and unfunded mandates?

"True welfare reform will only come in a partnership between the states, localities and the federal government," says Representative Bill Purcell, majority leader of the Tennessee House. "Our concern for children must remain paramount. But in order to support these children, we must find ways to enable their parents to support themselves. We must reward work rather than welfare."

—*Sheri Steisel, NCSL*

So You Think You Want a Waiver?

Despite a federal push to "end welfare as we know it," states wanting to experiment with reform are still hindered by a cumbersome bureaucratic machinery that slowly grinds out waivers to existing law.

To request a waiver, state officials are required to document their proposal extensively, listing all federal laws that must be waived for a demonstration project, including statutes and regulations for Aid to Families with Dependent Children (AFDC) and related changes, if needed, in Medicaid and food stamp procedures.

Governed by Section 1115 (a) of the Social Security Act, the secretary of the U.S. Department of Health and Human Services has the authority to grant waivers to states that comply with two major conditions:

- All programs must be budget neutral to the federal government; the state must bear any additional costs that a reform project may incur.
- All programs must undergo rigorous evaluation, with the state sharing that cost. There is random assignment of welfare recipients to the demonstration project, and the state must designate a control group of recipients who remain under the old system to provide a comparison.

Cost neutrality may be one of the biggest hindrances to innovative programs for welfare reform. Washington state can serve as a warning to lawmakers of what happens when that provision is violated. It cost the state $29 million more than expected last year when its successful Family Independence Program (FIP) ended because of federal time limits on waivers.

"When we got our waiver from the feds, the state agreed that it would fund any increase in caseload," says David Knudson, a House senior research analyst. Because the program offered education and training, a large number of residents wanted to switch from AFDC to FIP. The training components, however, also lengthened the time that benefits were paid. Despite limiting FIP to specific sites, Washington faced a cost overrun of about $29 million. And despite FIP's success, the federal government took little pity, making the state ante up that amount, which, as Knudson points out, is significant in a state with only 5 million people.

Limiting numbers, another condition for federal approval, can also erect barriers to state innovations. In many instances, lawmakers want to open a demonstration project to all state residents, but cannot because of rules mandating random assignment to the program and the establishment of a control group.

Evaluations required by federal law (which must be paid for in part by the state) do not always indicate the success of a program. Wisconsin's Learnfare program was criticized by the Bush administration and the governor after it was reported that the graduation rates for Learnfare recipients (who were required to attend school or risk their family's benefits) were no different than for students who were not in the program.

A check of Learnfare by the Wisconsin state auditor's office, however, found that sloppy record-keeping on the part of some school districts was

There's a transitional period when they [primarily women, the bulk of AFDC recipients] are ready to go to full-time employment, and they can't because they will lose child care, health care and money from their earnings to higher taxes. This system has to be deconstructed. People are suffering in the process."

Colorado Makes Work Pay

As in the other states, Colorado lawmakers aim to remove the "disincentives" for employment. Their plan is based on a Colorado study that identified "cliffs to self-sufficiency"—the points where a family begins losing money through job-related expenses and taxes.

Cliffs occur when an AFDC recipient takes a minimum wage job. Even with the wages, the standard of living won't improve, and the family might not be able to get off public assistance. As earnings from a job increase, the family is hit with a substantial decreases in spendable income.

"Folks on welfare who get jobs and go out on their own hit these barriers," explains Senator Claire Traylor, co-sponsor of the bipartisan Colorado Personal Responsibility and Employment Program that attempts to overcome these disincentives. "They can't even accept a raise—something like a 10-cent raise affects their asset limits, their housing, their food stamps. So they have to choose not to accept the raise or go back on welfare."

Colorado's waiver, granted in January, involves 4,000 families in five counties. The pilot program will:

- Combine AFDC, food stamp and child care benefits into a monthly cash payment to teach families fiscal responsibility.
- Allow recipients to earn more income by cutting fewer benefits when they get a job.
- Make it easier for recipients to own a car in order to travel to and from work.

In addition, Colorado will:

- Decrease aid to parents who do not immunize children under 24 months of age.
- Stop monthly payments to recipients after two years if they have not participated in educational or job training programs.

"Benefits will extend beyond two years if a family is working toward its goals. If the AFDC recipient is not trying, by the end of two years she will be phased out," Traylor says.

The Colorado program counts on business involvement. "We have a lot of organizations or companies that will look at opportunities to work with folks in pre-training or developing job skills for long-time employment that would provide a living for them and their families," Traylor says.

Local social service departments have been instructed to help match employers with recipients who have or can develop the skill levels the companies need. Caseworkers will also identify job possibilities for recipients.

Iowa: Malleable Social Contracts

Iowa is banking on a social contract between the state and recipients to sort out those capable of working and those who need some sort of public assistance to survive.

more to blame than the program itself. Another consultant has been hired to track Learnfare progress.

One obvious weakness of the waiver process is that legislators may get in on the act after the fact.

Under their executive powers, governors can apply for waivers without giving legislatures the opportunity to act. However, any changes in state law the project may need must be passed by legislators. "Too often, legislators are not included in the federal waiver process until after a waiver is granted," says Ohio Representative Jane Campbell. "Federal waivers should be granted only with the passage of state laws and when state legislators are consulted."

Going over the head of the legislature may not necessarily be a wise move—as California Governor Pete Wilson found out. He received a federal waiver in July 1992 for a welfare reform proposal opposed by the Legislature. The laws necessary for initiating the program were not enacted. The plan was then taken to the voters as a statewide referendum where it also failed.

And a waiver will not protect a state from litigation arising from a welfare reform move. California's program to provide benefits equal to the state from which new residents had moved (if those benefits were lower) was suspended by the state Supreme Court, which found that it restricted the constitutional right to relocate. A lawsuit was recently filed in New Jersey to challenge its family cap program that limits benefits based on the size of the family at the time they apply.

The most recent round of welfare waivers has been aimed at limiting the time—usually to five years—that a recipient can collect benefits. But it takes five to six years to evaluate the success or failure of the program. In fact, states are still waiting for the results of evaluations of the 1988 federal JOBS program.

If a program appears successful, renewals are hard to get unless the federal government agrees to take the program over or uses it as a model for other states.

Because of the initial paperwork and red tape involved in presenting a waiver request to Washington, D.C., the Clinton administration has urged states to begin the process as soon as they have drafted a viable plan for welfare reform. And since welfare has become a matter of concern for most of the nation, at last count 40 states have discussed possible reform projects with HHS, according to Mary Jo Bane, HHS assistant secretary. Since welfare reform was one of the major issues of his campaign, President Clinton has hoped to give the states leeway in their efforts, saying that waivers will be approved whether he agrees with the focus of the project or not. The requests must, however, meet the administration's policy requirements.

In Wisconsin, the Work Not Welfare program was not given federal approval until the state agreed to continue Medicaid assistance for those who were removed from the rolls through time limits.

As federal officials labor at revamping the welfare system, an offshoot that would be welcomed by the states would be a reform of the entire waiver process.

"We'd like to see the federal government give us leeway to amend our state plans, instead of requiring us to go through the waiver process," Knudson suggests. "And, realistically, if you don't want to spend the money, you are not going to reform welfare. So we'd be interested in getting away from the budget neutrality requirements."

—Sheri Steisel, NCSL

"We're not ready to say, 'Tough,' but neither are we satisfied with a system that is supporting people who are capable of supporting themselves," explains Representative Lee Plasier.

Iowa's Family Investment Plan, which took effect Nov. 1, 1993:

- Requires clients to sign a family investment agreement, participate in the state/federal Job Opportunity and Basic Skills (JOBS) training program and agree that on a certain date they will leave AFDC. Or clients can opt for a limited benefit plan that pays in full for three months and ends after six months.
- Disregards for benefit purposes 100 percent of the income earned the first four months of employment for families making less than $1,200 a month.
- Extends child care benefits for 24 months after families leave AFDC.
- Increases the amount of liquid assets a family may have.
- Eliminates the 100-hour rule.

"Iowa has provided powerful incentives to make work pay," Plasier explains. "In some cases, people will leave the system. Some will stay on it with limited levels of financial support and with earnings supplementing their welfare grants."

The statewide Iowa program applies to 35,000 people on welfare. About 4,000 others will receive benefits under the state's old system to meet federal requirements for a control group.

And what happens if a family does not fulfill its written contract? The plans can be rewritten or adjusted to allow for factors beyond human control, such as a downturn in the job market. If, however, a recipient is not making a good faith effort to find a job or continue education or training, benefits are reduced. At the end of six months if there is still no effort, benefits end.

Plasier says early indications are that the number of welfare cases has increased, but the state is actually spending less. Because the thresholds for eligibility were lowered, recipients are allowed to make more money and require less in welfare benefits.

Vermont Looks at Options

In a project that will start this July, Vermont is testing time limits and social contracts with three separate groups encompassing 30 percent of the state's welfare recipients.

Vermont's Family Independence Program features:

- Requirements that after 30 months on AFDC (15 for two-parent families) recipients find a job or do community work. The recipient's welfare grant will be diverted to the community employer to be paid out as a salary.
- Increases in the "earnings disregard." The first $150 a family makes is ignored and so is 25 percent of their salary after that.
- Child care, transportation, career counseling, vocational rehabilitation and medical assistance.
- A requirement that teen parents live with their parents or in a supervised setting.
- Transitional Medicaid for 36 months for families earning up to 185 percent of the federal poverty level.
- Elimination of the 100-hour rule.

A unique feature of the Vermont plan is the three groups in the project. Sixty

percent of new welfare recipients will be enrolled in the time-limited program. Twenty percent of the new recipients will be on the new program, but will not face any penalties. Twenty percent of the welfare population will remain under the current system.

The state will be allowed to create some jobs for those who cannot find employment, but the bulk of the bill is focused on real jobs, Backus says.

And what if a recipient flatly refuses to work? The state intends to make slackers totally dependent on public assistance.

"If you don't make the transition off welfare, we have what is known as the hassle factor—super dependency and loss of dignity," explains Senator Jan Backus.

Able-bodied people who choose to remain on welfare will not be penalized by a cut in benefits, but they will become dependent on state vouchers for their needs. "You'll get food stamps so you can eat; your rent will be paid; your electricity will be taken care of by the state." And the recipient will face the embarrassment of making more trips to the welfare office for handouts.

Another focal point of the Vermont reform is a family plan, much like Iowa's contracts.

"A family plan has to be made by mutual agreement," Backus explains. "The recipients must work with their caseworkers and set goals for training and job experience. There must be a mutual buy-in to the plan, and if you don't like your plan you can change it."

To make the system work, Backus says, there has to be a "change in the mindset of welfare workers" toward helping people get off the rolls. "We need to retrain our own people [in social services], reallocate how we use staff, teach them how to educate and train people for jobs; help welfare recipients find jobs, help them find a future."

Florida to Train Caseworkers

Making major changes in how social workers perceive their jobs is also a big part of Florida's reform effort, the Family Transition Program.

The project decreases the number of clients per caseworker from 400 to 80. With fewer clients, social workers will be expected to "become very creative and proactive" in helping families succeed, according to Representative Cynthia Chestnut.

"We have never provided the support system that would make welfare families whole," she says. "As for child care, transportation, health care—as soon as they got a job, the rug was pulled out from under them. We want to provide a prescription for a family to make them self-sufficient."

> *"What we want to do is move people from welfare to work and from work out of poverty."*

The Florida plan:

- Restricts future recipients to 24 months of benefits in a five-year period, but allows people with limited skills and no work history 36 months of welfare in a six-year period.
- Increases the family's allowable assets.
- Increases the amount of earnings disregarded.
- Provides transitional child care for two years.
- Requires that children of welfare families attend school or the family loses benefits.
- Requires parents to immunize children.

Chestnut says the cornerstone of the Florida reform is education and training. "We want people to be able to qualify for a job in their community, but one that is above $5 an hour. If you go flip burgers, you don't make enough money. You make more on welfare in Florida than at a $4.25 an hour job.

"I think we've turned out all the secretaries and clerks they'll need for awhile." She hopes people seeking to leave the dole can be steered toward such occupations as nurse's aide, operating room technician, paramedic or toward a similar field that will pay more than minimum wage.

Florida's pilot programs began this spring in two different counties—one voluntary, the other mandatory, for new welfare enrollees.

"I think we're going to see success with the voluntary model," Chestnut says. "If people want to change, if they care enough to volunteer, I think they will be more inclined to be productive and work hard to get off welfare."

OVERWHELMED WITH CONSTITUENT'S REQUESTS?

Install Protocol's

Office Information System

and

- ✓ Produce targeted mailings based upon issue or location.
- ✓ Eliminate lost or misplaced correspondence or requests.
- ✓ Easily maintain an on-line Constituent Directory.
- ✓ Quickly generate personalized responses to Constituents.

Protocol Systems, Inc.

See you in New Orleans

Call Today! 1-800-253-3767

Welfare Waiver Ideas: Approved, Pending and on the Drawing Board

Reform Features	States
Individuals required to work or participate in education or training.	Colorado, Wisconsin
Family planning services and parental skills instruction offered by state to all AFDC recipients.	Georgia
Learnfare: Incentives or sanctions aimed at keeping children in school; incentives to get high school diploma or GED; incentives for pregnant or parent teens to remain in school; requirement for teen participation in JOBS education program.	Arkansas[1], California[2], Florida, Illinois, Maryland, Oklahoma Mississippi[4], Missouri, Oregon, Virginia, Wyoming, Wisconsin
Able-bodied individuals required to work in private or public sector.	Florida, Georgia, Mississippi[4], South Carolina[4], Vermont, Wyoming
Time limits (wide variation in state approaches).	Colorado, Florida, Iowa, Vermont, Wisconsin, Virginia[1]
JOBS participation required.	Illinois, Oregon, Utah
Noncustodial parents eligible for JOBS.	Illinois, Michigan
Education, training or employment-related activities required.	New Jersey
Medicaid and/or food stamps available to those terminated from AFDC.	Georgia, Wisconsin
Certain benefits (i.e. food stamps, child care) provided as cash payment.	Colorado, Mississippi[4], New York[5], Wisconsin
Earnings disregard increased.	Colorado, Florida, Illinois, Iowa, Minnesota, Mississippi[4], New York[5], Vermont, Wisconsin
Asset limit raised.	Florida, Illinois, Iowa, Mississippi[4], Missouri, Utah, Virginia, Wyoming, Colorado
Vehicle, fully or partially, exempted from allowable assets or asset limit raised.	Colorado, Florida, Iowa, Utah, Vermont, Wisconsin
Child support: Payments disregard; disbursed directly to family.	Missouri, Vermont
Child support "assurance" payments to current recipients; custodial parent required to get court order for child support to be eligible for program; child support "insurance" payments to former recipients.	New York[5], Virginia
Family cap: No increase in total AFDC payment for new child born while mother on AFDC.	Arkansas[1], California[2], Georgia, New Jersey, Wisconsin
Payments to new residents the same as in the state where they previously lived (if lower).	California[3], Illinois[1], Wisconsin
AFDC marriage penalty eliminated; stepparent income formula changed.	New Jersey, Virginia
Immunization of children required.	Colorado, Florida, Georgia, Mississippi[4], Maryland
Prenatal, preventive care for children required.	Maryland
Transitional child and/or Medicaid.	Florida, Iowa, Vermont, Virginia, Wisconsin, New Jersey
Support services (child care, transportation, etc.) available to working recipients.	Illinois, Vermont
Participants required to contribute to JOBS child care.	Massachusetts[4]
Social contract with state required; self-sufficiency plan required.	Iowa, Michigan, Wisconsin, Utah
Employer incentives: Subsidies to provide wages in lieu of benefits; training wage allowed equal to previous month's benefits.	Illinois[4], Missouri, Virginia, Mississippi[4], Oregon[4]
Deposits in special (individual development) accounts exempt from eligibility guidelines.	Iowa, Wisconsin
100-hour work rule eliminated.	Iowa, Michigan, Missouri, Texas, Wisconsin
Income earned by dependent children who are students disregarded.	Michigan
Business-sponsored apprenticeships in public schools.	Minnesota
Fingerprinting requirement.	California

Note: Data is current through February 1994.
Not all approved waivers are currently implemented.
States are approved unless noted.

Footnotes:
1 Waiver applied for
2 Waiver approved, voter referendum to initiate failed
3 Waiver approved, program ruled unconstitutional
4 Waiver request not yet submitted
5 Program congressionally approved through OBRA

Source: Laurie Ishii, NCSL

W E L F A R E

THE MYTH OF REFORM

Both parties are vowing to get hundreds of thousands of Americans off the dole and into jobs. It may be harder than they think

Once there was a president of the United States who vowed to break the "spider web of dependency" ensnaring the nation's welfare recipients. He signed into law a historic reform of public assistance, which he said would "lead to lasting emancipation from welfare dependency." But today, seven years after Ronald Reagan put his pen to the Family Support Act, the nation's welfare rolls have soared to record levels. Nearly 1 in 7 American children is receiving Aid to Families with Dependent Children. Fewer than 1 percent of those on the dole work in exchange for their welfare check. And just last month, the U.S. General Accounting Office reported that only 11 percent of the 4.6 million parents on AFDC participate monthly in any of the education, training or job search programs set up by the 1988 law.

Few dispute the need to end the abuses in the welfare system or to expand welfare-to-work programs. But the idea that millions of low-income Americans can readily be moved from the relief rolls to the work rolls is the grand illusion of welfare reform, a bipartisan myth that sustains the legislative lurches of each new administration and Congress. Liberals believe more and better education and training programs will do the trick; conservatives think a forceful nudge will get the poor off their duffs. The stubborn reality, though, is that many of those who are most dependent on public assistance are unable to get and keep full-time jobs in either the public or the private sector – and that even the best work and training programs barely dent the relief rolls.

Chronic welfare recipients live in a world far removed from the committee rooms where lawmakers draft well-intentioned plans to put them to work. Many women who have been on welfare for years have so little work experience that social workers must rehearse them with scripts so they will remember to say "thank you" and "goodbye" at the end of job interviews. Roughly a third of those who live on public assistance cannot read a street map or fill out a Social Security card application.

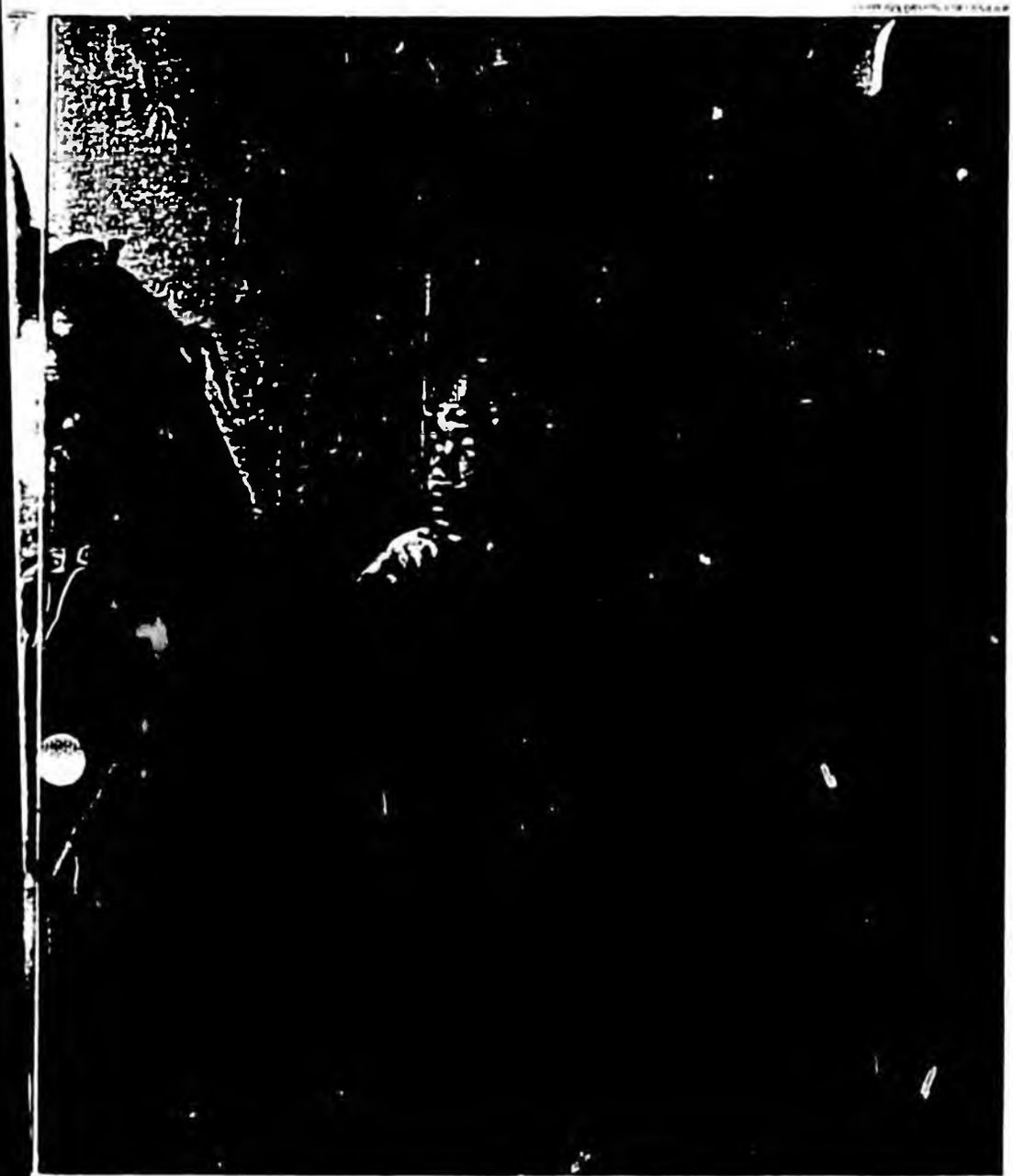
Disabilities, alcoholism and depres-

BARRIERS TO EMPLOYMENT

A substantial share of women on AFDC have impediments to full-time work, including:

37%	Abuse or neglect as adults
33%	Partial disabilities (or disabled person in household)
23-10%	Learning disabilities
13%	Substance-abuse problems

*Finding is based on survey in Washington State. USN&WR – Basic data: U.S. Dept. of Health and Human Services; Urban Institute



LACK OF EDUCATION. Aletha Townsend of Grand Rapids, Mich., at home with three of her children, has taken adult-education classes for 10 years but still has no diploma.

sion are rife, and women with bruised faces and broken limbs call in sick because their boyfriends have beaten them. Researchers say 25 to 40 percent of long-term AFDC recipients have handicaps that prevent them from holding a full-time job. Finally, many of those who have never had a job have never learned the work ethic. A woman in Grand Rapids, Mich., skips work to get her cable TV hooked up; another in Riverside, Calif., shuns jobs with early starting times because "I'm not a morning person."

Still, both parties pledge to put many AFDC recipients to work. The House Republicans' "Contract With America" vows that by 2003, half the adults on AFDC – 91 percent of whom are women – would be required to work 35 hours a week, usually in exchange for their benefits. The House Republican Conference projects that by 2001, the contract would require 1.5 million AFDC recipients to work, 29 percent of the total and 60 times the number working today. Clinton's plan seeks to limit aid to two years and expand education and training. It aims to put 500,000 recipients in public service jobs by 2004.

To examine the realities of welfare and work, *U.S. News* sent reporters to four states – California, Illinois, Michigan and Wisconsin. Republican Govs. Pete Wilson of California, John Engler of Michigan and Tommy Thompson of Wisconsin have earned national acclaim for getting AFDC recipients into jobs and are now seeking greater state control over welfare. Yet even in their states, comparatively few women on welfare work a full week, and most women still do not work their way off the dole.

U.S. News talked with women who have been on welfare for at least two years; at any one time, their families constitute 72 percent of those on the rolls. Unlike the many mothers who use welfare to weather a divorce or illness, these women cycle on and off AFDC or remain on it for long stretches. A closer look at these long-term dependents and the obstacles they face suggests that neither party has acknowledged how hard it is for many recipients to move from welfare to work.

HURDLE 1: SKILLS AND APTITUDE

Two thirds of AFDC recipients who have been on the rolls for more than two years have not graduated from high school, and the average adult on welfare has eighth-grade reading and math skills. A 1994 paper by the Manpower Demonstration Research Corp. (MDRC), which evaluates welfare-to-work programs, found that 34 to 41 percent of all AFDC recipients tested at the "least proficient" literacy level. That means they could not find an intersection on a street map or figure the total cost of a purchase from an order form.

A forthcoming survey of 3,200 employers in Atlanta, Boston, Detroit and Los Angeles by economist Harry Holzer found that only 5 to 10 percent of the low-skilled-job openings in those cities were available to applicants with few skills or work experience. Moreover, says Warnine Pace, a counselor with Project Match, a welfare program in Chica-

go, some companies that once hired unskilled welfare mothers now insist that all applicants be over 21 and have a high school diploma. Employers, she says, say, "I want [a woman] who can type 70 words a minute with Lotus 1-2-3."

The problem, in many cases, is not just a lack of schooling but a lack of attitude. Most AFDC recipients score too low on intelligence tests to qualify for the armed forces, and nearly half of young AFDC mothers score below the 25th percentile for all women. When the mean attitudes of female workers in different occupations are ranked, the lowest mean score, that of manual operatives — a category that includes gas-station attendants and meat wrappers — is significantly higher than that of welfare mothers.

Aletha Townsend, an unwed mother of five children by four different men, dropped out of high school in the ninth grade and has been on AFDC since 1976. She lives in Grand Rapids, Mich., which has one of the most ambitious and successful job search and placement programs in the nation. Since the Carter administration, Townsend has briefly held one temporary job, inspecting car parts. Enrolled in adult-education courses for 10 years, she still does not have her general equivalency diploma. In 1992, about to have her last child, she quit school because "the math and English got too hard."

Townsend is now in her third Job Club, where she is supposed to be learning the skills she needs to find, apply for and land a job, but her skills are still at about a seventh-grade level. Her second Job Club was in June of last year, but officials cut $100 a month from her grant because the counselors said her "attitude was bad and I wasn't cooperating." Three weeks into another Job Club, she still hasn't called an employer. "I just have to get over my shyness and talk to the people," she says. "I haven't used the phone because I'm embarrassed I'll get turned down while everybody else is happy, saying, 'Look, I got an interview.'"

MAKING EXCUSES. Rebecca Ybarra of Moreno Valley, Calif., with her children Robert and Rayleen, eliminates some potential jobs because she's "not a morning person."

HURDLE 2: EXPERIENCE AND ATTITUDE

It is "Shields Day" at the Job Club in Riverside, Calif., the most touted welfare-to-work program in the nation. A counselor has told 15 clients seated around three tables to draw a shield on a piece of paper. On each drawing, the unemployed men and women write five words that describe something positive in their lives. Rhonda, in a floral-print black dress, says she has "stayed out of trouble." Melanie, sporting a Georgetown Hoyas basketball warm-up jacket, allows that "I used to fool around, but now I've settled down." After each presentation, the Job Club members applaud, waving green pennants for the most impressive tales.

Building self-confidence is just a first step. In the Job Club, Melanie will learn how to write a resume, fill out a job application and talk to a receptionist. Every other day she will spend several hours calling at least five employers that are hiring. Counselors provide gas money and bus passes for job interviews, buy uniforms for clients, arrange and pay for child care — whatever it takes. "I don't give a hot rock how my staff gets people jobs, so long as it's not illegal or inhumane," says Larry Townsend, the county director of social services.

Townsend's aim is to place as many welfare recipients as possible in private-sector jobs quickly. A 1994 evaluation by the MDRC found that the program boosted participants' earnings by an average of $3,113 over three years, an increase of 49 percent. For every net dollar invested, the program returned $2.84. Yet despite these impressive results, the Riverside program did little to shrink the welfare rolls. Most AFDC recipients did not earn enough to get off welfare. At the end of three years, fewer than half were employed — and just 25 percent were both off welfare and working.

Parents on AFDC for two years or more are more disadvantaged than short-term recipients

- Did not graduate from high school
- Had no work experience in previous year
- Have three or more children
- Have never married
- White · Black · Hispanic

SOURCE: [illegible]

CARING FOR THE ILL. Bertha Bridges of Detroit, who has been on AFDC for most of the past 15 years, fixes her daughter Angel's hair. Her son suffers from depression.

A government report released last month on seven jobs programs found that two thirds of the participants who had been on AFDC for two years or more earned nothing in the year before they registered for JOBS (Job Opportunities and Basic Skills), the work, training and education program set up under Reagan's Family Support Act.

Many women are hobbled not only by their lack of experience but also by their casual attitudes toward punctuality, stress and co-workers. Caseworkers tell of welfare mothers who believed they could skip work to pick up a free Thanksgiving turkey, did not know it was bad form to wear high-top sneakers and a cowboy hat to a job interview or thought they had to quit work because a child got chickenpox.

Rebecca Ybarra was once employed as a stocker in an electronics-assembly plant, earning as much as $7 an hour. But since she went on AFDC nine years ago, the high school dropout has worked only sporadically. A sign in one Riverside classroom says, "There are no excuses," but Ybarra has plenty of them. She has no phone and says her sister gives her messages too late to return employers' calls. She eliminates some jobs because "I'm not really a morning person" and rules out the 3 p.m.-to-11 p.m. shift because "then I wouldn't get to see my kids." Still, she says she wants to work and hopes her two children will one day look to her as a role model rather than as someone who sits home watching TV "just waiting for a check."

BATTLING DEPRESSION. Caseworkers in Kenosha, Wis., found 22-year-old Kim Towers struggling with depression and referred her to a therapist.

Project Match's Pace says getting off welfare can be frightening. "It's scary," she says. "You're about to leave a system where you know the check is going to come every month." And many women on welfare who do find jobs have trouble keeping them. Project Match officials have found that over a three-year period they can turn up jobs for most welfare mothers. But 70 percent either quit or are fired within a year, and more than half lose their jobs within six months. "The reality," says project director Toby Herr, "is not getting them the job, but keeping them in the labor force."

HURDLE 3: DEPRESSED AND DISABLED

The stereotype of the loudmouthed "Cadillac queen" doesn't capture the fretful home life of many women on welfare. A substantial minority of AFDC mothers are depressed or anxious and find few diversions besides television. A 1991 analysis by Child Trends Inc., a private research firm, found that TV is on seven hours or more every day in 55 percent of all AFDC households.

A third of AFDC mothers are disabled, have a disabled child or have a disabled adult living at home. In the recent seven-site JOBS program evaluation done by MDRC, 31 percent of enrollees who had been on AFDC for two years or more said they could not attend a school or training program because they, a child or a family member had a health or emotional problem.

Bertha Bridges, a Detroit resident who has been on AFDC for most of the past 15 years, might be able to work were it not for her depressed 12-year-old son. The middle of three children, at 5, her son was abused by a family friend; the boy has been in trouble ever since. Authorities sometimes send him home from school two or three times a week for profanity, fighting or disobeying his instructors, and he has been

suspended for fondling several girls. He was institutionalized twice for depression and diagnosed as having suicidal tendencies. Bridges has managed to complete her GED through Michigan's JOBS program, but her son's problems have prevented her from working more than part time. "It's so frustrating," she says tearfully, "not knowing how to help—or how to find it."

Even temporary emotional problems can slow some women's entry into the work force. The best data available indicate that 31 percent of those in public-assistance programs had one or more psychiatric disorders in the past year.

When caseworkers first interviewed Kim Towers, a 22-year-old mother of three in Kenosha, Wis., 10 months ago, they found she was struggling with depression and felt she would never "get anything done with my life." They referred her to a therapist for several sessions, and though she still hasn't found a job, she has nearly completed her GED.

SUFFERING ABUSE. Carmen Mattison of Grand Rapids is training to be a nurse's aide. The father of her first three children is in prison for molesting one of her children.

HURDLE 4: DOMESTIC ABUSE. A 1992 study in Washington State found that 55 percent of welfare mothers had been hit, kicked, punched or beaten up by a boyfriend or spouse. In fact, when women find jobs, their good fortune sometimes precipitates a beating from a boyfriend or spouse who feels threatened.

Carmen Mattison of Grand Rapids, who has been on AFDC for eight years, has four children by two different fathers. She says the father of her first three children once threatened to kill her with a kitchen knife when she arrived home five minutes late from a visit to the library because he thought she had been "fooling around" with another man. He is now in prison for molesting Mattison's daughter. Mattison, a high school dropout, has worked only sporadically but is now training to be a nurse's aide and hopes to become a licensed practical nurse.

Many women are worried about abuse not only for themselves but for their children. In the MDRC evaluation of JOBS, 28 percent of long-term welfare recipients said they couldn't go to a school or training program because they feared leaving their children in day care or with a baby sitter.

Princess Rowell, an unmarried mother of three in Milwaukee who has been on AFDC for nine years, ignored three requests from the city's welfare office to look for a job because "I didn't want to trust anyone having my kids. I thought they needed me more than I needed to go out and get a job." For six months she lost half of her $517 monthly grant, though a friend she was living

LEGAL CHALLENGES TO WELFARE REFORM

Courts: The next arena

Even if congressional Republicans agree with Bill Clinton on a plan to reform welfare, a new battle lies ahead in the courts. Aid recipients have won a string of rulings that cutting benefits violates their rights, and while their prospects may be dimmer in today's conservative-dominated Supreme Court, that will not deter lawsuits that could delay or derail some reforms.

Opponents of cuts in welfare argue that the Constitution's clauses guaranteeing citizens "equal protection" under the law and barring the seizure of property without due process mean some aid recipients are entitled to hearings before their benefits can be cut. "There's no right to welfare ... in the Constitution," replies Virginia's Republican Gov. George Allen, who wants to require able-bodied welfare applicants to work.

Welfare-rights advocates will also challenge "any rule that attempts to impinge on parents' sexual relations and the nature of households," predicts political scientist R. Shep Melnick of Brandeis University, who tracks welfare lawsuits. The courts could scuttle core proposals in the House GOP's "Contract With America" to bar welfare for teens who give birth out of wedlock. Requiring applicants to establish their children's paternity and refusing aid to aliens legally in the United States would most likely be contested, too.

Some reforms being tried by states will get early court hearings. Next week, the Supreme Court will consider a challenge to a California law

JOB OR FAMILY? Princess Rowell serves breakfast to her children in Milwaukee. She avoided a training program because she thought they needed her more than she needed a job.

to require treatment in order for the women to succeed in job-training programs. In Wisconsin, the No. 1 suggestion now advanced by state administrators for boosting JOBS's impact is to require treatment for drug and alcohol abusers.

Caseworkers often suspect drug and alcohol use among welfare mothers, but it's often hard to confirm. Betty Bass of Detroit went on AFDC in 1965 at age 15, when she had the first of four children, and she has been on public assistance most of the years since. She started drinking heavily and using drugs in the 1970s, when she married an abusive man who also used drugs.

During much of the 1980s, she was in and out of jail for passing bad checks, breaking and entering and cocaine possession, and in 1984 she was fired from a temporary job as a nurse's aide after she went to prepare afternoon baths and passed out in a drunken stupor. By 1992, she was "drinking 24 [hours] – 24 hours a day, seven days a week – sleeping in bathrooms in abandoned buildings and guzzling pints of liquor."

It may have taken decades, but Bass could still become self-sufficient. Last year, after getting out of jail, she entered treatment, and in March she started working at a cab company, logging calls on a computer for $4.96 an hour. Her caseworker has arranged to pay for repairs to her 1986 Mustang and got her a $40 pair of glasses so she could see the computer screen better.

with helped cover her expenses. Finally, Rowell entered a high school equivalency diploma program, but she dropped out for a month after she got pneumonia and had a bout of depression. She is now back in the program and speaks with pride about doing her homework at night with her kids. "Every morning," she says, "they ask me if I'm going to school today."

HURDLE 5: DRINKING AND DRUGS

A Department of Health and Human Services study released last month found that 10 percent of welfare mothers have substance abuse problems that are likely

HURDLE 6: UNWED TEENAGE MOTHERS

The most controversial provision of the Contract With America would prohibit mothers age 17 and under from receiving AFDC and housing benefits if they had children out of wedlock. Yet as a number of conservatives have pointed out, there is no evidence that the government knows how to persuade expectant fathers to marry or how to deter teenage girls from getting pregnant.

Michigan at least is trying. It is one of only eight states that require a minor parent to live at his or her parent's home to receive AFDC – unless the par-

---

that prevents new residents from collecting more aid than they received in their former states. The case was filed by attorneys for women such as DeShawn Green, a mother of two who moved from Louisiana, where she got a monthly welfare check of $190, to California, where she would be denied the standard $624 if the law is upheld. Green says she needs the increase to meet California's higher cost of living.

Invisible wall. Lower courts have ruled that the state violated a constitutional "right to travel." States may not erect an invisible wall against interstate migration in the form of discriminatory treatment of newcomers." Green's attorneys argue to the Supreme Court. "Newcomers who are welfare recipients," replies the conservative Washington Legal Foundation, can "adjust to cuts through their choice of communities and lifestyles."

Another court fight is underway in New Jersey, which wants to bar additional aid for women who give birth while on welfare – another GOP contract idea. (The case is known as "the $64 question" because New Jersey provides women on welfare with an extra $64 a month when they bear another child.) Opponents argue that the measure would unlawfully interfere with women's right to bear children, and that both the law and the GOP contract discriminate against the young. The Clinton administration backs the state's argument that the law does not discriminate because aid goes to family units to allot as they wish.

"Someday, food, shelter and health care will be recognized as a constitutional right, but not in the foreseeable future," says constitutional law expert Erwin Chemerinsky of the University of Southern California. That means the battle over welfare reform is sure to create new jobs – at least for lawyers.

BY TED GEST

ent's home is unavailable (e.g., the parent is dead) or unsuitable (e.g., the parent is abusive). To date, the measure has not appreciably reduced the number of young, single mothers on AFDC.

Kiki Lee, 18, of Grand Rapids, had the first of her two children when she was 14. But because her mother was using Lee's AFDC grant to buy crack cocaine for herself, the Department of Social Services allowed Lee to move out at 15. A caseworker from Kent County's award-winning teen-parent program then intervened to help Lee, whose 4-year-old son, Duane, has the mental capacity of a 9-month-old. Recently, he took his diaper off and urinated into the oven. Lee's caseworker found specialized day care for Duane, and each weekday Lee bundles him into a special carrier that restrains him so he can be picked up for school. The county also provides a "traveling granny" for Lee, an older volunteer who has helped her locate cheap apartments and taught her to cook.

Despite the help, Lee – who has never worked – isn't going to be self-sufficient anytime soon. A little more than a year ago, she enrolled in a Job Corps center, but a girl who lived near the center found out Lee had been talking to her boyfriend and smashed her head with a metal bat. "The alcohol saved me," says Lee, who confesses to sharing eight cigar-size blunts of marijuana with friends earlier that day and downing a glass of Kiwi lemon "Mad Dog" wine. After getting 30 stitches in her head, she dropped out of the Job Corps. She is now in a GED program but won't finish for several years. "If they cut us off aid," she says, "I don't know what I'd do."

BEATING THE BOTTLE. Betty Bass of Detroit logs phone calls for a cab company for $4.96 an hour.

HURDLE 7: MONEY AND MANPOWER

Michigan Gov. John Engler, a champion of giving the states more responsibility for welfare, says that in his state "welfare reform means work." But of the 206,000 families on AFDC in Michigan last September, just 47,000 families – or about 23 percent of the caseload – were active in the state's JOBS program. Most of those participating were in school, though roughly 1 in 5 was being assessed and oriented and developing a plan to find work. Fewer than 3 percent – roughly 1,300 individuals – were in workfare slots, toiling in exchange for their grants. A new evaluation by Abt Associates of Engler's 1992 AFDC re[illegible] found that one year after implem[illegible] its initiative had increased [illegible]tion of AFDC adults who [illegible]y only 1.7 percentage point[illegible] the welfare rolls by 1 percen[illegible]

The pattern in Michigan [illegible]unting JOBS clients into classrooms and job searches is repeated across the nation. It persists, in part, because workfare jobs are expensive to create and hard to monitor. The Congressional Budget Office projects that the average annual cost of filling a 35-hour-a-week workfare position in 1999 will be roughly $8,000, about half of which will go for child care. That is more than 10 times the cost per client of Riverside's jobs program.

Caseworkers in Michigan say that when they have tried to expand workfare placements, union representatives – fearing their members will be displaced – have bombarded the social-services department with grievances. It also is hard to see how caseworkers could take on the added responsibility of creating jobs and monitoring the performance of tens of thousands of welfare mothers. In one Detroit field office, six caseworkers each have an average of 246 JOBS participants to track, and one person is responsible for creating workfare slots for the 1,500-person caseload. A program official says the situation "borders on the absurd."

Simply getting welfare recipients to show up for an initial assessment can take several phone calls, threatening letters and paperwork to sanction uncooperative clients. The JOBS program in Kent County, Mich., unlike others, can provide free child care, transportation, drug treatment and other services on demand to all those required to participate in the program. And if a job program can flourish anywhere it is in Kent County, which has a labor shortage and an unem-

TEENAGE MOTHER. Eighteen-year-old Kiki Lee of Grand Rapids with her 4-year-old son, Duane, who is severely mentally impaired, and 2-year-old Shantavia. She left the Job Corps.

ployment rate of 4 percent. "We feel we have offered people a tremendous opportunity that costs them nothing," says program supervisor James Poelstra.

But Poelstra can't do much about the clients who don't seem to mind having their grants reduced (on average by about $100 a month) for failing to participate. Typically, if program officials schedule 50 people for a Job Club, 25 will show up. Then they reschedule the 25 who didn't show and 10 to 15 will come the second time, and so on. The MDRC study found that after six months, 68 percent of the clients referred to the JOBS program in Grand Rapids eventually attended an orientation meeting. That "show rate" is much higher than average.

While the obstacles that long-term welfare dependents face are daunting, they are not always insurmountable. Many Americans without high school diplomas work every day, and immigrants who speak no English often do, too. Seriously disabled individuals hold full-time jobs, and many employees drink too much or abuse drugs. Some women on welfare candidly allow that they could work more if they wanted to.

While work programs rarely operate the way politicians promise and voters have been led to expect, that does not mean nothing can work. Chronic recipients may take more than two years to become self-sufficient, but most eventually will leave welfare as they move in with boyfriends or spouses, their children enroll in school or they find jobs. And if the goal of reform is to make more welfare mothers work at least part time, then jobs programs can help, too.

Since 2 out of 3 AFDC recipients are children, cutting off benefits to parents might well compound their families' problems. In 1992, GOP congressional leaders sought to try competing reform approaches by authorizing a series of radical experiments at the state level. At relatively little expense, it would be possible to field-test the GOP contract, Clinton's competing proposal and other new ideas. The Department of Health and Human Services has already authorized waivers for 26 states to try various reform schemes, some of which are quite far-reaching. But the results of these experiments won't be available for several years, so a reform-by-trial strategy would require politicians to defer national reform. That might not win many votes, but it could just work. ■

BY DAVID WHITMAN IN MICHIGAN with DORIAN FRIEDMAN in Wisconsin, MIKE TRAMP in Kentucky and CATE GARTON in Chicago

WELFARE

THE MYTHS OF CHARITY

Philanthropic groups are heavily dependent on the government and already overburdened

If Congress and the White House both want to cut spending for social programs, who will house the homeless, feed the hungry, care for the sick and help the poor? With many states and cities facing their own budget crunches, House Speaker Newt Gingrich says private charities should pick up much of the burden. "I believe in a social safety net, but I think that it's better done by churches and by synagogues and by volunteers," Gingrich told an interviewer.

In fact, it is highly doubtful that charities could pick up all or even most of the slack from the $76 billion to $450 billion in spending cuts now being proposed by Democrats and Republicans in Washington. The federal government, after all, began weaving a social safety net because states and cities, not to mention

WORKING OUT. Beatrice Glaberson exercises at the Council for Jewish Elderly's adult day-care center in Evanston, Ill., a suburb of Chicago.

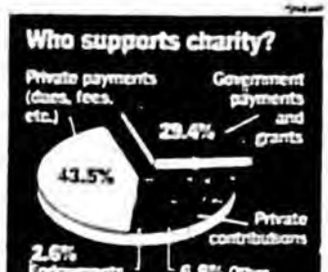
churches, synagogues and volunteers, could not cope with the Great Depression, urbanization, increased mobility, runaway health care costs, a swelling population and a declining sense of community in America.

Since the 1960s, private charities have become one of government's chief service providers. They are favored for their efficiency, and tax money has enabled them to serve more people. Nationally, charities now get about 30 percent of their funding from government, and many programs get more than half their money from government. Some, such as nursing homes and orphanages, can rely on government for at least 75 percent of their funding.

A look at the Singer Transitional Residence, a long-term shelter, and other social programs affiliated with the Jewish Federation of Metropolitan Chicago shows why charities are not prepared to take on a sizable new population of people in need.

RECOVERING ADDICTS. Raymond Holland and Corliss Holeman, both fighting cocaine habits, at Mount Sinai Hospital's Parenting Institute. Between them, they have nine children.

The Chicago federation, the nation's 57th-largest charity, supports cradle-to-grave programs—from therapy for babies of crack-addicted mothers to subsidized housing for the elderly. Last year, it received $23 million in government funds and raised an additional $27 million to pay for social-spending programs by its affiliated charities. The Singer shelter pays 85 percent of its total costs—from food to night staff—with public moneys. (President Clinton last month proposed eliminating the shelter's key federal grant.) "It doesn't take much rocket science to figure out that if the resources at our disposal are cut, we will serve fewer people," says the federation's Joel Carp.



The belief that charities can take over from government is rooted in two myths:

MYTH 1: CHARITIES PROVIDE A PRIVATE SOCIAL SAFETY NET

Federal and state transportation grants paid for the $36,000, dark-blue van, one of 19 belonging to the Council for Jewish Elderly, that picks up 80-year-old Beatrice Glaberson every morning and takes her to an adult day-care center in Rogers Park. The program provides Glaberson with intellectual stimulation, which has helped her recover from a stroke. "It gives you something to do," she says. "Instead of sitting at home, watching television, playing solitaire and eating candy."

Glaberson's own day-care bill is largely paid by Medicaid. Chicago's 469-bed Mount Sinai Hospital, which is affiliated with the Jewish Federation, receives less than 1 percent of its funds from private donors, and 80 percent of its patients are on public health insurance.

MYTH 2: A GOLDEN AGE OF CHARITY CAN BE REKINDLED

Before the New Deal, there was a golden age of "neighborhood helpfulness," argues David Beito, an assistant professor of history at the University of Alabama. "When there was an accident in a plant, workers would all contribute to help the family," he says. "Today, people don't feel a need to do that. They think, I pay taxes for that. There's a program to take care of that." Reducing the size of government, Gingrich and others believe, will rekindle American generosity.

University of Pennsylvania history Prof. Michael Katz, however, says government has long supported the needy. The 13 original Colonies provided public relief, he says, and his study of welfare in Buffalo in the 1890s found that up to 75 percent of the programs were government funded.

If government has played a larger role in welfare than Gingrich supposes, Katz wonders if private donors are as ready to assume more of the burden as the House leader thinks. Experts dispute whether contributions to charities have gone up or down slightly in the past few years. But between 1963 and 1993, charitable giving soared from $70 billion to $126 billion, adjusted for inflation, according to the American Association of Fund-Raising Counsel. And Robert Bothwell of the National Committee for Responsive Philanthropy says some 30,000 new groups are formed each year "to deal with new issues and problems."

Gingrich has suggested more-generous tax deductions to spur people to give more to charity. But if it took 30 years for charitable giving to increase by $56 billion, it is hard to imagine that private donors can come up with at least $76 billion to take up the slack from Uncle Sam. Says Katz: "To think Americans will spend a tax cut on the poor, instead of at the mall, is a very generous interpretation of American character." ■

BY JOSEPH P. SHAPIRO IN CHICAGO
WITH JENNIFER SEELY

Contrasts. *Conventional wisdom in recent years is that the rich got richer and the poor got poorer in the '80s. It's only half right.*

The poor aren't poorer

COMPLIMENTS OF T
ALASKA STATE LIBR

Liberal researchers rebut a popular lament and applause line of the '90s

America, land of opportunity, is fast becoming America, land of inequality – at least according to the conventional wisdom now enshrined in news stories, government reports and campaign speeches. Bill Clinton has said that "I believe with all my heart that I was elected on a commitment to bring an end to ... an economic policy that makes the rich richer [and] the poor poorer." In the past five years, reporters cited the fear that the rich are getting richer while the poor grow poorer in more than 600 stories, and a poll in December confirmed 81 percent of adults share that belief.

As is often the case with the conventional wisdom, it is half right. Over the past two decades, the rich generally have prospered and the annual incomes reported by Americans have become more unequal. But research by a number of prominent scholars – most notably sociologist Christopher Jencks of Northwestern University – suggests that much of the accepted wisdom about the poorest households is wrong. The revisionists, many of whom share Jencks's liberal leanings, contend that the tax changes and domestic-program cuts of Ronald Reagan and George Bush did little to increase inequality; in fact, income inequality and poverty levels are significantly lower today than earlier in the century. In a series of forthcoming studies, Jencks and his colleague from the University of Chicago, Susan Mayer, show that in many respects the material lot of poor families actually improved during the past two decades. "Rich families with children do seem to have grown richer," says Jencks. "But poor families with children did not necessarily grow poorer."

Misleading numbers. At first glance, Census statistics on poverty appear to refute him. In 1992, 22 percent of American children lived below the official poverty line; that figure rose to 21.9 percent in 1992. Moreover, families with children at the bottom of the U.S. income distribution experienced a 22 percent decline in inflation-adjusted income from 1973 to 1987. Yet as Jencks points out, such often cited numbers are at best incomplete – and at worst misleading – since they are based on annual incomes reported by the poor.

Jencks. *The connection*

One reason the numbers lie is that the poor often receive in-kind or "near cash" benefits – food stamps that is not counted as income in official poverty statistics. On average, food stamps provided about 10 percent of the total family income of poor children in 1989. And as most consumers know, two families with the same reported income one year may live quite differently over time, because their unreported earnings –

COMPLIMENTS OF THE
ALASKA STATE LIBRARY

and their borrowing, saving and taxes—differ.

Above all, annual income is a misleading measure of well-being because of a nettlesome little secret: Many poor families substantially underreport their incomes. Often, the poorest families conceal money they earn at odd jobs or receive from friends and family to ensure that they remain eligible for welfare benefits and to reduce tax liability. In fact, Jencks and Mayer's research documents that for more than a quarter of a century, America's poorest households have spent far more each year than the total income they have reported receiving, and the gap between consumption and reported income has grown in recent decades. In 1988-89, the poorest 10th of all households with children reported a mean income of $5,588, but Jencks and Mayer's analysis of government data shows that the same group of households acknowledged spending an average of $13,558—more than *twice* their reported income.

By looking beyond the official poverty statistics, Jencks and other scholars present a fuller picture of the poor. Their research answers a number of fundamental questions:

■ Has the material well-being of poor families with children deteriorated in the past two decades? No—on the whole. Consumption and income among low-income households went in opposite directions during the 1980s. The mean income of the poorest 10th of households with children fell 4 percent in real terms, from $4,935 in 1979 to $4,745 in 1989. But the mean amount consumed by these households during the Reagan-Bush years *rose* 13 percent, from $12,022 in 1980 to $13,558 in 1988-89.

The disparity is especially important, says Jencks, because consumption and living conditions of low-income Americans provide a more realistic assessment of the material well-being of the poor than does income. The Jencks-Mayer research shows that consumption among the poorest 10th of households with children has edged upward a hair since the early 1970s; their living conditions and access to medical care also mostly improved. By 1990, households in the lowest decile were more likely to have at least one room per person, a complete bathroom, air conditioning, central heat, telephone service, a dishwasher and a clothes dryer (table). And members of low-income households actually saw doctors more often than did middle class individuals throughout the 1980s. In 1989, members of households making less than $10,000 a year averaged 6.8 doctor visits; those making more than $35,000 a year averaged 5.4. However, most such improvements in material well-being took place from 1969 to 1979.

■ Is there less upward mobility among the poor today than two decades ago? No. During the past two decades, the rate of upward mobility has essentially remained constant. The good news is that there is substantial mobility out of the bottom of the income distribution, and the poor, on the whole, have tended to get richer over time. One analyst, Isabel Sawhill, who now works in the Clinton administration, co-authored a study that found individuals who started in the lowest fifth in 1977 increased their average family income 77 percent by 1986; those who started in the top fifth increased average family income by 5 percent. She concluded it was "simply not true" that "the poor were literally getting poorer over the last decade or two [or] that the incomes of the rich were skyrocketing."

But there is also bad news. First, the rate of upward mobility has not improved; second, very low income households tend not to move very far out of poverty. Research by Thomas Hungerford of the General Accounting Office shows that after averaging incomes, 60 percent of those in the bottom 10th in 1979 were still in the lowest decile in 1986. 9 in 10 had climbed no higher than the 30th percentile. "Rags-to-riches success stories," he concludes, "are fairly rare, as [are] riches-to-rags sob stories."

Other studies, such as those by Greg Duncan at the University of Michigan, have failed to find any net change in persistent poverty among black or white children from 1967-72 to 1981-86. More recent research by Duncan and two analyses in the May *American Economic Review* indicate there may have been a slight uptick in long-term dependence on welfare in the late '80s, notably among black children and young women. But for poor families, the big picture

A portrait of progress by the poor on some fronts

Researchers now find that the federal tax and spending changes made by the Reagan and Bush administrations did little to increase income inequality. They argue that many poor families improved their economic conditions in that decade, especially as measured by their consumption spending and their use of major modern household conveniences.

■ **Consumption table**

	Income	Consumption	Consumption as a share of income
1972-73	$7,488	$13,544	181%
1980	$6,465	$12,022	186%
1988-89	$5,588	$13,558	243%

■ **Percentage of households in lowest 10th of income with children with:**

HOMEOWNERSHIP	
1970	37.6%
1980	33.3%
1990	33.3%

COMPLETE BATHROOMS	
1973	90.4%
1981	94.4%
1989	96.6%

AIR CONDITIONING	
1973	29.0%
1981	38.2%
1990	49.4%

CENTRAL HEAT	
1973	56.2%
1981	67.7%
1990	72.0%

SOURCE: Basic data: "Trends in the Economic Well-Being of Children" by Susan Mayer and Christopher Jencks

is that the big picture didn't change. In the '80s, dependence, persistent childhood poverty and upward mobility were nearly the same as in the '70s.

■ **Did most of the growth in income inequality in the 1980s stem from tax breaks for the rich and cuts in social programs?** No—although Reagan's tax-and-spending policies made matters somewhat worse. The rise in income inequality started in the mid-1970s and took place in Canada and some European nations, too. Most of it was due to "increased inequality in pretax earnings, and it is hard to blame that increase on any deliberate government policy," says economist Paul Krugman in his new book, *Peddling Prosperity*. Krugman, a *U.S. News* contributing editor, claims that Reagan and Bush should be blamed "only a little bit" for the rise in inequality.

The truth is that no one has a really compelling explanation for why wages have become more unequal since the energy crisis of 1973. Most economists attribute trends such as the spread of technology and the globalization of world trade as factors that placed a premium on well-educated workers. Still, if the Republicans' policies had little impact on wage inequality, an important corollary is that Clinton-administration fiscal policies—including last year's tax increase on the wealthy—may do little to narrow the gap.

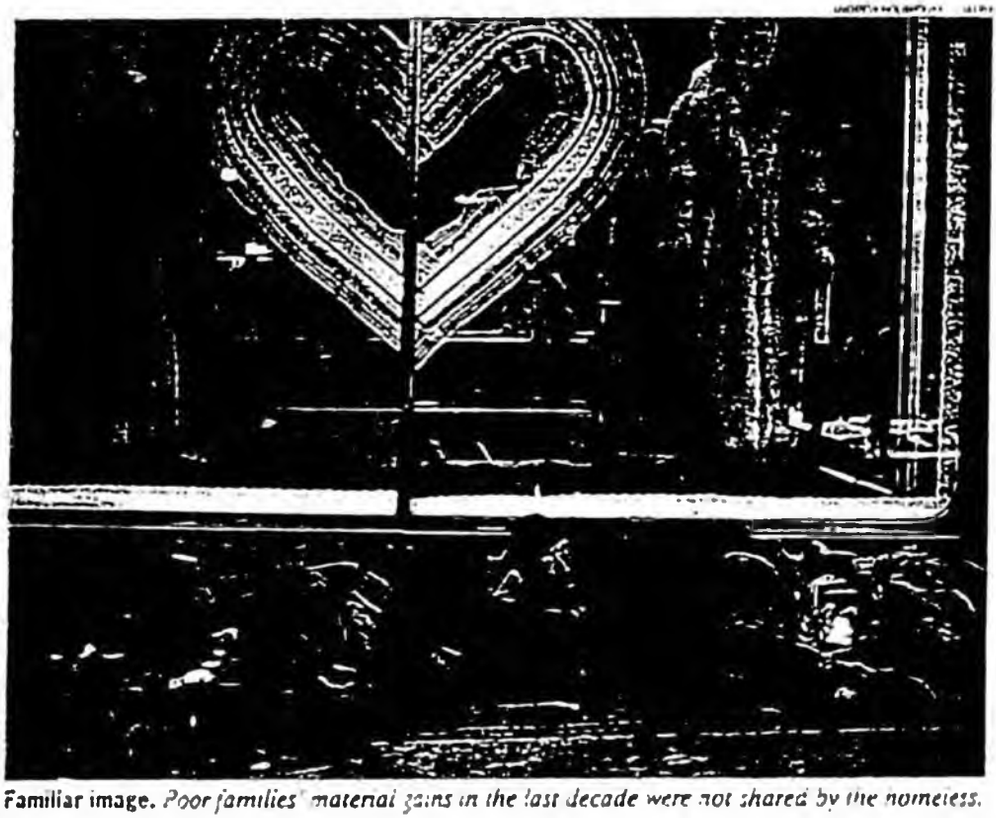
■ **Are inequality and poverty at unprecedented levels?** No, far from it. A recent study by Eugene Smolensky and Robert Plotnick for the Institute for Research on Poverty at the University of Wisconsin suggests that income inequality peaked around 1932. They conclude that "inequality was greater in the first three or four decades [of the century] than any period since." Yet the public has a tendency, as Jencks puts it, to mistakenly believe "that the rise in inequality is an inexorable trend line, with everything ultimately leading up to us."

One illustration: In 1992, 14.5 percent of the U.S. population lived below the official poverty line. Yet Smolensky and Plotnick found that at the turn of the century, 70 to 80 percent of all Americans lived in poverty, and half did so by the end of the 1920s. Only after the economic boom of World War II did the poverty rate fall below 30 percent. Those numbers are so high that the authors confess they would "find unbelievable" Americans today "who assert [have greater expectations] than their forefathers about standards of living. Even so, they conclude, the standard of living among the poor plainly rose in the long term.

■ **Does underreporting of income by the poor mean that the extent of poverty in America is grossly exaggerated?** Not necessarily. Jencks and Mayer's results pertain only to households with children, so they say nothing about what has happened to the poorest of the poor—the homeless—or about changes in the lives of one especially troubled group, impoverished single males. As it turns out, even among households with children, homeownership in the bottom decile has plummeted: 37.3 percent of families owned their homes in 1970, but 23.9 percent did in 1990. The Jencks-Mayer data also capture only part of children's living environments: they do not quantify how today's poor child differs from his predecessor in terms of what he learns from his parents, television and music, or in his prospects for encountering street crime and growing up without a father at home.

Jencks himself explains his findings by saying that "poor households may have more income than we thought, but the poverty line ought to be substantially higher, too." In 1989, he says, the bottom 10th of households with children reported that a mean per capita income of $6.11 a day to cover expenses.

It's important to remember, too, that not all income is created equal. In the case of poor children, more and more family income comes in the form of a welfare check and less in the form of mom's or dad's paycheck. A study last year by Lee Jensen and his colleagues at Pennsylvania State University found that in 1969, poor children lived in families that drew 53 percent of their mean income from earnings and only 18 percent from public assistance. By 1989, the proportion derived from earnings had fallen to 46 percent and the proportion derived from welfare had doubled. As more poor children become dependent on welfare, more may also run the risk of being isolated from middle-class communities and mores.



Familiar image. *Poor families' material gains in the last decade were not shared by the homeless.*

The truth is that voters have often shown a fatalism about the nation's economic system. While 81 percent of American adults currently believe that the rich are getting richer as the poor get poorer, an almost identical proportion (76 percent) held the same conviction in 1980—before Ronald Reagan took office and the so-called decade of greed began. For better and worse, the fairness and inequality of the American economy are still gauged partly through the eye of the beholder. ■

By David Whitman

Idaho Statesman (1)
February 6th, 1995

Poorest get best insurance

Medicaid aids those in need, but that means others fall behind

By Colleen LaMay
The Idaho Statesman

The poorest Idahoans have better health-insurance coverage than you do.

Disabled or poor people who qualify for Medicaid get free doctors' visits, free hospital care, free prescription drugs, free vision care and, for children, free dental care.

Meanwhile, many working-class folks have seen their coverage shrink and their premiums rise in recent years.

"It's ironical, and it isn't fair," said Rep. Bruce Newcomb, R-Burley, majority leader in the Idaho House. "Your taxes are going to subsidize people with lower incomes to get better health insurance than you can get."

Nothing is likely to change this year. State lawmakers are waiting for a signal from Congress, which has vowed to give all states more leeway in how they spend federal money, including Medicaid money.

Idaho's Medicaid program is funded through taxes — 70 percent federal taxes and 30 percent state taxes.

In the past nine years, Idaho's Medicaid costs have more than quadrupled, to $329 million, and the number of people who qualify for free care has risen 167 percent, to 32,800.

State lawmakers and health officials blame the increase on Congress' orders to cover more and more people.

Cost-saving ideas

The state Department of Health and Welfare is thinking up ways to control costs in what already is one of the skimpiest Medicaid programs in the nation.

Among the possibilities: Tightening income and other eligibility criteria, and requiring the poor to pay at least a little toward their care.

"My feeling is that everybody ought to make a payment of some kind for every service they get," said Grant Ipsen, R-Boise, chairman of the Senate Health and Welfare Committee.

"I don't care whether it's 50 cents or $5," he said. The issue is one of personal responsibility, he said. "We've done a great job of educating people to rely on somebody else or something else."

Jim Greenwood, a 41-year-old Boisean with epilepsy, wants to be responsible for his own health care, as Ipsen suggests.

The problem is that he can't find a job. No one will hire him.

"It seems the overall attitude is, if you have anything wrong, we don't want you," said Greenwood, who lives on about $600 a month in disability and other benefits.

"I'm not exactly a stupid individual," Greenwood said. "I do have a college education."

Greenwood's degree is in radio and television production, he said.

Now, he volunteers at the non-profit Idaho Citizens Network, answering phones and doing light office work.

To control the epilepsy that has plagued him since he was a child, Greenwood swallows dozens of prescription pills each month. He's not sure how much they cost, because Medicaid picks up the tab.

Many Medicaid patients can't afford to contribute to

their own care. To qualify for the free care, people have to meet strict income and other criteria that differ by program.

Ann Kirkwood, Health and Welfare spokeswoman, gave this example: A woman with two children who lives on $621 a month in AFDC welfare payments and food stamps qualifies for Medicaid automatically.

"She's poor," Kirkwood said. "You're looking at an individual who must make choices about, 'Do I pay the heating bill, or do I buy medicine for my children?' Those are basic survival choices."

Covering the elderly

It's not young women and kids who are draining the Medicaid budget, anyway. The biggest chunk of Medicaid — about 30 percent of the budget in 1993 — covered the bills of elderly people in nursing homes.

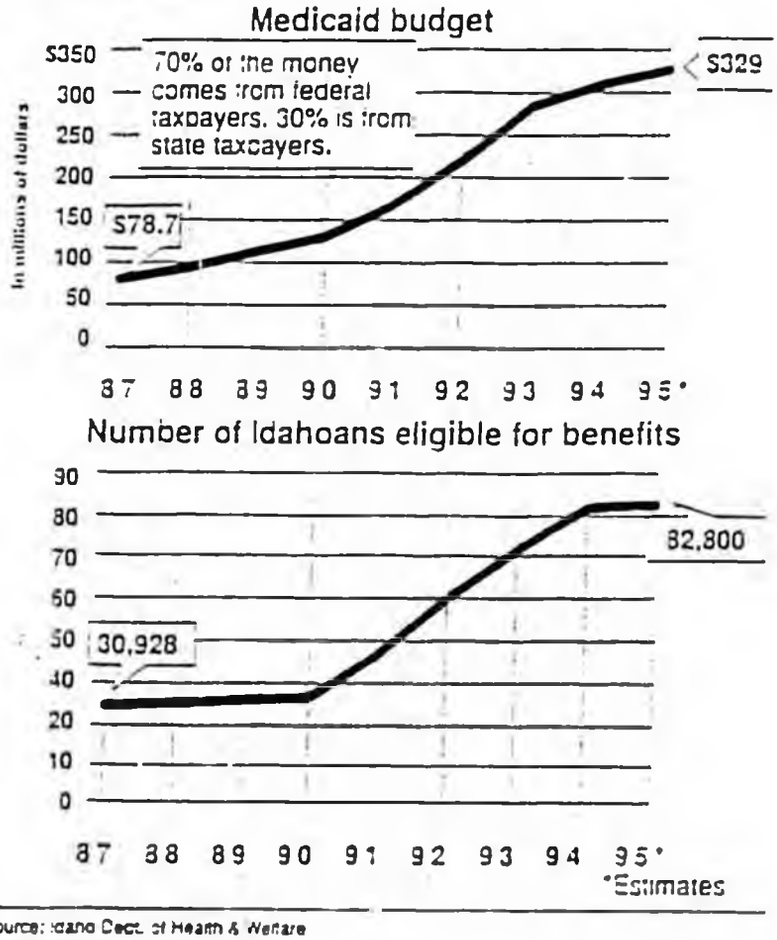
Most private health insurance doesn't cover long-term stays in nursing homes.

If he lost his Medicaid benefits, Greenwood isn't sure what

See Medicaid/2B

Skyrocketing Medicaid costs

In the past nine years, the cost of providing health-insurance coverage to poor Idahoans has more than quadrupled. The number of people who qualify for help also has increased dramatically, from 30,928 in 1987 to 82,800 this year.



Source: Idaho Dept. of Health & Welfare

Medicaid/ From 1B

he'd do. "That's a good question," he said. "There is no such thing as a free clinic in Boise. I don't know what I'd do."

Greenwood's boss at the Citizens Network, Roger Sherman, doesn't believe the answer to Idaho's Medicaid dilemma is cutting the benefits of the poor.

Instead, everyone should get the same comprehensive coverage, he said.

"Now it's a fairness issue, because we've designed a good system and made it available to poor people," Sherman said.

"We have a lousy system we make intermittently available to everyone else."

Putting Welfare On the Clock

Setting a time limit for welfare benefits is an easy idea to sell. But nobody is quite sure how it would work.

BY PENELOPE LEMOV

Talk about consensus: The vote in the Republican-controlled Iowa House was 99 to 1; in the Democrat-led Senate, it was unanimous. This was not on a question of whether motherhood was good for the state of Iowa. Rather, it was on the very touchy question of welfare reform in general and a controversial approach to that reform in particular. The Iowa legislature was voting to limit the length of time a family can stay on the welfare rolls.

Welfare time limits are turning out to be a legislative hit everywhere they come up. Besides Iowa, they have been part of welfare reform proposals enacted in four states this year. Wisconsin, Colorado and Florida are all seeking waivers from the federal government to move ahead with demonstration programs in which adults would have two years to receive benefits before they had to get a job and be off welfare. Vermont has already received a federal waiver for a 30-month welfare time limit. Iowa got a waiver this summer for its plan to impose a flexible limit that will be set by social workers on a case-by-case basis. Meanwhile, several other states have placed the time-limit issue on their agendas for the coming year.

All of this is going on while the Clinton administration labors to draw up its own federal welfare reform bill to be sent to Congress sometime next year. The president has cited time limits repeatedly as a possible means by which the federal government and its state partners could, as the president has pledged, "end welfare as we know it."

The states are not, however, slowing down to stay behind Washington's lead. They have a strong fiscal incentive for proceeding on their own—they pay 50 percent of the freight for Aid to Families with Dependent Children (the basic "welfare" grant) and about that much for Medicaid, the health care coverage that accompanies AFDC. There is also a strong political incentive. Voters are angry. They are convinced that the welfare system is broken, that welfare recipients should accept more responsibility in exchange for their benefits, and that the states are as responsible as anyone—perhaps most responsible—for cleaning up the mess. "Joe and Sally Smith don't know the feds run welfare," says Kathy Keeley, of the Corporation for Enterprise Development, who has been running focus groups on the subject all over the country. "All they know is that they have to deal with the problems that welfare and poverty create."

Welfare reform as a national issue has never really gone away, and it surged to public consciousness in the late 1980s with passage of the federal law that keyed in on providing education, training and child care so welfare recipients could seek decent jobs. But the current wave of interest in time limits and tougher standards was born at the state level in 1991, when three big-state governors all proposed ways to deal with their rising caseloads through strict new rules that moved far beyond the largely painless incentives contained in the 1988 law.

In Maryland, Governor William Donald Schaefer proposed, and the legislature eventually passed, a bill that reduced welfare payments if parents did not pay their rent, keep their children in school and keep up childhood vaccinations. California considered a plan by Governor Pete Wilson to award teenage parents higher benefits if they attended high school—but also to reduce benefits if they dropped out. Then came New Jersey's bombshell: The legislature voted to eliminate the increase in a mother's AFDC grant if she gave birth to an additional child after she went on the welfare rolls. "Once it became clear that these three governors could propose drastic changes in welfare programs without being labeled anti-poor,

midst or worse, politicians in other states followed," says Douglas Besharov of the American Enterprise Institute. "The proverbial cat was out of the bag."

Since then, the focus all over the country has been on what is now being called the "new paternalism"—plans that revolve around personal responsibility and use fiscal bonuses and penalties to reward and punish behavior.

TIME LIMITS, IN THEIR WAY, represent a marriage of the new paternalism and the 1988 federal law. They can be seen as a way of adding some powerful sticks to go alongside the carrots that law produced.

But at the moment, for all their political popularity, they are a concept without a blueprint. No one knows what a tough time-limit law would actually do. And there are troubling questions. Will there be enough jobs in the private sector to accommodate all the people forced off welfare who will be looking for employment? If not, as seems more likely, will the states create subsidized work in return for welfare benefits, or will they just kick a family off the rolls? If the only job available doesn't pay the rent, food and clothing bills, will the state step in and subsidize incomes? In the end, might it actually be more expensive than "welfare as we know it"?

"People need to be off welfare rolls and they need to work—everyone agrees with that," says Larry Jackson, Virginia's commissioner of social services. "But it won't cost less. It's cheaper in the short run to hand out a welfare check." Jackson notes that a single mother with two preschool children who works 40 hours a week at a minimum-wage job would earn $8,500 a year. In Virginia, that's $3,500 below the poverty level. It is unlikely that this single mother will be able to afford child care, health care, and transportation to work, all out of the skimpy paycheck. "Do we really believe that this can be done on a minimum-wage job with no subsidy at all from the government?" Jackson asks. "The numbers don't add up."

It seems inevitable that, under a time-limited welfare system, governments at various levels will have to be into the jobs business more intensively than they are now. And they will have to get better at job creation and training. "That's a critical part to running a time-limited system," says Judith Gueron, president of Manpower Development Research Corporation, which evaluates the effectiveness of many state programs.

Some lessons are already being learned from the jobs programs that states began crafting with the enactment of the 1988 federal law. One especially worth looking at is in California's Riverside County, where the results have been impressive. In part, this is because the county has had a strong labor market. But it is also because of the program's message: Riverside encourages quick entry into the labor force. Rather than tilt heavily toward education and training, as most job-placement efforts do, Riverside has concentrated on job-search assistance. Its philosophy has been, in effect, that people on welfare should get a job, any job, because even low-wage employment can lead to better opportunities somewhere else.

When the clock runs out, there has to be a job available that will pay the rent, food and clothing bills.

Even in a program widely acknowledged to be successful, however, many participants remain unemployed. A study by Manpower Development Research found that as many as 46 percent of the welfare recipients assigned to Riverside's program would have exceeded a two-year time limit had one been in effect. So switching to a strict two-year limit would require hard decisions and probably additional spending in Riverside; it would likely require an even more painful adjustment in a community that had not been working as hard at job creation before the limit was adopted.

IOWA DID NOT CHOOSE THE strict two-years-and-off rule other states have voted for. Instead, the state will develop a contract or plan with each family that spells out what steps the head of the household will take to become self-sufficient and what the state will do to help. Under the existing jobs program, the state has allowed those with "good cause"—a transportation problem or a lack of child care, for instance—to use that as a reason for not getting a job. The new approach will eliminate good cause and focus on solving the problem rather than exempting the person from work. Among the tools that will be used to accomplish those goals are one-stop "work force development centers" and expanded versions of the school-to-work programs that have junior high and high school kids whose families are on welfare working with local businesses.

Iowa has 87,000 families on public assistance, out of a state population of 2.7 million people. The state will make an initial investment of $5.5 million in its new program. If all goes well, the state anticipates that enough people will be moved off welfare and into jobs that the system will start saving the state $10 million annually by the third year and close to $60 million annually by its 10th year.

But those savings will depend heavily on four factors. One is the wellbeing of the Iowa economy, which has everything to do with the state's ability to place people in private-sector jobs. The others are health care reform, which could provide affordable health insurance; the availability of state funds for child care; and the effectiveness of a child-support payment recovery program that could add significantly to the income of single mothers.

There are no easy solutions when it comes to welfare. Time limits may not be a solution at all. They may, as Iowans are beginning to realize, create new problems at least as complex and expensive as the ones they were meant to solve. All those problems could be complicated by the federal reform effort, which has the potential to put any state's effort out of sync with new law.

But so far, at least, such fears are not enough to stop the new paternalism from evolving and winning converts in a wide variety of places. As Kathy Keeley, fresh from her focus groups, notes, "Politicians are reframing what they have to sell their constituents. It doesn't matter politically what the feds do. Locals are accountable. People want welfare changed." ◻

Welfare Waiver Ideas: Approved, Pending and on the Drawing Board

Reform Features	States
Individuals required to work or participate in education or training.	Colorado, Wisconsin
Family planning services and parental skills instruction offered by state to all AFDC recipients.	Georgia
Learnfare: Incentives or sanctions aimed at keeping children in school; incentives to get high school diploma or GED; incentives for pregnant or parent teens to remain in school; requirement for teen participation in JOBS education program.	Arkansas[1], California[2], Florida, Illinois, Maryland, Oklahoma, Mississippi[4], Missouri, Oregon, Virginia, Wyoming, Wisconsin
Able-bodied individuals required to work in private or public sector.	Florida, Georgia, Mississippi[4], South Carolina[1], Vermont, Wyoming
Time limits (wide variation in state approaches).	Colorado, Florida, Iowa, Vermont, Wisconsin, Virginia[1]
JOBS participation required.	Illinois, Oregon, Utah
Noncustodial parents eligible for JOBS.	Illinois, Michigan
Education, training or employment-related services required.	New Jersey
Medicaid and/or food stamps available to those terminated from AFDC.	Georgia, Wisconsin
Certain benefits (i.e. food stamps, child care) provided as cash payment.	Colorado, Mississippi[1], New York[3], Wisconsin
Earnings disregard increased.	Colorado, Florida, Illinois, Iowa, Minnesota, Mississippi[1], New York[3], Vermont, Wisconsin
Asset limit raised.	Florida, Illinois, Iowa, Mississippi[4], Missouri, Utah, Virginia, Wyoming, Colorado
Vehicle, fully or partially, exempted from allowable assets or asset limit raised.	Colorado, Florida, Iowa, Utah, Vermont, Wisconsin
Child support: Payments disregard; disbursed directly to family.	Missouri, Vermont
Child support "assurance" payments to current recipients; custodial parent required to get court order for child support to be eligible for program; child support "insurance" payments to former recipients.	New York[5], Virginia
Family cap: No increase in total AFDC payment for new child born while mother on AFDC.	Arkansas[1], California[2], Georgia, New Jersey, Wisconsin
Payments to new residents the same as in the state where they previously lived (if lower).	California[3], Illinois[1], Wisconsin
AFDC marriage penalty eliminated; stepparent income formula changed.	New Jersey, Virginia
Immunization of children required.	Colorado, Florida, Georgia, Mississippi[4], Maryland
Prenatal, preventive care for children required.	Maryland
Transitional child and/or Medicaid.	Florida, Iowa, Vermont, Virginia, Wisconsin, New Jersey
Support services (child care, transportation, etc.) available to working recipients.	Illinois, Vermont
Participants required to contribute to JOBS child care.	Massachusetts[1]
Social contract with state required; self-sufficiency plan required.	Iowa, Michigan, Wisconsin, Utah
Employer incentives: Subsidies to provide wages in lieu of benefits; training wage allowed equal to previous month's benefits.	Illinois[1], Missouri, Virginia, Mississippi[4], Oregon[1]
Deposits in special (individual development) accounts exempt from eligibility guidelines.	Iowa, Wisconsin
100-hour work rule eliminated.	Iowa, Michigan, Missouri, Texas, Wisconsin
Income earned by dependent children who are students disregarded.	Michigan
Business-sponsored apprenticeships in public schools.	Minnesota
Fingerprinting requirement.	California

Footnotes:
1 Waiver applied for
2 Waiver approved, voter referendum to initiate failed
3 Waiver approved, program ruled unconstitutional
4 Waiver request not yet submitted
5 Program congressionally approved through OBRA

Source: Laurie Rose, NCSL

Note: Data is current through February 1994.
Not all approved waivers are currently implemented.
Some all approved waivers listed.

Welfare

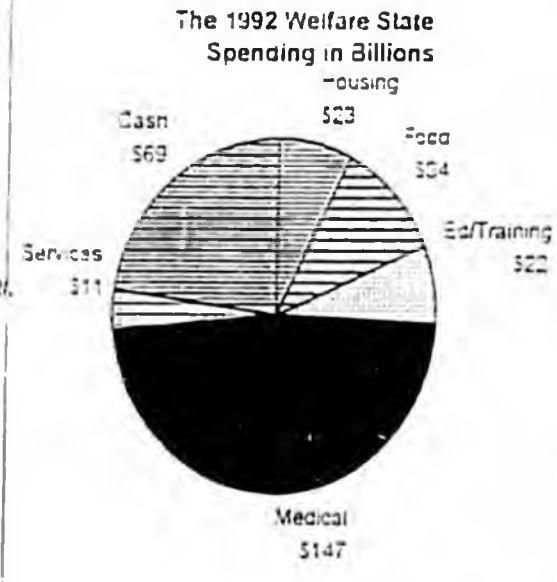
ROUTING REQUEST

The Rise and Failures of the Welfare State

Welfare Spending Hits Record High

Welfare spending by federal, state, and local governments hit an all-time high of $306 billion in 1992. In constant dollars, welfare spending is now seven times greater than when the War on Poverty began in 1965.

The welfare spending total includes cash, food, housing, and medical aid, education and training, and social services targeted to poor and low-income Americans. Entitlements for the general population, such as Social Security and Medicare for the middle class, are excluded.



Welfare spending in 1992 exceeded 5 percent of Gross National Product, topping the previous record levels set during the Great Depression of the 1930s. Total welfare spending in 1992 equaled $8,270 for every poor person in the U.S.

Source: Robert Rector, "The Poverty Paradox: How America Spent $5 Trillion on the War on Poverty Without Reducing the Poverty Rate," *Heritage Foundation Executive Memorandum* #364, September 22, 1993.

Many Welfare Mothers Have Limited Earning Potential

A study by Child Trends Inc. shows that mothers in the Aid to Families with Dependent Children program have extremely low cognitive skill levels. Welfare mothers have significantly lower math and verbal abilities than other women of the same ethnic group who were not enrolled in welfare programs. When all U.S. women were ranked according to basic math and verbal skills, over half of welfare mothers were found to have cognitive skill levels placing them in the bottom 20 percent of the overall population.

Other research has shown that training programs do little to improve the cognitive skills and earnings capacity of welfare recipients. These findings underscore the difficulty of making single mothers on welfare economically independent through labor market earnings. Strategies to reduce illegitimate births and promote and sustain marriage are thus essential in any serious effort to reduce welfare dependence and raise living standards.

Source: Nicholas Zill, Kristin Moore, Christine Ward, and Thomas Stief, *Welfare Mothers as Potential Employees: A Statistical Profile Based on National Survey Data*, February 25, 1991, Child Trends Inc., 2100 M Street NW #610, Washington, DC 20037.

Job Training Has Little Effect on Earnings

The Job Training Partnership Act (JTPA) is the federal government's largest training program. A recent study commissioned by the U.S. Department of Labor found that the program had very little effect in raising the earnings of trainees. Adult males had no significant increase in earnings as a result of participating in JTPA. Teenage male dropouts actually showed a marked decline in earnings ability. JTPA did raise the earnings of adult women participants by between $50 and $75 per month by the end of the 18-month study period. The overall average increase in earnings for adult women was 7.2 percent. However, most of this increase was caused by an increase in the number of hours worked; the average hourly pay rate among adult women participants was increased by only 3.4 percent.

Source: Howard Bloom, et al., *The National JTPA Study: Title IIA Impacts on Earnings and Employment at 18 Months*, Research and Evaluations Report Series 93-C, U.S. Department of Labor, Employment and Training Administration, Washington, DC, 1993.

Information on this page was provided by Robert Rector, policy analyst for social, welfare, and family issues at The Heritage Foundation. For more information, contact The Heritage Foundation, 214 Massachusetts Avenue NE, Washington, DC 20002, phone 202/546-4400, fax 202/544-2260.

The Heritage Foundation

Intellectual Ammunition (November/December 1993) © The Heritage Foundation

Kids' welfare more important than intact families

DEBRA SAUNDERS

Government has failed Shane and Katie Joe, not by a lack of services, but by a lack of standards.

12/15 mbh

SAN FRANCISCO — On a recent Wednesday morning, an abandoned 10-month-old, Shane Dineen, bundled in a new outfit and strapped securely in a stroller, was found several yards off Skyline Boulevard in Pacifica, a suburb of San Francisco. It was not until that Thursday, however, that mother Charlene Dineen, who is homeless, called police to report that her baby was missing.

Later that day, Shane's older sister, 3-year-old Katie Joe, was placed in foster care like her brother. Charlene Dineen maintained that Shane had been abducted on Tuesday night by a stranger in a van and she had spent the time since looking for him on the streets. Her story was especially suspicious in light of the fact that she was cited Wednesday at 3 a.m. on a misdemeanor charge of defrauding a taxi — at which time she did not alert police to Shane's alleged kidnapping. Dineen was charged with child abandonment after two witnesses placed her near the scene Wednesday at 1:30 a.m.

This is not your typical abandoned baby story, and the Dineens are not your typical homeless family. By all accounts, Charlene Dineen, age 31, does not appear to have a drug problem. She seems to have taken good care of her children — at least until last week. Shane's lips were purple when he was found, but he had not succumbed to hypothermia. Other than that, Shane was in healthy condition and was wearing clean, new clothes. A University of California at San Francisco nurse told reporters that Dineen took good care of her children and never missed appointments.

Which begs the question: If Charlene Dineen was not a drug abuser and managed to take good care of her children, why was she homeless? Perhaps, as one state social services worker put it, sometimes homelessness is "a lifestyle choice."

Some may wish to fault the government for not providing enough services, but consider this. Dineen was eligible for and, according to police, receiving Aid to Families with Dependent Children. Homeless AFDC families automatically are eligible for homeless assistance — including rent and utility deposit money — unless they have used the program already in the last two years. Dineen also is reported to have stayed in a shelter recently and to have been enrolled in a parent mentoring program while she was pregnant with Shane. (County officials will not verify whether Dineen was on aid.)

If it turns out that Dineen is mentally ill, it could be argued that government has failed both her and her children, by not having adequate permanent care for the mentally ill — which is another big issue.

No matter what the cause for Dineen's inability to keep a roof over her children's head, however, government has failed Shane and Katie Joe, not by a lack of services, but by a lack of standards. In a better world, authorities would have removed the children from Dineen until she found permanent housing.

It's against California law to remove children simply because they are sleeping on the streets. That law should be repealed.

Pending her trial, Charlene Dineen must be presumed innocent. Meanwhile, she may buck the stereotype of homeless mom by caring for her children and keeping all her doctor appointments, but her failure to provide a safe home for Shane and Katie Joe should of itself constitute child endangerment. Instead, California focuses on keeping families together, not keeping children safe.

In the name of compassion, the state actually may pay Charlene to keep her children in the great outdoors. Oddly, the left is outraged not at that frequent injustice but at the GOP's suggestion that orphanages might provide an answer. What a curious compassion that puts the feelings of parents before the welfare of children.

Debra Saunders is a San Francisco Chronicle columnist.

Welfare
Forum
ADN, 2/19

NATI

Welfare program fails to

By ELIZABETH SHOGREN
and RONALD BROWNSTEIN
Los Angeles Times

WASHINGTON — A 1988 law designed to transform the nation's welfare system from a permanent support system into a temporary safety net has fallen far short of its goal of helping recipients find jobs, the General Accounting Office of Congress reported Sunday.

In a separate study, a conservative polling organization said the public overwhelmingly supports the concept of welfare reform, but strongly resists many of the key elements of the welfare initiative contained in the House GOP's Contract With America.

The GAO report, commissioned by the New York senator who drafted the 1988 law, was released just as Congress is preparing to overhaul the welfare system once again. It could influence the direction of the debate by identifying flaws in the previous reform effort.

Authored by Sen. Daniel Patrick Moynihan, D-N.Y., the Family Support Act restructured the government's principal form of welfare assistance, Aid to Families with Dependent Children. It created a new program, called JOBS, to help recipients get the training, counseling and job-placement services needed to leave the welfare rolls. The program was targeted at those recipients

Anchorage Daily News — Monday, December 19, 1994 — A2

ON

make cut, GAO says

considered most at risk of long-term dependency on government benefits.

Although annual spending on the JOBS program had grown to $1.1 billion by 1993, its efforts "are generally not well-focused on recipients' employment as the ultimate goal," said the GAO, which conducts audits and investigations at the request of Congress.

The program's lack of success reflects two key weaknesses, the report said. First, administrators are only held accountable for the level of participation by welfare recipients, and not for their ability to successfully place recipients in jobs. In addition, most JOBS officials have done little to forge strong links with private-sector employers who potentially could hire welfare recipients.

While some localities developed programs that helped recipients prepare for and find employment, after three years no JOBS program was able to move a majority of its participants off welfare and into jobs, the GAO reported.

Participation has been disappointing, with roughly 11 percent of the 4 million parents receiving AFDC taking part in JOBS between 1991 and 1993, the agency said. Only 24 percent of teen-age mothers receiving AFDC participated in JOBS, even though they are especially prone to long-term dependency

Will America Drown?
Immigration and the Third World Population Explosion

Editor: Humphrey Dalton

"Massive illegal immigration will continue as long as the Federal Government continues to reward it ... providing incentives to illegal immigrants to violate U.S. immigration laws ... Two-thirds of all the babies born in Los Angeles County are born to illegal immigrant parents."

PETE WILSON *Governor of California*

The unprecedented population explosion in the Third World today threatens to swamp the U.S. with illegal immigrants attracted by the U.S. "welfare magnet." This book reveals the facts about the mounting tide of international migrants, illegal as well as legal, and tells how illegal immigration *can* be controlled.

CONTENTS

Can the U.S. Assimilate the Growing Waves of New Immigrants?, Invasion U.S.A., The Farce of "Political Asylum", The "Family Unity and Employment Opportunity Immigration Act" of 1990, America: Candy Store with a Broken Lock?, "Today California, Tomorrow America?", The Economic Costs of Immigration, Immigration and Crime, "Hey, Hey, Ho, Ho, Western Culture's Got to Go!", Multiculturalism: Its Implications for a Free Society, Are Some Immigrant Populations More Susceptible To Crime Than Others?, The End of History, Chaos?, Stopping Illegal Immigration, Appendix: A Chronological History of the Principal U.S. Immigration Laws

ISBN 0-878465-05-8

$12.50 (Plus $1.50 postage)
VISA AND MASTERCARD ACCEPTED
Scott Townsend Publishers,
P.O. Box 34070, N.W.,
Washington, D.C. 20043

Public Welfare in America

Dick Armey, M.C.
United States House of Representatives

When President Lyndon Johnson launched his Unconditional War on Poverty, he boldly declared, "the days of the dole in the United States country are numbered." However, within two years of the enactment of his Economic Opportunity Act of 1964, a remarkable escalation in public assistance payments began. While President Johnson may have been correct that the days of welfare are numbered, that number is proving to be very large indeed.

Any attempt to reform welfare must begin with the recognition that the current system has not resolved – rather seems to be perpetuating – poverty. It has created behavioral disincentives that trap many recipients in poverty from generation to generation and has also created yet another unwieldy and unresponsive bureaucracy. The key dilemma of the welfare state is that public spending intended to alleviate material poverty has caused the collapse of the low-income family and led to a dramatic increase in behavioral poverty – dependency, lack of educational aspiration and achievement, increased single parenthood and illegitimacy.

Studies have consistently shown that higher welfare benefits decrease work effort and increase welfare dependence. Increased dependence, in turn, has strong negative effects on children's intellectual abilities and life prospects. If we hold constant a wide range of factors such as family income, parental education, and residence, long-term welfare dependence by a family is seen to reduce a child's intellectual ability by more than one-third compared to children in similarly low-income families that were not on welfare.[1] Children raised by families on welfare are more likely to fail in school, more likely to get caught up in crime, and more likely to end up on welfare themselves as adults.[2]

Welfare Spending

Although the poverty rate has remained relatively steady since 1965, welfare spending has risen from 1.5 percent of GDP[3] when Lyndon Johnson launched the program in 1965 to 5 percent today.

The federal government spends more than $240 billion on welfare annually,[3] which is more than twice the money needed to raise every person on welfare out of poverty.[4]

Government Programs Destroying Families

It is no longer a question of whether this money has produced positive results, but rather what can be done to erase the debilitating effects welfare has had on society.

The current system has made marriage economically irrational for most low-income parents. Welfare has converted the low-income working husband from a necessary breadwinner into a financial handicap. It has transformed marriage from a legal institution that protects and nurtures children into an institution that financially penalizes nearly all low-income parents who choose it. Welfare benefits will be higher if a man and woman do not marry and are treated by the government as separate "households."

Too many mothers decide not to marry the fathers of their children; they marry welfare instead. As George Gilder, author of Wealth and Poverty observed, the modern welfare state has convinced poor fathers that they are dispensable. Through government programs, we send the message that men are most useful as procreators, not as family partners and providers. Government will pick up the tab for their children provided that they do nothing to help the mother or to assume responsibility.

Currently, the welfare benefit package (AFDC, Medicaid, housing, and food stamps) offers each single mother an average of between $8,500 and $12,000 in benefits, depending on the state.[5] The mother continues to receive that level of benefits as long as she does not work or marry an employed male.[6]

Research by Dr. Robert Hutchens of Cornell University estimates that a 10 percent increase in AFDC benefits in a state translates into an eight percent decrease in the marriage rate of all single mothers.[7]

The poverty rate among those living in traditional married couple families is less than half the overall poverty rate; the poverty rate for female headed families (with no husband present) is nearly six times the poverty rate for traditional two parent families. Individuals living alone outside a family similarly have very high poverty rates.[8]

Who Is On Welfare?

According to U.S. Census Bureau data, 64 percent of welfare recipients are white, 31 percent are black, 14 percent are Hispanic and five percent are classified as "other." 42 percent of recipients are under 18, 48 percent are between the ages of 18 and 64, 10 percent are over 65. 48 percent of recipients have less than four years of high school education, 33 percent are high school graduates, and 18 percent have had at least one year of college. 57 percent of recipients are female, 43 percent are male.[9]

More than 20 percent of the children born in the late 1960s have spent at least one year on welfare, more than 70 percent of black children born in the same period have done so.[10] More than 30 percent of all children born in 1980 will live on welfare, as will 60 percent of black children.[11] A majority (over 51 percent) of persons receiving means-tested income transfers in 1990 were not in poverty, as it is officially defined.[12]

Welfare's Culture of Dependency

Children raised in families that receive welfare assistance are themselves three times more likely than other children to be on welfare when they become adults.[13] This inter-generational dependency is a clear indication that the welfare system is failing in its effort to lift people from poverty to self-sufficiency. A recent study found that higher welfare benefits increased the number of women who left the labor force and enrolled in welfare. A 50 percent increase in monthly AFDC and Food Stamp benefit levels led to a 75 percent increase in both the number of women enrolling in AFDC and in the number of years spent on AFDC. The percentage of children receiving AFDC is higher in states with the highest AFDC payments and lower in states with the lowest AFDC payments.

The Office of Economic Opportunity conducted controlled experiments between 1971 and 1978 in Seattle and Denver, known as the Seattle/Denver Income Maintenance Experiment (SIME/DIME). The experiments found that increasing welfare benefits had a dramatic negative effect on labor force participation and earnings. For every $100 of extra welfare given to low-income persons, the earned income of the recipients fell by $80.[14] Welfare reduces the probability that a poor person or family will leave poverty in any given year by about 60 percent. The chances of rising above the poverty level are two and one-half times greater if an individual or

family does not receive welfare.[11] At any one time, more than half of welfare recipients have been on welfare for ten years.

Welfare's Debilitating Impact – The Rise of Single Parent Families

When the Great Society was launched in 1965, the illegitimacy rate among blacks was 25 percent; today, it is 66 percent. If current trends continue, the black illegitimate birth rate will reach 75 percent in ten years.[12] Thirty years ago, one in every 40 white children was born to an unmarried mother; today, it is one in five.[13]

The current system's financial penalties on marriage can be correlated with an unprecedented and growing number of unwed mother welfare recipients. The percentage of welfare recipients living in female-headed households increased from 29 percent in 1964 to 61 percent in 1976.[14]

White women raised in single parent homes are 164 percent more likely to bear children out of wedlock themselves and 111 percent more likely to have children as teenagers. Of those who do marry, marriages are 92 percent more likely to end in divorce than are the marriages of women raised in two parent families. Similar trends are also found among black women.[15]

Children raised in single parent families, when compared to those in intact families, are one-third more likely to exhibit behavioral problems such as hyperactivity, antisocial behavior, and anxiety.[20] Children in single parent families are two to three times more likely to need psychiatric care than those in two parent families;[21] they are also more likely to commit suicide as teenagers.[22] Children in single parent families score lower on IQ, aptitude and achievement tests.[23] With family income, neighborhood, parental education, and other variables held constant, young black men from single parent homes are twice as likely to commit crimes and end up in jail than are similar young men in low-income families where the father is present.[24]

Failed 1988 Attempt at Reform

Welfare rolls have increased sharply since the 1988 welfare reform legislation became law. Less than one percent of the welfare population is working today. And the program has cost us $10 billion more than expected – $13 billion instead of $3 billion. At the time of enactment, it was predicted that the number of families on AFDC

would not reach five million until late 1998. In fact, that milestone was reached in early 1993.

While Americans were told that the 1988 reforms required most welfare recipients to work for benefits, by 1992 only one percent of all AFDC parents was actually required to enroll in workfare in exchange for welfare benefits.[25]

Conclusion

Welfare reform must begin with the realization that most programs designed to alleviate "material poverty" generally lead to an increase in "behavioral" poverty. While the poor were supposed to be the beneficiaries of the War on Poverty, they instead have become its victims. For more than 40 years, the welfare system has been promoting non-work and encouraging single parenthood and has obtained dramatic increases in both. Policy-makers must realize that welfare is no substitute for stable families and welfare programs must be designed to avoid undermining the families even when trying to solve the problems of poverty.

Notes

[1] M. Anne Hill and June O'Neill, "The Transmission of Cognitive Achievement Across Three Generations," March, 1991.

[2] Robert Rector, "President Clinton's Commitment to Welfare Reform: The Underlying Record So Far," Heritage Foundation Backgrounder, December 17, 1993.

[3] "Art Fine," "Real Aftermath," *Los Angeles Times*, May 31, 1991.

[4] Donald Lambro, "Question Rise From the Rubble: Great Society Has Set Legal Clock, Say," *Washington Times*, May 10, 1992, the expenditures are specifically for the years between 1965 and 1990.

[5] This sum equals the value of welfare benefits from different programs for the average mother on AFDC.

[6] Technically, the mother may be married to a husband who works part time at very low wages and still be eligible for some and under AFDC-UP program. However, if the husband works a significant number of hours per month even at a low, hourly rate, his earnings will be sufficient to eliminate the family's eligibility for AFDC-UP and most other welfare.

[7] Robert Hutchens, "Welfare, Remarriage, and Marital Search," *American Economic Review*, June, 1989.

[8] Richard Vedder and Lowell Gallaway, "The War on the Poor," The Institute for Policy Innovation, No. 111, June, 1992.

[9] Carrie Teegardin, "Debunking the Welfare Queen Myth: White Women with Children are Most Typical," *Atlanta Journal and Constitution*, December 11, 1991.

[10] Robin Toner, "How Politics of Welfare Divides on Its Home," *New York Times*, July 5, 1992.

[11] Thomas Sowell, "Not So Great Society Still Has Hold," *Times*, May 13, 1992.

Children's Rights Council

CRC's Multi-Organizational Welfare Reform Position

Prepared by the Staff and Volunteers of CRC
for the 104th Congress

The Children's Rights Council

Strengthening Families Through Education and Assisting Children of Separation and Divorce

More Information Contact
Children's Rights Council
220 I Street N.E.•Suite 200•Washington, D.C. 20002
Tel: 202/547-6227 • Fax: 202/546-4272

About CRC

The Children's Rights Council (CRC) is a nation-wide, non-profit IRS 501 (c) (3) children's rights organization based in Washington, D.C.

CRC works to strengthen families through education. We favor family formation and promote family preservation, but if families break-up or are never formed, we work to assure a child's right to benefit from having continued and meaningful contact with both parents, extended family and especially grandparents. Our motto is "The Best Parent is Both Parents!"

Formed in 1985 by concerned parents and professionals, CRC has grown tremendously, establishing 38 chapters in 30 states and attracting national organizations such as Grandparents In New Strength (G.R.I.N.S.); Mothers Without Custody (MW/OC); Stepfamily Association of America (S.A.A.) and Parents Without Partners (PWP), all with the goal of providing children with the foundation necessary to lead happy, healthy and productive lives. CRC's staff of professionals and volunteers are experts in their fields.

Parenting education programs, crisis referral services, support groups, research and other education and advocacy programs are at the core of CRC's work. Each year hundreds of parents and prominent professionals in the fields of religion, law, social work, psychology, psychiatry, child care, education, and business gather at CRC's National Conference to discuss issues concerning children.

Drawing from over 100,000 individual members and affiliates, CRC promotes the "best interests" of our nation's children!

OFFICERS:
David L. Levy, Esq., President
Anna Keller, Vice President
John L. Bauserman, V.P./Treasurer
Ellen Dublin Levy, Secretary

HONORARY PRESIDENT:
David Brenner, Entertainer
New York, New York

EXECUTIVE DIRECTOR:
T. Michael Pitts

GENERAL COUNSEL:
Michael Oddenino
Arcadia, California

DIR. OF INFORMATION SERVICES:
Ed Mudrak

DIR. OF PARENTING EDUCATION:
Elizabeth Hickey, M.S.W., Author
Salt Lake City, Utah

PARENTING ED. SPOKESPERSON:
Wes Unseld, V.P. Washington Bullets
Member - NBA Hall of Fame
Baltimore, Maryland

SPOKESPERSONS:
Darryl Grant, Washington Redskins
Superbowl XVII and XXII Champion

Doug Supernaw, Country Music Singer
Nashville, Tennessee

Dwight Twilley, Pop Singer and Author
Los Angeles, California

ADVISORY PANEL:
Rabbi Mendel Abrams, M.Min.
Former President, Board of Rabbis of Greater Washington, D.C.

Dr. Carl H. Mau, Jr.
General Secretary (1974-1985)
Lutheran World Federation
Geneva, Switzerland

Honorable Fred Thompson (R-TN)
United States Senate

Honorable Dennis DeConcini (D-AZ)
United States Senate

"Dear Abby"
(Abigail VanBuren)
Los Angeles, California

Sam Brunelli, Executive Director
American Legislative Exchange Council
Washington, D.C.

Karen DeCrow, Esquire
Former President of N.O.W.
Jamesville, New York

Jonathan Goodson, President
Mark Goodson Productions
Los Angeles, California

Elisabeth Kübler-Ross, M.D.
Author, Psychiatrist
Head Waters, Virginia

Phyllis Diller, Comedienne
Los Angeles, California

Joan B. Kelly, Ph.D.
Executive Director
Northern California Mediation Center

Jim Cook
Joint Custody Association
Los Angeles, California

Warren Farrell, Ph.D., Author
Leucadia, California

Elliott H. Diamond, Co-Founder CRC
Reston, Virginia

Larry Gaughan, Professional Director
Family Mediation of Greater Washington
Washington, D.C.

David Birney, Actor
Santa Monica, California

Vicky Lanski, Author and Columnist
Deephaven, Minnesota

John Money, Ph.D., Professor of Medical Psychology and Pediatrics
John Hopkins University and Hospital
Baltimore, Maryland

James Levine, The Fatherhood Project
The Family and Work Institute
New York, New York

Debbie Stabenow
State Senate, Michigan

Kay and Ray Barryhill, G.R.I.N.S.
Corunna, Indiana

National Affiliate Advisors

Kevin Ricker, President
Stepfamily Association of America
Lincoln, Nebraska

Jennifer Isham, President
Mothers Without Custody
Crystal Lake, Illinois

Linda Napolitano, President
Parents Without Partners
Chicago, Illinois

Children's Rights Council

220 I Street N.E. • Suite 200 • Washington, D.C. 20002 • Tel: 202/547-6227 • Fax: 202-546-4272

MULTI-ORGANIZATIONAL WELFARE REFORM POSITION

There is widespread agreement that the current welfare system is destructive to the families it was intended to help. Despite its good intentions, the government has made a devil's bargain with the poor -- "We will give you money as long as you continue to neither work nor marry." Current programs, and many reform proposals, are patronizing. They assume that large classes of citizens are simply too stupid and incompetent to make any current or near term contribution to their own support. Real welfare reform requires recognition that there is no respect for the individual unless there is respect for the individual's labor.

"MAKING WORK PAY" - RHETORIC AND REALITY

Work always pays. Our problem is that we have established a parallel system under which non-work often pays better. Most law abiding citizens work 40 - 45 years to qualify for a social security benefit that is smaller than a teenager's welfare package. Many welfare recipients are not unemployed as much as they are prematurely retired. We have long recognized that Social Security rules discourage paid employment among welfare recipients. The cornerstone of welfare reform must be a fundamental respect for the importance and dignity of work. Except for the small number of people who are genuinely unable to make any contribution to their own needs, welfare must be a supplement, not a substitute, for work.

Welfare reform requires attention to four areas: responsibility, paternity, accountability, and eligibility.

1. Responsibility

Responsibility should be immediate, mandatory and universal. Beginning immediately with entry into any welfare program, every recipient should be required to devote 40 hours per week to some combination of job search, training and work, with a strong emphasis on work. Actual work experience is generally the best qualification for entry or reentry into the workforce. An immediate, universal responsibility requirement also eliminates the "no job" option and encourages serious search efforts for the best available job.

The responsibility requirement can be satisfied by private employment or by unpaid public service in exchange for receipt of the welfare benefit. Work programs should not discriminate against the non-welfare working poor. Vouchers and other special incentives to hire welfare recipients create the risk of displacing other workers. We should not support programs that have the unintended consequence of encouraging people to enter welfare as the path to job preferences. Community service jobs (e.g. assignment to charitable organizations) provide benefits to the community and training to the transitioning recipient at little or no government cost. Many of the current, unmet needs of communities can be satisfied by this readily available pool of labor as a supplement to, rather than a substitute for, current employees.

All programs must support the goal of ending the current discrimination against two-parent families. In two parent families, at least one parent must satisfy the 40 hour requirement.

Welfare reform should also begin the process of examining barriers to entry-level job creation. Many worthy tasks in society are not performed because the total cost of obtaining labor, including regulatory and record keeping burdens, exceeds the value of the service. We must examine the extent to which willing workers have been priced out of the market by government mandates.

Child care may be less of a problem than some suggest. Most working parents utilize a no-cost, or low-cost combination of kinship (family) care, friends and school to satisfy day care needs. As discrimination against two parent households is eliminated, a greater number of children will have access to child care from both parents.

Finally, a portion of the community service assignments can be made to child care organizations in order to increase the available supply with little or no incremental cost increase. The Head Start Program already utilizes large numbers of low income parents who begin as unpaid interns and progress to paid staff and supervisory positions.

2. Paternity

Current policy fails to distinguish between "runaway" and "thrown-away" or "driven-away" parents. The federal government spends approximately two billion dollars per year on child support enforcement but purposefully and consciously excludes fathers from all parent-child programs. Under current Aid to Families with Dependent Children (AFDC) rules, the low income father who wishes to be a physical and emotional asset to his children also becomes a financial liability by disqualifying them from most assistance. Research conducted by Health and Human Services (HHS) itself confirms that both mothers and fathers distrust the bureaucracy and work jointly to conceal paternity. We cannot be surprised by low income parents who separate or conceal paternity when our policies make such behavior the economically rational course. A work requirement for single parents and an end to discrimination against two-parent households will change the dynamics of paternity establishment.

Eligibility for all federal programs should require establishment of paternity, beginning with eligibility for the Women, Infants, and Children (WIC) program. That program itself must be revised to develop and encourage the roles of fathers in children's lives.

In-hospital paternity establishment forms should encourage the parties to voluntarily establish custody and visitation as well as financial support. Avoidance of poverty and welfare dependence are directly linked to the involvement of both parents. Voluntary child support compliance exceeds 90 percent in joint custody families. Child poverty and welfare dependency rates are much lower in father-custody and father-involved families than in mother custody. Women's work force participation, economic security, and freedom are increased in joint-custody and father-custody families. Two parent families allow relief from the constant stress and pressure on the single parent trapped in welfare.

3. Accountability

AFDC and other programs are intended for the benefit of the dependent children. Adults receive the benefits and are expected to participate in the programs in support of the children's needs. Failure or refusal to participate in required programs or to spend the cash payments for the benefit of the children should be seen as evidence of child neglect or abuse. Such evidence should weigh heavily in determining whether it is in the best interest of the child to transfer custody to a more responsible relative or to consider alternative care placement. Prior efforts at reform have been reluctant to impose sanctions upon uncooperative and irresponsible adults because of a fear of "punishing the child." The reality is that current policies allow children to be held hostage to guarantee continued subsidy of adult irresponsibility. Irresponsible, if not criminal behavior, always has deleterious effects on children.

All recipients should be required to reimburse the value of benefits received. Currently, child support paid by non-custodial parents is used for reimbursement after a $50 per month waiver. The custodial parent should have the obligation to reimburse one-half of the welfare payments made on behalf of the child and each adult should have the obligation to reimburse benefits paid on behalf of that adult. Many welfare recipients require only short-term assistance and that assistance can fairly be treated as a loan or a line of credit rather than as a grant. A uniform reimbursement requirement also encourages all recipients to minimize the period of dependency, take no more benefits than are required, and resume paid employment at the earliest possible date. Community service should be counted toward the reimbursement obligation but should be valued at a level that does not compete with the attractiveness of paid employment.

4. Eligibility

Under the law of each state, parents have an obligation of financial responsibility for their minor children. If the minor children themselves become parents, the minor parents should continue to be the obligation of their own adult parents. Accordingly, the birth of a child to minor parents may create a requirement for welfare assistance to the new infant but does not create a requirement for assistance to the minor parent unless their own parents are unable to supply the required support. Minor parents must live with or at the expense of their own adult parents. Payments on behalf of the new infant, if needed, should be made directly to the adult parents of the minor parents as their guardians, not directly to the minor parents.

Welfare payments should be limited to citizens and to immigrants with refugee status.

Income-based eligibility standards should consider both the income of the parents and any resources that are voluntarily available from the kinship network.

5. Fraud

Fraud must be addressed as a serious matter. Welfare benefits are based on the applicant's self-reporting of available income. If welfare fraud has concealed additional income, welfare eligibility must be recalculated, at a minimum, to include the demonstrated capacity for self-support. Other fraud reduction mechanisms including electronic transfer tracking and improved identification verification must be adopted.

6. EITC

The Earned Income Tax Credit (EITC) must be modified to reduce the incentive and opportunity for strategies such as over-reporting of income to maximize benefits and to reduce discrimination against two-parent families. Currently, many working-class couples are ineligible for EITC but, by simply splitting into two dysfunctional fragments, both become eligible.

WELFARE REFORM THROUGH KINSHIP CARE

There is much discussion about alternatives to allowing children to be raised in a perpetual and cyclical welfare environment. Kinship care (the practice of looking to a capable and willing family member as a care provider for children living on the welfare dole) is a positive step toward breaking the cycle of dependency and reducing the economic burden of providing benefits where family care is available. Kinship care reduces the necessity of placing children in either welfare or charity situations while strengthening the child's chances for economic and emotional success through immediate and extended family bonding. Kinship care is the most practical and ethical means of reducing economic and emotional poverty for children without government intrusion into family life. This idea is based upon the assumption that the Federal bureaucracy can not, and should not, replace a child's family.

There is broad consensus that welfare dependency is not in the best interests of children. Recent legislative initiatives have begun to examine structural flaws in existing welfare programs. One of the best opportunities for reducing welfare dependency is to be found in the development of more thoughtful eligibility criteria to better identify which children are actually in need of welfare assistance.

Most welfare programs only look at the cash income of the custodial single parent without regard to the availability of voluntary kinship or extended family assistance. The attached proposal provides that welfare eligibility should be determined by examining all resources that are available voluntarily through the child's kinship network.

The use of kinship care does not relieve the child's parents of their obligations nor does it impose new obligations on other relatives. Only voluntary kinship assistance is considered.

Examples:

- Brother is willing to care for child of drug abuser with or without a change of custody/guardianship. Welfare dependence is not in the best interests of the child and eligibility should be denied based upon available and willing kinship care.

- Father of child is willing to provide child care with or without a change of custody while mother works. Welfare dependency is not in the best interests of the child and eligibility should be denied based upon available and willing kinship care.

- Adolescent mother lives with her parents. The adult parents have a legal obligation to support their adolescent daughter and are willing to care for grandchild while daughter completes school or works. Welfare dependency is not in the best interests of the child and eligibility should be denied based upon available and willing kinship care.

The following is a basic translation of CRC's practical and positive welfare reform proposal

CHILDREN'S WELFARE REFORM THROUGH KINSHIP CARE ACT OF 1995

Bill No. _____

Section One

Findings and Purposes

The Congress of the United States of America hereby resolves that:

Welfare programs are intended to provide temporary economic sustenance for individuals while they seek to enter the work force and eventually extricate themselves, and their dependents, from poverty.

Welfare programs have fallen short of this goal, as individuals receiving assistance are usually unable to find and retain jobs.

The inability to find and retain jobs often is caused by the duties of caring for dependent children.

The failure to escape poverty persists through the generations, as children of welfare families go onto welfare rolls as adults, resulting in a needless waste of human potential as well as economic and other costs to society.

A primary cause of intergenerational welfare dependency is the adverse impact of the welfare environment upon children.

To break intergenerational welfare dependency requires, where possible, the separation of children from the welfare environment and their placement into family situations that will be conducive to rejection of the welfare career.

Current welfare provisions lack measures that would assist in the elimination of intergenerational welfare dependency and, indeed, actually encourage such dependency by ignoring the availability of non-welfare alternatives for dependent children.

It is therefore in the public interest to amend the welfare laws to eliminate the encouragement of intergenerational welfare dependency and to promote the placement of children in non-welfare environments more conducive to an economically and socially productive adulthood.

continued

Section Two

Amendment to Public Law No. _____Section _____ of Public Law No. _____ is hereby amended to add a new subsection ___ as follows:

No person shall be eligible to receive benefits under this program by reason of the need of that person to support one or more dependents under the age of 18 unless the administrator [or agency or other appropriate official] has certified, after undertaking diligent efforts, that there are no relatives of such child who are fit and willing to provide for the needs of the child [or assume custody} without resorting to welfare dependency. Such certification shall be required prior to initial entry into the program and, thereafter, upon periodic annual reviews of eligibility.

An applicant's preference for welfare payments rather than family assistance shall not be a basis for granting welfare eligibility unless the administrator [or agency or other appropriate official] has certified, after making diligent investigation, that family assistance will be detrimental to the safety of the child.

TEENAGE PARENTS - WELFARE ELIGIBILITY

Under the law of every state, parents have an obligation of financial responsibility for their own minor children. If the minor children themselves become parents, these minor parents should continue to be the obligation of their own adult parents.

Current welfare eligibility rules subvert this basic rule of parental responsibility and create perverse incentives for teenage child-bearing. Simply by having a child, federal programs give the teenager an independent income source and relieve the teenager's parents of the obligations imposed by state law.

Under state law, a minor must live with or at the expense of his or her own parents. The birth of a child to that minor should not be a basis for the federal government to override state law. The federal government should not subsidize the establishment of independent households by minors and abrogate familial rights and responsibilities.

If the parents of the minor are already on public assistance, their payments should be governed by the rules applicable to other families experiencing the birth of an additional dependent. If the parents of the minor are a danger to the minor or grandchild, the case should be processed under the normal rules of guardianship used by the state. Again, there is no justification for a federal program which automatically establishes all minors as independent households upon the birth of a baby.

DIVORCED FAMILIES - DEPENDENT TAX EXEMPTION

Prior law provided that the dependent exemption for a child of divorced parents was available to the parent providing greater than 50% of the child's support. At that time, it was difficult to determine which parent provided greater than 50% of the support and the law was changed in 1984 to create a presumption that the exemption would be given to the custodial parent. The current law has created some new problems and has not kept pace with federally imposed changes in the establishment of child support orders.

Most divorce litigants do not have lawyers and, even with lawyers, most divorce decrees fail to address the allocation of the dependent tax exemption. Some courts have taken the position that they do not have the authority to allocate the exemption to the non-custodial parent, even in cases where the custodial parent is unemployed and it is clear that the non-custodian is providing 100% of the child's financial support. Allocating the dependent exemption to a household with no income does not help the child and, in fact, reduces the after-tax income available to support the child.

Recent federal legislation governing the establishment of child support orders has eliminated the uncertainty which motivated the 1984 law regarding allocation of the dependent exemption. In the past, child support orders were subjective, ad hoc determinations that did not identify each parent's share of the child's financial costs. Federal law now requires that each state have a presumptive, mathematical guideline for the establishment of child support. Under the "income shares" model used by most states, the state determines a child's costs and then allocates these costs in proportion to each parent's income. The child support computation formula thus establishes unambiguously which parent provides more than 50% of the child's financial support.

The law should be revised to provide that the dependent exemption shall be allocated to the parent who bears more than 50% of the child's financial support as established by the applicable child support order. To avoid ambiguity and dispute, the taxpayer claiming the exemption could be required to submit a copy of the court order as an attachment to the tax return. Most child support orders are now generated by computers using the state's child support formula and are set forth in a one page computer printout.

RESPONDING TO WELFARE FRAUD

In the District of Columbia and in most states, welfare fraud is a no-risk adventure.

If caught, the standard guilty plea merely requires restitution (sometimes only partial) which is paid out of future welfare benefits! Welfare is a disastrously anti-family program in which the government offers itself as a substitute for responsible two-parent family behavior. Welfare fraud multiplies the problem by making welfare more lucrative.

Welfare benefits are predicated on the assumption that the welfare recipient cannot earn outside income and that a government subsidy is required for basic needs. Initially, we accept the applicant's unilateral assertion of this inability to earn an income. In the case of the welfare cheat, however, behavior proves that an income can be earned and the receipt of welfare benefits is simply a theft of benefits that are not needed. Having proved that an income can be earned, the welfare cheat should be disqualified from receiving benefits in the future at least to the extent of the earnings potential that has been demonstrated.

Past enforcement efforts have been backward. The welfare cheat is permitted to quit the unreported job and go back to the dole. The reverse should be true. Having demonstrated earning capacity, the welfare cheat should be disqualified from again asserting an inability to earn income.

In the current economic crisis of budget deficits and soaring welfare rolls, it may finally be possible to impose serious sanctions upon welfare cheaters. The following legislative suggestions are offered:

1. The presence of unreported income means that the welfare cheater either does not need or has less need for welfare. Accordingly, the law should provide that welfare benefits will be reduced or eliminated on a forward-going basis to reflect the income that was being earned during the fraud and thus can be earned in the future.

Responding to Welfare Fraud (continued)

2. State laws providing for mandatory jail terms of not less than 30 days for all persons convicted of welfare fraud should be required as a condition for a state's receipt of federal funds.

3. State laws providing that conviction for welfare fraud is a sufficient basis to support a judicial finding that it is in the best interests of the child for custody to be placed with another relative should be required as a condition for a state's receipt of federal funds.

4. State laws providing that conviction for welfare fraud is a sufficient basis to support a judicial finding of neglect or abuse so that the child may be placed in foster care should be required as a condition for a state's receipt of federal funds.

FOR MORE INFORMATION CONTACT

Children's Rights Council
Michael Pitts - Executive Director
220 I Street N.E., Suite 200
Washington, D.C. 20002
Phone: 202/547-6227

LYING FOR DOLLARS

Given a choice between a minimum-wage job and a minimal welfare check, some people pick both. D.C. welfare-fraud prosecutor Montague Buck thinks that's a crime. Not always, retorts defense lawyer and frequent Buck adversary Richard Lebovitz.

BY Bill Gifford • *Photographs by Guion Wyler*

Cloastellie Tilghman shouldn't have been surprised that morning last December when a process server came looking for her at the Connecticut Avenue NW retirement home where she works as a nurse's aide. Inside the home's small chapel, the server handed Tilghman a summons to answer charges of welfare fraud.

After all, she and her 25-year-old daughter, Cherrie, had lied when they told the D.C. Department of Human Services (DHS) that Cherrie had no other sources of income besides her monthly Aid to Families With Dependent Children (AFDC) checks. Cherrie was in fact receiving Supplemental Security Income (SSI) payments, which are for disable people who are unable to work, as well as Medicaid.

By co-signing her daughter's monthly eligibility reports to DHS, in which Cherrie failed to report her SSI payments, Tilghman made a false statement to obtain public benefits, the textbook definition of welfare fraud. The Tilghman hadn't fooled anybody for very long. A computer operator for the Department of Humans Services spotted the overlap by matching the District's welfare rolls against a Social Security Administration (SAA) database. Then a DHS investigator pulled Cherrie Tilghman's casefile, an lo, the monthly forms didn't square with the computer match. Four false statements equaled four counts of welfare fraud.

So at 9 a.m. on Dec. 20, 1990, the Tilghmans took their seats in courtroom 114, on the first floor of the D.C. Superior Court building, where a motley assortment of drunk drivers, public urinators and welfare frauders are arraigned every day, along with those hapless souls who fail to obey a police officer. The welfare fraud defendants were mostly women; the traffic violators mostly men. And as usual, the women were better dressed and coifed than both the male defendants and the journeyman lawyers waiting patiently in the jury box to represent them.

Reprinted from

Washington City Paper • p.21 • Nov. 29, 1991

The Tilghmans had no lawyer, so the court appointed publi defender William Temple to represent Cherrie Tilghman and Sa Fochee to represent her mother. (Welfare defendant almo always rely on court-appointed lawyers, who are paid $35.00 a hour.) After a routine initial plea of not guilty, mother an daughter were taken upstairs to be booked, fingerprinted, an photographed in the courthouse's police processing center, second-floor menagerie of accused burglars, flashers, and felons.

In January, the Tilghmans dutifully showed up at the courthous for a status hearing, a legal ritual in which one side or the othe explains why the case should be postponed. The case was pushe back to late February, then to March, April, and June. In all, th Tilghman's case required five separate status hearings betwee December and June. Each court date required Cloastelli Tilghman to take time off from tending the old folks at Chev Chase House, the job she's held for 13 years.

"It didn't make any sense to me, to take a day off the job and g down to the court for maybe 15-20 minutes," the elder Tilghma says, sitting in the living room of her tidy Capitol Hill townhouse "That's a whole day's pay- all for me signing a *piece of paper*."

The reason for all the procrastination was that attorney Templ was trying to cut a deal with Assistant Corporation Counse Montague A. Buck, the city's top welfare-fraud prosecutor. an Buck, in the words of one defense attorney, is " a very difficu person."

The D.C. code lists "fraud in obtaining public assistance" as misdemeanor, with up to a year in jail plus a $500 fine per coun In nine cases out of 10, the prima facie evidence-such as the fou monthly eligibility forms signed Tilghmans-spells G-U-I-L-T-Y "Most of the time, Buck's got you," another defense lawye shrugs.

But the city isn't interested in putting welfare mothers i jail. "Very difficult person" Montague Buck just wants to get th city's money back, by cutting deals with welfare defendants lawyers. The statutory penalties give Buck some leverage, but h doesn't usually press for jail time. Most defendants simpl agree to pay monthly restitution for 60 months, the maximun probationary period allowed under D.C. law. If a defendan is still on welfare, the government scoops 10 percent off eac month's welfare check in a process known as "recoupment."

The incentives to cheat are greater than not to cheat. I you're caught, the likeliest penalty is 100 percent restitution but no jail time. Welfare cheats are lawbreakers, but they'r not lazy. Contrary to the Ronald Reagan-David Duke axiom nine out of 10 welfare-fraud defendants in D.C. work. It's jus that neither a $5-an-hour job nor a $500 monthly welfare check i enough to make ends meet. And the economic pressures on welfare mothers outweigh the significance of a few scratch mark on the D.C. government forms. If Lorraine Jones had reported he $800-a-month wages when she started work at the Quality Hotel she would have lost benefits immediately. By working, she didn' come out very far ahead of the $499 per month AFDC paymen plus the $214 in food stamps the government allotted her fo her family of four. (Jones remains employed today.)

Meanwhile, the welfare caseload inexorably rises, up more than 15 percent from last year to 22,140 families on Oct. 1, 1991. And more and bigger fraud cases come rolling in. "Lately, they've been running big," Buck comments. ■

BRIEFING DOCUMENT

STATE OF ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

BRIEFING ON PUBLIC ASSISTANCE PROGRAMS

FOR

SENATE HESS COMMITTEE

March 8, 1995

Karen Perdue
Commissioner

Jim Nordlund, Director
Division of Public Assistance

TABLE OF CONTENTS

	PAGE
DPA General Information	
Program Chart	1
Budget Graphs	2
Persons Served	3
AFDC (Aid for Families with Dependent Children)	
Overview	4
Eligibility Criteria	5
Need and Payment Standards	6
Monthly Caseload and Benefit Levels	7
Caseload and Expenditure Graph	8
Caseload and Expenditure Figures	9
Duration of Participation	10
Caseload by Area, Race, and Category	11
Length of Residency and Reason for Moving to Alaska	12
Caseload by Age	13
APA (Adult Public Assistance)	
Overview	14
Eligibility Criteria	15
Need and Payment Standards	16
Caseload and Expenditure Graph	17
Caseload and Expenditure Figures	18
Caseload by Area, Race, and Category	19
Food Stamp Program	
Overview	20
Eligibility Criteria	21-22
Need and Payment Standards	23
Caseload and Expenditure Figures	24
Caseload by Area, Race, and Category	25
JOBS (Job Opportunities and Basic Skills)	
Overview	26
Caseload and Activities	27
Savings Figures	28
Energy Assistance Program Overview	29
General Relief Assistance	30
Fraud Unit	31-34

DIVISION OF PUBLIC ASSISTANCE

BASIC INCOME MAINTENANCE

*Cash Assistance

* Aid to Families with Dependent Children (AFDC)
  - AFDC - Basic
  - AFDC - Unemployed Parent (UP)

* Adult Public Assistance (APA)
  - Old Age Assistance
  - Aid to the Disabled
  - Aid to the Blind
  - Interim Assistance for SSI Applicants

ASSISTANCE FOR SPECIFIC NEEDS

* Medical
  - Medicaid
  - General Relief Medical
  - Nursing Home Medicaid

* Home Energy
  - Energy Assistance
  - General Relief

* Food
  - Food Stamps
  - General Relief

* Emergency Shelter
  - General Relief

* Burial
  - General Relief

INTERAGENCY SERVICE COORDINATION

*Department of Revenue
  - Child Support Enforcement

* Division of Public Health
  - EPSDT (Health Screenings and followup for children on Medicaid)

* Department of Labor
  - Vocational Counseling
  - Employment Service

* Department of Education
  - Adult Basic Education
  - Teen Parent Projects

* Department of Community and Regional Affairs
  - Child Care
  - JOB Training

* Private Industry Councils
  - JTPA Job Training

* Division of Medical Assistance
  - Medicaid
  - GRH

* Native JOBS Grantees

SELF-SUFFICIENCY SERVICES

* JOBS
  - Employability Assessment
  - Job Readiness Preparation
  - Basic Education and Job Training
  - Case Management
  - Supportive Services
  - JOBS Child Care and Training
  - Job Search
  - Job Placement

*Food Stamp Employment
  - Job Search
  - Basic Education
  - Job Training
  - Transportation Assistance
  - Job Placement

* Transitional Child Care

* Transitional Medicaid

ALASKA WORK PROGRAMS

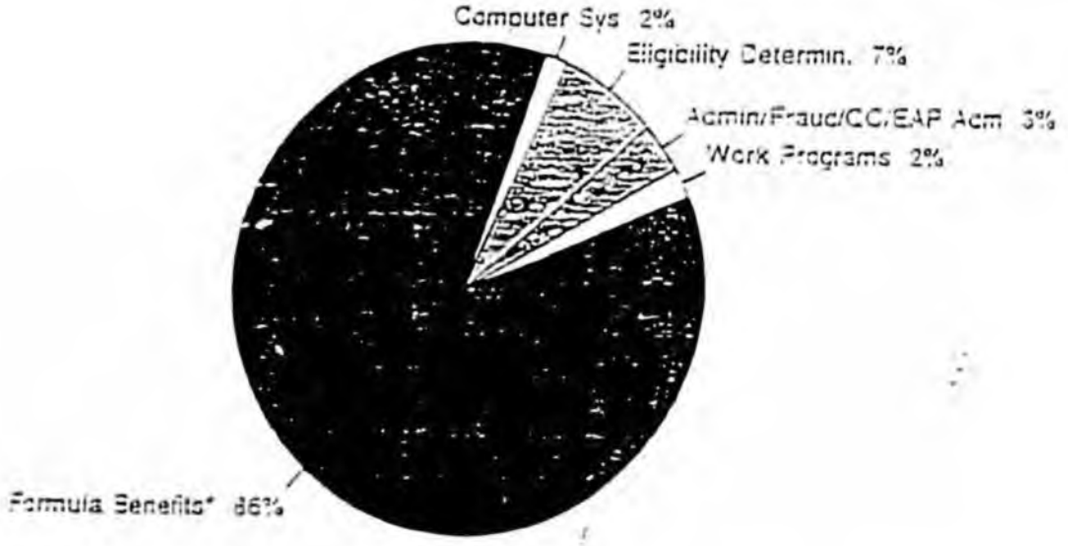
FRAUD INVESTIGATION
QUALITY CONTROL

ELIGIBILITY DETERMINATION
ELIGIBILITY INFORMATION SYSTEMS (EIS)

FY 96 DPA Budget

Program Benefits and Administration

Total: $291,504.7

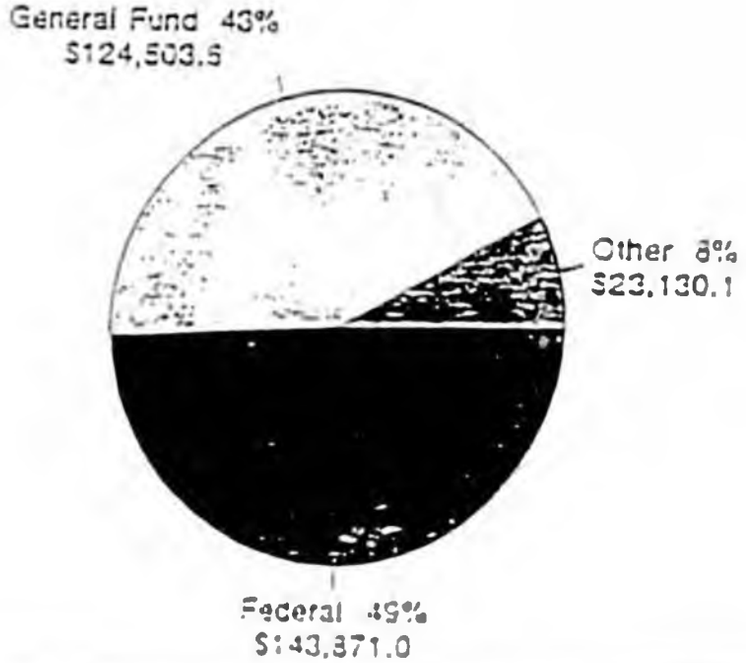


** Includes Cash Assistance, Food Stamps, Energy Assistance and Child Care Assistance*

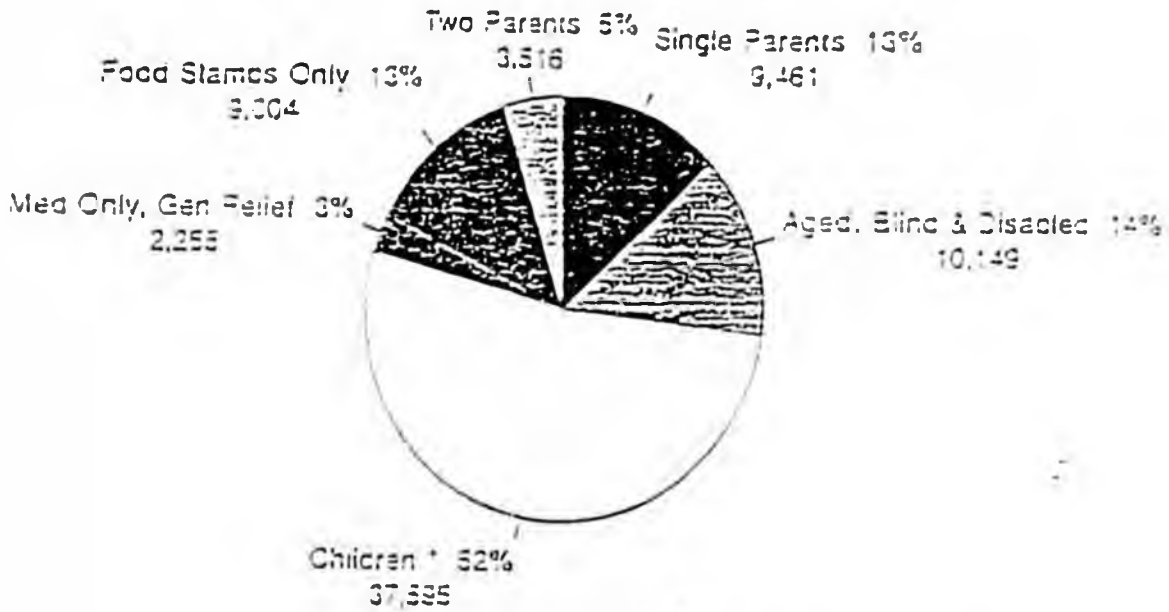
FY 96 DPA Funding Source

Federal, General Fund, & Other

Total: $291,504.7



Public Assistance Unduplicated Person Count
October 1994



Unduplicated Count: 71,980

* *All children receiving AFDC, Food Stamps, and or Medical Assistance*

The cash, food, and medical programs the Division administers predominantly help children, the aged or disabled, and individuals with specific medical needs.

	PA Recipients October 1994	Percent Recipients	Cumulative Percent	Percent Population
Children	37,595	52.2%	52.2%	6.2%
Aged	4,069	5.6%	57.8%	.7%
Disabled or Blind	6,080	8.4%	66.2%	1.0%
Medicaid Only Adults	2,027	2.8%	69.1%	.3%
Food Stamp Only Adults	9,004	12.5%	81.7%	1.5%
General Relief	228	.3%	82.0%	-
AFDC Single Parents	9,461	13.1%	95.1%	1.6%
AFDC Unemployed Parents	3,516	4.9%	100%	.6%
TOTAL PERSONS	71,980	100%		11.9%

July 1, 1994 State population estimated at 603,000.

AID TO FAMILIES WITH DEPENDENT CHILDREN

The AFDC-Basic program helps needy children who have low family income and resources and are deprived of one or both parents due to absence, death, or disability. AFDC-Unemployment Parent (UP) provides cash assistance to families with both parents in the home. AFDC-UP was federally mandated for all states on October 1, 1990.

Participation makes members of households automatically eligible for Medicaid and energy assistance. Each month in 1994, about 13,000 families received cash assistance under the AFDC program. Family members included 14,500 adults and 25,000 children, a total of about 39,500 individuals.

In FY94 roughly 50% of all AFDC families served had only one child. Twenty-eight percent of the AFDC families have two children. Only 9% of the AFDC families had more than three children.

Most of those who receive AFDC do so for relative short periods of time. Of the 42,949 total number of AFDC families served between FY84 and FY94, 62% had received benefits for less than two years. However, some AFDC recipients will be on AFDC for a long period and receive a large share of the AFDC benefits. Of the total AFDC families served between FY84 and FY94, 26% were on for more than three years and received roughly 63% of the total AFDC benefits issued over the ten year period.

AFDC single parent participation level is roughly equivalent to State population changes. In FY81, 4.1 percent of the Alaska population was on AFDC single parent compared to 4.3 percent of the population in FY94. All AFDC, both single and two parent families now comprise roughly 6% of the Alaskan population. National ranking of AFDC participation compared to total population, Alaska is 14th. However, Alaska has a comparatively high ratio of children in its population. The percent of children (age under 18 years) in Alaska is 31.5% which ranks 2nd nationally.

Over the last four years, the number of AFDC families receiving assistance each month in Alaska reached record levels. AFDC grew by 72 percent, from 7,549 AFDC families in FY90 to 12, 941 in FY94. Approximately 50% of this increase is attributed to the federal mandate to serve two parent families effective October 1, 1990.

In the past year the rate of growth in AFDC has slowed significantly. The total FY94 thru FY96 AFDC cumulative caseload increase and incremental cost may be less than the single year increases in FY91, FY92, or FY93. The FY96 AFDC formula request has been reduced by 3% or $4.1 million for the projected formula savings that can be achieved if the budget changes that increase eligibility caseload control, payment accuracy, self-sufficiency initiatives, the JOBS program, and fraud control are approved.

State of Alaska
Department of Health & Social Services
Division of Public Assistance

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

Basic Eligibility Criteria

Application and Review

Anyone may apply for AFDC. The Division of Public Assistance uses the family's application to determine initial eligibility for AFDC and uses recipients' monthly reports to determine continued AFDC eligibility and payment.

Non-Financial Criteria

Citizenship: U. S. Citizen or legal resident alien.

Residency: Living in Alaska with intent to remain.

Age: The caretaker relative receiving payment may be of any age.

Dependent children must be under age 18, or age 18 and in high school and expected to graduate by age 19.

Social Security Number: Must have or apply for a Social Security Number.

Work Requirements: Unless exempt, if selected must participate in the Job Opportunities and Basic Skills (JOBS) work and training program.

Child Support Cooperation: The caretaker relative must sign over child support to the state and cooperate with the Child Support Enforcement Division (CSED) in identifying and locating absent parents, establishing paternity for a child born out of wedlock, and collecting support, unless they have good cause for not cooperating.

Categorical Requirements

One or both parents of a dependent child must be absent from the child's home, or one parent must be incapacitated or unemployed.

The child(ren) must be living in the home of a parent or any specified relative with resources and income below the resource and income standards.

Pregnant women with no other AFDC child can receive payment for the last 30 days of pregnancy.

Resources (liquid and non-liquid assets)

Resources include cash, stocks, bonds, vehicles, boats, real estate, or any other property that can be converted to cash.

Exempt Resources: Home the family lives in, personal belongings, religious articles, $1,500 of the equity value of one motor vehicle do not count. Identifiable Alaska Native corporation dividend savings up to $2,000 per individual per calendar year are also excluded.

Resource Limit: $1,000 for each AFDC family unit, regardless of family size.

Income Disregards: Earned income disregards are $90 of gross, twelve months of an additional $30, plus an additional 1/3 of the remainder for the first four months, and actual child care costs up to $200 per month per child. Portions of student grants, some fice loans, the first $2,000 per person per calendar year of Alaska Native corporation dividend payments, and up to $50 per month "pass-through" child support is disregarded.

Eligibility and payments: To determine if a family is eligible for AFDC the family's total monthly income is compared to the need standard for the family size. AFDC payments are calculated by subtracting net income from the need standard then paying 84.70 percent of need.
(See attached AFDC Need and Maximum Payment Standards (Rev 2/1/94).

State of Alaska
Department of Health and Social Services
Division of Public Assistance

AFDC NEED AND MAXIMUM PAYMENT STANDARDS

SSI COLA	4.2% 1/1/90		4.0% 1/1/91		4.7% 1/1/92		6.4% 1/1/93		3.7% 1/1/94		3.0% 1/1/95		Change in Law * 10/1/95		2.6% 1/1/96		2.6% 1/1/97	
FAMILY SIZE	Max Pymt		Max Pymt		Max Pymt		Max Pymt		Max Pymt		Max Pymt		Need Std	Max Pymt	Need Std	Max Pymt	Need Std.	Max Pymt
ADULT INCLUDED (AI)																		
2	692		719		762		792		821		845		845	821	867	821	891	821
3	779		809		846		891		923		960		960	923	976	923	1002	923
4	866		899		940		990		1026		1056		1066	1026	1083	1026	1113	1026
5	963		989		1034		1089		1127		1160		1160	1127	1191	1127	1224	1127
6	1040		1079		1128		1188		1229		1266		1265	1229	1299	1229	1335	1229
7	1127		1169		1222		1287		1331		1370		1370	1331	1407	1331	1446	1331
Ea. Additional	87		90		94		99		102		105		105	102	108	102	111	102
AFDC-INCAP/AFDC-UP (AFDC-UP effective 10/1/90)																		
2	699		621		648		682		705		726		845	821	867	821	891	821
3	854		887		927		976		1011		1040		960	923	975	923	1002	923
4	941		977		1021		1076		1113		1149		1056	1026	1083	1026	1113	1026
5	1028		1067		1115		1174		1216		1250		1160	1127	1191	1127	1224	1127
6	1116		1157		1209		1273		1317		1366		1265	1229	1299	1229	1335	1229
7	1202		1247		1303		1372		1419		1460		1370	1331	1407	1331	1446	1331
Ea. Additional	87		90		94		99		102		105		105	102	108	102	111	102
ADULT NOT INCLUDED (ANI)																		
1	276		286		299		316		326		336		466	452	478	452	491	452
2	660		672		698		630		664		672		671	654	686	654	692	654
3	637		662		692		729		766		777		676	666	694	666	713	666
4	724		762		786		828		857		882		781	758	802	758	824	758
5	811		842		880		927		969		997		886	860	914	860	935	860
6	898		932		974		1026		1061		1092		991	962	1018	962	1046	962
7	985		1022		1068		1126		1163		1197		1096	1064	1126	1064	1157	1064
Ea. Additional	87		90		94		99		102		106		106	102	108	102	111	102
SINGLE ADULT/PREGNANT WOMAN																		
1	437		453		473		498		516		530		630	614	644	614	660	614

* *Change in Law (Ch 29 SLA 1993)*

Revised 11/94

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

January 1995 Applications and Discontinuances

Total Number of AFDC Applications Received	1,618
Total Number of Applications Approved	313
Total Number of AFDC Case Closures	525

January 1995 Caseload

Monthly Number of	
AFDC-Basic Cases	10,480
AFDC-UP Cases	2,002
AFDC Total Cases	12,482
Recipients	37,154
Children	23,671
Adults	13,483

January Assistance Payments

Total Assistance Payments (January 1995)	$10,211,400
Average Monthly Assistance Payment	
Per Case	$818.00
Per Recipient	$275.00

Need Standard and Maximum Payment Amounts

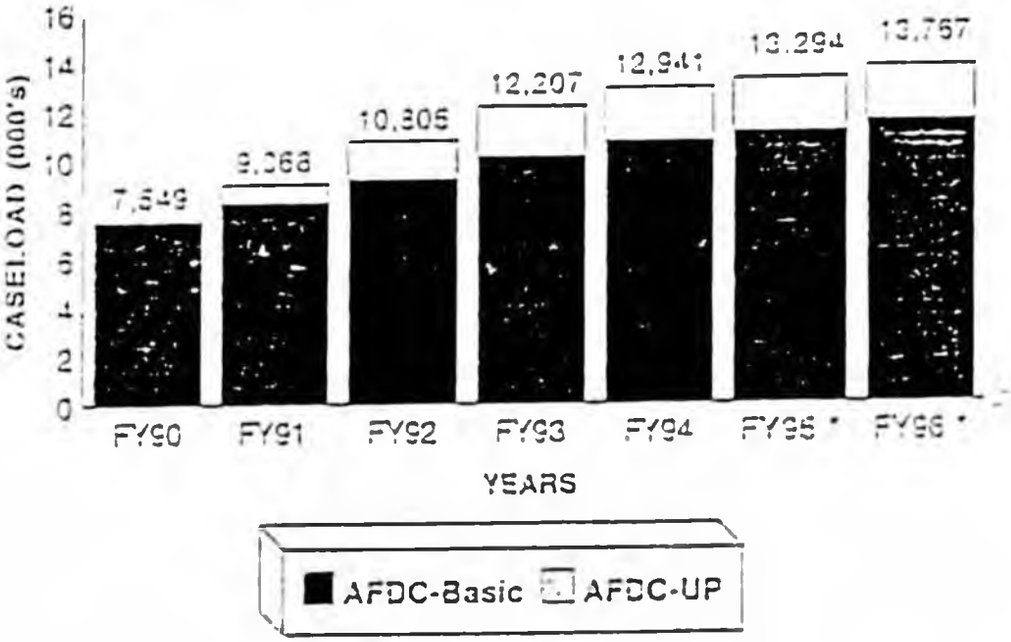
The 1993 legislature passed changes to our public assistance programs that reduced the basic grants for Aid to Families with Dependent Children and Adult Public Assistance and eliminated statutory language which provided for an automatic annual cost-of-living adjustment for these programs. The three-year (FYS4-96) budget savings associated with these changes is roughly $43 million.

	Jan-Sept 1993	HB 67 Change	October 1993	October 1994	October 1995
Maximum Payment Amount					
AFDC-Basic 3 person	950	(27)	923	923	923
AFDC-UP 3 person	1040	(117)	923	923	923
Need Standard					
AFDC-Basic 3 person	950		950	975	1002
AFDC-UP 3 person	1040	(90)	950	975	1002
Percent of Poverty Guideline					
AFDC-Basic 3 person	77%	(5%)	72%	72%	70%
AFDC-UP 3 person	84%	(12%)	72%	72%	70%

AFDC Program Average Caseload

by Fiscal Year

Fiscal Years 1990 to 1996

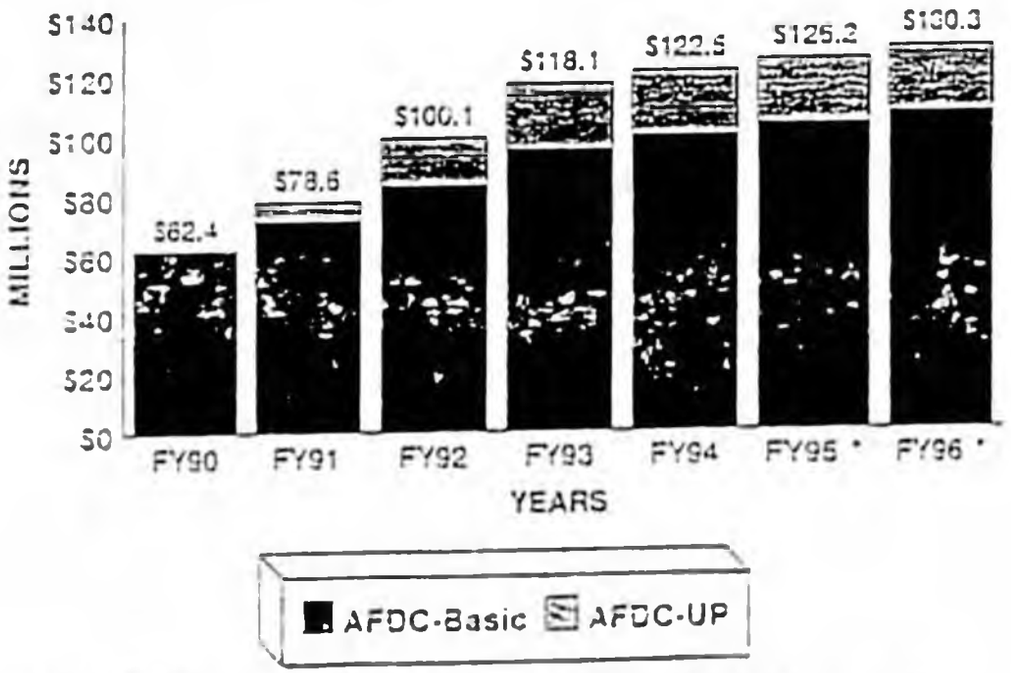


*FY 95 and FY 96 are projected.

Total AFDC Program Expenditures

by Fiscal Year

Fiscal Years 1990 to 1996



AFDC Basic helps needy children with low family income deprived of one or both parents
AFDC-Unemployed Parent helps families with low incomes that have both parents in the home

*FY 95 and FY 96 are projected.

DIVISION OF PUBLIC ASSISTANCE
AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

A.

AFDC PROGRAM	FY91 ACTUAL	FY92 ACTUAL	FY93 ACTUAL	FY94 ACTUAL	FY95 FORMULA	FY96 FORMULA
AFDC – Basic caseload	8,299	9,231	10,144	10,743	11,117	11,554
AFDC – UP caseload	769	1,574	2,063	2,198	2,177	2,213
TOTAL AFDC caseload	9,068	10,805	12,207	12,941	13,294	13,767
Caseload rate change vs. respective prior year	20.1%	19.2%	13.0%	6.0 %	2.7 %	3.6 %
Expenditure increase vs. respective prior year	$16,229.9	$21,435.0	$17,365.8	$4,529.8	$3,037.2	$4,817.3
TOTAL EXPENDITURE	$78,674.8	$100,109.8	$117,975.4	$122,505.2	$125,500.4	$130,259.7

B.

FY94 AFDC ACTUAL		
FY94 AFDC FULL FORMULA before HB67 changes	$128,598.7	
Legislative changes in HB 67 :		
1. Suspend AFDC COLA effective January 1, 1994	(1,630.5)	
2. Implement ratable reduction of AFDC payment to 1992 level.	(2,741.7)	
3. Use the AFDC Basic Need Standard for AFDC – Unemployed Parent	(1,721.3)	
TOTAL FY94 SAVINGS FROM HB67	($6,093.5)	
FY94 AFDC Actual Expenditure	$122,505.2	

C.

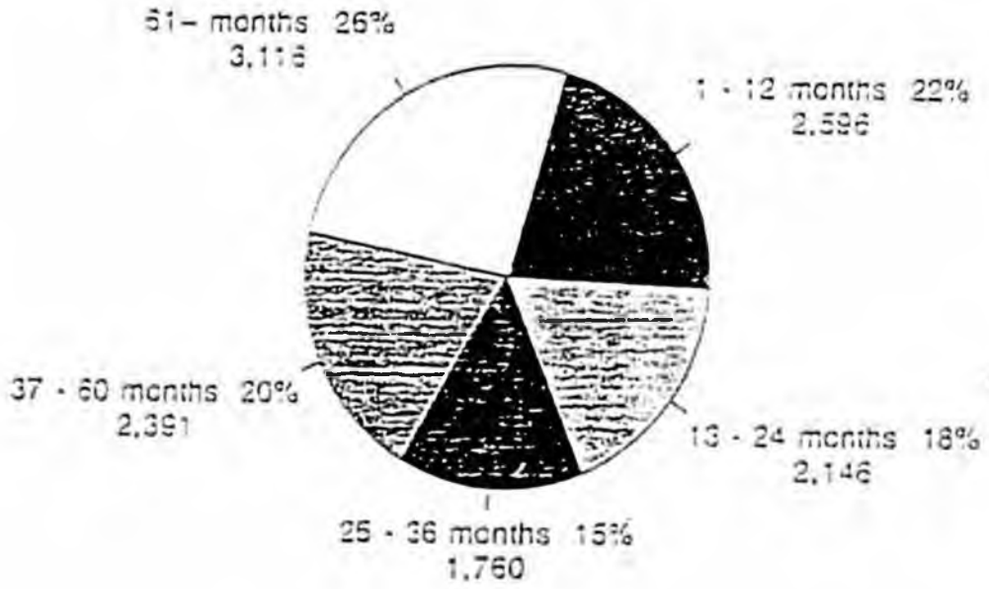
FY95 AFDC FORMULA		
FY95 AFDC FULL FORMULA before HB67 changes		$136,633.5
Legislative changes in HB 67 :		
1. Suspend AFDC COLA		
1994 COLA savings with 12 month impact in FY95		(3,350.1)
1995 COLA savings effective January 1, 1995		(1,754.3)
2. FY94 ratable reduction of AFDC payment to the 1992 maximum levels.		(3,755.3)
3. Use the AFDC Basic Need Standard for AFDC – Unemployed Parent		(2,273.0)
TOTAL FY95 SAVINGS FROM HB67 (implemented on October 1, 1993)		($11,133.2)
FY95 AFDC FORMULA Projection		$125,500.4

D.

FY96 AFDC FORMULA		
FY96 AFDC FULL FORMULA before HB67 changes and caseload control actions		$143,750.7
Legislative changes in HB 67 :		
1. Suspend AFDC COLA		
1994 COLA savings with 12 month impact in FY96		(3,463.3)
1995 COLA savings with 12 month impact in FY96		(3,324.5)
1996 COLA savings effective January 1, 1996		(2,065.1)
2. FY94 ratable reduction of AFDC payment to the 1992 maximum levels.		(3,389.3)
3. Use the AFDC Basic Need Standard for AFDC – Unemployed Parent		(2,310.5)
TOTAL FY96 SAVINGS FROM HB67 (implemented on October 1, 1993)		($15,368.4)
FY96 SAVINGS for eligibility caseload control, improved payment accuracy, enhanced self – sufficiency actions and increases in the fraud control effort.		($4,122.5)
FY96 AFDC FORMULA REQUEST		$130,259.7

Months of AFDC Participation

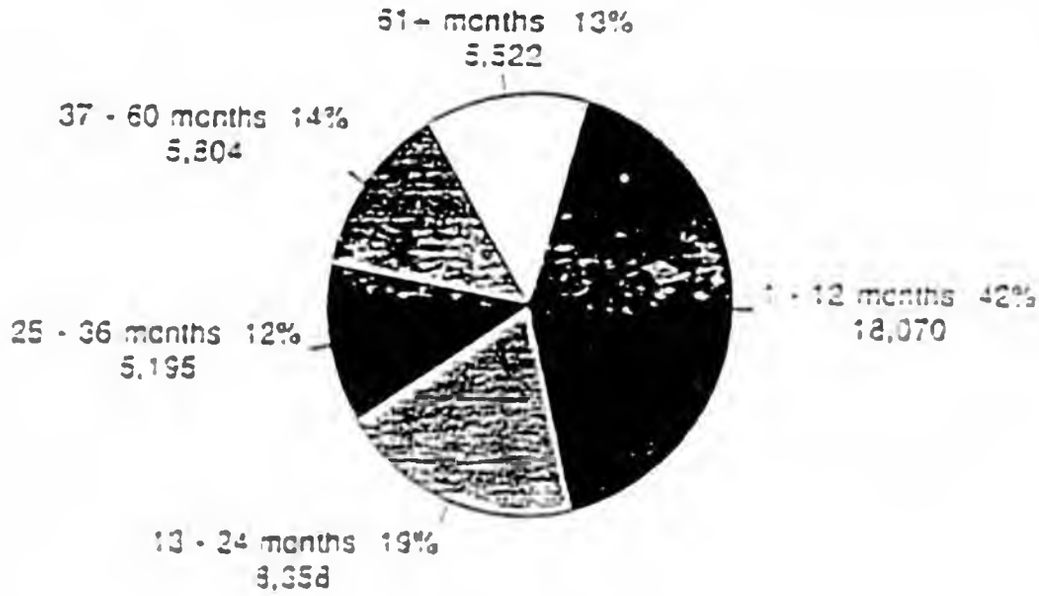
Current Open Cases
as of January 1, 1995



Note: In Alaska, 46% of the current and open AFDC cases have been on welfare for more than 3 years.

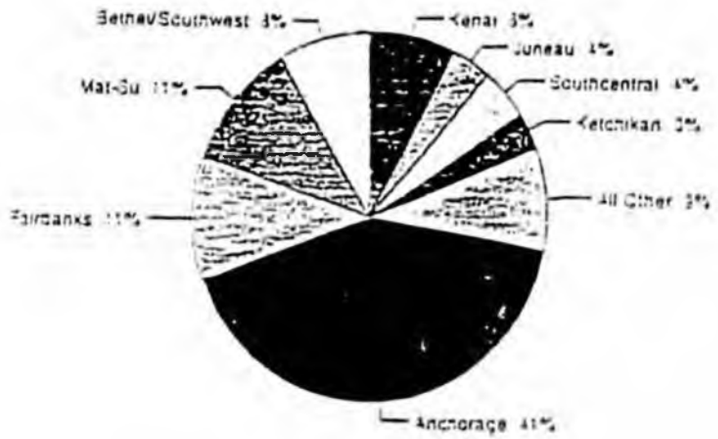
Months of AFDC Participation

Open or Closed Cases
as of January 1, 1995



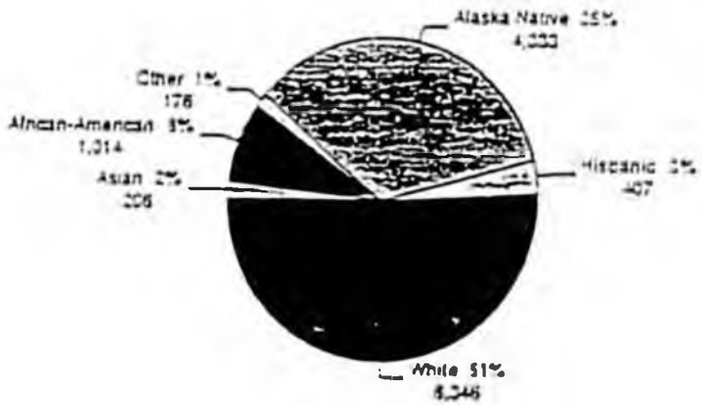
AFDC Cases by District Area
January 1995

12,482 Cases Statewide



AFDC Cases by Race
January 1995

12,482 Cases Statewide

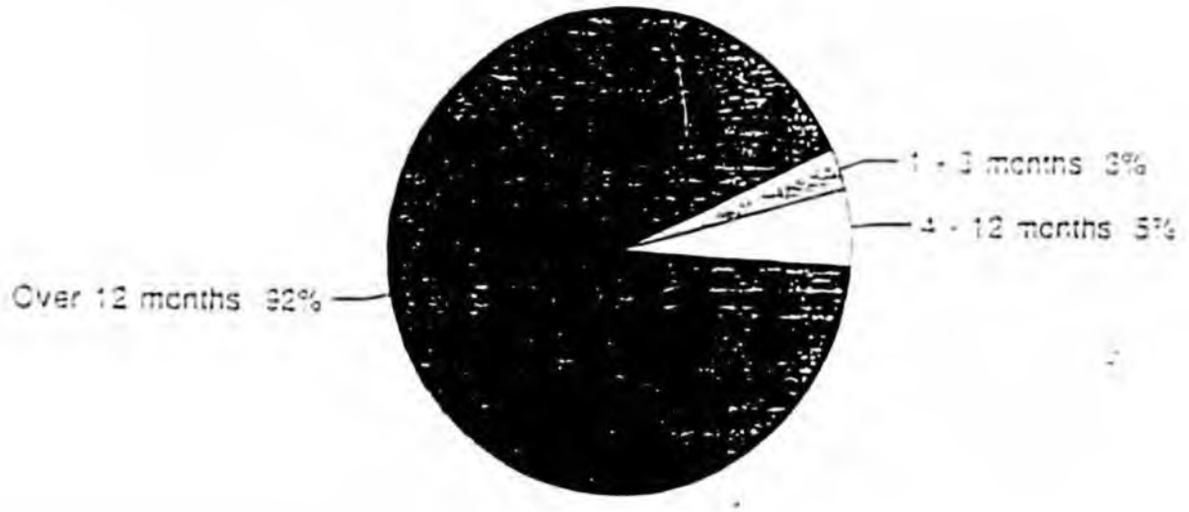


AFDC Cases by Category
January 1995

12,482 Cases Statewide

How Long in Alaska?

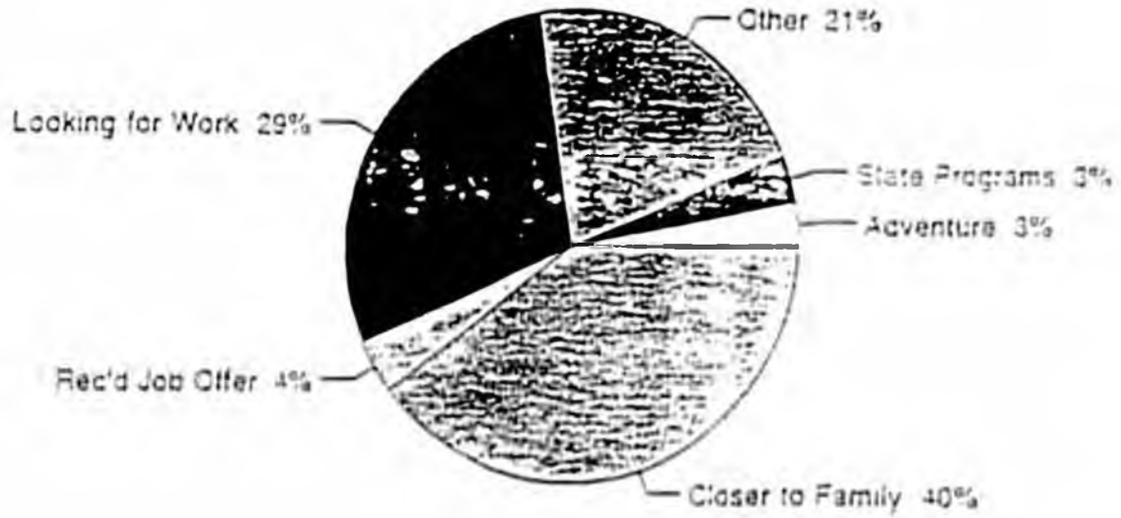
Summary of Open AFDC Cases
November 1994



Note: Of the 12,000 families receiving AFDC in Nov 1994, 8% moved to Alaska within the past year.

Primary Reason for Moving to Alaska
AFDC Applicant Survey
November 1992-November 1993

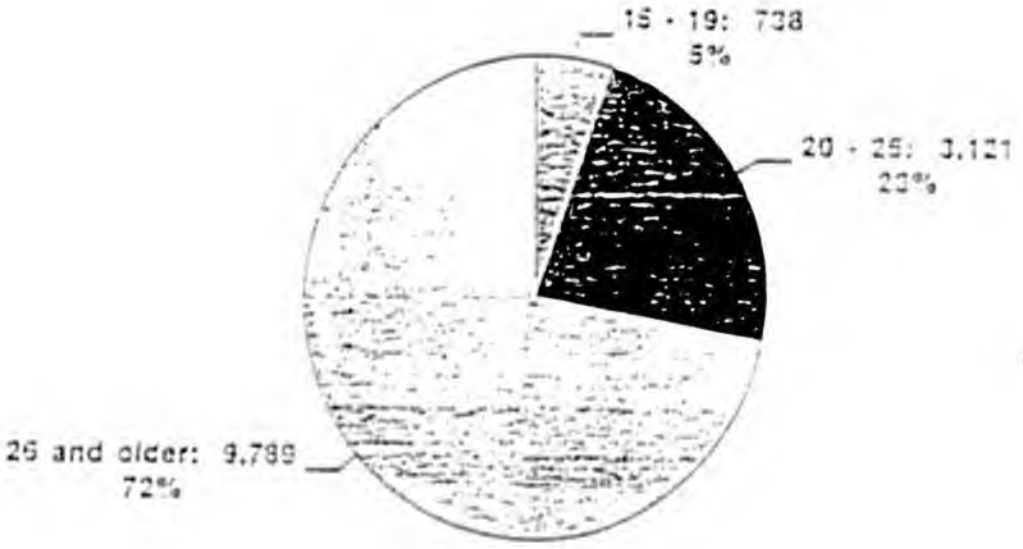
Anchorage Region



AFDC Parents by Age Group

October 1994

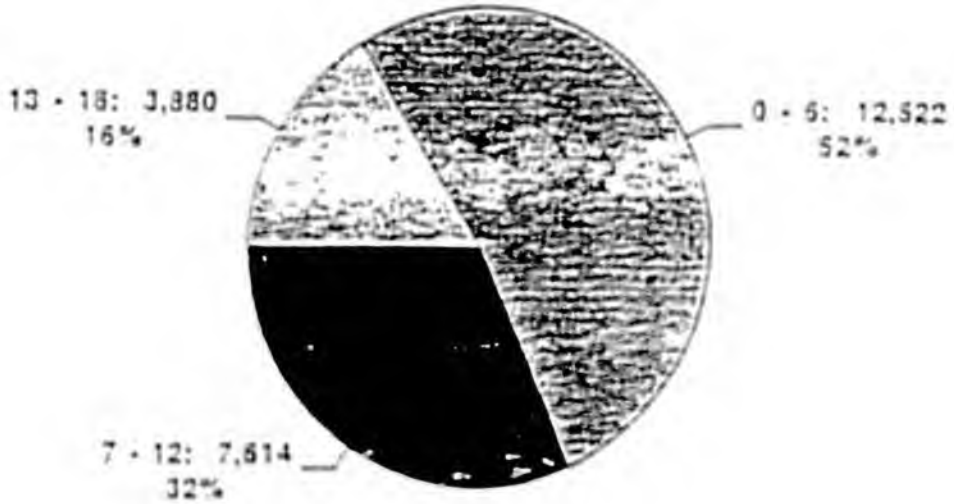
13,648 Parents Statewide



AFDC Children by Age Group

October 1994

24,116 Children Statewide



FY96 ADULT PUBLIC ASSISTANCE (APA)

OLD AGE ASSISTANCE, AID TO THE BLIND, AND AID TO THE DISABLED

Provides cash assistance to citizens over age 65, blind, or permanently disabled.

The State cash supplements are closely linked to Federal Supplemental Security Income (SSI) program, which currently pays a maximum of $458 monthly.

Participation makes client automatically eligible for Medicaid and Energy Assistance.

A single APA client living independently currently receives $820 per month, or 107% of the federal poverty level in Alaska. ($458 SSI and $362 State Supplemental payment)

Alaska provides interim assistance, in the amount of $250 only to clients who are awaiting a determination of disability

In FY96 we expect to serve 11,176 APA clients each month.

	Caseload Monthly	Percent of TOTAL	FY96 Budget
Aid to the Disabled	6693	57.6%	$26,029.1
Old Age Assistance	4484	41.6%	16,694.5
Aid to the Blind	99	9%	392.0
APA Caseload	11,176	100%	$43,115.6

Caseload Growth

Old Age Assistance (OAA) growth rate since 1985 has been fairly moderate. The ten year average annual increase is below 5.3%. The rate of OAA increase has remained less than the population growth for seniors. In FY80, 19.3% of the State's 65 and older population received OAA compared to 14.2% in FY94.

Aid to the Disabled caseload growth has been comparatively high by increasing at an average annual rate of 10% in the last ten years. Disabled clients receiving SSI and APA have difficulty removing themselves from the welfare rolls because of their mental or physical disability.

State of Alaska
Department of Health & Social Services
Division of Public Assistance

ADULT PUBLIC ASSISTANCE (APA)

Basic Eligibility Criteria

Application and Review

Anyone may apply for APA which includes Aid to the Blind, Aid to the Disabled, and Old Age Assistance. The Division of Public Assistance uses the person's application to determine initial eligibility for APA. APA recipients' eligibility is reviewed annually.

APA benefits supplement the benefits provided by the federal Supplemental Security Income (SSI), Social Security Retirement and Disability, and other programs, up to a maximum payment amount. See the attached APA Need and Maximum Payment Standards (Rev 12/1/93). State SSI supplement programs are defined under Title XVI of the Social Security Act.

Non-Financial Criteria

Citizenship: U. S. Citizen or legal resident alien.

Residency: Living in Alaska with intent to remain.

Age: Aid to the Blind and Aid to the Disabled: Age 18 or older.
Old Age Assistance: Age 65 or older.

Social Security Number: Not required for Adult Public Assistance. However, the benefit packet includes Medicaid assistance, which requires a Social Security Number.

Categorical Requirements

Aid to the Blind: A person who is legally blind.
Aid to the Disabled: A person who is unable to earn $500 per month because of a medically determined physical or mental impairment which lasted or is expected to last for at least 12 months, or is expected to end in death.
These requirements are the same as the federal Supplemental Security Income (SSI) program.

Old Age Assistance: A person who is at least 65 years old. (Disability is not a factor.)

Financial Requirements

Applicants must apply to any other benefit program available to them, such as Supplemental Security Income, Social Security, Veterans Administration, private pensions, annuities and disability benefits.

Resources (liquid and non-liquid assets)

Resources include cash, stocks, bonds, money in financial accounts, vehicles, boats, real estate, or any other property that can be converted to cash.

Exempt Resources: The value of a home, one vehicle, household goods and personal effects, $2,000 per person per calendar year of Alaska Native corporation dividend savings, specified assets set aside for burial, and up to $1,500 cash surrender value of life insurance per individual do not count.

Resource Limit: Resource limit is $2,000 for an individual, $3,000 for a couple.

Income

SSI, Social Security and other income counts in the eligibility determination and payment calculation.

Exclusions: Alaska Longevity Bonus payments and the first $2,000 per person per calendar year of Alaska Native corporation dividend payments do not count as income. The value of any in-kind support and maintenance is also disregarded.

Eligibility and payment: Deductions from earned income of the blind or disabled include certain work related expenses, and a standard monthly disregard of $65 plus 1/2 of the remainder. The first $20 per month of all income except SSI or VA pension is also disregarded. APA eligibility is determined by comparing an individual's or couple's total monthly countable income with the appropriate APA need standards. APA payment = payment standard - income.
(See attached APA Need and Maximum Payment Standards Rev 2/1/94).

APA NEED AND MAXIMUM PAYMENT STANDARDS

SSI COLA	1.13% 1/1/87	4.2% 1/1/88	4.0% 1/1/89	4.7% 1/1/90	6.4% 1/1/91	3.7% 1/1/92	3.0% 1/1/93	Change in Law * 10/1/93		2.6% 1/1/94		2.0% 1/1/95	
HOUSEHOLD TYPE	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Need Std	Max Pymt	Need Std	Max Pymt	Need Std	Max Pymt
A Individual	632	659	685	717	766	784	808	807	798	828	808	861	820
B Individual	623	646	667	694	626	649	668	667	667	684	666	701	673
A Couple, 1 Elig	769	791	823	862	909	943	971	970	966	996	967	1023	979
B Couple, 1 Elig	600	626	650	681	718	746	767	766	763	786	761	808	769
A Couple, Both Elig	937	976	1016	1063	1120	1161	1196	1196	1180	1226	1197	1260	1215
B Couple, Both Elig	778	811	843	883	931	966	994	993	978	1019	989	1048	1001
HH Personal Needs	70	70	76	76	76	76	76	74	76	74	75	74	76
HH 300%	1020	1062	1104	1168	1221	1266	1302	1302	–	1330	–	1374	

* *Change in Law (Ch 29 SLA 1993)*

SSI ELIGIBILITY/PAYMENT STANDARDS

HOUSEHOLD TYPE	1.13% 1/1/87	4.2% 1/1/88	4.0% 1/1/89	4.7% 1/1/90	6.4% 1/1/91	3.7% 1/1/92	3.0% 1/1/93	No Change 10/1/93	2.6% 1/1/94	2.0% 1/1/95
A Individual	340	354	368	386	407	422	434	434	446	450
B Individual	226.67	236	245.34	257.34	271.34	281.34	289.34	289.34	297.34	305.34
A Couple, Both Elig	510	532	553	579	610	633	652	652	669	687
B Couple, Both Elig	340	354.67	368.67	386	406.67	422	434.67	434.67	446	458
HH Personal Needs	26	26	30	30	30	30	30	30	30	30

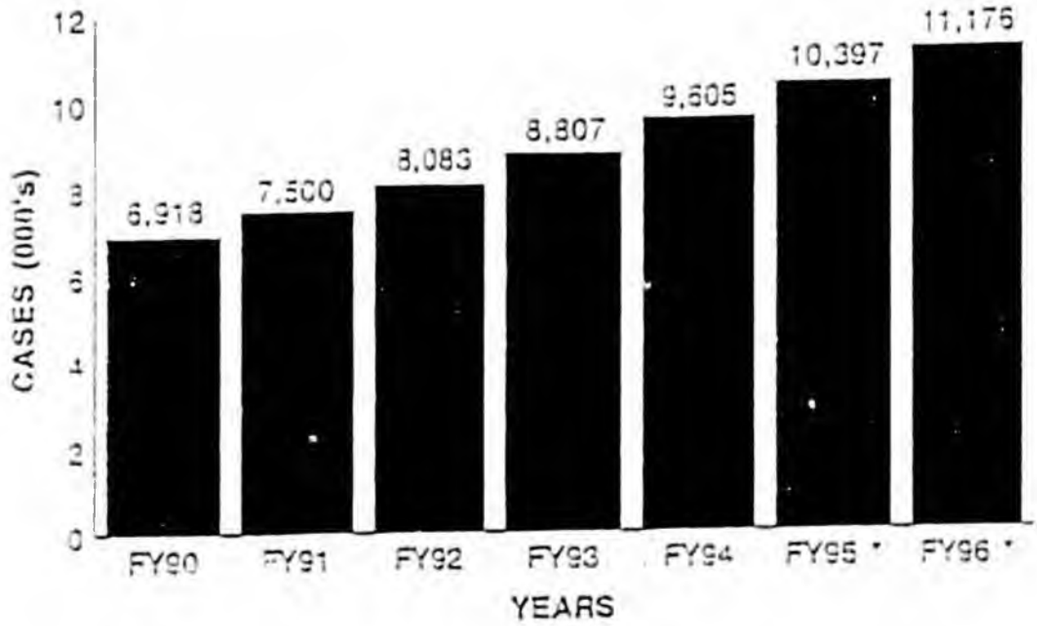
FEDERAL POVERTY LEVELS

	FAMILY SIZE	100% (OMB) SIX-10	133% PREGNANT WOMAN HEALTHY CHILDREN	185% TRANSITIONAL MEDICAID	200% OBVI
ALASKA MONTHLY STANDARDS	1	767	1020	1419	1534
	2	1026	1364	1897	2050
Effective 4/1/94	3	1284	1707	2376	
	4	1542	2051	2854	
	5	1800	2394	3330	
	6	2059	2738	3808	
	7	2317	3082	4286	
	8	2575	3426	4764	
	Ea. Additional	259	344	478	

APA Program Average Caseload

by Fiscal Year .

Fiscal Years 1990 to 1996

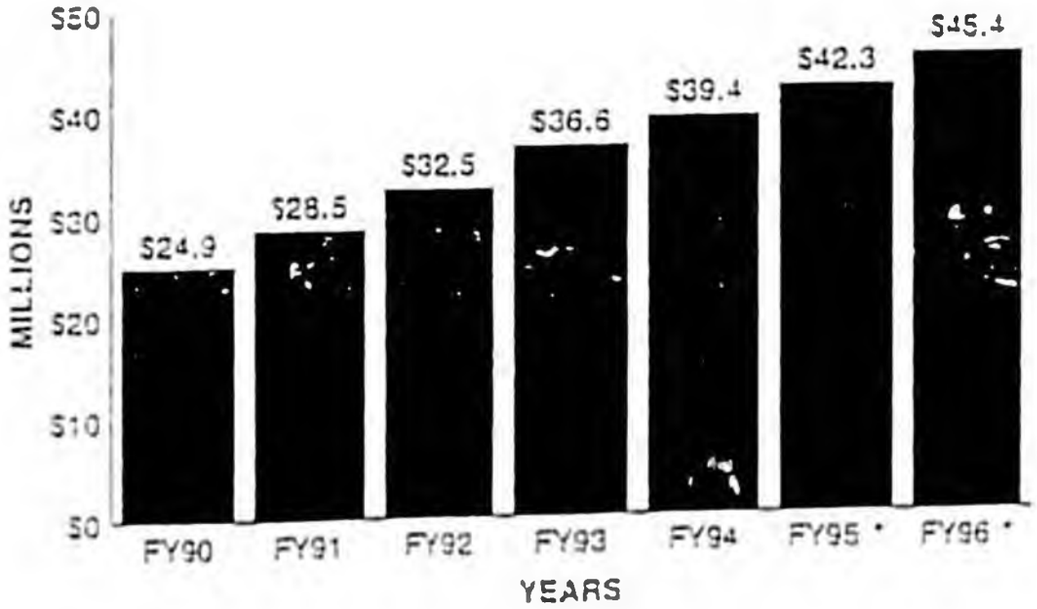


* *FY 95 and FY 96 are projected*

APA Program Expenditures

by Fiscal Year

Fiscal Years 1990 to 1996



Note: Expenditures include CAA-ALBHH

DIVISION OF PUBLIC ASSISTANCE

ADULT PUBLIC ASSISTANCE (APA)

A.

APA PROGRAM	FY91 ACTUAL	FY92 ACTUAL	FY93 ACTUAL	FY94 ACTUAL	FY95 FORMULA	FY96 FORMULA
Average Caseload	7500	9083	9607	9605	10397	11176
Caseload growth rate vs. respective prior year	3.4%	7.3%	9.0%	9.1%	8.2%	7.5%
APA Expenditure	23,430.2	25,588.1	34,559.3	37,290.1	40,007.3	43,115.6
OAA-ALB HH Expenditure	5,066.9	5,903.1	2,064.1	2,160.6	2,200.0	2,298.1
TOTAL APA & OAA-ALBHH	$28,497.1	$32,491.2	$36,623.4	$39,450.7	$42,207.3	$45,413.7
Expenditure increase vs. respective prior year	3,535.5	3,994.1	4,172.2	2,827.3	2,317.1	3,145.9

B.

FY94 APA ACTUAL	
FY94 APA FULL FORMULA before HB67 changes	$39,008.0
Legislative changes in HB 67 :	
1. Suspend APA COLA effective January 1, 1994	(402.2)
2. Implement ratable reduction of APA payment to 1992 level	(810.5)
3. Prorate APA initial months benefits	(475.2)
TOTAL FY94 SAVINGS FROM HB 67	($1,717.3)
FY94 ADULT PUBLIC ASSISTANCE (APA) AUTHORIZATION	$37,290.1

C.

FY95 APA REQUEST SUMMARY	
FY95 APA FULL FORMULA before HB67 changes	$40,202.5
Legislative changes in HB 67 :	
1. Suspend APA COLA	
1994 COLA savings with 12 month impact in FY95	(940.5)
1995 COLA savings effective January 1, 1995	(523.0)
2. FY94 ratable reduction of APA payment to 1992 maximum levels.	(1,175.6)
3. Prorate APA initial months benefits	(550.0)
TOTAL FY95 SAVINGS FROM HB 67 (Implemented on October 1, 1993)	($3,195.2)
FY95 ADULT PUBLIC ASSISTANCE (APA) FORMULA REQUEST	$40,007.3

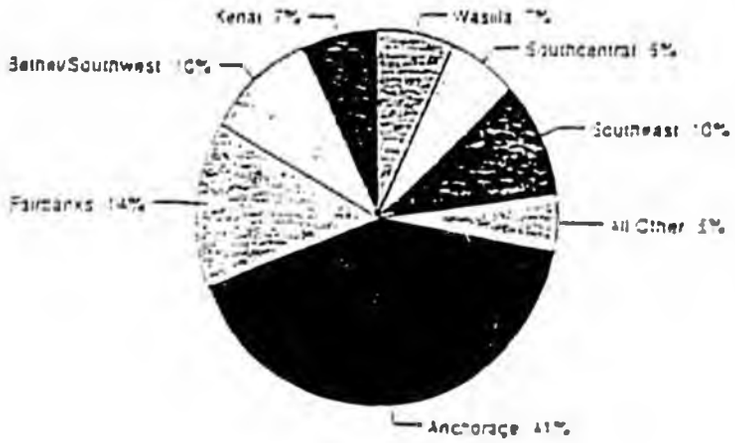
D.

FY96 APA REQUEST SUMMARY	
FY96 APA FULL FORMULA before HB67 changes	$47,726.8
Legislative changes in HB 67 :	
1. Suspend APA COLA	
1994 COLA savings with 12 month impact in FY96	(1,315.3)
1995 COLA savings with 12 month impact in FY96	(1,142.2)
1996 COLA savings effective January 1, 1996	(634.5)
2. FY94 ratable reduction of APA payment to 1992 maximum levels.	(1,369.1)
3. Prorate APA initial months benefits	(550.0)
TOTAL FY96 SAVINGS FROM HB 67 (Implemented on October 1, 1993)	($4,611.2)
FY96 ADULT PUBLIC ASSISTANCE (APA) FORMULA REQUEST	$43,115.6

APA Cases by District Area

January 1995

10,213 Cases Statewide



APA Cases by Race

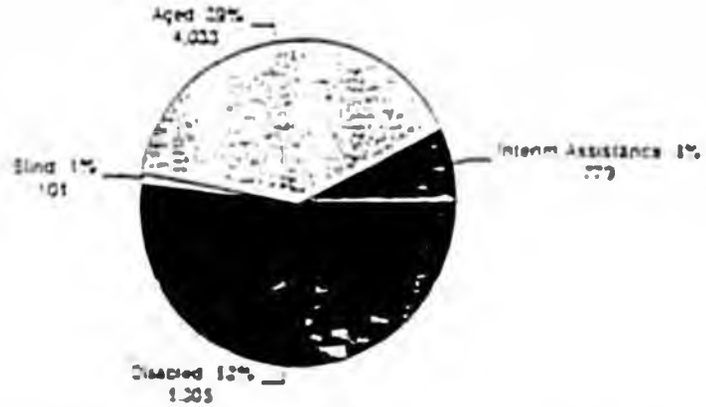
January 1995

10,218 Cases Statewide

APA Cases by Category

January 1995

10,218 Cases Statewide



Food Stamps

- Food Stamp benefits are paid 100% by the federal government.
- Administrative costs are shared 50/50 with the federal government.
- In FFY94 total Food Stamp program expenditures were about $66 million, the state's share was about $7 million.
- Food Stamp benefits and eligibility standards are established by the federal government.
- Each month about 48,500 people receive food stamps in Alaska. That is around 8% of the population, which is below the national participation rate of 10%.
- Special Alaska rules let rural clients get more food stamps than urban clients due to higher food costs in the bush. Rural cases represent 24% of the caseload and get 43% of food stamp benefits.
- Benefits vary greatly with household size and income and place of residence. In Anchorage, Fairbanks, and Juneau the average monthly food stamp benefit is about $200. In Southwest and Northwest Alaska, the average monthly food stamp benefit is $525.

FOOD STAMP PROGRAM

Program Purpose

Food stamps provide assistance to low-income households in purchasing food. The objective is to improve nutrition of recipients.

Requirements for Eligibility

Recipients of food stamps must meet the following criteria:

1. they must reside in Alaska;
2. they must be a U.S. citizen or reside in the U.S. under legal alien status;
3. they must be within certain resource and income limits;
4. they cannot reside in commercial boarding houses or institutions;
5. they must meet the work registration and Employment and Training program requirements (when applicable);
6. they must submit an application for the program and satisfy the interview requirement; and
7. they must provide or apply for a Social Security Number.

Resource and Income Standards

Eligibility for food stamps and the benefits which participants receive are determined by each household's size and financial situation. Outlined below are the criteria used to make these determinations.

Assets: Households may have no more than $2,000 in resources, such as cash on hand and savings, and other readily available assets. Households with at least one member age 60 or older, may have up to $3,000 in resources.

Income: For most households, gross income and net income will be used to determine their eligibility for food stamps. Only net income is used to determine financial eligibility for households containing applicants who are age 60 or older or disabled. Net income is derived by subtracting the following deductions from gross income.

Deductions

All households receive:

- A standard deduction of $191.
- A deduction of 20 percent of gross earned income to cover work-related costs.
- A deduction for dependent care up to $160 per dependent
- A deduction for excess shelter (rent and utilities) up to $231 maximum. Excess shelter is the shelter cost in excess of 50 percent of the household's income after all other deductions.

Recipients age 60 or older, or the disabled, may also deduct:

- Medical costs over $35.
- Excess shelter costs beyond 50 percent of income after all other deductions.

Benefits

The monthly food stamp allotment each family receives is based on the Thrifty Food Plan (TFP); the model diet plan the USDA used to project the cost of food for one month for different household sizes. Three different TFPs are used in Alaska due to the varying cost of food in rural areas. A household with no income receives the entire allotment. A household with some net income receives the entire allotment minus 30 percent of their net income. The allotments are adjusted annually to reflect changes in the cost of food.

ALASKA FOOD STAMP MANUAL

ADDENDUM 4

FOOD STAMP PROGRAM

STANDARDS AND MAXIMUM ALLOTMENTS

EFFECTIVE OCTOBER 1, 1994 through SEPTEMBER 30, 1995

RESOURCE LIMITS: $2,000 per household; or

$3,000 per household with at least one member age 60 years or over.

INCOME LIMITS: HOUSEHOLD SIZE	GROSS LIMIT	NET LIMIT
1	$ 997	$ 767
2	1,333	1,025
3	1,669	1,284
4	2,005	1,542
5	2,340	1,800
6	2,676	2,059
7	3,012	2,317
8	3,348	2,575
Each additional member	+ 336	+ 259

DEDUCTIONS:

EARNED INCOME:	20% OF GROSS
STANDARD DEDUCTION:	$129
DEPENDENT CARE: PER DEPENDENT PER MONTH (Effective 9/1/94)	$175/$200
EXCESS SHELTER: (Effective 7/1/94)	$402
HOMELESS SHELTER:	$139
MEDICAL: SEE FS MANUAL	

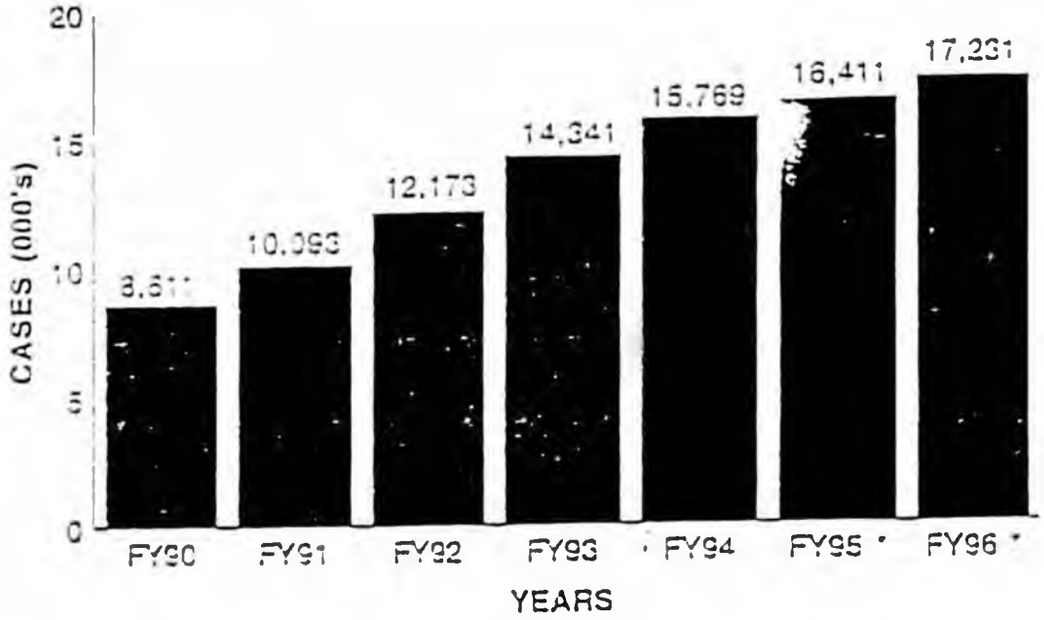
MAXIMUM FOOD STAMP ALLOTMENTS

HOUSEHOLD SIZE	URBAN	RURAL I	RURAL II
1	$ 147	$ 168	$ 229
2	271	345	420
3	388	496	602
4	492	628	765
5	585	746	908
6	702	895	1,090
7	776	990	1,204
8	887	1,131	1,377
Each additional member	+ 111	+ 141	+ 172

Food Stamp Average Caseload

by Fiscal Year

Fiscal Years 1990 to 1996

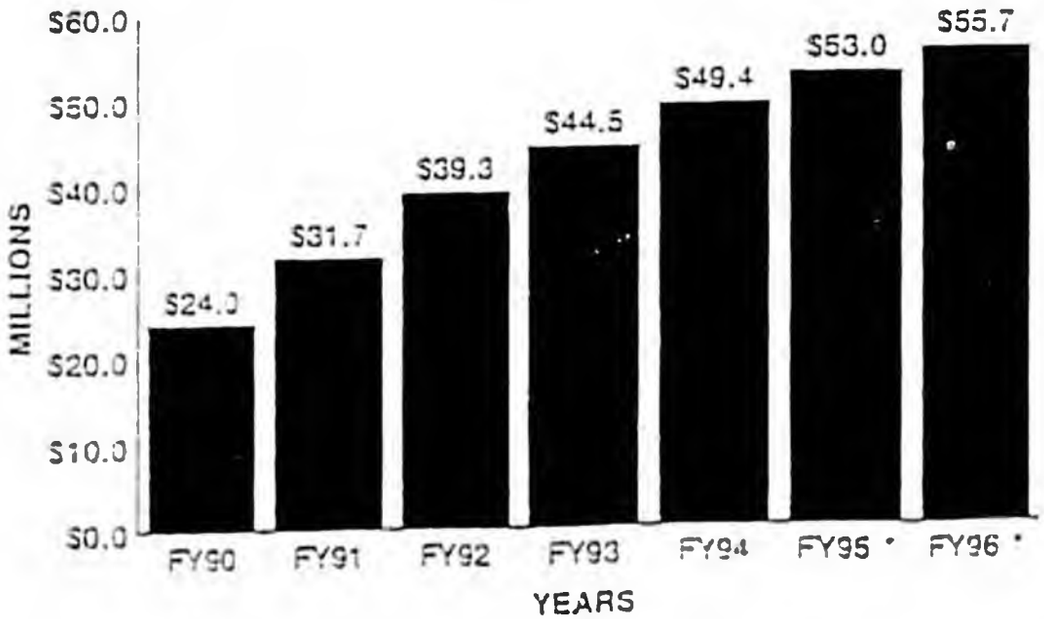


* *FY 95 and FY 96 are projected*

Food Stamp Program Benefits

by Fiscal Year

Fiscal Years 1990 to 1996

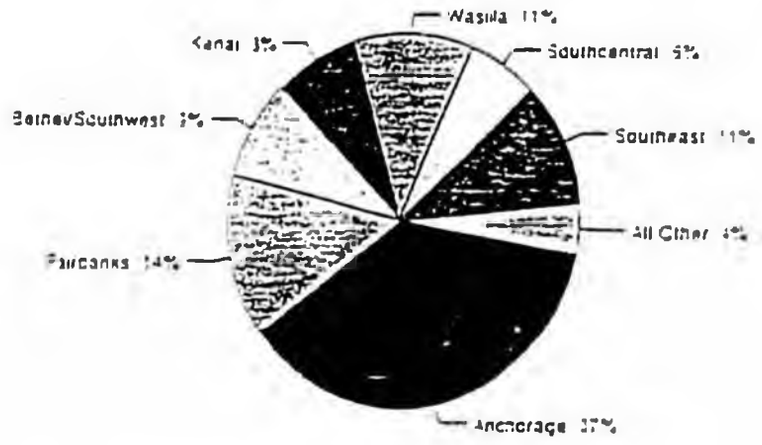


* FY 95 and FY 96

Food Stamp Cases by District Area

January 1995

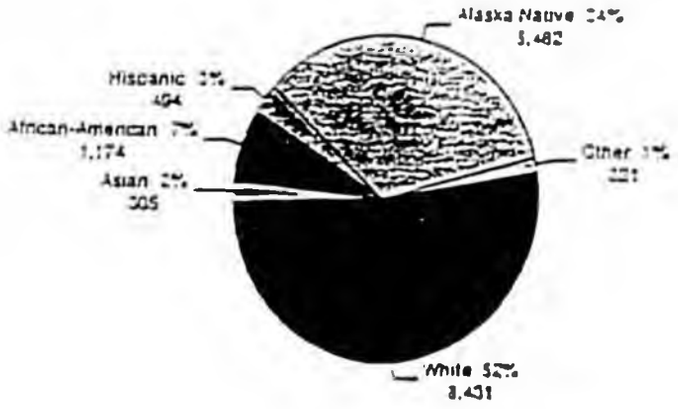
16,107 Cases Statewide



Food Stamp Cases by Race

January 1995

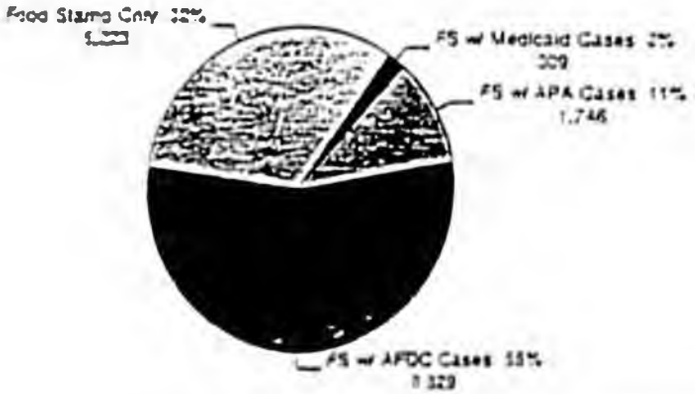
16,107 Cases Statewide



Food Stamp Cases by Category

January 1995

16,107 Cases Statewide



Job Opportunities and Basic Skills (JOBS)

Mandated by the federal government in the Family Support Act of 1988, the JOBS program promotes Welfare-to-Work. Federal mandates include who and how parents will participate, and how many for Alaska to qualify for federal funding of the JOBS and AFDC programs. The number served increases annually. The goal is to reduce welfare costs through employment. The JOBS program continues to be an essential component of the Division of Public Assistance's strategy for welfare reduction and reform.

The agency focuses on results: Employment of AFDC recipients. The JOBS program moves AFDC recipients to employment through education, training, and job search services. For some recipients this will mean independence from welfare, for others it reduces dependency by reducing the amount of AFDC paid. Participants failing to meet JOBS requirements are removed promptly from the AFDC grant.

All employment opportunities are encouraged, knowing that unpaid and paid employment provide much needed work experience that will lead to financial independence. When ready for employment, staff work closely with recipients to teach them how to job search, prepare resumes, and interview for paid employment.

Low literacy is a major obstacle for many AFDC recipients. Approximately 40% of the JOBS participants entered the program without a high school diploma or GED. Some have diplomas but have low math and English skills. Some recipients need to learn to speak and read English as a second language. JOBS' staff assess the recipients skills, then refer them to agencies that can fill the need.

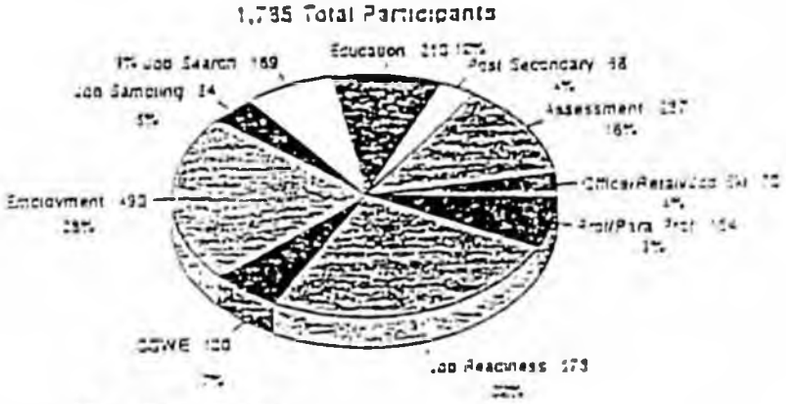
The Division of Public Assistance (DPA) maintains strong partnerships with other agencies. On a daily basis, staff with the Department of Labor's (DOL) Alaska Employment Services work side by side with DPA staff. DPA contracts with DOL for vocational counseling, job readiness workshops, and job search. This partnership is key to the success of the JOBS program. Staff from the both agencies work side-by-side in the same office under a single office manager.

Other departments work closely with DPA to meet the needs of JOBS participants: Education contracts and monitors adult educators and teen parent programs designed for JOBS parents; Community & Regional Affairs administers an AFDC child care program and one for low income parents at-risk of becoming AFDC eligible, and targets AFDC clients for JTPA training opportunities. The Departments of Administration, Revenue, and Commerce, and the University of Alaska, have joined the team to help AFDC recipients overcome barriers to employment.

Alaska JOBS Participants

By Components/Activities

January, 1995

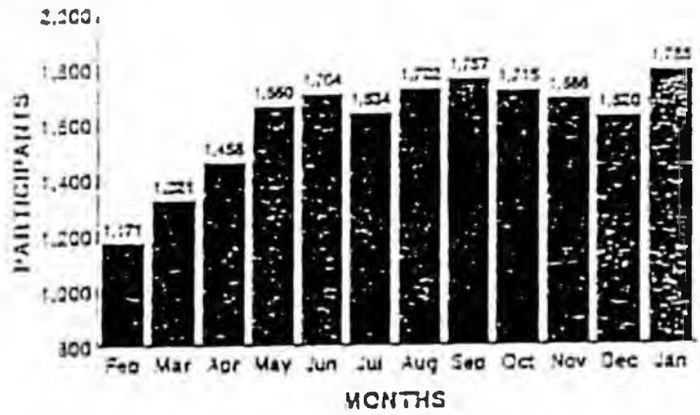


Note: Percents do not add to 100% as a client may be in more than one component.

Alaska JOBS Caseload Report

Last Twelve Months

February 94 to January 95

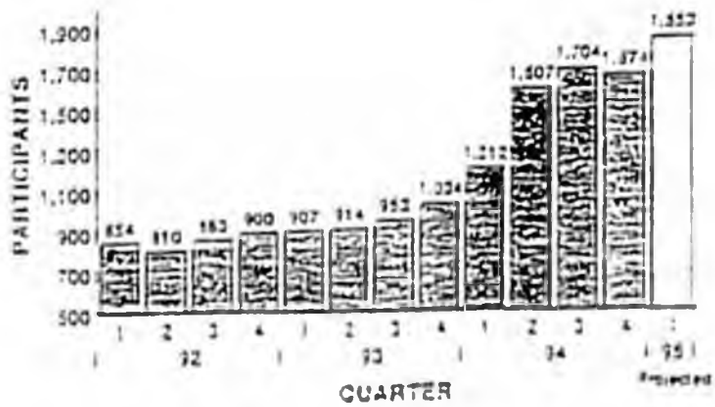


Source: Alaska JAS Caseload Report

Alaska JOBS Caseload

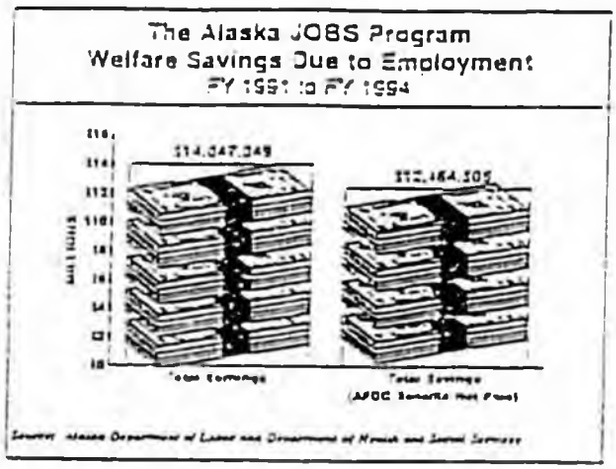
By Calendar Quarter

First Quarter 1992 to First Quarter 1995*



* First Quarter numbers are projected.

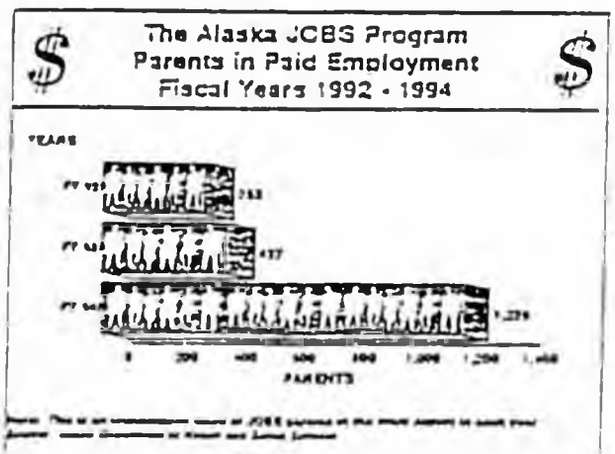
JOBS Generates AFDC Savings



Since the inception of the Alaska JOBS program, 1,373 parents have completed the program and gone off AFDC. They have earned a total of $14 million in wages since leaving the program. The parents who left both programs worked an average of 11 months since their departure.

Over $12.4 million in welfare has been saved since 1991, as a result of JOBS parents' employment. While JOBS' focus is AFDC savings, both the Medicaid and Food Stamps programs will also realize savings as parents move toward self-sufficiency.

More *JOBS* Parents Find Work



In Fiscal Year 1994, 1,226 Alaska JOBS parents had paid work, thereby reducing their AFDC grants. Forty-five percent of the parents worked more than thirty hours per week.

ENERGY ASSISTANCE PROGRAM (EAP)

Program Purpose

This is a 100 percent federally funded program designed to provide financial assistance to low-income households to help pay the high costs of home heating.

Requirements of Eligibility

To be eligible for energy assistance, a household must submit an application and meet the following income guidelines. Figures are adjusted periodically. The following figures are for winter 1994-95. Both home owners and renters may apply.

Household Size	Maximum Allowable Gross Income Prior Month*
1	$ 997
2	$ 1,333
3	$ 1,668
4	$ 2,004
5	$ 2,340
6	$ 2,676

For each additional household member add $336.

* Gross income for purposes of this program is defined as all cash income before taxes from all sources including all public assistance payments but excluding all non-cash income such as: assets, resources, or in-kind payments (food stamps, medical coupons, etc.). Payments from the Alaska Longevity Bonus Program, Alaska Native Claims Settlement Act, and Permanent Fund Dividends are also excluded from income.

Benefits

Benefits for the program vary depending on the household's income, fuel costs, and geographic location. The benefit plan allows for payments ranging from approximately $150 to $910. A grant is made once per year per household. This is not a monthly maintenance program.

Payments are usually made to the eligible household's home heating supplier. Payment will cover fuel oil, natural gas, electricity, propane, wood, and other petroleum products related to home heating needs.

Renters who pay for their home heating through an undesignated portion of their rent may receive cash payments.

Energy Assistance applications are available at all Division of Public Assistance offices, and from home energy vendors and fee agents in most smaller towns and villages. Office addresses are listed on page 3 of this booklet.

GENERAL RELIEF ASSISTANCE

Program Purpose

The General Relief Assistance program offers two types of assistance: General Relief cash assistance (GRA), and General Relief Burials. Both are emergency assistance programs designed to meet the immediate and basic needs of Alaskans experiencing extreme financial problems. Those basic needs include shelter, utilities, food, and clothing. In addition, limited funds for cremation or a burial of a needy person may be provided.

The GRA program is 100 percent state funded, and because funds are limited, the program is to be used as a last resort in providing basic needs to an individual or household. GRA can only be authorized when the household cannot qualify for other assistance programs.

Eligibility

Recipients of GRA must have proof of a specific unmet emergent need for a subsistence item such as an eviction notice for overdue rent, or a utility shut-off notice.

Applicants must reapply during each month of urgent need to be considered to receive assistance.

Asset Limit: $500.00

Income Limit:

Number in Household	Need Standard
1	$ 300
2	$ 400
3	$ 500
4	$ 600
5	$ 700

$100 is added for each additional household member.

Coverage

Maximum payment is $110 per month per eligible person. Payments are made to vendors on behalf of needy clients.

The General Relief Burial program provides burial assistance for indigent persons. Assistance is granted only if the family has no other resource to pay the burial costs. The maximum payment for burial expenses under GA cannot exceed $1,250, plus the cost of a burial plot, opening and closing of the grave, or cremation.

In FY94, 2,792 households (about 3,582 individuals) received help with emergency needs from the General Relief Assistance program. The average monthly case load was 262 households. General Relief Assistance also paid for the burial of 352 indigent Alaskans in FY94.

How is Welfare Fraud Deterrence Handled in Alaska?

Two agencies handle welfare fraud:

- The Fraud Control Unit of the Division of Public Assistance (Department of Health and Social Services);
- The Welfare Fraud Section of the Department of Law (by Reimbursable Services Agreement – RSA) with the Division of Public Assistance.

Fraud Control Unit Investigates

The Fraud Control Unit has statewide responsibility for the welfare fraud control effort. This responsibility includes coordination of referrals to the Department of Law. The Fraud Control Unit carries on two types of investigations:

1. Pre-certification (Early Fraud) investigations
2. Post-certification investigations

The Fraud Control Unit consists of eleven staff and is located in Anchorage. A Claims Collection staff person is located in Juneau.

The Fraud Control Unit Has Three Main Functions

1. **Investigations**

   - **Early Fraud Detection**

   Referrals are made to the Fraud Control Unit by eligibility (certification) technicians. These referrals are assigned to a two investigator sub-unit. The sub-unit's purpose is the investigation of suspicious FS and AFDC applicants before they are first deemed eligible for benefits. Early Fraud Control is carried on in the Anchorage area only.

   During the nine month period from July 1992 through March 1993, there were 477 Early Fraud referrals. (April figures were not available due to the time lag in processing claims.) Approximately 40%, or 191 cases were found to be fraudulent.

   Many of these cases were combination Food Stamp (FS) and Aid to Families with Dependent Children (AFDC) cases. Individually, there were 340 AFDC cases (110 fraudulent) and 469 FS cases (181 fraudulent).

- Post-Certification Fraud Control

This is handled by a four investigator sub-unit located in Anchorage. Fraud referrals are made by both eligibility (certification) technicians and by the general public. Post-certification fraud control focuses primarily on intentional Food Stamp, AFDC and related Medicaid fraud by recipients of these benefits.

Clients suspected of welfare fraud are offered the option of signing a waiver of their right to a hearing. If they do not sign a waiver, they are scheduled for an Administrative Disqualification Hearing. Extreme cases of fraud are referred to the Department of Law.

Administrative Disqualification Hearings are held by an attorney hired on a part time basis by the Department of Law under the RSA.

During the ten month period July 1992 through April 1993, there were 355 referrals. Of the 367 cases completed during this time period (some carry over), approximately 34% or 123 cases were found to be fraudulent.

Many of these cases were combination FS/AFDC cases. Individually, there were 212 AFDC cases (51 fraudulent) and 218 FS cases (51 fraudulent).

2. Administrative Disqualification Hearings

Administrative Disqualification Hearings are a key focus of the Fraud Control Unit effort. These hearings are held by a Department of Law attorney assigned on a part time basis. When an investigation finds that intentional fraud has occurred, clients are given the option of signing a waiver to their right to a hearing. About 80% of clients presented with the facts of the investigation sign a waiver. The remainder of clients are scheduled for a disqualification hearing.

First offense disqualifications are for six months. Second offense disqualifications are for twelve months. Third offense disqualifications are permanent.

Individuals who sign a waiver or who are found guilty in an Administrative Hearing must repay welfare overpayments which they received. Claims against these individuals are established and they sign promissory notes for the amount owed.

3. Claims Processing and Collection

The Claims Unit establishes all intentional program violation claims. This unit sets up claims for fraud losses and tries to recover funds. One staff person handles these fraud claim functions. This staff person processes the following: claims on fraud cases determined by the court, signed consent agreements, signed disqualification hearing waivers and cases found guilty in Administrative Disqualification Hearings. This unit is located in Juneau.

The claims specialist also works with the Department of Law to revoke probation on cases which default on court-ordered payment agreements, to file small claims actions, and to garnish and assign rights to permanent fund dividends.

There are currently a total of 590 active fraud claims being managed by the Claims Unit.

Quality Control Shows Effectiveness

The Quality Control (QC) Section of the Division of Public Assistance reviews randomly selected welfare cases for accuracy. Quality Control investigators determine if benefits paid are correct, overpayments or underpayments.

The QC data shows that for the period from October, 1992 through March, 1993, 97.4% of payments for AFDC cases were correct and 97.3% of payments for FS cases were correct. These high accuracy rates demonstrate the effectiveness of the thorough initial screening of welfare applicants. This screening is performed by Eligibility Technicians (ET's) and eliminates many potentially fraudulent applications. The QC rates also indicate the small percentage of cases which receive benefits without qualifying for them.

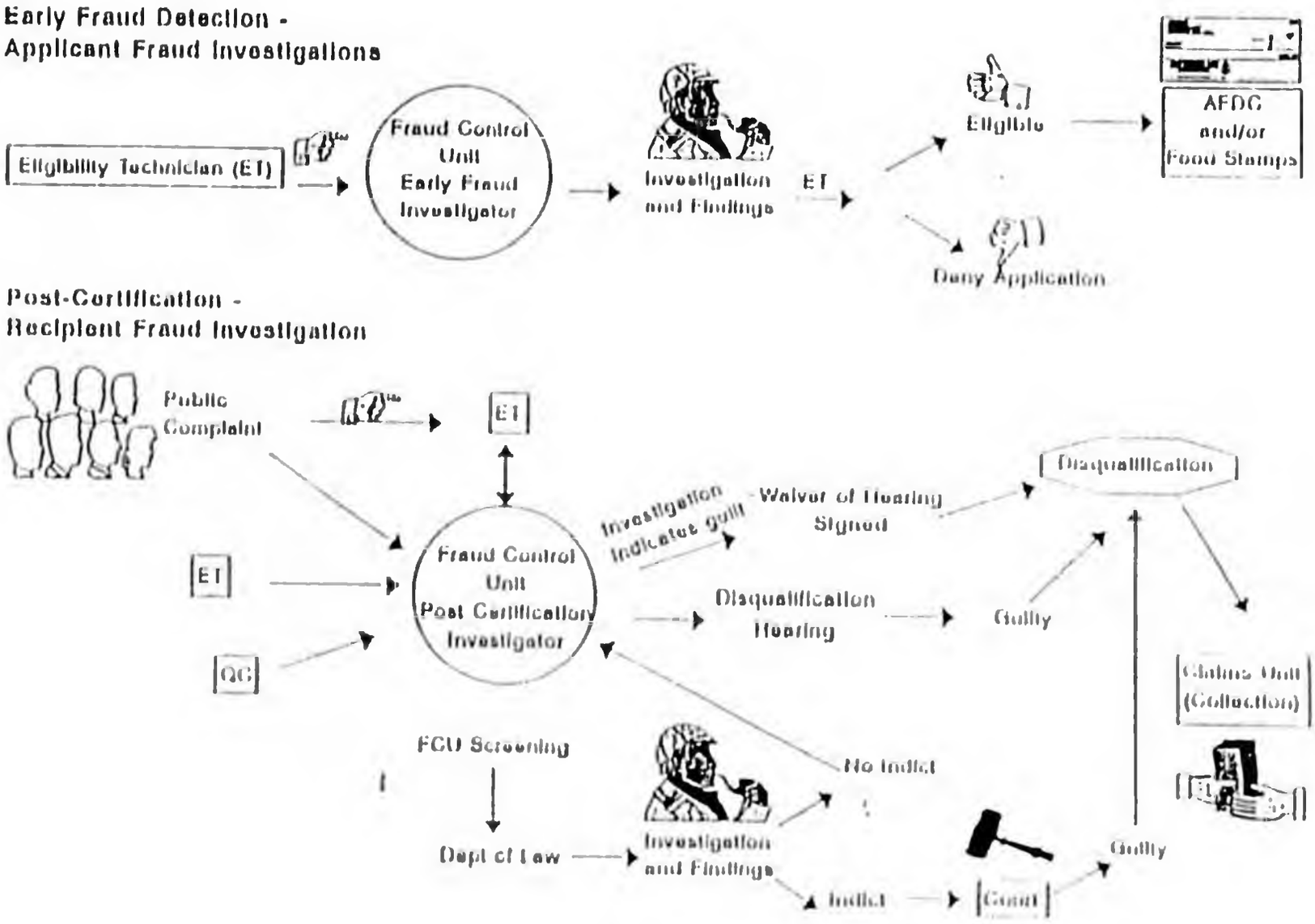
The Department of Law has Welfare Fraud Section

This section is established by a cooperative interdepartmental reimbursable services agreement (RSA). The section has a staff of five - an attorney, a paralegal, a legal secretary and two investigators. One of these investigators is a State Trooper. This section is located in Anchorage.

This section was established to demonstrate the serious nature of welfare fraud. The purpose of the section is the investigation and criminal prosecution of welfare fraud.

Figure 3.

Fraud Control Process



FORUM / LETTERS

Alaskans could help U.S. by pledging fund checks

By MARY CAREY

COMPASS
POINTS OF VIEW FROM OUR COMMUNITY

TALKEETNA — I am weary of such outcries as: "Welfare Reform is Ugly" and "Lawmakers Hammer the Poor." Now they come in an unending flow of letters and/or demonstrations.

I am not speaking of the truly disabled nor of needy children. I would not like to see anyone as hungry as I was during the Great Depression of the 1930s.

You will probably think that I am old. You are right. I will be 83 in April; but you can bet I am still working, and I have never applied for dole in my life.

In 1970, I worked with a cast on my back. It wasn't easy, climbing up the sloping side of a hill and sliding down the steep side. I pushed my crutches into the soft earth in front of me, using them as brakes, and my duffel bag as a drag behind me.

I needed money and I was earning it. I was picking fiddlehead (ostrich) fern for the Palmer Agricultural Experiment Station, which paid 30 cents a pound to pickers.

My doctor had claimed me from 90 to 100 percent disabled because of a broken back and a pinched nerve that all but paralyzed my fingers. I lost my teaching job in Talkeetna because I could not sign my name nor grade papers.

I cried a lot because of pain and desperation; but never once was I tempted to sue because the accident happened on school premises. My thoughts were of working out my own salvation.

Picking fiddleheads between my forefinger and thumb wasn't easy. Birds sang and parkey squirrels scolded me for invading their heaven; but soon, they were eating bread crumbs from my hand. There was no time for dark thoughts like: Why didn't I sue because I was injured on school premises, or why was I too proud to accept disability? No one pushed me when I slipped on those icy steps. Why bite the hand that feeds you?

By winter of that same year my fingers were working better. I could not afford rent, so I moved back to my little homesteading cabin where I resumed typing on my first book about Alaska. Typing was difficult on a manual typewriter in front of a wood fire, but all alone in a fly-in area, I found it easier to concentrate on my writing.

Perhaps all of us should spend more time thinking of ways to help keep our nation from going bankrupt rather than trying to prove what our government owes us. If the good old U.S.A. does go bankrupt, our children and great-grandchildren must face living in a Third-World status: hungry, sick, and with little or no hope of achievement.

It hurts me to say this, but I can't help but wonder how many people spend more time conjuring up ways to draw money from our government than to support it.

You, the able-bodied, who refuse to work, are killing small businesses, you and our government, which must shoulder part of the blame, and must reform welfare accordingly.

It takes backbone to work when one can draw as much, or perhaps more money and benefits for not working. Would you hit a man when he's down? That's what you are doing to Uncle Sam and Uncle Sam is inadvertently doing to small business.

Although I pay 2½ times what I was paid for picking ferns in 1970, pickers are few. A like situation exists at my lodge and small businesses throughout our nation. What can we, as individuals, do to help solve this problem?

Why can't those of us who wish to pledge part or all of this fund to a "Save Our Nation From Bankruptcy" campaign?

Think back to President John F. Kennedy's inaugural address when he admonished: "Ask not what your country can do for you; but what you can do for your country."

What can we do? Your ideas may be better than mine. Send them in! Why can't we all work with our government?

Your writer has seen what a few people working together can do. According to the 1960 census, only 70 people lived in Talkeetna. From 1963 to 1965, we were honored as the "Smallest Town With the Biggest Heart in the Nation."

None of us were rich, but we worked together and had fun earning money for the March of Dimes. We had contests, dinners, dances, bingo, etc. No charge was made for any of this, only donations. For our effort, the national foundation of March of Dimes presented us with an engraved silver loving cup for giving more per capita than any other town in the United States.

Every man, woman and child who resides in Alaska and qualifies receives a check from our permanent fund, which is derived from oil.

Recently it has ranged from $900 to $1,000. Many residents pledge their permanent fund checks for plane fares or luxury items.

Why can't those of us who wish to pledge part or all of this fund to a "Save Our Nation From Bankruptcy" campaign? I should like to start by pledging mine. Who will join by pledging from pennies to dollars?

Let Alaska lead!

Mary Carey is a writer who lives in Talkeetna.

Stephens wrong about Eames

The Alaska Reforestation Council's Earl Stephens is in error in what he says about Cliff Eames of the Alaska Center

'Send me to Juneau'

A Daily News contest sponsored by the editorial page staff

will be having a birthday party inviting lobbyists with checkbooks. I wonder how many $100 bonds each tyke received.

This is a perfect example of unethical behavior of elected officials using their

March 9, 1995

Dear Lyda,

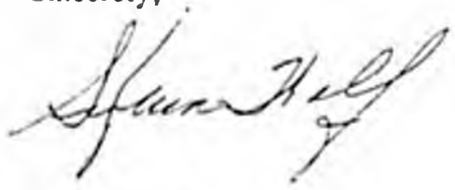
I fully support the welfare bill you have introduced. I believe it is critical that the welfare mess be cleaned up and only real need be covered and only until it is no longer needed.

We have known personally cases where the child welfare agents interfered in the raising of custody children to the point that they ended back on the streets as delinquents because the house parents were not allowed to discipline the children and the children knew that they didn't have to behave or stay there. In additon. times when the children were moved from home to home. I believe that stable homes are vital and if they are placed in one, the parents should have the option to keep them and raise them completely if they desire.

In addition, adoption should be encouraged and the least redtape as possible so that children can be placed quickly with parents. Abortion, in my opinion, should not be an option because their are thousands of parents waiting for children who would love them and would not care about the circumstances of their birth.

I understand that a bill has been introduced that would bring back the State Income Tax. We are totally opposed to the state income tax. We feel that the state needs to curb it's spending and that the money spent by State government is entirely too high per capita.

Sincerely,



Sylvia Wolf
Box 409
Palmer, Alaska 99645

MAR 13 1995

Matanuska Susitna Borough School District
Mat-Su Alternative School
600 E. Railroad Avenue, Suite 1
Wasilla Ak 99654
(907) 373-7775
(907) 373-1430 FAX

March 6, 1995

Senator Lyda Green
State Capitol Building
Juneau AK 99801-1182

Dear Senator Green:

I am the state's strongest advocate for state welfare reform. I have a sincere desire to contribute my knowledge and experience if called upon. Please let me know how others and I can contribute to the process.

Your bill related to teen parents presented much food for thought. I have had the pleasure and heartache of working with this population. Our experience at the Mat-Su Alternative School spans six years. In 1993 we competed with 40 states for a Federal Teen Parent Demonstration Grant. Ms. Jan Hansen, Ms. Sandra Armstrong, Ms. Pat Nault of the Alaska Human Services Juneau office and I co-authored the grant. Alaska was one of 10 states funded. Being selected was quite an honor, as the entire Alaskan project was to be housed at the Mat-Su Alternative School.

The thrust of the grant was to implement the major provisions of the Welfare Reform Act of 1988. The goal of this Act was to require single parents (16-24 years of age) to return to school to acquire the academic and vocational skills necessary to compete for jobs and succeed as productive members of society. The benefits under the JOBS Program are daycare, transportation, work clothing, and continued welfare benefits, as long as the client is enrolled in school or a GED Program. Failure to comply would lead to severe sanctions established on an individual basis. The reductions range from partial in Alaska to total in states like Oregon. Ohio established a LEA.'

MAR 13 1995

Program that offers positive and negative rewards for compliance and non-compliance respectively.

It is with great pride I share with you that we are one of the top programs in the country. Ms. Nancy Campbell, head of Welfare Reform in Washington, D. C. shared her evaluation with Ms. Pat Nault, State Director. The major aspects of our program include:

1) A school environment that is safe for teen parents and their babies.
2) Flexible work and academic schedules for students.
3) A trained staff capable of helping this given population with unique needs and challenges.
4) A community willing to help with job placement and supervision.
5) A Parenting/Life Skills curriculum to enhance life skills.
6) On-site food bank and clothing bank to meet emergency needs.
7) Collaboration with 56 agencies to meet the physical, psychological, vocational and academic needs of teen parents as well as demanding that the students meet their obligations as well as an on-site case manager.
8) On-site daycare to insure the physical and mental health of our babies.
9) Vocational testing to introduce students to career options coupled with JTPA Pre-employment skills (required) of all teen parents.

The reward for the above program comes in many ways. The greatest is when young parents graduate with the academic and vocational skills required for them to pursue their dreams. I do not have one teen parent who has verbalized a desire to stay on welfare. We have had several students who, over the years, have selected to move from the Valley to avoid sanctions. Our Valley "team" includes DFYS, AFDC, JOBS, and the Mat-Su Alternative School as the major players.

True experts in this area that can be tapped as resources dealing with this population include:

Teen Parents, Mat-Su Alternative School;
Mr. Peter Burchell, Principal, Mat-Su Alternative School;
Ms. Gwen Black, Mat-Su Alternative School Life Skills/Parenting/Daycare Teacher;

MAR 13 1995

Ms. Diane Demoski, R.N., Mat-Su Alternative School;
Ms. Barbara Humphreys, Mat-Su Alternative School Daycare Supervisor;
Ms. Patsy Turner, JOBS, Wasilla;
Mr. Greg Van Kirk- DFYS Director, Palmer;
Ms. Barbara Howard - AFDC Director, Wasilla;
Ms. Sue Anne Weaver, Case Manager, Mat-Su Alternative School;

The "core" team has been working together for years with very positive results. There is a need for reform. The particulars of the reform will have far reaching impacts. We have the experience that would create legislation that holds young people accountable.

An example of this is parents who are under 18 years of age. There is opposing research. One is the safety of the baby and teen parent. Over half of teen parents have been molested or raped as children. Often times, the perpetrator is a parent. The second part is that many teen parents would like to stay at home, but if they do they are not eligible for Medicaid for themselves and their babies. The situations that look simple on paper often are complicated when implemented.

Sincerely,

Peter H. Burchell
Principal

/cc

MAR 13 1995

March 24, 1995

Senator Lyda Green
Interdepartmental Mail Stop: 3101
State Capitol
Juneau, AK 99811-1182

Dear Senator Green:

We have been following the media reports covering Senate Bill No. 98 and have picked up a copy of the bill to examine for ourselves. We support your effort on these "Personal Responsibility" issues! We go even further to say we think the original bill should have "stood" and you should have not had to "give" on the permanent fund dividend portion of the original bill. Anyone already receiving public assistance should not be "rewarded" with the permanent fund dividend. We look upon the permanent fund dividend the same as taxing agencies do, it is income. Anyone on public assistance should have to make adjustments for this income. Their assistance funding should be reduced by the amount of the income they receive.

We would like to share with you several areas of public assistance "abuse" we have personally witnessed. They may be of use to you throughout the debate on SB98... ...as follows:

- Eight years ago our son-in-laws sister returned to Alaska (her birth state, and her Grandmother is a long-time Talkeetna homesteader) to flee a domestic violence situation in which she was involved in Kentucky. She arrived in Anchorage with a suitcase of clothes to her name, no money, and an eighteen-month-old son in arms. She had been trained in food service/ nutrition in Kentucky. She applied at all the hospitals, schools, etc. It was mid-year and nothing was available. She went on public assistance and food stamps. Within a short time she was offered a job in the kitchen at an Anchorage nursing home. She went to the welfare office, informed them, and asked to be placed on day-care-assistance but to drop (sign-off) all other assistance. She was advised, by welfare employees, that it wasn't wise for her to take the job because she and her son would make more on welfare! She stood her ground, dropped everything except day-care-assistance and they have been self-sufficient ever since.

- We know a family (within the Mat-Valley area) where a divorce occured nearly 20 years ago. Two young daughters were taken to California by the mother and the father remained in Alaska. WIthin the past three years one daughter returned "to be near her father" with four little children and has been on public assistance almost since she arrived. Recently the second daughter returned with three small children and she is pregnant with the fourth. We are certain she is now on public assistance also. Statements have been made which indicate the reason they are here is they can get MORE assistance in Alaska than they could in California. To our knowledge neither of these single parents have attempted to find work and they have moved out of the fathers home, so they must be on rental assistance as well!

- We have lived in your district, in Willow, for over five years now. We consistently hear about the "under the table jobs" in the area. We know there are a lot of people in the area on public assistance, it is common knowledge. It is also commonly discussed about various people who take waitress jobs, carpentry jobs, etc. that are being "paid under the table"

MAR 2 0 1995

so that their assistance isn't impacted. These are more than the usual casual domestic or one-time job (snow removal, yard work, lawn mowing, etc.) these are regular one-going either full-time or continuous part-time jobs. We recognize the proof of this and control is difficult. However, those of us that have invested numerous dollars into the valley economy to establish homes in the area, and who continue "to pay the bill" in this area are more than just a little tired of hearing about these cases continuing, and little effort being done to correct the infractions.

Keep up the effort you are doing in this area! We are behind you all the way in your efforts to begin to control the public assistance concerns. We are in the process of sending every Senator and Representative a letter asking that they support you (copy attached).

If we can be of any assistance, please let us know.

Yours truly,

E. June Burkhart

Roy J. Burkhart

Elizabeth "June" Burkhart
Roy J. Burkhart
P.O. Box 204
Willow, AK 99688-0204

(907) 495-6337

March 24, 1995

Dear _____:

We strongly urge you support Senator Lyda Green's sponsored Senate Bill No. 98.....Short Title: "The Personal Responsibility Act of 1995".

We support this bill in entirity. We go further to say we think the original bill should have "stood" as regards the permanent fund dividend issue. Anyone already receiving public assistance should not be "rewarded" with the permanent fund dividend. The dividend is considered "income" (we all pay taxes on it) and the public assistance recipients should have to forego this "income" or at least have their assistance "reduced" by the amount of the "income" they receive.

Reform in the area of public assistance is long overdue. We constantly read, hear about, or personally witness acts of abuse in this area. Any effort to begin to get "badly needed control" in this area should be commended! We urge you to get behind this bill to begin to get control of public assistance abuses and excesses.

Thank you,

Elizabeth J. Burkhart
Roy J. Burkhart

Roy J. and Elizabeth J. Burkhart
P.O. Box 204
Willow, AK 99688-0204
(907) 495-6337

MAR 29 1995

LYNN J. MULHALL
PO BOX 2921
PALMER, AK 99645
746-5280 or 746-9257

March 6, 1995

Honorable Lyda Green
Senator
Room 423 State Capitol
Juneau, AK 99801-1182

Dear Senator Green:

I read in the Sunday Daily News you were conducting a teleconference on your proposed Bill. I would have liked to participate, but my work schedule conflicts with the date and time. Because I feel so strongly about the current welfare system, I wanted to write so you would know that you have my full support. I work for the Superintendent of Schools and the School Board. In that capacity I see an inordinate number of problem children. Almost invariably those children are accompanied by one or both parents who are totally dysfunctional. In speaking with these parents and trying to learn of the cause of the problems, I have discovered they have no shame in admitting they are on public assistance. In fact, they actually seem to be bragging about their situation, as if they have gained something better than the rest of us. We must get to the point where we are teaching people to care for themselves, be responsible and then teach their children to do the same. Giving them money is not the answer. People who constantly get something for nothing always expect more; for nothing. There must be other ways we can help these people regain their pride and give back something to society. We definitely need to encourage the abusers to go out and find gainful employment. It is important to move away from the enabling that we have going on now.

Many of the parents I talk to and visit with seem very angry about life. I can't help but think that society and public assistance is to blame for these feelings. A greater gift to them would be to teach, and in some cases force, them to stand on their own two feet and accept the responsibilities of caring for and raising their own children. I do not think it is our responsibility to continually care for people who have no intention of caring for themselves. This attitude breeds second and third generation welfare recipients. The problem is not just a fiscal problem. I see many of these families on public assistance take an attitude of blaming everything which goes wrong in their life, on someone else. There is no such thing as an "accident" anymore. There always needs to be someone to blame. I have tried to teach my own teenagers these values, telling them I will only do as much for them as they do for themselves. This situation is beginning to devastate our community and our country.

Keep up the good work, and if there is anything I can do, please call me.

Sincerely,

Lynn J. Mulhall

Ken & Eleanor Nesting
7330 Silver Birch Dr.
Anchorage, Alaska 99502

March 20, 1995

Sen. Lyda Green,
Alaska State Legislature
Juneau, Alaska 99801

Dear Sen. Lyda Green

My wife and I attended your meeting on March 13 in Inchorage addressing SB98. Because of the turn-out, we didn't get to testify.

We support SB98, as originally written, including the incligibility of welfare recipients to receive Permanent fund dividends. . had a draft outlining all my arguments for favoring SB98. During the March 13 meeting, I picked up your hand-out brochure on the objectives of your bill, to find my arguments were, with one exception, outlined in your brochure, so, suffice to say, we think alike.

The one exception is one you need to stress. There are vast numbers of working poor out here; people in lower-paying jobs, raising families, living from paycheck to paycheck and depriving themselves of most of the things that make li pleasureable, in order to maintain the pride and dignity that self-sufficiency affords. These are the people who "lead lives of quiet desperation", people who realize most welfare recipients live far better than they. As prices and taxes increase and wages don't keep pace these people come ever closer to the limit, and more and more of them give up, swallow their pride, and go on welfare. This trend could easily become an avalanche, destroying our economy.

There are three things you legislators must do:
1. Keep inflation in check to hold down prices.
2. Lower taxes.
3. Make menial jobs more attractive than welfare.

As each individual drops out of the work-force in favor of welfare, the economy takes a double hit. Taxes these people pay, however miniscule, stop, and government welfare payments increase. As you in government have little control of private sector wages and benefits, you must make the welfare alternative less attractive. SB 98 is a big step in that direction.

Keep up the good work.

Sincerely,

MAR 23 [illegible]

Mrs. Tasha B. Lawrence 000-0000

167 North Birch Ln #27

			Distribution	Affiliation	Reg Voter
Soldotna	AK	99669	02		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/16/95	N	SB 98	Supports	

I DON'T WANT THE WELFARE RECIPIENTS TO GET A PERMANENT FUND DIVIDEND.

Mr. Harvey Baskin 376-7104

PO Box 877306

			Distribution	Affiliation	Reg Voter
Wasilla	AK	99687	05		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/09/95	N	SB 98	Supports	

KEEP PUSHING FOR WELFARE REFORM. I SUPPORT YOU. I AM UNABLE TO HIRE YOUNG PRODUCTIVE EMPLOYEES BECAUSE THEY ARE BEING SUPPORTED BY THE OUT OF CONTROL WELFARE SYSTEM. MAT-SU HAS BECOME A HAVEN FOR FRAUDULENT WELFARE

CLAIMS.

Ms. Dorothy Scheffler 376-2545

3700 Bull Moose Dr

			Distribution	Affiliation	Reg Voter
Wasilla	AK	99654	05		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/09/95	C	SB 98	Supports	

I AM FOR EVERYTHING THAT SENATOR GREEN IS FOR. IT'S A PAST DUTY TO FEED THE CHILDREN NOT THE STATES.

Ms. Joyce H. Powers 264-8459

3295 Montpelier Ct

			Distribution	Affiliation	Reg Voter
Anchorage	AK	99503	60		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/09/95	N	SB 98	Supports	

PLEASE SUPPORT SB 98, SPONSORED BY SEN. LYDA GREEN.

Mr. Gary Feaster 745-1951

HC02 Box 7349C

			Distribution	Affiliation	Reg Voter
Palmer	AK	99645	05		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/14/95	C	SB 98	Supports	

I STRONGLY SUPPORT SB 98 AS WRITTEN. IT IS TIME TO HAVE FAMILIES RAISED BY MARRIED PARENTS INSTEAD OF FEDERAL GOVERNMENT. GOVERNMENT AID IS UNFAIR AND DISCRIMINATORY AGAINST FAMILIES WHO ARE AMBITIOUS AND ENERGETIC.

THOSE OF US THAT WORK HARD TO ACHIEVE PRIDE IN OUR STANDARD OF LIVING SIT AT HOME AND WATCH WHILE THE FEDERALLY FUNDED EAT, DRINK, AND BE MERRY.

Mr Bill Spencer 892-6745

POB 520553

			Distribution	Affiliation	Reg Voter
Big Lake	AK	99652	02		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/14/95	C	SB 98	Supports	

I THINK THE PERSONAL RESPONSIBILITY ACT OF 1995 IS A GOOD THING. PEOPLE ON WELFARE NEED TO GO OUT AND GET A JOB.

Ms Gloria Garrett 745-[illegible]

533 Quicksilver Circle

			Distribution	Affiliation	Reg Voter
Palmer	AK	99645	16		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/14/95	C	SB 98	Supports	

I AM IN FAVOR OF THE PERSONAL RESPONSIBILITY ACT OF 1995.

Mr. Ernest Erickson 745-2626

PO Box 563

			Distribution	Affiliation	Reg Voter
Palmer	AK	99645	20		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/02/95	C	SB 98	Supports	

I WANT SB 98 PASSED AS IS.

Mr. Leonard M. Fabich 584-5528

PO Box 61

			Distribution	Affiliation	Reg Voter
Russian Mission	AK	99657	05		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/03/95	N	SB 98	Supports	

TEACHING IN A NATIVE VILLAGE FOR 10 YEARS. I WANT TO EXPRESS MY EVER INCREASING CONCERN OVER THE CURRENT WELFARE SITUATION AND THE NEGATIVE EFFECT IT IS HAVING ON EDUCATION WHILE WELFARE IS CONTINUING TO SUPPORT FAMILIES FOR

DOING NOTHING. IT WILL CONTINUE TO BE A GOAL FOR OUR STUDENT POPULATION.

Senator Lydia Green
State Capital
Juneau, AK 99801-1182

March 15, 1995

Dear Senator Green:

It was not possible for us to participate in the public hearing regarding Senate Bill 98, so we're taking this time left in our day to give you our opinion as we consider bill 98 important. We definitely feel that there should be a time limit of from three years to five years and then cut off welfare to recipients. Welfare going on infinitely as it is now must stop.

Women on welfare less than 18 and even up to age 21 are probably much better off at home or in a home group environment. Presently these women get enough money to become rent paying roomates, and are more prone to get pregnant again whilst the would be father takes off and leaves them as continued burdens of the taxpayers. Living with their families has a better probability that these women might try harder at getting out of a dependant State. Welfare puts party girls in a great situation. They can continue their lifestyle, if dependant on the taxpayer, without anybody telling them what to do or expecting anything out of them. By the time these girls realize that their life is really going nowhere it's too late. We have a friend whose daughter just tried to commit suicide. Her daughter started becoming depressed several years ago. She has a seven-year-old daughter, and she's been on welfare since she was pregnant at the age of seventeen. She's lived with various boyfriends, and has had a wild ride of booze, drugs, and sex. Presently this young girl feels that her life is a dead end. Maybe if she had stayed home she may have tried to do something more with her life. So we agree that a requirement for young teens requesting welfare should be a home environment of some sort. Their chances of success would be much better in our opinion.

With regards to taking away the Alaska permanent fund dividend from those on welfare, we are definitely against it. No one who qualifies should be denied their permanent fund dividend. That dividend comes from monies received as a result of taxes paid to the State by the oil companies when they drill oil out of this land. As citizens, we have no mineral rights to our land (as we should have) so this is the only payment we're receiving for oil taken out of our State. In Texas, for example, residents have mineral rights to their land so they get paid if oil is taken from their land. We get nothing. Only the State bureaucracy gets paid, and the permanent fund dividend is the tiny dribble we citizens receive. All citizens deserve that at least. If welfare recipients have their checks stolen, then pretty soon another group of citizens will be picked to have their portion stolen until nobody will get it. No, the permanent fund should not be taken away.

With regards to reducing welfare benefits by six to fifteen percent, we do not believe it should be reduced if the plan is to cut the whole thing after three to five years. The people who really need the help cannot afford to get less. Those who don't need the help, but are just sucking off the system will be off it eventually when the cut off time arrives and hopefully cause a sort of balance.

Finally, we hope bill 98 when finally passed (if passed) does what it is supposed to do....prevent abuse of the system; not try to take away more from those who do need it.

Sincerely,

Rapp Family
P.O. Box 221865
Anchorage, AK 99522-1865

MAR 20 1995

Alaska State Legislature

Please enter into the record my testimony to the H FIS S
committee name

committee on S B 99 , dated Mar 24 1995
bill/subject

You have my wholehearted support on this bill.

Signed: Carole A. Nelson
Testifier

Representing (Optional)

General Delivery Willow, AK 99688
Address

907-495-5862
Phone No.

MAR 27 1995

LIO Legislative Information Office

Alaska State Legislature

Please enter into the record my testimony to the Health, Education & Social
committee name

Services Senate committee on SB98 , dated 2/23/95 .
bill/subject

We support SB 98 "Personal Responsibility Act of 1995" because the workers in the state and nation can no longer afford to support welfare programs to the extent they have been supported in recent years.

Overall the bill is a good start to getting people off welfare. We particularly endorse the concept of job training, however, we do not feel that the working taxpayers owe welfare recipients a college degree. It should be sufficient that the can find honest work in order to pay for college if that is their goal. They will put a great deal more value on the degree once they earn it.

In order for the jobs concept to work the legislature should next look to passing rules and regulations to encourage rather than discourage business and resource development. Suggest a sliding scale of regulations to help small businesses get started.

Thanks for your hard work.

Signed: Lucille J. Frey
Testifier

AK + LUCILLE FREY
Representing (Optional)

HC02 Box 7342 PALMER AK 99645
Address

(907) 745-3868
Phone No.

MAR 27 1995

Mr. Ryan M. Lance 263-4419

12955 Lindsey Dr

			Distribution	Affiliation	Reg Voter
Anchorage	AK	99516	05		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/22/95	N	SB 98	Supports	

I SUPPORT YOUR EFFORTS ON SB 98 TO REFORM THE WELFARE SYSTEM. I'M SURE YOU ARE HEARING ALL FINDS OF OPPOSITION FROM THOSE WHO HAVE A VESTED FINANCIAL INTEREST IN MAINTAINING THE STATUS QUO. KEEP A CLEAR MIND AND HOLD

FIRM. YOU ARE DOING WHAT MAKES SENSE.

Ms. Cami Feaster 745-1951

HC02 Box 7349C

			Distribution	Affiliation	Reg Voter
Palmer	AK	99645	05		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/24/95	C	SB 98	Supports	

I SUPPORT SB98 AS WRITTEN. THE WELFARE PROGRAM NEEDS TO BE REDIRECTED TO SUPPORT THOSE INDIVIDUALS WHO ARE TRULY IN NEED. SO MANY PEOPLE SEE THESE PROGRAMS AS AN EASY WAY OUT OF RESPONSIBILITY. THEY CAN HAVE

CHILDREN, AMPLE FOOD AND A ROOF OVER THEIR HEADS WITHOUT WORKING FOR IT. WE NEED TO CHANGE THE PUBLIC'S THINKING. WELFARE SHOULD BE A LAST RESORT, NOT A GOLDEN OPPORTUNITY.

Ms. Carol Jensen 346-3321

4800 E 112th Ave

			Distribution	Affiliation	Reg Voter
Anchorage	AK	99516	60		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/27/95	N	SB 98	Supports	

WELFARE RECIPIENTS AND THE VULTURES WHO LIVE OFF THEM (SOCIAL WORKERS, ETC) WILL ALWAYS WANT MORE, NEVER LESS. THE PUBLIC DOESN'T WANT TO KEEP PAYING TO SUPPORT THE LAZY LIFESTYLES OF EMPLOYABLE AGE HEALTHY PEOPLE.

REINSTATE HB 70 AND SB 37 TO KILL THE HOLD HARMLESS PROGRAM FOR ALL BUT THE LOW INCOME ELDERLY AND DISABLED.

Mr W De Jones 373-2831

HCR01 69G

			Distribution	Affiliation	Reg Voter
Palmer	AK	99645	24		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/27/95	C	SB 98	Supports	

I'M ALL FOR CUTTING. I HAD 2 NEIGHBORS ON WELFARE, WHEN THEY GOT THE DIVIDEND, THEY PUT IT ON THE BAR AND TOLD THE BARTENDER TO LET THEM KNOW WHEN IT WAS USED UP. I'D LIKE TO SEE WELFARE RECIPIENTS HAVE MORE PRIDE. IT SEEMS

TO BE ONE GENERATION AFTER ANOTHER. I SUPPORT SB 98 AND THE BILLS THAT ELIMINATE THE HOLD HARMLESS PROVISION OF THE PFD TOO.

Mrs. Robert J. Cochran 243-3439

6209 Chevigny St

			Distribution	Affiliation	Reg Voter
Anchorage	AK	99502	20		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/28/95	N	SB 98	Supports	

I AM IN FAVOR OF SB 98. WHAT STARTED AS A HELPING HAND HAS BECOME TOTAL SUPPORT, CONTINUING INDEFINITELY UNDERMINING CHARACTER OF RECIPIENTS. ALSO, I DO NOT WISH TO SUPPORT THOSE WHO REFUSE TO LEARN FROM THEIR MISTAKES

AFTER RAISING MY OWN FOUR CHILDREN AS A WORKING SINGLE MOTHER.

Ms. Alice M. Bray 333-2359

3441 Harrier Cir

			Distribution	Affiliation	Reg Voter
Anchorage	AK	99504	01		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/13/95	N	SB 98	Supports	

REGARDING YOUR PROPOSED WELFARE REFORM BILL, I WANT YOU TO KNOW THAT I AM 100 PERCENT IN SUPPORT OF EACH ITEM AS PROPOSED.

Ms. Louise Pogany 696-2390

PO Box 770323

			Distribution	Affiliation	Reg Voter
Eagle River	AK	99577	60		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/13/95	I	SB 98	Supports	

WE ARE IN TOTAL SUPPORT OF SB 98, KEEP UP THE GOOD WORK.

Mr. Gary Pogany 696-2390

PO Box 770323

			Distribution	Affiliation	Reg Voter
Eagle River	AK	99577	60		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/13/95	N	SB 98	Supports	

I AM IN TOTALY SUPPORT OF SB 98. KEEP UP THE GOOD WORK.

Mr. Eric Landenburger 224-3979

PO Box 274

			Distribution	Affiliation	Reg Voter
Seward	AK	99664	01		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/14/95	N	SB 98	Supports	

I'D LIKE TO COMMEND MS. LYDA GREEN FOR HER EFFORTS ON WELFARE REFORM AND DENYING THE PERMANENT FUND TO WELFARE RECIPIENTS. BETWEEN MY WIFE AND MYSELF, WE WORK THREE JOBS PLUS COMMERCIAL FISH. LET THE FREELOADERS WORK, TOO.

Ms. Beth Stohl-Reiland 269-6426

HC85 Box 9381

			Distribution	Affiliation	Reg Voter
Eagle River	AK	99577	05		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/10/95	N	SB 98	Supports	

I AM IN FAVOR OF SB 98 AND AM ASKING YOU TO CONSIDER THE INCREASED DIVERSITY OF RESPONSBILITIES FOR STATE EMPLOYEES WHEN DECIDING TO CUT OUR SALARIES.

Mr. Doug Millard 376-2118

P O Box 870351

			Distribution	Affiliation	Reg Voter
Wasilla	AK	99687	01		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/10/95	N	SB 98	Supports	

ELAINE, DAVID, CURTIS AND I ARE IMPRESSED WITH AND IN FAVOR OF SB98.

Ms. Eleanor Nesting 243-5048

7330 Silver Birch Dr

			Distribution	Affiliation	Reg Voter
Anchorage	AK	99502	60		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/10/95	N	SB 98	Supports	

I WANT STRONG WELFARE REFORM. NOT HALF WAY MEASURES. I LIKE SEN. GREEN'S SENATE BILL 98. IT IS TIME TO PUT FREE LOADERS TO WORK AND TO QUIT REWARDING UNMARRIED MOTHERS FOR HAVING MORE AND MORE CHILDREN.

Ms. Rebecca C. Mallory 243-0200

4690 Caravelle Dr

			Distribution	Affiliation	Reg Voter
Anchorage	AK	99502	05		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/13/95	N	SB 98	Supports	

I WOULD LIKE YOU TO SUPPORT SB 98. MY ONLY REGRET IS THAT THE TIME LINE FOR BENEFITS IS FIVE YEARS. IT SHOULD BE THREE YEARS OR LESS. THE LONGER THE BENEFITS, THE MORE IT CREATES DEPENDENCY. I WHOLEHEARTEDLY SUPPORT THE

IDEA THAT THIS BILL PROJECTS--CREATING SELF-SUFFICIENCY AND PERSONAL RESPONSIBILITY.

Ms. Bonnie J. Savland 789-4242

7290 Glacier Hwy

			Distribution	Affiliation	Reg Voter
Juneau	AK	99801	20		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/10/95	N	SB 98	Supports	

I JUST WANTED TO REGISTER MY SUPPORT FOR SB 98 AND URGE ITS SPEEDY PASSAGE.

Ms. Elizabeth R. Eavey 586-1059

428 East St

			Distribution	Affiliation	Reg Voter
Juneau	AK	99801	02		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/10/95	N	SB 98	Supports	

I THINK THIS BILL WILL HELP PEOPLE TO BECOME MORE PERSONALLY RESPONSIBLE IN REGARDS TO PUBLIC SUPPORT; SPECIFICALLY IN THE FACT THAT NO ONE MAY RECIEVE PUBLIC ASSISTANCE FOR MORE THAN FIVE YEARS AND THAT AFDC

RECIPIENTS SIGN A CONTRACT. THOSE TWO ASPECTS OF THE BILL HAVE MY FULL SUPPORT.

Mr. Bill Paulick 789-0777

9550 Moraine Way

			Distribution	Affiliation	Reg Voter
Juneau	AK	99801	01	Juneau	U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/10/95	N	SB 98	Supports	

I SUPPORT THIS BILL. THE STATE IS INVOLVED IN TOO MANY PROGRAMS THAT WOULD BE BETTER ADMINISTERED AT THE FAMILY, CHURCH OR COMMUNITY LEVEL. HARD COPY WITH DETAILS TO FOLLOW.

Mr. Ken L. Nesting 243-5048

7330 Silver Birch Dr

			Distribution	Affiliation	Reg Voter
Anchorage	AK	99502	60		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/10/95	N	SB 98	Supports	

I SUPPORT SENATOR LYDIA GREEN'S SB 98, THE PERSONAL RESPONSIBILITY ACT OF 1995. WELFARE RECIPIENTS SHOULD NOT HAVE BETTER LIFESTYLES AND BENEFITS THEN LOWER INCOME WORKERS. LETS GIVE WELFARE RECIPIENTS MOTIVATIONS TO WORK,

AND LOW INCOME WORKER'S MOTIVATION TO STAY OFF WELFARE.

Lawrence D. & Lydia G. Wood

P.O. Box 1789 Palmer, Alaska 99645-1789 / Tel. & Fax. (907) 746-4981

March 18, 1995

Sen. Lyda Green
Rep. Vic Kohring
Rep. Scott Ogan

Re: Legislation before the House and Senate, Education, Youth Violence

Dear Sen. Green, Reps. Kohring and Ogan:

I have just reviewed over 40 house and senate bills, now in committees. Several of the public's concerns over welfare reform and child support enforcement are addressed by this legislation. For example, HB62 & SB109 provide for revocation or denial of occupational licensing for failure to pay child support. SB98 provides for a fairly comprehensive rework of the welfare system by establishing work and education requirements, time limits, citizenship eligibility requirements, and denies additional aid for children born to a welfare parent. Legislation which would have an impact on welfare and child support issues is SB105, which requires parental or court consent for a minor female to have an abortion. Lydia and I are generally in support of the intent of these bills. We hope that you will support them.

Youth Violence

There are several pieces of legislation which seem to address this concern, but fall short in failing to provide for any substantive remedy.

HB215 provides for the suspension from or denial of admittance to school for a student's disorderly behavior or other condition which would either prevent the student from benefitting from the programs offered. This bill falls short in one area. It requires a felony class conviction to deny admittance. What about several violent misdemeanor convictions? Otherwise, if that deficiency is not corrected before a vote, then we can support the legislation in its present form.

HB206 provides for the suspension or revocation of a juvenile's drivers license for other than driving issues. If Section 2 concerning the revocation, suspension, or denial of a driver's license were extended across the board to adult also, then I do not think that there would be a problem with this bill, other than the association of the driver's license with non-driving criminal acts. Further, the bill refers to a 'juvenile court.' For the offenses listed, there should be NO JUVENILE anything. To

intentionally bring firearms to school, or commit a violent act, the juvenile offender should be treated as an adult at least from age 13. Juvenile should be stricken from the language in reference to the court, and the 'court of jurisdiction' substituted. Otherwise, we can support the intent of the legislation.

SSHB104, HB125, SB29, SB102 all address the need for disclosure of juvenile criminal records, but fall short of the degree necessary to insure the safety of the community, the school, school staff, and student body. I disagree with the protection of the minor offender's record couched in each of these bills. There is little or no provision for insuring that the school has vital information concerning a student's criminal acts. This information should be provided to the school administration and staff on a confidential basis, but SHOULD BE PROVIDED AUTOMATICALLY upon registration or conviction. If a student has a criminal conviction history, then the disclosure of that history by the family or the police should be mandatory. Same for any violations occurring during the school year. Notice of any pending charges should not be withheld from the school administration and affected teachers. However, I can see withholding information on an ongoing investigation. Therefore, Lydia and I cannot support this legislation in its present form. There are too many protections for the youthful offender and too little for society and the schools.

We do support the concept of sealing an individual's youth offense record for misdemeanor offenses after five years from the last offense--so long as that record can be used by the prosecution and police in the investigation and sentencing of any post sealing convictions. However, there should be no sealing of court records for VIOLENT felony class crimes. Simple assault is one thing, assault with a deadly weapon is another. Today's youth are too well informed about their rights under the law. They have no excuse for their violence, any more so than an adult offender.

We fully support HB87 establishing youth courts. We are familiar with the concept, and are aware of the success of the program in Anchorage and elsewhere in the U.S.

HB142 provides for the Department of Corrections to provide for juvenile detention in adult facilities. This falls far short of the facilities necessary to insure proper separation of juveniles and adult offenders. Further, it does not address the need for the establishment of a new or increased capacity juvenile detention facility(ies) to address the growing problem of juvenile crime. We are shipping prisoners Outside for lack of space. How does this bill solve anything?

SB26 addresses the consequences of the use of firearms by juveniles, but also allows for the sealing of court records. I do not believe that records of VIOLENT felony class crimes should be sealed--restoration of rights for good behavior, yes, but not denying the knowledge of a violent act. With that exception, we support this legislation.

SB46 provides for the treatment of juveniles as adults in District Court cases, with specific limitations: Possession of tobacco, fish and game statute violations, alcohol, and minor traffic offenses. What about misdemeanor assault, reckless endangerment, and other misdemeanor acts of violence or negligence? This bill does very little to expand the current responsibility for a juvenile's acts against society. Therefore, while sterling in intent, this bill does not go far enough. However, if that is all that is offered, then we can support it, but we would rather see the responsibility expanded to cover all of the District Court's jurisdiction in criminal matters.

HB202 provides for parental accountability in making restitution for a juvenile's damages in committing an offense. This bill, oddly enough, leaves out garnishment of the JUVENILE"s permanent fund dividend, and requires only the parent's(s') dividend(s) to be garnished to pay for restitution. This is a glaring deficiency and needs to be corrected. Otherwise, the intent of the legislation addresses the need for restitution for a minor's acts, but, again, falls short of also making the juvenile offender responsible for the act resulting in harm by leaving the juvenile's dividend intact. Therefore, we cannot support this legislation without first correcting that deficiency.

(My perspective is from my experience as a member of the Mat-Su Borough's Youth Violence and Anti-crime Task Force and with the raising of three children, now of college age--LDW.)

<u>Driving Issues</u>

HB10 makes me wonder if Rep. Davies is an insurance agent. This bill requires mandatory uninsured driver coverage with every vehicle insurance policy sold in Alaska. I do not believe that such coverage should be at anyone's discretion but the purchasers. We oppose this legislation. Insurance rates are too high. This bill would force them to even greater levels. How about insurance reform?

HB24 raises the BAC level to .08% for DUI charges. The problem is not with the present level of .10%, which is a reasonable standard. There is also a decline in the number of first time

arrests, overall. The problem is with the repeat offender and the fact that the offender can walk out of a bar over the legal limit. Raising the ante and increasing convictions requiring jail time in an already overloaded corrections system is ridiculous. Therefore, increasing the number of convictions is contra productive. We oppose this legislation on the basis of the lack of deterrence for and solution to the problem.

HB 204 and SB82 both provide for the automatic suspension of a driver's license by administrative rote upon issuance of a citation for possession of alcohol with no relation to a driving offense. The issue of taking a license by the administrative act with no relation to the actual alcohol is raised. I am concerned with the revocation of a driver's license for everything under the sun. We cannot support this for just a minor consuming issue. DUI is DUI, whether adult or minor.

Miscellaneous

HB210 provides for third party DMV agents. This is a GREAT idea. We wholeheartedly support this concept. I am certain communities without DMV offices would benefit greatly from this concept.

HB77 and SB38 provide for the allowance of off-road vehicles within five miles of the Dalton Highway for trapping activity. We support this legislation. Although, I see that oil exploration vehicles are provided for, but not explicitly stated as to the allowance of vehicles used in MINERAL exploration. The current law allows for mining vehicles, but only states exploration in terms of Oil. An oversight that might have repercussions down the road if an exploitable mineral deposit could be safely exploited within the pipeline corridor.

This completes our comments on the foregoing legislation. We hope that you will take our comments into consideration when you review the above legislation for a vote.

Best Regards,

Larry and Lydia Wood

Rachel

1

Constituent Contact Sheet

NAME: Rick Krueger DATE: 3-28-95

ADDRESS: Works for Ketchikan Radio Station

PHONE: 225-2193 S.S.N.:

REGARDING: Heard about SB98 - fully supports 2 yr. limit on AFDC. Wants to testify at next hearing.
Horror story about owing $30,000 in back child support payments because mother has been on AFDC for past 13 yrs. Never knew had child until yrs. later...
System is out of control + answers to no one.
They were at fault but he still owes. Filed bankruptcy..

ACTION TAKEN:

RESPONSE TO CONSTITUENT:

State Farm's Car Finance Plan is simple as

DALE L. CONOVER, AGENT
Auto-Life-Health-Home and Business
436 NORTH MAIN ST
WASILLA, AK 99654 PHONE (907) 376-2478

March 23, 1995

Senator Lyda Green
State Capitol
Juneau, AK 99801-1182

Dear Lyda,

We are supporting your welfare reform efforts. We applaud your willingness to take on a big issue.

A recent letter to the editor in the Anchorage Daily News suggested testing welfare recipients for illegal drugs. What a great idea. Employees of government and industry who are in responsible positions are required to test. Why not those on government handout!

Keep up the good work!

Dale and Staff

Conover
Dee Boughton
Linda Conover
Karen Cleveland

MAR 27 1995

5:50:56 PM 3/15/95

Senator. Lyda Green
Room 423 State Capital
Juneau, Alaska 99801-1182

Senator Green

Don't throw this letter away early. Contrary to good communication the main intent is toward the end.

The state is to socialistic. The damage being done is almost beyond repair. I like to put in Websters definition of socialism but will give you a break and quote the words that really stand out, "classless society."

State employees to high of wages is the biggest welfare system, second is the educational system, parents $20,000.00 a year wages is paying for $40,000.00 a year school teachers. This fact is causing a lot of conflict between teacher and student.

What the public is seeking are Legislatures with some courage to combat known excessive expenses, I am for cutting back on welfare as such but would much prefer a start on the above first.

Let me thank you for your effort in cutting back state expense by your recent bill.

Good Luck in getting your bill into law.

David L. White D. L. W.
3486 HC01
Sterling, Alaska 99672

Cut the Railroad, Ferries, etc.

MAR 23 1995

Mr. Phillip L. Gray 586-6913

4410 N Douglas Hwy

			Distribution	Affiliation	Reg Voter
Juneau	AK	99801	60		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/20/95	N	SB 98	Supports	

OUR FAMILY SUPPORTS PASSAGE OF SB98 (THE PERSONAL RESPONSIBILITY ACT OF 1995). THIS BILL WILL HELP TO PREVENT SOME OF THE WELFARE FRAUD AND DEPENTENTS ON WELFARE BY MANY PERSONS CAPABLE OF SUPPORTING THEMSELVES AND

THEIR FAMILIES.

Senator Green's Office

Constituent Contact Sheet

NAME: Hellene Polis DATE: 3/22/95 12:30pm

ADDRESS: PO BOX 871313
Wasilla AK. 99687

PHONE: 376-0435 S.S.N.: _____

REGARDING: Strongly Supports SB37. Believes hold harmless clause should be repealed. She was on welfare for a short period of time & it helped her through a crisis; welfare should be temporary help for needy people in a crisis.
Need workfare and time limits - no additional money for more children.

ACTION TAKEN: _____

RESPONSE TO CONSTITUENT: _____

3/17/95

Senate
Lyda Green

I strongly support your bill on welfare.
That is why I and the rest of the working class voted for you. We are tired of carring the free loaders.

Thanks
Patrick OConnor
Box 3657
Palmer AK 99645

MAR 22 1995

Henry P. Guinotte

Box 579 - Palmer, Alaska 99645-0579

Telephone (907) 745-4392

FAX (907) 746-3435

March 19, 1995

Cynthia Toohey
State Capitol #104
Juneau, Alaska 99801

Dear Cynthia,

My hope in this letter is to offer some possible answers to questions you and Senator Green may have already heard. I'm sure you know where I stand on all this.

My comments are based on over 15 years experience of working with people who are or have been on state and federal welfare benefits. I have no selfish interests. I don't receive a salary from the food bank. I don't receive any program money from the state nor do I seek a state grant.

The figures on welfare from Senate HESS are only part of the whole picture. The figures are accurate for state programs. However, there are people on various Social Security benefits related to disability and veterans' disability programs. Then there are Workman's Comp and unemployment insurance. All the figures would indicate a large per cent of Valley people on some type of public aid.

Many long time welfare people are moving to Alaska because Alaska has benefits 5 times what some other states have. As the other states tighten up on welfare, folks will move out of strict states. Many are coming to Alaska. Unless we scale down benefits the state will gain more than a proper share of welfare people.

Over 100 welfare people have moved to Palmer in the last eight weeks. They come from the south 48. Their vocabulary indicates that have been on welfare in the south 48. They know the rules. **They all talk about the $1000** they hope to get. Some may try to get it this time around.

One of the best ideas I heard was not to give welfare people the **permanent fund dividend.** Then make sure California and Oregon newspapers get the story. From what is in the Anchorage paper this idea is not legal. When a family of five gets about $15,000 in annual AFDC benefits for the year, why give them another $5000 in dividends?

The talk of getting jobs for the welfare people is one that causes me to laugh. Many of the folks don't want jobs, won't take jobs, and don't understand about working for a salary. There aren't enough jobs out there if they did want to work.

When these folks take jobs they have an emergency on a regular basis that keeps them from going to work. The emergency might be that they need to stay home because the cable TV installer is expected. Or, I want to go shopping in Anchorage. As one fellow told me with shock, "You mean you have worked for 38 years non stop?" After a few months of work he quits his job and goes on unemployment, food stamps etc. Work is more than he can handle.

MAR 22 1995

What about the poor children of welfare families? Giving money to the adults will not necessarily help the children. The state money goes for alcohol, car repairs, expensive cafe dinners, etc. When people come to me with the poor child story I often say to them that the state gives you the AFDC to take care of the children. If you are not taking care of the children your acceptance of the money is equivalent to fraud.

There are many people making big money because of welfare. The state grant supported organizations will cry that the needs of people are not being met. Actually they are concerned about the size of the state grant because their salary comes from the grant. We had an all volunteer effort that helped abusive parents in relationships with their children. After many years it was decided that a small state grant would help with some of the expenses. Then, the grant got so big that someone said, "what you really need is a person with a masters in social work to run the program." She took the job and got the salary. When the state grant ran out the organization closed down. She had angered the volunteers to a point they all quit.

High school girls often get pregnant by desire, not accident. Part of being a teen is to rebel against adults. A 16 year old that wants to get away from home gets pregnant to get AFDC. The $821 looks big to the students. Restricting welfare payments to the teens would cause the parents to get involved if the girl gets pregnant. There would be less high school pregnancies.

Withholding added benefits from ladies on AFDC that continue to bear children might reduce the increasing number of welfare supported children. I doubt that the ladies have added children because of the money. The economics don't add up. The ladies enjoy sex and are careless about controlling the situation.

Expect a lot of crying from the welfare set and related organizations The folks are good at laying guilt trips on people. The organizations tell people things to get them stirred up. I get form letters and telephone calls asking me to object to reductions in the various welfare programs.

Whatever the amount of benefits the welfare set get, they will **always want more.** The month the permanent fund checks are received the folks come to me with the same needs for food, utilities, and rent. I don't know what happens to the dividend money.

Senior citizens sometimes think like welfare people. The tax exemption on real estate is being abused. When the welfare set asks me to pay rent I check the ownership of property before paying the rent. Sometimes the rented cabin is on tax exempt property. One senior has a summer house here that is tax exempt. He spends the winters south. On this issue I have a vested interest. I reach the magic age this year. Every citizen should help pay for government. It would be wise to reduce the tax exemption to $50,000. I heard there is a bill that talks about $75,000.

I hope the staff person that reads this will give you a condensed version of this letter.

Sincerely,

Henry P. Guinotte

MAR 22 1995

Alaska State Legislature

Please enter into the record my testimony to the Welfare reform
committee name

committee on SB 95 Personal Responsibility dated OCT 1995
bill/subject

Dear Senator Green

I think the People on welfare think it's the other People around here owe them a living. There are kids here that are 25 to 30 years old able to work but won't because it's to easy not to, I have even heard some of them say; If they cut me off I will have to go find a Jobs and one Lady even gets Paid to Pick up her own Child at school, because nobody would send a handicapped bus to the School for this one Child

The People who live out in the remote areas of this Valley should not get free AIR Plane rides to town to take there Children to the Doctors, if they want to Live out there Thats ok with me, but Please Lets not Subsidize a Lifestyle They Themselves have Chosen.

In Closing there is another reason to STOP welfare

We Can't Afford it Anymore

Thank you

Signed: Mr. Jerry Shurtleff Shurtleff
Testifier

Representing (Optional)

P. O Box 211 Willow AK 99688
Address

745-6503
Phone No.

3/96 Legislative Information Office

MAR 22 1995

Rep Lyda Green
Ak State Legislature
State Capitol
Juneau, Ak 99811-1182

Dear Ms Green

Althcugh I am not from you district, I want to encourage you to continue your attempt to cut the generous welfare benefits that the recipients receive in this state.

Our current welfare programs in Alaska are simply subsidizing slothfullness and non-productivity. Our benefit levels are the highest in the nation and are attracting recipients to our great state in unprecented numbers. Our previous director, Jan Hansen, did everything within her power to convince the state legislature that welfare is not a problem for Alaska, and should continue to be funded at its current generous levels. The real truth of this matter is diametrically opposed to what Jan Hansen stated. People are flocking to Alaska, mostly Anchorage, for the higher welfare benefits.

The hold harmless program has got to go away. Twenty two million dollars so that a few select persons get to keep their welfare and their permanent fund dividend too. And the 22 million comes from all other Alaskans.

Your drive and desire to cut the generous welfare benefits is commendable. Please keep up the effort and realize that working persons, such as myself, are supporting your efforts.

David C. Wolfe
8211 Pioneer Dr.
Anchorage, AK 99504

MAR 2 2 1995

Mr. Andrew J. Bond 263-4623

12100 Woodway Cir

			Distribution	Affiliation	Reg Voter
Anchorage	AK	99516	60		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/21/95	N	SB 98	Supports	

I SUPPORT SB 98. PLEASE CUT WELFARE PROGRAMS. THIS STATE CANNOT AFFORD A BLOATED BUREAUCRACY ANY LONGER. CUT SPENDING IN EVERY DEPARTMENT. DO NOT THINK ABOUT RAISING TAXES.

Mr. Matt Scully 265-8896

6121 Austria Dr

			Distribution	Affiliation	Reg Voter
Anchorage	AK	99516	20		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/21/95	N	SB 98	Supports	

I SUPPORT WELFARE REFORM AS PROPOSED IN SB 98. THESE REFORMS ARE LONG OVERDUE. THIS BILL ENCOURAGES INDIVIDUAL RESPONSIBILITY AND FAVORS THOSE WHO MAKE RESPONSIBLE CHOICES. IT DISCOURAGES WELFARE AS A WAY OF LIFE BUT

GIVES FINANCIAL HELP AND ENCOURAGEMENT TO ALL THOSE WHO REALLY NEED IT.

---

produce a decent return.

Never mind the Tobacco Road image of poverty and shiftlessness. Generations of Carolina families built homes and put their children through school raising tobacco. In Durham, N.C., home of Bull Durham and once the tobacco capital of the world, cigarette factory workers of regett and Myers cigarette factory.

In 1964, nearly 6,000 workers manufactured tobacco in the Bull City. Today, fewer than 750 people retain tobacco manufacturing jobs. Instead, Durham now has nearly 15,000 health-care workers and calls itself "City of Medicine."

"We used to try to kill you, college basket bears their nam ty.

Between 186 Dukes, led by C Washington Du themselves from co farmers into of the largest to in the world, th

Welfare means dividend break

I feel the March 8 "Ouch" editorial was unfair to Sen. Lyda Green and all federal income tax-paying Alaskans. This time of the year, most Alaskans and their children have to pay tax on the permanent fund dividend. For some Alaskans, the IRS takes over one-third of their dividend. No one protects tax-paying Alaskans from the government taking a bite of their PFD.

Welfare recipients are the only class of Alaskans protected from the government getting its share of the PFD. Welfare was originally set up to be a short-term program. Its purpose was to provide funds for food, shelter and clothing for those who needed temporary help getting back on their feet. Therefore, it does not seem logical to exclude the PFD as countable income in determining a monthly welfare check. Welfare recipients are already receiving governmental benefits that have no taxable consequences. Therefore, they receive full welfare benefits in the month they receive the PFD, and they do not pay any federal tax on their PFD. This means they receive a higher PFD than the average working Alaskan.

It would appear to me that the Daily News has forgotten the purpose of welfare. You stated in the editorial, "A millionaire real-estate mogul and a humble person in need of help should have the same ownership interest in the state oil savings account." People on welfare do receive the same PFD as every other Alaskan. The only difference is that the people on welfare don't have to give the government a share of their PFD.

I believe this rewards welfare recipients and hurts working Alaskans. It discourages welfare recipients from working and from becoming more financially independent. These types of programs have caused the welfare dependency we have today.

— *Michael D. Croft*

Tune out raunchy radio jocks

Having been a flower-child/hippie of the late 1960s, I don't consider myself a "prude." I still listen to Led Zeppelin, although now I hear the lyrics that my parents objected to back then. But I am increasingly annoyed with what I hear on the airwaves, and I'm not addressing the lyrics.

At age 43, I don't consider it entertaining to listen to male and female jocks discussing breast sizes, oral sex, using a substitute for the "F" word, or hearing female jocks laugh at the raunchy comments of their male jock co-anchors.

I turned on my car radio one day to hear "Give me that friggin' dollar; my breasts are bigger than hers!" Another time, I heard a jock interviewing a 13-year-old boy asking him who he had "boinked" lately. And yet another time, a jock was interviewing an engaged couple and deriding the guy because he hadn't "boinked" her yet! He said, "What's wrong with you?" or something to that

"Send me to

A Daily News contest sponsor

How would you like a free trip to Juneau, to see your state government in action and campaign for an issue dear to your heart?

This is your chance.

Enter the Daily News' "Send Me to Juneau" contest.

The contest will give an ordinary citizen the chance to express concerns on public issues directly to decision-makers in the state capital.

We'll select one person to visit the state capital sometime in April, accompanied by someone from the Daily News editorial page.

• To enter:

Send us a letter explaining why you want to go to Juneau, what issue or issues you'd like to pursue and what you hope to accomplish. Feel free to include background material on yourself or your concerns.

We will select the application that, in our judgment, has the best potential to illuminate how the legislature responds to ordinary citizens.

We will give preference to points of view not already well-represented before the legislature through lobbyists and special interest organizations.

DOONESBURY

Monday Anchorage Daily News 3-20-95

Knowles' silence says a lot

I am a very concerned Alaskan when it comes to our governor. In regard to school lunch reform, President Clinton, the Democratic leadership in Washington, D.C., and the press are telling me that by giving increased funds to the states (4% percent increase) our governor will not be fiscally responsible with this money and our children will starve.

I would have thought that Gov. Knowles would have responded by now and said something like: "I, the governor of Alaska, care more for the children of Alaska than those in Washington, D.C. I, the governor of Alaska, am fiscally responsible and have the ability to take this block grant of money and appropriately distribute and manage this money so that those children who need free lunches and those pregnant women who need food and those infants who need formula will get them." Do I hear the governor saying anything like this? No, I hear silence.

Could it be that President Clinton, the Democratic leadership in Washington, D.C., and the press know more about the integrity and fiscal responsibility of the governors of states and especially our Gov. Knowles? At any rate, Gov. Knowles' silence does tell me a lot about Gov. Knowles. I thought Gov. Knowles was for state rights.

— *Sally Williams*

[redacted]

Welfare is meant to help out, not to support. It is about time we put some limits on it.

When watching the local news recently, I witnessed a woman and her two children. The woman stated she has been on welfare since her first child was born four years ago. She wants to stay at home so she can raise her children and be a good example for them. After all, child care is so expensive. In order for her to do this, she stated, she must live on welfare.

Well, I have no sympathy for cases such as hers. The woman could have been a little more responsible and refrained from having a second child if she wanted to be a good example.

She, like many, could obtain child-care assistance and take minimum-wage employment, then work her way up into a better job like all of us have done. This would be setting an example of working to make it, which is better than teaching children that it is OK to live off of society. Some may say this is cruel, but I am so tired of working to pay my bills and theirs, too.

Welfare should be for those who truly need it. It is a form of assistance, not a paycheck.

— *Michael Tollefson*

Anglers, put up or shut up

I have talked to boaters as well as bank fishermen on the Little Su. Some boaters want boat-size, motor-size restrictions, and I'd say 100 percent of the bank fishermen have wanted boat/motor restrictions for years.

You don't have to be a rocket scientist to see the harm boats have caused to the Little Su, especially bank erosion. A prime example of a river being ruined by a new park is the Little Su and the Burma Landing Park. It has brought so many boaters to this poor, little river.

Granted, it's a beautiful park, and nice people run the park, but it's obvious that because of the nice park, we have Indianapolis Boat Speedway races up and down the Little Su daily during the summer. Guides go back and forth over and over again, some 10 to 20 times a day.

I do not agree with Fish and Game putting a no-bait restriction on the Little Su. I do not agree with a one-king limit. I do not agree with a nighttime closure of Little Su — between 11 p.m. and 6 a.m. Sure, put restrictions on us, the sport fishermen.

Come on, sport fishermen, now's the time to be heard. If Fish and Game is going to restrict us, restrict the commercial fishermen as well, who are intercepting the northern river kings. Write the Daily News, and write Fish and Game in Palmer and our new Gov. Tony Knowles. It's time to put up or shut up.

— *Gary McDonald*

[redacted]

Post-it™ brand fax transmittal memo 7671 | # of pages ▸ 3

To S. Green	From Cole
Co.	Co.
Dept.	Phone # 376-3370
Fax # 465-3505	Fax #

Sen. Lyda Green
State Capitol
HESS Committee
Juneau, AK 99801-1182

PO Box 90
Russian Mission, AK
99657
March 17, 1995

Dear Sen. Green,

I was working during your audio conference so I couldn't participate in it. However, I've already written to you and shared my views. This letter is a follow-up.

I continue to support your proposed changes to welfare requirements and benefits. The proposed 5 year limit seems adequate for recipients. Most trade, training technical schools and colleges have programs which can be completed in 4 years or less. Without a definite time line to end their benefits, people will not take these changes seriously. I feel people should be responsible for their decisions and actions. I'm responsible for mine.

MAR 20 1995

Public assistance should be an emergency relief for people while they retrain or finish an interrupted education. Welfare encourages the lowered self-esteem and minimal self-worth if it's a generational lifestyle. With lowered self-esteem, children are at great risk of dropping out of school and seeking unhealthy lifestyles.

Assistance payments should be tied to a child's school attendance. As an example, I have 2 third grade children in my classroom who have excessive absences. One child has 39 absences to date the other has 47 absences. Both children come from families receiving assistance and food stamps. The older children in their families have or had similar attendance problems. No one has graduated from high school in either families.

Russian Mission has a "florida job" which is begging to be filled. Because of the

Hooper Bay floride accident 2 or 3 years age, my village doesn't floridate its water. An adult is supposed to visit the classrooms weekly with a floride rinse the students swish around. No one will take the job. Why?

I have some questions. Can pop, candy, chips and general "junk" food be purchased with food stamps? Are persons receiving assistance and the Alaska Perm. Div. supposed to file a return with the IRS?

Well, these are some of my opinions. I definitely want to see cuts, limitations, and self responsibility in welfare.

Sincerely,
Anna Peterson

MAR 20 1995

Anna C. Peterson

CONSTITUENTS- March 17, 1995

Dist. 28 - N

MCKEOWN, TIM
P.O. Box 728
Talkeetna, AK. 99676

733-1416

Victims of Custody Mediation rights. Watered down proposal. CSED doesn't bother to file. Administration jurisdiction need: to automatically go to mediation.

Dist. 28-D

BRUMLEY, BARB
P.O. Box 871254
Wasilla, AK. 99687

376-8080

Pins- She requested 1,000 pins. I explained that we gave out 100 pins maximum. (Portia)

Dist. 26-O

KUTZER, JEAN
P.O. Box 871078
Wasilla, 99687

376-9562

Support for SB 98. What about a Debit Card system, instead of paper, for Food Stamp Program?

Dist. 28 - N

SPENCER, BILL
P.O. Box 870394
Wasilla, AK. 99687

892-6745

Cut Welfare. Could not testify on Monday as I was working. Do not give money for Mark air bail out.

Dist. 26 - U

EVANS, MIKE
HC01 Box 6205
Palmer, AK. 99645

745-4400

Stop the Sutton Intertie. An alternative study should be done.

13 March

Dear Lyda;

Before I got the postmaster job here at Russian Mission I was on welfare for about 2 year. Both of my parents were unemployed and I had two boys to support. So that helped us alot. There are some people that go on welfare that do get more than they need and it's plain to see. Then there are the honest people that depend everything.

Maybe with the dividends the welfare recipients should get ½ of the total amount. I dont think they should be totaly cut off because alot of people use that to get much needed snowmachines etc.

For teenagers or unwed mothers living with parents should be included in parents benefits. After a certain amount they shouldnt get an increase for each additional child. Eligibity cant just be totaly cut off with very few jobs in the villages. Community service for the young and able people would be a good idea.

Before anyone is elegable for ADC they should have a G.E.D or Highschool diploma.

For mentaly retarted or learning disabled a set amount would be better than nothing at all.

Alot of people still owe child support. A set amount should be allocated before deducting of the benefits.

Im trying to get more people to write or call the Senate office.

Sincerely
Dora Chanyaak

Ms Dora Chanyaak
Box 60
Russian Mission, AK 99657-0060

Lydia - I know welfare programs make project seem to me.

Hang in there!

- Carl & I will be in Juneau on NEXT business next week. If there's anything you'd like us to bring down, just holler!

Kathy Hudson

Senator Ulmer 3-14-95

I'm writ ask to express opp. of the increase for SB 99 - Public Report. My husband is ill - needs treatment and since the ac stop over due. He also agreed with the elimination of the dividend check cause, he felt at the cost of a dividence then a help. I also am glad the full fund program is, he agree with me that it was not a necessity but a convenience. It seems to me their first attempt allocation should be enough to cover all the children needs. He also feels that the cut off of the program should be 2yr not 5yrs.

Questions

1. Is the proposed pay out for attr under also going to include pictures?
2. Are you going to oppose payment for non-resident court workers of 6%?

Alaska needs to live within its means and not Raid its Trust Funds!! We do not support Governor proposed budget and completely support a balanced budget!

Sincerely,
BARBARA BRAUNTER
Box 870072
WASILLA AK 99687

MAR 17 1995

15 March 1995

Oh 790-3455

Sen Lyda Green
State Capitol Room 413
Juneau, AK 99801

Dear Sen Green,

I support your efforts to reform Welfare. I am enclosing the attached form that was sent home with my 3 year old son from Gold Creek Play and Learn out of the Federal Building in Juneau. I think changes need to be made or we will continue to foster a dependent society which is not fair to the working class. In addition to the points outlined on the attached sheet I would like to remark on the newspaper article featuring your picture. If people in rural Alaska are on welfare because there are no jobs, then they need to move to where there are jobs. And University students on welfare should have to repay their education. If I can work my way through college and my husband has to pay back his loans why shouldn't it be treated as a loan that must be paid back? Moreover for a few years of service in the military, not only is free medical provided for active duty members but they draw a pay check and are entitled to free educational benefits. Whats wrong with qualified personnel entering the military for benefits instead of being given them? I

MAR 17 1995

would like to see the State set up a phone number that people could call in to report waste, fraud and abuse of government programs anonymously. The Navy employs this tactic and they save alot of money since each call is investigated. This would be good for recepients who are misusing entitlements as well as govt agencies who are not following up to see if people are in fact qualified as reported. The school lunch program is just one of many agencies that comes to mind.

I also hope that the state is requiring both parents to support their children. The children should not suffer but if I'm paying to support single mothers than the fathers better be doing their part too.

Lastly, I realize that some families are riddled with problems such as alcoholism and mental illness. I am not adverse to my tax dollar going to support these people in counseling or rehabilitation programs if they are willing to make a concerted effort. I think we should all aim for a healthy family if we are to break some of the destructive family patterns that impede a family's economic independence.

Sincerely,

Karen Gilbert

MAR 17 1995

March 15, 1995

Senator Lyda Green
Room 423
State Capitol
Juneau, AK 99801-1182

Dear Senator Green:

Even though you are not from my District, I wanted to thank you and encourage you in your efforts to "shape up" our welfare system. I'm sure you are taking a lot of heat on this issue from welfare recipients and liberals, but we working Alaskans appreciate what you are doing. Unfortunately, we do have to work and so are unable to attend hearings to express our point of view, whereas the people on welfare don't have to work and are able to attend.

I am sorry that you dropped the issue regarding welfare recipients receiving Permanent Funds. That has always been one of my 'pet peeves' and I write to my Representatives every year about it. Alaska supports these people all year, their Permanent Fund should go towards reimbursing the State. I have a friend who has been on welfare for 8 years. Every year she and her three children receive approximately $4,000 in

Permanent Funds. However, she has told me that they are not allowed to save that money; she has to spend it within a certain amount of time. Consequently, they have a big screen TV, VCR, computer, top of the line stereo etc. which is more than my family and I are able to afford. I'm sure you've heard all this before....

Thanks again and keep up the good work.

Sincerely,

K Sonnichsen

Kathy Sonnichsen
PO Box 224
Anchor Pt., AK 99556

MAR 17 1995

PO Box 61
Russian Mission, Ak 99657
March 14, 1995

Lyda Green; Committee Chairperson.
The Committee on Health Education and Social Services.
State Capitol
Juneau, Ak. 99801

Dear Chairperson:

I would first like to say thank you to Chairperson Lyda Green and the Mesa Committee for making this opportunity available for me to communicate my concerns. I feel that my life experiences highly qualified me to comment on the current welfare situation that is presently being abused in my area of the Wade Hampton District. Although much of what will be read in this letter would be viewed by local residents as one sided and native bashing, I would like you to read carefully and know that I hold the Yupik culture, exhibited by the elders of these communities, in very high regard. It is the disregard for culture and abuses of my anglo culture that disturbs me so much. I have always searched for ways to get my students to take more interest in their culture but it has become increasingly difficult.

I have been a teacher for ten years in the Lower Yukon, eight years of that in Russian Mission. I am an avid outdoorsman with extensive experience in subsistence activities, twenty one years of trapping experience in Montana and Alaska, and eight years experience in commercial fishing. I have also tried numerous entrepreneurial ventures, a number of them right here in Russian Mission. These are the areas that I would like to comment on with education being my major focus.

As an educator, it is my opinion that welfare has created the largest roadblock to successful education that we face in our area. I don't have to convince anyone of the deterioration to ones self esteem and self worth that dependence on welfare causes, but I feel I am obligated by my conscience to share with you what welfare does to my effectiveness as a teacher.

In the eight years that I have been here in Russian Mission I have watched the attitudes of students deteriorate and the dropout rate of students escalate at and alarming rate. It is not uncommon to hear a twelve year old student in my Jr. High class, when encouraged to do an assignment, say that he can't wait until he is sixteen so he can drop out. Our high school and

elementary teachers are hearing similar comments. The work ethic and lack of responsibility of our students has dropped to new lows, and is especially prevalent in the Junior High and High school. After talking to teachers at other sights in the district this is also true of many of their students also.

A large factor contributing to these attitudes can be directly attributed to the community's role models. In a village where over 50% of its members rely on government assistance of some kind, it is easy to see who the role models are. The people who have a job can't ride around on snowmobiles when ever they want or stay up watching videos until 4 am and sleep until noon. It is a common fact that if we want to get a hold of some one, that is not an elder, you probably shouldn't call before noon. Working people have to work to get that check, an increasing majority do not. Who do you think students are going to emulate when faced with a challenging assignment?

On a regular basis these welfare recipients are turning down job opportunities to substitute teach in the school, failing to apply for local jobs and certainly not taking advantage of ways to stretch the dollars they now receive. Right now there is a job that pays around a thousand dollars per year, no one has been willing to take that job for over one year. We recently had a full time job opening job opening at the school. Five people applied, four of these people have at least part time jobs, and one person that is a not working at all applied. After acquiring the current figures on welfare payments in the form of AFDC and Food Stamps, I see that our students have legitimate reasons for setting goals that put them into the welfare rolls. I have a lot of admiration for the people in this community that hold jobs and try to set a good example for their children.

Some startling statistics that I put together on dropouts in our village will show the increasing problem. I know of 23 dropouts in the history of our current high school. 19 of these dropped out in the last eight years and 14 of these occurred in the last two years. Of these 23 dropouts 2 hold part time jobs and 1 is a commercial fisherman.

These dropouts are comprised of 11 males and 12 females. These 12 females have produced 13 babies all of which collect welfare. Two mothers are responsible for 6 children each! All of these young people are from families that receive varying degrees of welfare. One heavily dependent family has produced five dropouts in a row and has a third grader that openly stated that this is her goal also. Numerous comments have been made to me from students and community members about the goals of people to have children to create income.

Current legislation must be tied to education as in Senate Bill 98.

Reduction or loss of benefits to families that do not uphold the value of education as set forth by state education officials, should be a priority.

Right now the students work ethic is so poor that I see teachers, myself included, decreasing standards instead of increasing them, just to hold on to the students we have. This is especially true at the high school level. Most students truly do not know how to work and if pushed, the alternative doesn't look so bad as the look out the classroom window and see the 14, 15 and 16 year old dropouts who have little or no expectations put upon them from their parents, joy riding around the village on snowmobiles. That's right! 14 and 15 year old. Our school has tried and gotten very little to no support from state agencies for this problem which is against state statutes.

If all children were being strongly encouraged to be in school and to work for good grades from their parents, an impact that I believe Senate Bill 98 would accomplish, and if students truly saw a need to get a high school degree and further their education as the road to a successful life, it would bring significant changes to the success of our educational system. I'm not saying that these type of parents don't exist now, but as the number of parents that don't see a need for education grows, so does the negative effect that it has on students...all students including those from working families, as students are affected by their piers. Some of our most apathetic students come from working families. They see how hard their families have to work to support the family. In comparison they look at many families that have more on while welfare than working families.

Of the thirteen new Snowmachines in the village since September all of them belong to families that are receiving some form of assistance, seven of these families work at least part time, Six of these families are on total assistance. No Snowmachines were purchased by nondependent families! I wish I could say that these Snowmachines were being used for subsistence activities but the vast majority of use is not subsistence. They are used for joy riding, traveling to other villages to visit, and getting wood for heat, (something that is easier done in the summer by boat). It is upsetting to see a family totally dependent on welfare getting a new Snowmachines over other year, when working families use the same one for five to eight years.

I would like to now address some areas of Senate Bill 98 that I think are needed and some that I still question as they pertain to Rural Alaska. For starters I believe that current welfare funding levels are too high and would like to explain why, with the availability of this "free money" the culture of the Yupik Eskimo is being lost. This is my opinion and that of numerous Yupik Eskimos that I've talked with.

One only has to look at the levels of subsistence food gathering and traditional crafts that are being utilized at the local level. If it were not for the elders, most of this would be lost. Although moose and salmon harvests are significant, if not excessive in some cases, the majority of the people here make very little use of other sources of food available all winter. Food such as beaver, who's populations are at an all time high, rabbits, ptarmigan and various fish such as Lush, Pike, Black fish and White fish. A few people have fish traps and nets under the ice but these are the elders and people with jobs. The only person that I know of that has trapped beaver this year is a man who works full time and so does his wife.

No one in this village is trapping seriously for money. Even with the depressed fur market there is money to be made trapping. Speaking from experience, it is a tough way to make money at this time, but there are people that have these skills but are choosing not to because it is easier to collect welfare.

Traditional foods are scoffed at by most of the youth preferring store bought prepared food, with a heavy emphasis on pop, candy and chips. A recent math project with my class revealed that some households are spending an excess of $1000.00 on pop per year. People raised on these foods will have a hard time changing over to their traditional foods. Hence their culture fades.

I personally believe that it is less expensive to live in Russian Mission than it is to live in an urban area. I harvest a Moose each fall, and put up enough salmon in the August to supply us with the bulk of our meat supplies all winter. If I wanted a fresh fish it would take only a trip to the river. I am still eating potatoes that I raised in my garden last summer. I eat local blueberries in my pancakes and drink juice made from plentiful high bush cranberries in the area. The impulse buying that plagues all store shopper is diminished when ordering from expediters in Anchorage at one fourth the cost of local stores. I honestly go for months without reaching for a wallet. So that in Anchorage!

A man that I talked to who lives fifteen miles from here at a local Missionary gold mine says that his family of six eat nutritionally balanced meals supplemented with local resources like fish, moose bear and beaver on a budget of less than six hundred per month. That is a far sight less than the thousand ninety dollars in Food stamps a local welfare family of six receives.

If done correctly a person can shop from rural Alaska and mail your groceries at a remarkably low level as compared to what urban dwellers are led to believe. We can basically buy what ever we want and get it here for about

six to seven dollars for sixty pounds through the U.S. mail service. In trying to impress upon students these ideas for savings I have seen very little progress. They don't need to save money on food according to the figures I received from your office. One student replied to me yesterday "We have a lot of food stamps left at the end of the month because my mom works at the school." This is a responsible family in the village. There is entirely too much money spent on food stamps in the village.

I talked to one man today that has a family of five. I asked him if his family drinks much pop. His reply was that they usually buy about two six packs per day. Calculated out that is over three thousand six hundred each year on pop. I confronted him on his estimates and he still agreed. I asked him how he could afford to spend so much on pop! His reply was that " well they (meaning his kids)buy them with food. He wasn't too concerned! He is also totally dependent on welfare!

I would like to address another problem area, There are a variety of traditional crafts that could be turned out from this village, but with the exception of and elderly lady in her sixties, no one is pursuing them as a viable source of income, and very few people are even learning how to do them. The lady that is producing baskets, skin sewing, and bead work, sells all she can make. She is a great teacher and my wife, who is not native, is her best students. The local welfare recipients do not seem to take an interest in learning their cultural ways. Hence the cultural fades some more. There is a cooperative that has encouraged people to make and market their crafts but it has been relatively unsuccessful. Why work when the government will give it to them for nothing and if they do make some extra money and they are honest about reporting their income they will loose welfare benefits. This is another area that S.B. 98 will help, by allowing people to make some money without loosing part of their benefits.

I've been on the coast and I know that these villages are more subsistence and craft oriented but they also share many similar situations. I also know that each village is unique and I don't want to offend people who do not fall into the above mentioned categories, but I feel I have accurately described our village.

The avenues that would lead to a more self sufficient lifestyle here are endless if people were forced to search them out.

A big one is gardening. I have been involved in a local garden project with my students for two years. First as a support service to the local gardeners and the Traditional Council's commercial garden, by raising hundreds of broccoli and cauliflower starter plants. Things fizzled out after funds

ran out to pay wages to the garden manager and workers. Then my 7th and 8th graders, with the help of a two volunteers and myself, revived the project and grew over 600 pounds of potatoes. The students sold the fresh potatoes to the community and school and split the $500.00 profit between themselves. This is just one example of the potential for gardening and the impact it can have on the community.

As a person in Rural Ak. that has tried to get locals interested in different ways to make money on numerous occasions, I have experienced limited success. I truly believe that my efforts can be best spent trying to change the current welfare system so that hopefully someday, someday soon, I can truly share what it is that I, and people like me, have to offer.

The one problem that I see with S.B. 98 would be the elimination of and individuals benefits after 5 years. Although I believe that this should be true, I cannot get over the fact that we have created this monster that has almost destroyed a culture and for someone to think that there will be opportunities for all able bodied welfare recipients in Rural Alaska after 5 years in very narrow minded. Jobs need to be created and people should have the option to work while staying in their general area. The government has created this cash dependency and will create a multiple of problems without offering some kind of job during and after the 5 years time period. This I think can be created in other legislation and I would support Senate Bill 98 as it stands.

I feel that the passing of Senate Bill 98 could be a major jump in the long journey of restoring independence and self worth to a group of Native people whose heritage was based on these qualities.

Comments I would like to make after listing to the teleconference on Monday 3/14/95

I have to say that it sounds like welfare recipients in urban Alaska are faced with a lot more financial problems than people in the bush, car insurance, rent, and food. Local welfare recipients are getting a steal on their rent. I pay in excess of eight hundred per month. Under ASHA, rent to the villagers with reduced income is minimal. They have no cars and food is plentiful if you want to take advantages of traditional food, at least in this village. I thing that a serious look in to costs of living in individual villages needs to be a priority. Right now the government is being ripped off in a major way and it needs to be looked into. I realize that there are not enough jobs for people in the bush, but if we have to support them they had darn well better start doing something for it!

Sincerely

Len Fabich

Len Fabich

MAR. 13, 1995

SENATE COMMITTEE OF
HEALTH, EDUCATION + SOCIAL
SERVICES

RE (WELFARE) MONIES
RENT / HOUSING
LANDLORD CONCERNS FOR RENTAL PAYMENT

- PLEASE CONSIDER HAVING ANY RENT / HOUSING MONIES SENT DIRECTLY TO THE LANDLORD

" TOO MANY WELFARE RECIPIENTS USING WELFARE MONIES FOR OTHER THINGS THAN FOR RENT. "

PRESENT SYSTEM } AHFC / HUD - TITLE 8, HOUSING ASSISTANTS IS SENT DIRECTLY TO THE LANDLORDS

ASHA

WORKS GOOD

" I HAVE BEEN STIFFED " (NOT RECIEVED RENT MONIES OWED ME BY 3P FROM WELFARE RECIPIENTS) TO MANY TIMES.

THANK YOU,
GEORGE SCHMITT
28 YR ALASKAN
LANDLORD
ANCH.

To: Lyda Green
From: Julie and Mike Truskowski, Russian Mission School
Re: Welfare Reform Public Hearing, March 13, 1995

As teachers in a Bush community, it is easy to see where welfare reform is desperately needed. Many people on public assistance in the villages have come to see welfare as a right, something to be expected, instead of as a helping hand. This then translates into apathetic behavior. Not only do these people not live a traditional subsistence lifestyle, neither do they try to get themselves off welfare by training for a job. For some (not all) it has become a life of waiting by the mailbox for their monthly checks.

This attitude also transfers to the children. We see it in school in the form of low attendance by some and a general uncaring attitude about grades or school performance. School to these children becomes a "what are you going to do for me" situation.

We would like to see some "strings" attached to receiving welfare. There should be a limited number of absences and tardies allowed, and a grade requirement of "C" or better for families to receive welfare payments.

Also, we would like to see a cut-off of payments after a family reaches a certain size, and no payments to unmarried mothers under 18. Too often we hear these young mothers saying to their pregnant friends, "Don't worry about having a baby, you get paid for it" or "Don't adopt your baby to another family, you can get money for it". This attitude promotes welfare dependence, unnecessarily increases village populations (thus putting a strain on natural resources used for subsistence), and unnecessarily increases school populations (thus putting a higher burden on the State and Federal governments to pay to have these children educated). Most importantly, it produces poor parenting, which translates into many problems in school for the children of these young mothers.

We hope you vote to change the welfare system to one that will promote work and insist on some accountability to recipients. No more free money!!!

Thank you for your time.

Julie Truskowski

Mike Truskowski

Alaska State Legislature

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

committee on SB 98 bill/subject, dated 3-13-95.

Mrs Lyda Green,

Thank you for proposing a bill that makes sense for the future of our state. There are many of us out here who normally choose not to get involved in issues such as these because we feel we are a minority. I don't think so anymore after discussing this bill with others who work for a living. Thank you!

Signed: Christopher S. Carney
Testifier

Representing (Optional)

HC 33 Box 3052 Wasilla, AK 99654
Address

(907) 376-5390
Phone No.

SAM Legislative Information Office

Alaska State Legislature

Please enter into the record my testimony to the H.E.55
committee name

committee on SB 98 , dated March 13 1995 .
bill/subject

Lyda Green

Am in full support of your personal Responsibility Bill. If WE don't REHAMP NOW - Everyone from These states who are no longer "ENABLING" welfare Recipients will be moving To Alaska! (Wisconsin, Virginia, Iowa, N.Y. etc) We need go-gle moving here who are as concerned with The "direction" Alaska needs To move in, rather than their own "welfare" Thanks. and Keep up The good work

Signed: Douglas R Ommy
Testifier

Representing (Optional)

HC 33 Box 3052 Wasilla, AK 99654
Address

376-5390
Phone No.

1/88 Legislative Information Office

Senator Green's office

Constituent Contact Sheet

NAME: Roy & June BURKHART DATE: 3/14/95

ADDRESS: P.O. Box 204
Willow 99688

PHONE: 495-6337 S.S.N.:

REGARDING: SB 98 — Supports you ALL-THE-WAY.

SAID he WAS A REGISTERED Democrat WHO did NOT vote for you. But, Support you on SB 98.

ACTION TAKEN:

RESPONSE TO CONSTITUENT:

PHONE MESSAGE

DATE 3/14/95 TIME 2:50 AM (PM)

FOR Cyndi

M Will FERNANDEZ

OF

PHONE ( ) 376-8110 (4) EXT.

FAX MOBILE PAGER ( )

MESSAGE 376-7638 (w)

Personal Issue

All - State Agent - Wanda

AVERY

URGENT

X PHONED

RETURNED YOUR CALL

X PLEASE CALL BACK

WILL CALL AGAIN

WANTS TO SEE YOU

SIGNED

Supports SB 98 -

Love it! Keep with it!

I'm impressed.

Alaska State Legislature

Please enter into the record my testimony to the HESS (Senate)
committee name

committee on SB 98 , dated 03-13-95 .
bill/subject

I LIVE ON THE YENTNA RIVER
I PERSONALLY KNOW TWO FAMILIES ON WELFARE who have SIX CHILDREN. ONE . FAMILY BOUGHT A PEDIGREE PUPPIE FOR $450.00. They SPEND THEIR CHILDRENS DIVIDENDS ON SNOW MOBILES AND OTHER THINGS WELFARE IS THEIR PROFESION! HE IS ON DISABILITY BUT IS ABLE TO CUT FIREWOOD And do All the chores Required TO LIVE IN THE Bush.
The OTHER FAMILY RUNS A Lodge and sells MEALS GAS AND Lodging. This is A clear ABUSE OF the SYSTEM.
THANK YOU

Signed: Dennis Ellithorpe
Testifier

Representing (Optional)

HC-89 Box 131 Willow AK 99688
Address

376-9015
Phone No.

LIO Legislative Information Office

Florene J. Carney
HC 33 Box 3052
Wasilla, AK 99654

March 6, 1995

Honorable Lyda Green
Senator
Room 423 State Capitol
Juneau, AK 99801-1182

Dear Senator Green:

I just read your proposals for revamping the welfare program in the State of Alaska. I want you to know that you have my full support. As you know, I work for the School District Central Administration and in that capacity I see an inordinate number of problem children. Almost invariably these children are accompanied by one or both parents who are totally dysfunctional. Drugs and alcohol are usually a factor and welfare figures into almost every situation. We must get to the point where we are teaching people to care for themselves, be responsible and then teach their children to do the same. Giving them money is not the answer - unfortunately, it is not being spent on the children. How about a food bank? Work programs are a great idea and should encourage the abusers to go out and find gainful employment. It is important to move away from the enabling that we have going on now.

I also feel strongly that we need to at least limit the number of hours the bars and liquor stores are open. Close at 1:00 A.M. perhaps. In the Valley we see a lot of the DUIs given to people who close the bars in Anchorage and then come to the Valley because they are open here. (Perhaps that is a Borough problem) Along that same line, making a law for it to be illegal to sell alcohol to anyone who has committed a drug related crime, including DUI, could be beneficial. When their drivers license is returned to them it could have a red background to alert the seller. If someone chose to purchase alcohol for that person, that could also be a fineable crime.

Lyda, I deal with parents almost daily who have a child in trouble and at 10:00 A.M. the parents are incapacitated by drugs or alcohol. Many times the child appears to be taking care of the parent instead of the other way around. I have never been one to march and bang a drum, but this situation is beginning to devastate our community.

Keep up the good work - if I can help you here, please call.

Sincerely,

Florene Carney

Florene Carney

c: Beverly Masek
Rick Halford
Gail Phillips

Douglas J. & Evelyn J. Scofield
P.O. Box 87-2906
Wasilla, Alaska 99687-2906

March 8, 1995

Senator Lyda Green
Juneau, Alaska

Re: Welfare Reform

Dear Senator Green:

I read the editorial of today in the Anchorage Daily News (Worker) regarding welfare reform as it relates to the PFD. HANG IN THERE!! Don't be discouraged by this liberal rag that masquerades as a newspaper!

Alaska's welfare is much too liberal. I personally know of four families that came to Alaska from Washington state and Oregon because our welfare was much better than theirs. One family, actually there are three families all related, that moved to Oregon because they got in trouble here and decided to leave. After three months in Oregon they moved back because they couldn't get welfare there or not as much as here

The other family, consisted of a 21 year old, pregnant woman, and her 60ish unemployed, boyfriend. They came in October from Washington state and immediately transferred her eligibility to Alaska. She got $320 emergency assistance for rent which was supposed to go directly to the owner of a trailer she wanted to rent. The owner felt sorry for her and gave her the key to move in a few things until the check came to the owner (she and her boyfriend, were staying with his relatives). She and her boyfriend promptly moved in and cancelled the emergency rent assistance office saying she wasn't going to rent the place because it was a dump. She could only be evicted by filing a lawsuit against her. She knew she could live there free for two to three months before he could evict her. She also gave false information to the emergency assistance people. In the meantime she or her boyfriend were able to buy a new truck. Of course all three will be able to receive a permanent fund dividend check.

Now, does this seem right? More and more people will be moving here from states like Washington and Oregon who are cutting back on welfare. We definitely

MAR 13 1995

need to do something about welfare reform. Thank you for your stand on the PFD Hold Harmless program and welfare reform.

Sincerely,

Evelyn J. Scofield

wpiwin\lyda.ltr

MAR 13 1995

Henry P. Gubnotte

Box 879 - Palmer, Alaska 99645-0879

Telephone (907) 745-4332 FAX (907) 746-3435

March 13, 1995

Senator Lyda Green
Juneau

Dear Lyda

This FAX is about your bill to make some major adjustments in the state welfare payments. Unfortunately I won't be at the teleconference because I will be at the food bank giving out groceries, utility payments, and rent.

I want to encourage you to continue your good efforts.

Your bill in my thinking is a good one. It will probably have changes as do all bills.

In the last seven weeks I have kept count of the people new to Alaska that have come to the food bank for all sorts of help ... food, utility, rent, furniture, gasoline, etc. There were slightly over 100 people new to the state. These 100 are people who know the vocabulary and rules for public assistance. They have left their various state welfare programs in the south 48 to get the better benefits Alaska offers.

I have figures for only the Palmer area. The statewide figures would be much greater.

Almost all of the new Alaskans mention the $1000 per person that Alaska pays it citizens. If the state were to eliminate the dividend payments to public assistance families this would reduce the number of people coming to Alaska for our great benefits. Just getting the word out, especially to California and Oregon, would reduce the influx.

Other states show statistics of how welfare has reduced because of tighter rules. The statistics reflect only the fewer cases the states have. The numbers printed are incorrect. In many cases the states reduce their own figures because people leave the tough states to go where things are better. Some are coming to Alaska.

Some of the senior citizens in the Pioneer Homes have reduced state benefits because of the cost associated with care in the Home. It is consistent to reduce payments to welfare recipients if it is done to the folks in the Pioneer homes.

When the permanent fund checks come out it would be reasonable to assume that the requests for help at the food bank would go down. This is not so. I still get requests to pay rent, about $600 on the average, and electric bills as high as $1100 dollars. I don't know why I would share it in this letter.

The welfare set, the experienced people, are good at laying guilt trips on people. This letter would be too long if I were to tell some of the stories I get each day. There are those people who are paid through state grants that fear their organization will get less money if welfare is reduced. I work 50 hours a week as a volunteer. Our food bank gets no state money.

I'm also concerned about the senior citizen tax exemptions. It is too costly for local government to absorb. Keep in mind that I will be 65 years old in June. I still feel strongly that the exemption should be reduced to $50,000. Everyone should pay some tax.

I make all of my comments based on what is good for the state, even when it will cost me personally.

Please feel free to make copies of this letter and send it to Bess, Route and senate, especially Cynthia Toohey.

I'll be in Juneau March 27-29 for Alaska Municipal League. Welfare is not on AML issue, however lender tax exemption is one issue.

Sincerely,

Henry Gubnotte

Senator Lyda Green
State Capitol Building
Juneau, AK 99801

March 8, 1995

Dear Senator Green,

I am writing this letter in support of your proposed bill regarding welfare--or should I say, limiting welfare!

All I can say is *APPLAUSE APPLAUSE*! Finally, someone is going to try to fix this sad state of affairs regarding the out and out abuse of receiving welfare while the rest of us continue to support them! I am <u>impressed!</u> According to the news article I read, it sounded great to me. There are many of us that will be behind you 100%. It won't be easy I know--you'll catch a lot of flack and will make many people very angry, but most of those will be the ones receiving welfare to the extent of being ridiculous anyway. Keep up the good work!

Sincerely,

Nancy Williams

Nancy E. Williams
HC 33 Box 3054
Wasilla, AK 99654

P.S. Gee--maybe you can propose a bill to get the prison inmates to grow their own food, too. At least as much as possible--to alleviate some of the burden to taxpayers. It would keep them busy weeding etc.

MAR 13 1995

From: Steve Toth
To: Lyda Green
RE: Welfare
Date: 3 11 95

Dear Mrs. Green

I am not a Republican. I am also not in your voting district. I am: thrilled however to see that you anyone down there is finally listenning to us hard working Alaskans who are sick and tired of having this welfare "milstone" around our necks.

My Senator Judy Salo, just does not seem to get it... that we are tired of Welfare cheats coming here to Alaska and using up our financial resources. Please Lyda, keep pushing and don't back down. We need a much smaller state budget and ALL 'ENTITLEMENTS" NEED TO BE SLASHED'

I THOUGHT YOU MIGHT LIKE TO SEE THE LETTER I SENT DOWN TO MY REPRESENTATIVE, Judy Salo

Thanks.

Steve Toth

Dear Judy

As a newly Re-constituted democrat, such as yourself, it has taken me a long time to understand what some Republican held positions on the balanced budget are, and what needs to be done with regard to welfare.

I have finally understood, that we as democrats by supporting Mr Lydon Johnson back in 1965 proferred on the lower classes a new type of slaver... welfare.....all in the name of trying to help the "underprivilaged." Well, I am here to tell you that I was wrong and so was Lydon Johnson. His "GREAT SCCIETY" has proved to be a total disaster perpetuating an entire society of underclass people.....we enslaved people to the state.....for over 30 years we have made them wards of a state wards that we can no longer afford to keep. I hate to admit it, but I was wrong for supporting this bankrupt philosophy and that you too have begun to realize how strongly we have forget the chains around their necks..... perpetual dependency not on themselves, but on us, the STATE. It will be incredibly hard to wean these people from the teets of state generosity.

Our state over the years has become a magnet for a welfare underclass. Not only do we offer the HIGHEST welfare bene -

fits in the United State, but in addition, we give each one of them, and their children an added bonus our Permanent fund checks. I have heard of dozens of instances where people have immigrated to Alaska just for our very lucrative welfare system...can you blame them?

Lyda Green's S B 98 doesn't go nearly far enough TONY's welfare charade is ridiculous. He wants to cut $30 million out of welfare over a 5 year period...did I read that right?! Thats only 6 million a years...from an annual budget of $250 million. You've got to be the most cynical clown in the state to propose such nonsense. Did I actually vote for this bozo? (Hate to admit to it). Its time for you Judith to support those of as who are truly for welfare reform. Never confuse "reform" for balancing the budget on the backs of the poor. If you did, then this tute phrase will have you looking "mean spirited and hateful" toward those who are truly dependant on welfare. Its time for you to show the leadership I put you there to demonstate. I expect you to make serious cuts out of that $250 million yearly budget. I am thinking in terms of 70 to 90%. If people truly want to stay on welfare, other states would be happy to provide them with it. Tough Love is what it has come down to. Its well passed the time where we demonstate to our "welfare slaves" that they are FREE to live as they choose. They are free of the bondage into which we have put them through out generosity. We can no longer afford to keep them in perpetual servitude to us, The state.

Sincerely yours

Steve Toth
P.O. Box 112053 Anchorage, AK 99511

Alaska State Legislature

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

committee on SB 96 , dated March 15, 1995 .
bill/subject

I am definitely in favor of Senate Bill 96---the Personal Responsibility Act of 1995. What's wrong with welfare isn't just its' cost, which is bad. A bill of 185 billion for 1995 is indeed hard to understand. Most of us probably feel that spending money to help fatherless families through bad times, protecting children from real poverty and giving families a back up to get into the economic mainstream is justified.

But welfare has created some serious social problems. Current welfare programs are so generous that it enables young women to be casual about sex. They know that an out of wedlock pregnancy brings them financial independence. They have an income, housing subsidy food stamps, medical and other benefits. Even married couples do not try hard to keep their marriage together because they, too, can receive the same above benefits. Letters to the editor of the newspaper who oppose this bill ask, "How would you who are in favor of this bill like to try and live on my $854 I receive each month" Not once did he mention such things as food stamps, housing subsidy, heating subsidies, free medical care and other benefits! I think a lot of working people would love to give it a try. At least they would not have to work!

Welfare was never meant for a person to live as comfortably as a working person. Why should it?----they are not working. We do not expect welfare recipients to live on it ---just to exist --- we expect you to go out and get a job so you can live better. As it is now, welfare offers such a comfortable living---often times better than working for a living and this should not be!!! ~~Limiting~~ welfare is a good incentive to go to work!!!

What needs to be changed in the bill is the 5 yr. limit.--that is too long! Anyone can be trained in 2 yrs. time---they don't need 4 yrs. of college. Two yrs. will give anyone training enough to get a job.

Signed: Verne Emmer
Testifier

Representing (Optional)

P.O. Box 2081 - Palmer - 99645
Address

756-7585
Phone No.

I would also say that all permanent fund checks should go to a Welfare Bank to help pay for this free living that they are engaging in. It could also be used to pay for their traing. Welfare is not an entitlement---it is a gift! No welfare recipient should be receiving monies simply because they live in Alaska----let them help pay for the care we are giving them. A lady at the Anchorage town meeting asked,"Why do you feel that those of you who have the most need more and those of us who have the least need less?" My answer is this---"Because lady, you are daily receiving benefits from the state without working----why should you have extras --- welfare in not an entitlement!!!!! "

Unless this state does something about welfare reform this year, Alaska will be inundated with welfare recipients. In 44 of the states now there is welfare reform. Welfare recipients are moving from state to state to avoid having their benefits cut or having to go to work. We must have this reform to not only cut back on the state budget but to make people responsible for their own lives that many of them created themselves.

Let's not let people who oppose it use the "children will suffer" as a crying towel. In all the pictures of people on welfare, I have yet to see a "starving child as in Africa" There are school lunches food stamps,etc.---this bill will not starve children unless the parent eats it all themselves!

I honestly hope that you legislators will not let an outcry against reform affect your thinking on this. Many women protesting reform were encouraged by Women's Resource Centers to testify. Even our Borough Mayor stated in a speech to the Resource Women that you legislators were picking on women and children! At the hearin in Wasilla today where I had to leave because I had to get back to work, there were only 2 of us there who were working people---the others were either working for the welfare office or were on welfare They had time to come and testify because they didn't have to work. Others I know would have liked to attend but they had to work!!!

Protesting this bill tells us that being on welfare is a lot more comfortable than working------this is not the American way!

It is time for a change---let's do it, Legislators!!!!

Alaska State Legislature

Please enter into the record my testimony to the Health, Education and Social Services committee name

committee on SB 98 bill/subject, dated March 13, 1995.

I wish to speak in favor of SB 98, these changes are long overdue.

First of all, I want to make it clear that some welfare recipients are deserving and I'm happy to have my taxes support them. These are:

1. The persons who because of physical or mental illness are not able to support themselves.
2. Any person who needs help temporarily to help themselves over a hard spot. But I do feel 5 years is too long. 2 years is enough for a person to get back on their feet and get a job to support themselves. Welfare has become a way of life for many people who take the easy way out.

I have seen the worse side of welfare and know it is being abused. I have a real estate office and have worked with many AFDC recipients, mostly in areas of rentals.

I am aware of 2 different women who are on welfare and drive new cars purchased by the parents of the recipients. The car is kept in the parents name, insurance paid by them, any repairs, etc. also. The parents also supply many other things needed by the families, but the family still draws their welfare check and live as well or better than most of us.

One of our renters kicked her husband out one evening and the following day was on AFDC! (She brought us the papers showing she could pay the rent.) Many nights the police were called because of late, loud parties and the following day the mother would be sleeping at 10:30, 11 o'clock while a young child, (under school age) cared for itself. This woman would never have kicked the father out without welfare to support her.

We had one renter, a man, who had been on AFDC for several years and bragged to anyone who would listen that he wasn't a dead beat dad, he took care of his kids. He didn't--we did.

Many welfare families have made life and career choices that have led to

Signed: [signature]

Testifier

[illegible] (Property Management Engineering)

Representing (Optional)

P.O. Box 1265 Palmer, AK.

Address

745-3[illegible] 745-3[illegible]

Phone No.

'welfare. Why should I pay for their bad choices?

Ex. Rep. Larson tells of several (I think 6) graduating girls. When he asked what they planned to do after graduation, they each said they were going to get pregnant and go on welfare! When young people's only ambition is to live on the dole, it's time to change our perception of entitlements!

Elton Sandvic took the legislature to task for raising their pay and trying to cut welfare. He also complained of other people who were not poor wanting to cut payments to people who had less than they do. He completely ignored one fact--the legislature and the rest of are WORKING for what we have, and the welfare recipient is not! There is a big difference.

One comment we continually hear is that there are no jobs in rural Alaska, that the people must have welfare. If there are no jobs, some of these people may have to leave home and families to support themselves. The rest of us have had to face that choice, and we made it without whining.

I am 54 years old and work 5 or 6 days a week. My husband is 67 and has trouble with both shoulders and his back but still works 6 days a week. If I can do it, so can these people, Welfare should be temporary and not a way of life.

One very important reason to cut welfare is because almost every other state is in a race to see who can cut first and the most. That leaves us in a position to take care of all these people who will quickly leave their own state to come where benefits are higher. (they are already doing this.) In self protection, we must cut, unless we can afford to support everyone from the other states.

I do not begrudge the fact that these people do not have to work as much as I begrude them the leisure time that this gives them. I took time from my work day to go to the hearing in Wasilla, only to find that, to the best of my knowledge, only three of us from approximately 18 persons, were working. ~~Those~~ than in the Welfare Industry, those who jobs depend on plenty of welfare recipients) and welfare recipients themselves. Mary Kvalhein was working, running the meeting, Verna Buwer had taken a short time away from her day care and I stopped in between appointments and had to leave to show houses. These people had the time to testify because we are supporting them.

I think, both for the state of Alaska and society as a whole, we have to cut welfare. Please do so and consider a cut-off at 2 or the most 3 years, not five.

Mary Pranke

Pranke pg 2 S HESS SB 99

Constituent Contact Sheet

NAME: John Lousama DATE: 3-14-95
ADDRESS: _____

PHONE: 562-3627 S.S.N.: _____

REGARDING: Would like to see welfare system reformed. One major disincentive to go to work in current system is the fact that if he goes to work for every dollar he makes he loses 50¢ from each assistance program he's on. He is disabled + receives assistance from 2 federal + 1 state program - each reduces benefit by 50¢ so he loses $1.50 for each dollar he makes. These agencies don't talk to one another so don't know or don't care — something to do w/ the way federal regs are set up. One of the many "catch 22s" in current system. Tired of the way welfare moms are able to abuse the system.

ACTION TAKEN:

RESPONSE TO CONSTITUENT:

Senator Lyda Green
State Capitol Building
Juneau, AK 99801

March 8, 1995

Dear Senator Green,

I am writing this letter in support of your proposed bill regarding welfare--or should I say, limiting welfare!

All I can say is *APPLAUSE APPLAUSE*! Finally, someone is going to try to fix this sad state of affairs regarding the out and out abuse of receiving welfare while the rest of us continue to support them! I am <u>impressed!</u> According to the news article I read, it sounded great to me. There are many of us that will be behind you 100%. It won't be easy I know--you'll catch a lot of flack and will make many people very angry, but most of those will be the ones receiving welfare to the extent of being ridiculous anyway. Keep up the good work!

Sincerely,

Nancy Williams

Nancy E. Williams
HC 33 Box 3054
Wasilla, AK 99654

P.S. Gee--maybe you can propose a bill to get the prison inmates to grow their own food, too. At least as much as possible--to alleviate some of the burden to taxpayers. It would keep them busy weeding etc.

MAR 13 1995

Mr. + Mrs. Leonard M. Fabich
PO Box 61
Russian Mission, Ak 99657
March 6, 1995
Phone 907-584-5528

Lyda Green; committee chairperson.
The committee on Health Education and Social Services.
State Capitol
Juneau, Ak. 99801

Dear Chairperson:

As a teacher in a Yupik village for 10 years, I want to express my opinion on the current welfare system. I feel, as many of the teachers I talk to in rural Alaska, that the dependence on welfare and entitlements is the #1 reason for the ineffectiveness of our local Native schools. Although you can point in a variety of directions for this ineffectiveness, most come back to the comfort level the majority of the people have under the current welfare situation. The role models that students see are varied, some work for their money, but most don't. It doesn't take long to determine who our students are going to emulate.

It is a common response from my Junior High students and even younger, "I can't wait until I'm 16 so I can drop out!" Certainly as they look around and see the benefits to staying in school as compared to dropping out, there is not that much distinction between the two at the local level. It is hard to have high goals when no goals is the norm. I'm not saying that they make a lot of money, but it must be comfortable enough. On a regular basis these same people are turning down job opportunities to substitute teach in the school, failing to apply for local jobs and certainly not taking advantage of ways to stretch the dollars they now receive. Ways such netting fish under the ice or trapping local animals for cash and meat. This has almost become a rarity in our village. Oddly enough it is people with jobs that take advantage of these opportunities. It has just gotten too easy for many and it is time that current levels of support was curtailed.

My wife and I both support the bill to garnish the permanent fund

dividend to welfare recipients, to cut welfare by at least 15% to 20% and to find alternatives to entitlements after 2 years of service.

I will have to say that to just stop paying people in two years would be catastrophic, but I would support a work fair project in the village. I would be the first in line to pay taxes to support a program that would decrease the dependence on welfare. There are many things that could be done in the village to earn the money from a work fair project. This would begin to allow people to set new goals, feel good about themselves and their community and exhibit positive role models for students.

Things like mandatory education for welfare recipients either high school or GED, cut off for recipients who allow their students to stay home or fail in school, and most of all the need to give something for the money they receive.

Thank you,

Leonard Fabich

Leonard M. Fabich

RANDY PHILLIPS
State Senator
PO Box 142
Eagle River, AK 99577
(907) 694-4949

1995
Report to the People
Senator Randy Phillips
Alaska State Senate

While in Session:
State Capitol
Juneau, Alaska 99801
(907) 465-4949
Toll Free Anchorage Area
1 (800) 478-4950
Fax (Juneau)
(907) 465-4979

1995 LEGISLATIVE QUESTIONNAIRE RESULTS

Dear Friends and Neighbors:

Thank you for participating in my 1995 Legislative Questionnaire. Of the 7,580 questionnaires mailed, 941 or 12.4% were completed and returned to me. The final tabulated results are indicated below. Please note that the percentages shown for each answer represent a percent of the total answering that particular question and not a percent of the total questionnaires returned.

Legislature

Do you support or oppose moving **only** the Legislature from Juneau to Anchorage?

533/60% Support — 354/40% Oppose — 887 TOTAL RESPONSES

Studded Tires

Recently it has been suggested by Alaska Department of Transportation officials that studded tires be banned in Alaska because of potential damage caused to the state highways.

Do you support or oppose a ban on studded tires in the State of Alaska?

207/22.8% Support ban — 700/77.2% Oppose ban — 907 TOTAL RESPONSES

Welfare

Do you support or oppose changes in the welfare law that would prohibit a person, other than elderly or disabled persons, from receiving benefits for more than 2 years?

786/88.3% Support — 104/11.7% Oppose — 890 TOTAL RESPONSES

Do you support or oppose changes to the welfare law that would require that paternity be established and a reasonable effort made to collect child support from the father prior to an unwed mother becoming eligible for Aid to Families with Dependent Children (AFDC)?

833/91.4% Support — 78/8.6% Oppose — 911 TOTAL RESPONSES

Fiscal Policy Panel

Commonwealth North, an organization of Alaskans concerned with the the state's fiscal well-being, has proposed to the Legislature that a panel of Alaskans be appointed from the Legislature, the Executive Branch and the Public. This panel would obtain information and input from Alaskans all over the state and make recommendations to the Legislature and Governor for a 5 year fiscal plan. $250,000 would be required to fund this panel.

Do you feel that such a panel would benefit the state?

347/38.5% Yes — 555/61.5% No — 902 TOTAL RESPONSES

Regardless of your answer above, do you think the Legislature should appropriate $250,000 for this purpose?

261/29.1% Support — 635/70.9% Oppose — 896 TOTAL RESPONSES

MARKED WITH AMENDMENT LOCATIONS

9-LS0692\E
Lauterbach
4/19/96

Called Legal (Terry) 3:35pm 4/20/96

CS FOR SENATE BILL NO. 98(FIN)

IN THE LEGISLATURE OF THE STATE OF ALA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

"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

New text underlined [DELETED TEXT BRACKETED]

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."

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

* **Section 1.** AS 47.25 is amended by adding new sections to read:

ARTICLE 1A. AFDC WORKFARE PROJECT.

Sec. 47.25.301. WAIVER APPLICATION FOR PROJECT. (a) The Department of Health and Social Services shall seek appropriate waivers from the federal government to implement the AFDC demonstration project described in AS 47.25.301 - 47.25.308. To the extent that the federal government approves the necessary waivers, the department shall implement the project. The purposes of the project are to promote personal responsibility and self-sufficiency.

(b) At a minimum, the department shall implement AS 47.25.303 so that there are experimental groups in at least three different areas of the state, with at least one experimental group in a municipality with a population over 25,000, one in a municipality with a population between 5,000 and 25,000, and one in a municipality or community with a population under 5,000. The department shall implement AS 47.25.303 with the minimum number of control groups that are required by the federal government for approval of the waivers applied for under this section.

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

(1) apply for and implement only the waivers that relate to the parts of the project that are not substantially affected by the changes in federal statutes or

regulations;

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

Sec. 47.25.302. EARNED INCOME DISREGARD; WAIVER OF "100-HOUR" RULE; AUTO ALLOWANCE. When determining the AFDC eligibility of a family that is participating in an experimental group in the project under AS 47.25.303 and when determining the amount of assistance to which the family is entitled, the department shall

(1) disregard, for the first 24 months for which the family receives assistance, $200 plus one-third of the remainder of the earned income of each person in the family unless federal regulations require that more earned income of a person must be disregarded, in which case the department shall disregard earned income as required by federal law; for a family that applies for AFDC after this paragraph has been implemented, this 24 months begins with the month for which the family is first granted AFDC; for a family that is already receiving assistance when this paragraph is implemented, this 24 months begins with the first month during which this paragraph is implemented;

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

(3) allow the exclusion of $5,000 of the combined equity of motor vehicles used by the family for basic family transportation, transportation of a disabled child in the household, or transportation of a member of the family to or from employment, training, or participation in an activity required under AS 47.25.303; if the combined equity of vehicles described in this paragraph exceeds $5,000, the department shall apply the excess equity amount toward the asset limit otherwise applicable to the family.

Sec. 47.25.303. WORKFARE. (a) The department shall operate a workfare project. Each member of a family in an experimental group in the workfare project who is 18 years of age or older shall participate for 21 hours a week in an

uncompensated activity if assigned to the activity by the department. The department shall assess the availability of activities that satisfy the purposes of this subsection in the project area and attempt to develop additional activities where necessary. When assessing the availability of activities that are suitable as uncompensated activities under this section and in assigning persons to those activities, the department shall consider activities recommended by governmental representatives of boroughs, cities, and communities and others in the project area. The activities may include provision of child care for other project participants, community work experience, work-related training programs, high school completion, GED programs, or culturally relevant subsistence activities. The department shall penalize the family for failure of a person to comply with this subsection by disregarding that person as a member of the family for purposes of determining the amount of AFDC assistance given to the family. The period of time during which the department shall disregard the noncomplying person for purposes of determining the amount of the family's AFDC assistance is

(1) until the person is in compliance with this subsection if the person has not previously been disregarded under this subsection;

(2) the longer of six months or until the person is in compliance with this subsection if the person has previously been disregarded under (1) of this subsection;

(3) the longer of 12 months or until the person is in compliance with this subsection if the person has previously been disregarded under (2) of this subsection.

(b) If organizations exist in the project area that have had successful experience in conducting employment placement services, community services, remedial education services, and job training programs, the department may offer contracts on a competitive basis or grants under the department's grant application process to administer (a) of this section. A contract or grant under this subsection must provide that the department shall make the determinations required under (c) and (d) of this section and the contractor or grantee shall perform the duties assigned to the department under (a) of this section with respect to uncompensated activities, including assessment of their availability, development of additional activities,

consideration of activities recommended by governmental representatives, and assignment of persons to specific activities after referral of those persons to the contractor or grantee by the department. The department may, after consultation with the appropriate contractor or grantee under this subsection, if any, use AFDC benefits to subsidize payments or provide services to participants in community work projects or work training projects; an amount distributed as a subsidy under this subsection is not considered to be wages.

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

(1) has paid employment of at least 20 hours a week; a person who has paid employment of less than 20 hours a week shall participate in an uncompensated activity assigned under (a) of this section for the number of hours that, when added to the hours of paid employment, equals 21;

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

(3) is enrolled as a full-time student in good standing in a career education program, college, or university, as defined in regulations adopted under AS 14.43;

(4) is the parent or other relative of a child under six years of age living in the same household who personally provides care for the child;

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

(6) is a parent who is providing care for a child who is experiencing a disability.

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

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

(2) transportation expenses determined by the department to be

necessary for the person's participation in the activity.

(e) In this section, "project area" means the areas chosen by the department in which to operate the workfare project described in this section.

Sec. 47.25.305. COOPERATION. State agencies shall cooperate with the department to the extent necessary to implement AS 47.25.301 - 47.25.308.

Sec. 47.25.306. IMMUNITY FROM LIABILITY. (a) The Department of Health and Social Services, and its employees, agents, and grantees, are not liable for civil damages as a result of an act or omission in the implementation, operation, or administration of an authorized project under AS 47.25.301 - 47.25.308.

(b) The provisions of (a) of this section do not preclude liability for civil damages as a result of recklessness or intentional misconduct.

(c) The provisions of (b) of this section do not constitute a waiver or limitation of sovereign or other immunity.

Sec. 47.25.307. REGULATIONS. The Department of Health and Social Services shall adopt regulations necessary to implement AS 47.25.301 - 47.25.308. The regulations adopted by the department may include

(1) eligibility criteria for the project described in AS 47.25.301 - 47.25.308 that differ from eligibility requirements in AS 47.25.310 - 47.25.429 and the regulations adopted under those statutes;

(2) a maximum number of participants to be included in the project, if necessary;

(3) exemptions from requiring participation in the project because of exceptional circumstances; and

(4) provisions for financial or nonfinancial sanctions for applicants who fail to cooperate with project requirements.

Sec. 47.25.308. DEFINITIONS. In AS 47.25.301 - 47.25.308,

(1) "AFDC" means the program of aid to families with dependent children under AS 47.25.310 - 47.25.420;

(2) "department" means the Department of Health and Social Services.

ARTICLE 1B. DIVERSION PROGRAM.

Sec. 47.25.309. DIVERSION PROGRAM. (a) The Department of Health and

Social Services shall operate a diversion program that is designed to increase family income through employment and child support payments by offering lump-sum diversion payments in place of ongoing financial assistance under the AFDC program. A diversion payment may be offered to an adult applicant for AFDC who is job-ready and who needs short-term financial assistance to meet critical needs in order to secure employment and support for the applicant's family.

(b) Diversion program benefits may be paid only to an applicant's family that appears, based on the information provided to the department on an AFDC application, to be eligible for AFDC benefits and to include a job-ready individual. The department may offer, to an AFDC applicant with the potential to participate in the diversion program, a choice between

(1) having the AFDC application processed under AS 47.25.310 - 47.25.429; or

(2) having the AFDC application referred to the diversion project under this section.

(c) The amount of the diversion payment must be sufficient to meet the family's immediate needs as determined by the department and the participant. A diversion payment may not exceed the amount the family would be eligible to receive in the first two months of eligibility for assistance under AS 47.25.310 - 47.25.420 if the family did not elect to receive a diversion payment under this section.

(d) As a condition of a family receiving a diversion payment under this section, the participant must sign a binding contract between the participant and the department that

(1) specifies the amount of the diversion payment and the needs it is intended to cover;

(2) provides that, during the three-month period beginning with the month in which the diversion payment was received, child support collected on behalf of a child whose needs were considered in determining the diversion payment shall be paid to the family; and

(3) provides that, if the family reapplies for AFDC assistance under AS 47.25.310 - 47.25.429 during the three months beginning with the month in which

the family received a diversion payment, the diversion payment shall be prorated over the three-month period and deducted from any AFDC benefit the family may be eligible for under the new application.

(e) A family that receives a diversion payment may not receive another diversion payment before the 12th month following the month in which it last received a diversion payment.

(f) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.429, and (d)(2) of this section supersedes inconsistent provisions of AS 25.27.120 and 25.27.130.

(g) In this section,

(1) "AFDC" means the program of aid to families with dependent children under AS 47.25.310 - 47.25.420;

(2) "department" means the Department of Health and Social Services.

* Sec. 2. AS 47.25 is amended by adding new sections to read:

Sec. 47.25.311. INELIGIBILITY FOR ASSISTANCE. (a) A person is ineligible for assistance under AS 47.25.310 - 47.25.420 for the following time periods upon administrative disqualification for making a false statement or misrepresentation knowing it was false, or for knowingly failing to disclose a material fact, in order to obtain or increase assistance under AS 47.25.310 - 47.25.420:

(1) six months following the first disqualification;

(2) 12 months following the second disqualification; and

(3) permanently following the third disqualification.

(b) A family is not eligible for assistance under AS 47.25.310 - 47.25.420 if the family includes an adult who has intentionally transferred an asset or assets at less than fair market value for the purpose of establishing eligibility for assistance. The period of ineligibility shall begin on the first day of the month following the transfer of the asset or assets and shall remain in effect for a number of months equal to the fair market value of the transferred asset or assets divided by the maximum payment amount for the family as established under AS 47.25.320(a), or for 12 months,

whichever is less.

(c) A family is not eligible for assistance for the following time periods after the day on which the adult applicant or a custodial parent in the family, without good cause, refused to accept, or separated from, suitable employment and that refusal or separation caused the family's need for assistance:

(1) one month for the first refusal or separation without good cause;

(2) six months for the second refusal or separation withour good cause; and

(3) 12 months for the third and subsequent refusal or separation without good cause.

(d) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

Sec. 47.25.315. ASSISTANCE TO MINORS WITH CHILDREN. (a) Except as provided in (c) of this section, the department shall require, as a condition of eligibility for assistance, that a minor parent must reside in a

(1) place of residence maintained by the minor's parent, legal guardian, or other adult relative of the minor as the parent's, guardian's, or other adult relative's own home; or

(2) foster home, maternity home, or other adult-supervised supportive living arrangement; however, the minor may satisfy the condition of eligibility imposed by this subsection by residing in a foster home, maternity home, or other adult-supervised supportive living arrangement only if

(A) the minor parent does not have a parent, legal guardian, or other adult relative who is living and whose whereabouts are known;

(B) there is no living parent, legal guardian, or adult relative of the minor parent who will allow the minor to live in the home of the parent, legal guardian, or adult relative; or

(C) the department determines that the physical or emotional health or safety of the minor parent or the minor's child would be jeopardized

if the minor and the minor's child lived in the same residence with any of the minor's parents, legal guardian, or other adult relatives.

(b) Notwithstanding AS 47.25.360, the department shall, where possible, pay assistance on behalf of a minor parent who is subject to the requirements of (a) of this section to the minor's parent, legal guardian, or other adult relative, or, as applicable, to the head of the adult-supervised supportive living arrangement where the minor parent resides.

(c) The provisions of (a) of this section do not apply if

(1) the minor parent lived apart from the minor's parent or legal guardian for either one year before the birth of the dependent child or one year before the minor parent submitted the application for assistance; or

(2) the department otherwise determines under regulations that there is good cause for waiving the requirements of (a) of this section in the case of a particular minor parent.

(d) In this section, "minor parent" means a person who is under the age of 18, who has never married, and is either

(1) the natural parent of a dependent child living in the same household; or

(2) eligible for assistance as a pregnant woman.

(e) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* Sec. 3. AS 47.25.320 is amended by adding new subsections to read:

(h) To the extent allowed under federal law or under a waiver approved under federal law, the department shall reduce the shelter allowance used under AS 47.25.310 - 47.25.420 for a family whose shelter costs are lower than the standard shelter allowance used by the department for similar families. The shelter allowance for a family whose costs are below the standard allowance shall be an amount equal to the family's actual verified shelter costs. In this subsection,

(1) "shelter allowance" means the portion of the benefit under

AS 47.25.310 - 47.25.420 that is allocated by the department for shelter costs;

(2) "shelter costs" means

(A) rental payments or mortgage payments for the family's housing, including payments made for property or mortgage insurance and property taxes; and

(B) the cost of utilities, including heat, electricity, basic telephone service, water, sewer, and garbage services incurred for the family's housing; the department may establish different utility cost standards for different areas of the state and may use an average utility cost per month based on estimated level payments over a 12-month period.

(i) To the extent allowed under federal law or under a waiver approved under federal law, the department shall, for the months of July, August, and September, reduce by 50 percent the maximum assistance for which the family is otherwise eligible if the family's eligibility for assistance is based on the unemployment of the family's principal wage earner. However, if the commissioner determines that temporary economic conditions have resulted in decreased employment opportunities during those months and a reduction in assistance would impose an undue hardship on a family, the department may waive application of this paragraph with respect to that family.

Amend #1

* Sec. 4. AS 47.25.360 is amended to read:

Sec. 47.25.360. GRANTING OF ASSISTANCE. Upon the completion of the investigation the department shall decide whether the child is eligible for assistance under AS 47.25.310 - 47.25.420, the amount of assistance, and the date on which it starts. The department shall notify the person having custody of the child of its decision. Except as provided in AS 47.25.315(b), the [THE] assistance shall be paid monthly to the person having custody of the child upon order of the department.

* Sec. 5. AS 47.25 is amended by adding a new section to read:

Sec. 47.25.364. TIME LIMITS ON BENEFITS. (a) A family is not eligible for more than 24 months of assistance under AS 47.25.310 - 47.25.420 during any 60 consecutive months that occur after the effective date of this section.

(b) The eligibility of a family described in (a) of this section shall be extended

beyond 24 months if the family

(1) includes an individual who is the caretaker or spouse of a caretaker of a dependent child or who is a pregnant woman, who is

(A) determined, under regulations of the department, to be physically or mentally unable to perform gainful activity; or

(B) a parent who is providing care for a child who is experiencing a disability; or

(2) has cooperated with the department and every adult in the family who has been assigned to an activity under AS 47.25.303 or 47.25.421 - 47.25.429 has substantially complied with the requirements of the program to which the person was assigned but

(A) a temporary and verified physical condition, as supported by appropriate medical documentation, prevents adults in the family from attaining and maintaining employment that would provide the family with net income equal to or greater than what the family would receive from the assistance grant;

(B) the department failed to provide services required under AS 47.25.303(d) or 47.25.427 with respect to the family; or

(C) despite all appropriate efforts, the adults in the family have been unable to find employment that would provide the family with total net income equal to or greater than what the family would receive from assistance.

(c) Notwithstanding (a) of this section, a family that becomes ineligible for assistance solely by operation of (a) of this section nevertheless remains eligible for medical assistance under AS 47.07 for a period of 12 months after losing eligibility for assistance under (a) of this section.

(d) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* Sec. 6. AS 47.25 is amended by adding a new section to read:

Sec. 47.25.366. SCHOOL ATTENDANCE. (a) The department shall reduce

the assistance for which an assistance unit is otherwise eligible under AS 47.25.310 - 47.25.420 if a minor parent in the assistance unit fails, without good cause, to meet standards of adequate levels of school attendance, as defined in regulations of the department. The reduction under this subsection shall be achieved by disregarding the needs of the person who failed to meet the school attendance standards. The person's needs shall be disregarded until the minor parent complies.

(b) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* Sec. 7. AS 47 is amended by adding a new chapter to read:

CHAPTER 27. ALASKA TEMPORARY ASSISTANCE PROGRAM.

Sec. 47.27.005. DUTIES OF THE DEPARTMENT. The department shall

(1) administer the Alaska temporary assistance program by providing assistance with basic living expenses and self-sufficiency services to needy children and their families under this chapter;

(2) establish, by regulation, program standards that will provide incentives to work, incentives for financial planning, and opportunities to develop self-sufficiency while providing assistance with basic living expenses;

(3) prepare, submit to the federal government, and amend, if necessary, a state plan designed to assure that federal money is available to the state for the operation of the program set out in this chapter to provide assistance for basic living expenses and self-sufficiency services to needy children and their families consistent with the state objectives identified in (2) of this section;

(4) adopt methods of program administration to ensure consistency with the federal requirements under any successor federal program that replaces the aid to families with dependent children program;

(5) make reports to the federal government as required under any successor federal program that replaces the aid to families with dependent children program, in the form and containing the information required, and comply with the provisions that the federal government determines are necessary to ensure correct and

verifiable information on the program;

(6) provide to the legislature an annual executive summary of the information required to be reported to the federal government under (5, of this section;

(7) conduct studies and research in order to evaluate and monitor the effectiveness of the state program; and

(8) adopt regulations and take action to implement, interpret, and administer the provisions of this chapter.

Sec. 47.27.010. ELIGIBLE FAMILIES. The following families may apply for assistance under the Alaska temporary assistance program:

(1) a single parent who has the physical custody of one or more related dependent children;

(2) a caretaker of one or more dependent children who is a relative to at least the fifth degree;

(3) a woman in the last trimester of pregnancy; or

(4) a two-parent family with physical custody of one or more related dependent children.

Sec. 47.27.015. DISQUALIFYING CONDITIONS. (a) A family is not eligible for assistance under the Alaska temporary assistance program if the family includes an adult who

(1) has received benefits under the Alaska temporary assistance program, or a program of another state operated under a federal assistance grant program for needy families, for a total of 60 months as the caretaker or spouse of a caretaker of a dependent child or as a pregnant woman, unless the caretaker or pregnant woman is

(A) determined, under regulations of the department to be physically or mentally unable to perform gainful activity;

(B) a parent who is providing care for a child who is experiencing a disability; or

(C) a family determined by the department to be exempt from this paragraph by reason of hardship; the number of families for which an exemption is in effect under this subparagraph may not exceed 10 percent or

the maximum percentage of families allowed an exemption under federal law, whichever is greater; or

(2) is determined to be fleeing to avoid prosecution, custody, or confinement after conviction, in this or another jurisdiction, for a crime that is classified as a felony or a class A misdemeanor under AS 11 or the criminal laws of the jurisdiction where the criminal activity was committed.

(b) A family is not eligible for assistance under this chapter for a period of 120 months beginning on the date the adult applicant for the family is convicted of having fraudulently misrepresented the applicant's residence in order to receive assistance in more than one state under a program financed with federal money under any successor federal program that replaces the aid to families with dependent children program.

(c) A family is not eligible for the following time periods if the family's demonstrated need for assistance is due to a refusal of or voluntary separation from suitable employment by the adult applicant, or a custodial parent or caretaker, without good cause:

(1) one month for the first refusal or separation without good cause;

(2) six months for the second refusal or separation without good cause; and

(3) 12 months for the third and subsequent refusal or separation without good cause.

(d) A family is not eligible for assistance for up to 12 months if the family's demonstrated need is due to an intentional transfer of an asset or assets at less than fair market value for the purpose of establishing eligibility for assistance. A period of ineligibility shall begin on the first day of the month following the transfer of the asset or assets and shall remain in effect for a number of months equal to the fair market value of the transferred asset or assets divided by the maximum payment amount for the family as established under AS 47.27.025, or for 12 months, whichever is less.

(e) An Alaska temporary assistance program applicant or participant who is administratively disqualified for making a false statement or misrepresentation knowing it was false, or for knowingly failing to disclose a material fact, in order to obtain or

increase assistance or services under this chapter is not eligible to receive assistance under this chapter for a period of

(1) six months following the first disqualification;

(2) 12 months following the second disqualification; and

(3) permanently following the third disqualification.

Sec. 47.27.020. APPLICATION AND REQUIREMENTS FOR ASSISTANCE. (a) An applicant for assistance under the Alaska temporary assistance program shall complete an application in writing, or by electronic means, and in a form specified by the department. The applicant must be a pregnant woman or an individual who has physical custody of the dependent child or children. The application must be complete and must provide all of the information about the family and the child or children that is requested by the department. The applicant shall provide all supporting documentation for verification that the department determines to be necessary to establish eligibility.

(b) On the application, each applicant shall attest to whether the family, at any time, has received assistance from another state program that was established with federal money under any successor federal program that replaces the aid to families with dependent children program and whether the family has ever been disqualified from receiving assistance under a successor federal program that replaces aid to families with dependent children for the period for which the application has been submitted.

(c) An applicant shall agree to cooperate with the department to establish a family self-sufficiency plan and to participate in work activities when assigned by the department.

(d) An applicant shall acknowledge the assignment of support rights as required by AS 47.27.040(a) and shall agree to cooperate with the child support enforcement agency of the Department of Revenue to the extent required under AS 47.27.040(b). The applicant shall agree to report all child support payments received directly by the family, during or for a period for which the family is receiving assistance under this chapter, to the department within 15 days after receipt of those payments.

(e) An applicant shall update the information requested in the application at regular intervals as established by the department in regulation. The department may conduct reviews of an application and audit the information provided as necessary to determine eligibility.

Sec. 47.27.025. FAMILY ASSISTANCE. (a) The department shall provide assistance for basic living expenses to families that establish eligibility based on a determination of need that considers the family's available income, assets, and other resources, as established by the department in regulation. Each dependent child in the family is eligible for assistance except as otherwise provided in AS 47.27.015 or 47.27.027(b), and assistance received as a dependent child does not count against eligibility for assistance under this chapter as a caretaker or spouse of a caretaker of a dependent child or as a pregnant woman.

(b) The amounts of assistance for basic living expenses may not exceed the following:

(1) for a dependent child living with a nonneedy relative caretaker, $452 per month, plus $102 for each additional child;

(2) for a dependent child living with at least one needy parent or relative caretaker, $821 per month, plus $102 for each additional child and $102 for a second needy parent if the second parent is physically or mentally unable to perform gainful activity as defined by department regulation; or

(3) for a family consisting solely of an eligible pregnant woman, $514 per month.

(c) The department shall, for the months of July, August, and September, reduce by 50 percent the maximum assistance for which the family is otherwise eligible if the family's eligibility for assistance is based on the unemployment of the family's principal wage earner. However, if the commissioner determines that temporary economic conditions have resulted in decreased employment opportunities during those months and a reduction in assistance would impose an undue hardship on a family, the department may waive application of this paragraph with respect to that family.

(d) The department shall reduce assistance under this section to the extent that

the family's shelter costs are lower than the standard shelter allowance used by the department for similar families. The shelter allowance for a family whose costs are below the standard allowance shall be an amount equal to the family's actual verified shelter costs. In this subsection,

(1) "shelter allowance" means the portion of the assistance provided under this section that is allocated by the department for shelter costs;

(2) "shelter costs" means

(A) rental payments or mortgage payments for the family's housing, including payments made for property or mortgage insurance and property taxes; and

(B) the cost of utilities, including heat, electricity, basic telephone service, water, sewer, and garbage services incurred for the family's housing; the department may establish different utility cost standards for different areas of the state and may use an average utility cost per month based on estimated level payments over a 12-month period.

(e) The department may, instead of paying all of the cash assistance to a family under this section, use all or part of the cash assistance as a wage subsidy paid to an employer who employs a person in the family at a wage that is higher than the wage subsidy. A subsidy under this subsection may not exceed one year in duration.

Sec. 47.27.026. DIVERSION PAYMENTS. (a) The department may offer a lump-sum diversion payment in place of ongoing assistance and services to an adult applicant who applies for assistance under AS 47.27.020 if the adult applicant is job ready and is determined to need only short-term financial assistance to meet critical needs in order to secure employment and support for the adult applicant's family. The department shall set standards and conditions for diversion payments by regulation.

(b) The department may pay diversion benefits to an applicant's family only if that family appears to be eligible for benefits under AS 47.27.020 and to include a job-ready individual based on the information provided to the department in the application completed under AS 47.27.020. The department may offer to an applicant with the potential to participate in the diversion project a choice between

(1) having the Alaska temporary assistance program application

processed under AS 47.27.020 and the regulations adopted by the department; or

(2) having the application referred to the diversion project of the Alaska temporary assistance program for a determination of project benefits under this section.

(c) The amount of the diversion payment must be sufficient to meet the family's immediate needs as determined by the department and the participant. A diversion payment may not exceed the amount the family would be eligible to receive as cash assistance in the first two months of eligibility under AS 47.27.025 if the family did not elect to receive a diversion payment.

(d) As a condition of a family receiving a diversion payment under this section, the participant must sign an agreement that

(1) specifies the amount of the diversion payment and the needs it is intended to cover;

(2) provides that, during the three-month period beginning with the month in which the diversion payment was received, child support collected on behalf of a child whose needs were considered in determining the diversion payment shall be paid to the family; and

(3) provides that if the family reapplies for Alaska temporary assistance program assistance under AS 47.27.020 during the three months beginning with the month in which the family received a diversion payment, the diversion payment shall be treated as unearned income, prorated over the three-month period, and deducted from any Alaska temporary assistance program benefit the family may be eligible for under the new application.

(e) A family that receives a diversion payment may not receive another diversion payment before the 12th month following the month in which it last received a diversion payment.

(f) To the extent that (d)(2) of this section is inconsistent with AS 25.27.120 or 25.27.130, or with another provision of this chapter, (d)(2) of this section governs.

Sec. 47.27.027. ASSISTANCE TO MINORS. (a) If an applicant under AS 47.27.020 is not married, is under the age of 18, and has not been previously emancipated under AS 09.55.590, the applicant must

(1) live in a home maintained by the applicant's parent, legal guardian,

or other adult relative, unless the applicant establishes that there is good cause, as established by the department in regulation, to waive this requirement; if the department waives this requirement, the applicant must live in an approved, adult-supervised, supportive living environment;

(2) agree that assistance for basic living expenses on behalf of the applicant's family may be paid to the applicant's parent, legal guardian, or other adult relative, or, if applicable, to the adult head of the adult-supervised, supportive living environment in which the applicant resides; and

(3) maintain attendance in a secondary school or other appropriate training program unless the applicant has a high school diploma or general equivalent diploma.

(b) The department shall reduce the assistance for which an assistance unit is otherwise eligible under this chapter if a minor parent in the assistance unit fails, without good cause, to meet standards of adequate levels of school attendance, as defined in regulations of the department. The reduction under this subsection shall be achieved by disregarding the needs of the person who failed to meet the school attendance standards. The person's needs shall be disregarded until the minor parent complies.

Sec. 47.27.030. FAMILY SELF-SUFFICIENCY PLAN. (a) A participant in the Alaska temporary assistance program shall cooperate with the department, or its designee, to develop and sign a family self-sufficiency plan that includes

(1) the steps the family will take towards the self-sufficiency of the family;

(2) the self-sufficiency services the department will provide to assist the family to attain self-sufficiency;

(3) specific benchmarks to indicate the steps toward successful completion of the family plan;

(4) a statement that the family may be subject to benefit reductions or other sanctions if the family fails to comply with the family plan; and

(5) a statement that describes the necessary conditions and the steps that must be taken to renegotiate the terms of the family plan.

(b) The family self-sufficiency plan must set a time period for the achievement of self-sufficiency from assistance under the Alaska temporary assistance program. That time period may not provide for any more than a total of 60 months of assistance under the Alaska temporary assistance program. Unless the members of the family who are not dependent children are all exempt under AS 47.27.035(b) - (d), the time period for receiving assistance may not exceed a cumulative total of 24 months unless each nonexempt person is in compliance with the work activity assignment made under AS 47.27.035.

(c) A family is exempt from the requirement that the family have a self-sufficiency plan under this section if the family

(1) does not include a needy adult;

(2) does not include an adult physically or mentally able to perform gainful activity; or

(3) is receiving a diversion payment under AS 47.27.026.

Sec. 47.27.035. PARTICIPATION IN WORK ACTIVITIES. (a) An Alaska temporary assistance program participant shall, after the participant's family has received a cumulative total of 24 months of assistance or sooner if assigned to do so by the department, participate in work activities as assigned by the department or its designee in order for the family to continue to receive assistance or services from the department under the Alaska temporary assistance program, unless the participant is exempt from the work participation requirements under one or more of the exemptions set out in (b) - (d) of this section.

(b) A parent or caretaker with a dependent child of up to 12 months of age may be exempt from work participation requirements for up to 12 months, as established in the family self-sufficiency plan.

(c) A parent or caretaker may be exempt from work participation requirements in the family self-sufficiency plan if

(1) the parent or caretaker is providing home care for a child who is experiencing a disability or a related, disabled person who requires 24-hour care;

(2) the parent or caretaker establishes an inability to participate for medical reasons supported by documentation from a physician or other licensed

medical professional;

(3) the participation would impose an unreasonable hardship on the family; or

(4) there is a dependent child in the home that has not yet attained six years of age and the parent or caretaker demonstrates an inability to obtain needed child care because appropriate child care is not available.

(d) The department may not require a person to participate in work activities under (a) of this section

(1) if the person is the sole custodial parent for a child under six years of age unless the department agrees to pay for the costs of child care determined by the department to be necessary for the person's participation; and

(2) unless the department agrees to pay for transportation expenses determined by the department to be necessary for the person's participation in the activity.

(e) A participant in work activities under this section is not a state employee for purposes of AS 39.25 (State Personnel Act).

(f) A participant in work activities under this section is not considered an employee of the state or other public employer for purposes of AS 23.40.070 - 23.40.260 (Public Employment Relations Act) nor shall any provision of a collective bargaining agreement entered into under AS 23.40.070 - 23.40.260 be construed to interfere with the department's authority to assign participants to work activities as authorized under this section.

Sec. 47.27.040. ASSIGNMENT OF SUPPORT RIGHTS; COOPERATION WITH CHILD SUPPORT ENFORCEMENT AGENCY. (a) An Alaska temporary assistance program applicant is considered to have assigned to the state, through the child support enforcement agency of the Department of Revenue, all rights to accrued and continuing child support, from all sources, that is due for the support of any individuals in the family for whom support is sought. The assignment takes effect upon a determination that the applicant's family is eligible for assistance under this chapter. Except with respect to the amount of any unpaid support obligation accrued under the assignment, the assignment terminates when the family ceases to be a

participant in the Alaska temporary assistance program.

(b) An Alaska temporary assistance program participant shall cooperate with the child support enforcement agency of the Department of Revenue in establishing paternity or establishing, modifying, or enforcing a child support order requiring the payment of support by the noncustodial parent for a dependent child for whom Alaska temporary assistance program assistance is received unless the participant establishes good cause for refusing to cooperate.

(c) The department may distribute to an Alaska temporary assistance program participant $50 per month from a monthly child support payment, or the amount of the child support payment if it is less than $50, received by the child support enforcement agency for the support of a child for whom Alaska temporary assistance program assistance is paid.

Sec. 47.27.045. ALIENATION AND ATTACHMENT. Assistance granted under this chapter is inalienable by assignment or transfer and is exempt from garnishment, levy, or execution as is provided in AS 09.38.

Sec. 47.27.050. GRANTS AND CONTRACTS FOR SERVICES. (a) The department may contract with or award grants to qualified entities in the state to administer an Alaska temporary assistance program or a distinct part of the Alaska temporary assistance program. The department may establish standards for the administration of services under the grant or contract, including fees to be charged to applicants for or recipients of those services.

(b) Contracts authorized under this section are to be administered in accordance with AS 47.05.015. Grants authorized under this section are to be awarded using requirements, established in regulation, that are substantially similar to those set out in AS 47.05.015 for contracts.

(c) This section may not be construed to expand the powers of a municipality.

(d) In this section, "qualified entities" include municipalities, other political subdivisions of the state, nonprofit corporations formed under AS 10.20, churches and religious organizations, and incorporated and unincorporated businesses operating within the state that meet the requirements established by the department in regulation.

Sec. 47.27.055. AGENCY COLLABORATION. (a) The department shall

coordinate with other state agencies that provide assistance, benefits, or services to applicants that are eligible for and to participants in the Alaska temporary assistance program in order to facilitate the application for and delivery of assistance, benefits, or services to promote family self-sufficiency. Subject to appropriations, state agencies may locate their facilities and operations near each other in order to improve service delivery.

(b) The department may provide information received under this chapter to other state agencies in order to facilitate the delivery of services. Information received from an applicant for or participant in the Alaska temporary assistance program shall be treated as confidential by all state agencies that share the information under this section and is not open to public inspection or copying under AS 09.25.110 - 09.25.125. Misuse of public assistance lists or information is punishable as a violation of AS 47.05.030.

(c) Departments in the executive branch shall cooperate in fulfilling the purposes of this chapter, including, subject to appropriations, the establishment of temporary positions that will provide job opportunities for families participating in the Alaska temporary assistance program. Temporary positions established for this purpose are in the exempt service under AS 39.25.110 but are not subject to AS 39.25.195. An individual participating in the Alaska temporary assistance program who holds a temporary position established for purposes of this subsection is not a public employee for purposes of AS 23.40.070 - 23.40.260.

Sec. 47.27.060. JOB DEVELOPMENT. The department may establish cooperative agreements with the Department of Labor, Department of Community and Regional Affairs, Department of Education, and Department of Commerce and Economic Development, and with other public or private sector organizations for the purpose of developing job, training, and educational opportunities for families eligible for assistance under this chapter.

Sec. 47.27.065. FEDERAL-STATE COOPERATION. In the administration of this chapter, the department shall cooperate with the Secretary of the United States Department of Health and Human Services and shall take actions necessary to comply with the requirements of federal law to obtain public assistance block grants or other

federal assistance available for the purposes of this chapter. The department shall make reports in the form and containing the information required to the Secretary of the United States Department of Health and Human Services. The department may cooperate with federal agencies charged with the administration of the federal public assistance block grants and other financial assistance.

Sec. 47.27.070. ALASKA NATIVE ORGANIZATIONS' FAMILY ASSISTANCE PROGRAMS. (a) The department may coordinate only with the following Alaska Native organizations, as designated under federal law, in the development of family assistance programs:

(1) Arctic Slope Native Association;

(2) Kawerak, Inc.;

(3) Maniilaq Association;

(4) Association of Village Council Presidents;

(5) Tanana Chiefs Conference;

(6) Cook Inlet Tribal Council;

(7) Bristol Bay Native Association;

(8) Aleutian and Pribilof Island Association;

(9) Chugachmiut;

(10) Tlingit Haida Central Council;

(11) Kodiak Area Native Association;

(12) Copper River Native Association; and

(13) Metlakatla Indian Community of the Annette Islands Reserve; however, the department may cooperate with the Metlakatla Indian Community under this chapter only if the community waives any claim to sovereign immunity with respect to matters involved with the family assistance program.

(b) The department may cooperate with the Alaska Native organizations named in (a) of this section to propose program criteria to the Secretary of the United States Department of Health and Human Services in order to promote programs comparable to the state program in the same area.

(c) Notwithstanding other provisions of this section, the department may coordinate with an Alaskan Native organization under (a) of this section only if, for

purposes of this chapter, the Alaska Native organization incorporates a nonprofit entity under state law and the nonprofit entity is active and in good standing, as determined by the Department of Commerce and Economic Development.

Sec. 47.27.075. EMERGENCY ACCOUNT ESTABLISHED. There is established within the general fund the Alaska temporary assistance program emergency account. The account consists of appropriations that were made by the legislature from federal money available for assistance under this chapter, including lapsing money that was previously appropriated from federal money for the Alaska temporary assistance program, but that were not expended or obligated in the fiscal year for which they were appropriated.

Sec. 47.27.080. APPEALS; DISPUTE RESOLUTION. (a) An applicant or participant who receives a determination from the department that denies, limits, or modifies the assistance or services provided under this chapter may request a hearing before the department or a representative of the department appointed for that purpose. If a representative is appointed, the representative shall conduct the hearing under the regulations adopted by the department. The appeal is not subject to AS 44.62.330 - 44.62.630.

(b) The department may require an applicant or participant to participate in an informal dispute resolution process before a formal hearing. The department may adopt regulations establishing the informal dispute resolution process.

Sec. 47.27.085. SANCTIONS; RECOVERY OF COSTS. (a) The department shall penalize an Alaska temporary assistance program applicant or participant who, without good cause, fails to comply with a condition of the family self-sufficiency plan or who fails to participate in work activities required as a part of the Alaska temporary assistance program by disregarding that person as a member of the family for purposes of determining the amount of assistance given to the family. The period of time during which the department shall disregard the noncomplying person for purposes of determining the amount of the family's assistance is

(1) until the person is in compliance under this subsection if the person has not previously been disregarded under this subsection;

(2) the longer of six months or until the person is in compliance under

this subsection if the person has previously been disregarded under (1) of this subsection;

(3) the longer of 12 months or until the person is in compliance under this subsection if the person has previously been disregarded under (2) of this section.

(b) An Alaska temporary assistance program applicant or participant who, without good cause, fails to cooperate with establishment of paternity or the establishment, modification, or enforcement of a support order for a child for whom assistance is received is subject to a reduction or limitation in assistance or services for the term of noncooperation as required by federal law and as specified in regulations adopted by the department.

(c) An Alaska temporary assistance program applicant or participant who receives assistance or services when not entitled to them under this chapter because the information provided by the applicant or participant was inaccurate or incomplete is liable to the department for the value of the assistance and services improperly provided to the applicant or participant.

(d) In a civil action brought by the state to recover the value of assistance or services improperly provided under this chapter, the state may recover costs of investigation and prosecution of the civil action, including attorney fees as determined under court rules.

Sec. 47.27.900. DEFINITIONS. In this chapter,

(1) "assistance for basic living expenses" means assistance provided under the Alaska temporary assistance program that may include cash, vouchers, or third-party vendor payments;

(2) "child care assistance" means payments made by the Department of Health and Social Services or the Department of Community and Regional Affairs to Alaska temporary assistance program participant families or to providers for the care of children of the participant families;

(3) "child support" includes court-ordered or administratively ordered child support, medical support, and spousal support;

(4) "child support enforcement agency" means the child support enforcement agency in the Department of Revenue;

(5) "commissioner" means the commissioner of health and social services;

(6) "department" means the Department of Health and Social Services;

(7) "dependent child" means an individual who

(A) has not attained

(i) 18 years of age; or

(ii) 19 years of age and is a full-time student in a secondary school or in the equivalent level of vocational or technical training; and

(B) is not an applicant under AS 47.27.020;

(8) "self-sufficiency services" means work-related services, community service work referrals, child care assistance, and other services determined by the department in regulation to promote family self-sufficiency;

(9) "work activities" includes job readiness assessments, on-the-job training, education and vocational training, job sampling, job search requirements, subsidized and unsubsidized work, and community work service.

Sec. 47.27.990. SHORT TITLE. This chapter may be cited as the Alaska temporary assistance program.

* Sec. 8. AS 15.07.055(a) is amended to read:

(a) The following agencies are designated voter registration agencies:

(1) the Department of Public Safety, division of motor vehicles;

(2) divisions of the Department of Health and Social Services that provide public assistance through the food stamp program, Medicaid program, Special Supplemental Food Program for Women, Infants, and Children (WIC), and <u>Alaska temporary assistance program</u> [AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) PROGRAM];

(3) the division of the Department of Community and Regional Affairs that is responsible for municipal and regional assistance programs; and

(4) all recruitment offices of the armed forces of the United States located in Alaska.

* Sec. 9. AS 23.10.055 is amended by adding a new paragraph to read:

(14) an individual engaged in activities for a nonprofit religious, charitable, civic, cemetery, recreational, or educational organization where the employer-employee relationship does not, in fact, exist, and where services are rendered to the organization under a work activity requirement of AS 47.27 (Alaska temporary assistance program).

* Sec. 10. AS 23.40.075 is amended to read:

Sec. 23.40.075. ITEMS NOT SUBJECT TO BARGAINING. The parties may not negotiate terms contrary to the

(1) [THE] reemployment rights for injured state employees under AS 39.25.158; [OR]

(2) [THE] reemployment rights of the organized militia under AS 26.05.075;

(3) authority of the Department of Health and Social Services under AS 47.27.035 to assign Alaska temporary assistance program participants to a work activity considered appropriate by the Department of Health and Social Services; or

(4) authority for agencies to create temporary positions under AS 47.27.055(e).

* Sec. 11. AS 25.20.050(f) is amended to read:

(f) If the child support enforcement agency is a party in an action in which paternity is contested, the agency shall request the court to order the tests and procedures described in (e) of this section. The agency may recover the costs of tests as a cost of the action, except that costs may not be recovered from a person who is a recipient of assistance [AID] under AS 47.27 (Alaska temporary assistance program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

* Sec. 12. AS 25.27.025 is amended to read:

Sec. 25.27.025. RATE OF INTEREST. The rate of interest imposed under AS 25.27.020(a)(2)(C) shall be six percent a year [EQUAL THE RATE IMPOSED UNDER AS 43.05.225] or a lesser rate that is the maximum rate of interest permitted to be imposed under federal law.

* Sec. 13. AS 25.27.040(a) is amended to read:

(a) The agency may appear on behalf of minor children or their mother or legal custodian or the state and initiate efforts to have the paternity of children born out of wedlock determined by the court. When the agency is a party to a court action in which paternity is contested, it shall request and pay for genetic testing and procedures under AS 25.20.050(f). The agency may recover the costs of the tests as a cost of the court action, except that costs may not be recovered from a person who is a recipient of assistance [AID] under AS 47.27 (Alaska temporary assistance program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

* Sec. 14. AS 25.27.065(b) is amended to read:

(b) When the right to receive child support has been assigned to a governmental entity, an agreement under (a) of this section that has not been adopted as an administrative order of the agency is not effective during a period when the obligee is receiving assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420].

* Sec. 15. AS 25.27.120(a) is amended to read:

(a) An obligor is liable to the state in the amount of assistance granted under AS 47.07 and AS 47.27 [AS 47.25.310 - 47.25.420] to a child to whom the obligor owes a duty of support except that, if a support order has been entered, the liability of the obligor for assistance granted under AS 47.27 [AS 47.25.310 - 47.25.420] may not exceed the amount of support provided for in the support order, and, if a medical order of support has been entered, the liability of the obligor for assistance granted under AS 47.07 may not exceed the amount of support provided for in the medical order of support.

* Sec. 16. AS 25.27.125(b) is amended to read:

(b) The annual estimated balance in the account maintained by the commissioner of administration under AS 37.05.142 may be used by the legislature to make appropriations to the Department of Health and Social Services to carry out the purposes of AS 47.10.230 - 47.10.260 and AS 47.27 [AS 47.25.310 - 47.25.420].

* Sec. 17. AS 25.27.130(c) is amended to read:

(c) The recovery of any amount for which the obligor is liable that exceeds the total assistance granted under AS 47.07 and AS 47.27 [AS 47.25.310 - 47.25.420] shall be paid to the obligee.

* Sec. 18. AS 25.27.130(d) is amended to read:

(d) Except as provided in (f) of this section, if the obligee is not receiving assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420] at the time the state recovers money in an action under this section, the recovery of any amount for which the obligor is liable shall be distributed to the obligee for support payments, including medical support payments, that have become due and unpaid since the termination of assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420] under a support order in favor of the obligee.

* Sec. 19. AS 25.27.130(e) is amended to read:

(e) After payment to the obligee under (d) of this section, the state may retain an amount not to exceed the total unreimbursed assistance paid on behalf of the obligee under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420].

* Sec. 20. AS 25.27.130(f) is amended to read:

(f) Notwithstanding (d) of this section, the state shall, if required under federal law or regulations, distribute amounts recovered through offset of the obligor's federal tax refund as past due support with first distribution to the state for unpaid support assigned to the state under AS 47.07.025 and AS 47.27.040 [AS 47.25.345].

* Sec. 21. AS 25.27.165(i) is amended to read:

(i) The agency may recover any costs it pays for genetic tests required by this section, except that costs may not be recovered from a person who is a recipient of assistance [AID] under AS 47.27 (Alaska temporary assistance program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

* Sec. 22. AS 25.27 is amended by adding a new section to read: New bill section

Sec. 25.27.195. RELIEF FROM ADMINISTRATIVE ORDER. (a) A clerical mistake in an administrative order issued by the agency or an error arising from an oversight or omission by the agency may be corrected by the agency at any time on the motion of an obligor.

(b) Upon the motion of an obligor, the agency may, at any time, vacate an

Amen. # 2

New bill section

Cont. Amend #2

adminstrative support order issued by the agency under AS 25.27.160 that was based on a default amount rather than on the obligor's actual ability to pay.

(c) Before an order may be corrected or vacated under (a) or (b) of this section, the agency must send notice of the intended action to the obligor and the custodian and provide an adequate opportunity for the obligor and custodian to be heard on the issue.

(d) If an order is vacated under (b) of this section, the agency may at the same time issue a new order establishing a support amount, based on information about the obligor's income or on the Alaska average wage standard, for periods of time covered by the previous order. Upon issuance of the new order, the agency may adjust the obligor's account to reflect the support amounts established in the new order. In no case may the agency adjust the obligor's account below zero.

* Sec. 23. AS 25.27 is amended by adding new sections to read:

Sec. 25.27.244. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S OCCUPATIONAL LICENSE. (a) The agency shall compile and maintain a list of obligors who are not in substantial compliance with a support order or payment schedule negotiated under (g)(1) of this section and who have received notice of the arrearages at least 60 days before placement on the list. The list must include the names, social security numbers, dates of birth, and last known addresses of the obligors. The list shall be updated by the agency on a monthly basis.

* Amend #3

(b) The agency shall, on a monthly basis, provide a copy of the list to each licensing entity through a computer readable magnetic medium. A licensing entity subject to this section shall implement procedures to accept and process the list. Notwithstanding any other law to the contrary, a licensing entity may not issue or renew a license for a person on the list except as provided in this section.

(c) Promptly after receiving an application from an applicant and before issuing or renewing a license, a licensing entity shall determine whether the applicant is on the most recent list provided by the agency. If the applicant is on the list, the licensing entity shall immediately serve notice under (e) of this section of the licensing entity's intent to withhold issuance or renewal of the license. The notice shall be considered given when delivered personally to the applicant or deposited in the United

States mail addressed to the applicant's last known mailing address on file with the licensing entity.

(d) A licensing entity shall issue a temporary license valid for a period of 150 days to an applicant whose name is on the list if the applicant is otherwise eligible for a license. The temporary license may not be extended. Only one temporary license may be issued during a regular license term and its validity shall coincide with the first 150 days of that license term. A license for the full or remainder of the license term may be issued or renewed only upon compliance with this section. If a license or application is denied under this section, money paid by the applicant or licensee shall be refunded by the licensing entity after retention of the temporary license fee, if any.

(e) Notices for use under (c) of this section shall be developed by each licensing entity under guidelines provided by the agency and are subject to approval by the agency. The notice must include the address and telephone number of the agency and shall emphasize the necessity of obtaining a release from the agency as a condition for the issuance or renewal of a license. The notice must inform an applicant whose license is governed by (d) of this section that the licensing entity shall issue a temporary license for 150 calendar days under (d) of this section if the applicant is otherwise eligible and that, upon expiration of that time period, the license will be denied unless the licensing entity has received a release from the agency. The agency shall also develop a form that the applicant may use to request a review by the agency. A copy of this form shall be included with each notice sent under (c) of this section.

(f) The agency shall establish review procedures consistent with this section to allow an applicant to have the underlying arrearages and relevant defenses investigated, to provide an applicant information on the process of obtaining a modification of a support order, or to provide an applicant assistance in the establishment of a payment schedule on arrearages if the circumstances warrant.

(g) If the applicant wishes to challenge being included on the list, the applicant shall submit to the agency a written request for review within 30 days after receiving the notice under (e) of this section by using the form developed under (e) of this section. Within 30 days after receiving a written request for review, the agency shall

inform the applicant in writing of the agency's findings. The agency shall immediately send a release to the appropriate licensing entity and the applicant if any of the following conditions is met:

(1) the applicant is found to be in substantial compliance with each support order applicable to the applicant or has negotiated an agreement with the agency for a payment schedule on arrearages and is in substantial compliance with the negotiated agreement; if the applicant fails to be in substantial compliance with an agreement negotiated under this paragraph, the agency shall send to the appropriate licensing entity a revocation of any release previously sent to the entity for that applicant;

(2) the applicant has submitted a timely request for review to the agency, but the agency will be unable to complete the review and send notice of findings to the applicant in sufficient time for the applicant to file a timely request for judicial relief within the 150-day period during which the applicant's temporary license is valid under (d) of this section; this paragraph applies only if the delay in completing the review process is not the result of the applicant's failure to act in a reasonable, timely, and diligent manner upon receiving notice from the licensing entity that the applicant's name is on the list;

(3) the applicant has, within 30 days after receiving the agency's findings following a request for review under (2) of this subsection, filed and served a request for judicial relief under this section, but a resolution of that relief will not be made within the 150-day period of the temporary license under (d) of this section; this paragraph applies only if the delay in completing the judicial relief process is not the result of the applicant's failure to act in a reasonable, timely, and diligent manner upon receiving the agency's notice of findings; or

(4) the applicant has obtained a judicial finding of substantial compliance.

(h) An applicant is required to act with diligence in responding to notices from the licensing entity and the agency with the recognition that the temporary license granted under (d) of this section will lapse after 150 days and that the agency and, where appropriate, the court must have time to act within that 150-day period. An

applicant's delay in acting, without good cause, that directly results in the inability of the agency to complete a review of the applicant's request or the court to hear the request for judicial relief within the required period does not constitute the diligence required under this section that would justify the issuance of a release.

(i) Except as otherwise provided in this section, the agency may not issue a release if the applicant is not in substantial compliance with the order for support or is not in substantial compliance with an agreement negotiated under (g)(1) of this section. The agency shall notify the applicant in writing that the applicant may request any or all of the following: (1) judicial relief from the agency's decision not to issue a release or the agency's decision to revoke a release under (g)(1) of this section; (2) a judicial determination of substantial compliance; (3) a modification of the support order. The notice must also contain the name and address of the court in which the applicant may file the request for relief and inform the applicant that the applicant's name shall remain on the list if the applicant does not request judicial relief within 30 days after receiving the notice. The applicant shall comply with all statutes and rules of court implementing this section. This section does not limit an applicant's authority under other law to request an order to show cause or notice of motion to modify a support order or to fix a payment schedule on arrearages accruing under a support order or to obtain a court finding of substantial compliance with a support order.

(j) A request for judicial relief from the agency's decision must state the grounds on which relief is requested and the judicial action shall be limited to those stated grounds. Judicial relief under this subsection is not an appeal, and shall be governed by court rules adopted to implement this section. Unless otherwise provided by court rule, the court shall hold an evidentiary hearing within 20 calendar days after the filing of service on the opposing party. The court's decision shall be limited to a determination of each of the following issues:

(1) whether there is a support order or a payment schedule on arrearages;

(2) whether the petitioner is the obligor covered by the support order; and

(3) whether the obligor is in substantial compliance with the support

order or payment schedule.

(k) If the court finds that the obligor is in substantial compliance with the support order or payment schedule, the agency shall immediately send a release under (g) of this section to the appropriate licensing entity and the applicant.

(l) When the obligor is in substantial compliance with a support order or payment schedule, the agency shall mail to the applicant and the appropriate licensing entity a release stating that the applicant is in substantial compliance. The receipt of a release shall serve to notify the applicant and the licensing entity that, for the purposes of this section, the applicant is in substantial compliance with the support order or payment schedule unless the agency, under (a) of this section, certifies subsequent to the issuance of a release that the applicant is once again not in substantial compliance with a support order or payment schedule.

(m) The agency may enter into interagency agreements with the state agencies that have responsibility for the administration of licensing entities as necessary to implement this section to the extent that it is cost effective to implement the interagency agreements. The agreements shall provide for the receipt by the other state agencies and licensing entities of federal money to cover that portion of costs allowable in federal law and regulation and incurred by the state agencies and licensing entities in implementing this section.

(n) Notwithstanding any other provision of law, the licensing entities subject to this section shall assess a fee for issuance of a temporary license under this section. The licensing entity shall set the amount of the fee so that the fees collected under this section, to the extent reasonable, cover the costs of implementing and administering this section.

(o) The process described in (g) of this section is the sole administrative remedy for contesting the issuance to the applicant of a temporary license or the denial of a license under this section. The procedures specified in AS 44.62.330 - 44.62.630 do not apply to the denial or failure to issue or renew a license under this section.

(p) The agency and licensing entities, as appropriate, shall adopt regulations necessary to implement this section.

(q) In this section,

(1) "applicant" means a person applying for issuance or renewal of a license;

(2) "license"

(A) means, except as provided in (B) of this paragraph, a license, certificate, permit, registration, or other authorization that, at the time of issuance, will be valid for more than 150 days and that may be acquired from a state agency to perform an occupation, including the following:

(i) license relating to boxing or wrestling under AS 05.10;

(ii) authorization to perform an occupation regulated under AS 08;

(iii) teacher certificate under AS 14.20;

(iv) authorization under AS 18.08 to perform emergency medical services;

(v) asbestos worker certification under AS 18.31;

(vi) boiler operator's license under AS 18.60.395;

(vii) certificate of fitness under AS 18.62;

(viii) hazardous painting certification under AS 18.63;

(ix) security guard license under AS 18.65.400 - 18.65.490;

(x) license relating to insurance under AS 21.27;

(xi) employment agency permit under AS 23.15.330 - 23.15.520;

(xii) registration as a broker-dealer, agent, or investment adviser under AS 45.55.030;

(xiii) certification as a pesticide applicator under AS 46.03.320;

(xiv) certification as a storage tank worker or contractor under AS 46.03.375;

(xv) certification as a water and wastewater works operator under AS 46.30;

(xvi) a vessel license issued under AS 16.05.490 or 16.05.530;

(xvii) a commercial fishing license under AS 16.05.480, including a crew member fishing license;

(xviii) a license issued under AS 47.35; and

(xix) a business license issued under AS 43.70;

(B) does not include

(i) an entry permit or interim-use permit issued under AS 16.43; or

(ii) a driver's license issued under AS 28.15;

(3) "licensee" means a person holding a license or applying to renew a license;

(4) "licensing entity" means the state agency that issues or renews a license; in the case of a license issued or renewed by the Department of Commerce and Economic Development after an applicant's qualifications are determined by another agency, "licensing entity" means the department;

(5) "list" means the list of obligors compiled and maintained under (a) of this section;

(6) "substantial compliance with a support order or payment schedule" means that, with respect to a support order or a negotiated payment schedule under (g) of this section, whichever is applicable, the obligor either has no arrearage or has an arrearage in an amount that is not more than four times the monthly obligation under the support order or payment schedule.

Sec. 25.27.246. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S DRIVER'S LICENSE. (a) The agency shall compile and maintain a list of obligors who have a driver's license, are not in substantial compliance with a support order or payment schedule negotiated under (f)(1) of this section, and have received notice of the arrearages at least 60 days before placement on the list. The list must include the names, social security numbers, dates of birth, and last known addresses of the obligors. The list shall be updated by the agency on a monthly basis.

(b) The agency shall serve notice under (d) of this section to each person on

the list that the person's driver's license will be suspended in 150 days, and will not be reissued or renewed the next time it is applied for if the person's name is on the list at the time of the subsequent application, unless the licensee receives a release from the agency. The notice shall be considered given when delivered personally to the obligor or deposited in the United States mail addressed to the obligor's last known mailing address on file with the agency.

(c) If the licensee fails to obtain a release during the 150-day period following notice under (b) and (d) of this section, the agency shall notify the department that the licensee's driver's license should be suspended and further renewals or applications should be denied until the agency sends the department a release for the licensee. Upon receiving the agency's notice under this subsection, the department shall suspend the licensee's driver's license and may not issue or renew a driver's license for the licensee until the department receives a release to do so from the agency. If a license is suspended or an application is denied under this section, money paid by the applicant or licensee may not be refunded by the department.

(d) The notice under (b) of this section must include the address and telephone number of the agency and shall emphasize the necessity of obtaining a release from the agency as a condition for avoiding suspension or denial of the person's driver's license. The notice must also inform the licensee that, if a license is suspended or an application is denied under this section, money paid by the licensee will not be refunded by the department. The agency shall also develop a form that the licensee may use to request a review by the agency. A copy of this form shall be included with each notice sent under (b) of this section.

(e) The agency shall establish review procedures consistent with this section to allow a licensee to have the underlying arrearages and relevant defenses investigated, to provide a licensee with information on the process of obtaining a modification of a support order, or to provide a licensee with assistance in the establishment of a payment schedule on arrearages if the circumstances warrant.

(f) If a licensee wishes to challenge being included on the list, the licensee shall submit to the agency a written request for review within 30 days after the notice under (b) of this section was personally delivered or postmarked by using the form

developed under (d) of this section. Within 30 days after receiving a written request for review, the agency shall inform the licensee in writing of the agency's findings. The agency shall immediately send a release to the department and the licensee if any of the following conditions is met:

(1) the licensee is found to be in substantial compliance with each support order applicable to the licensee or has negotiated an agreement with the agency for a payment schedule on arrearages and is in substantial compliance with the negotiated agreement; if the licensee fails to be in substantial compliance with an agreement negotiated under this paragraph, the agency shall send to the department a revocation of any release previously sent to the entity for that licensee;

(2) the licensee has submitted a timely request for review to the agency, but the agency will be unable to complete the review and send notice of findings to the licensee in sufficient time for the licensee to file a timely request for judicial relief within the 150-day period before the licensee's license will be suspended under (c) of this section; this paragraph applies only if the delay in completing the review process is not the result of the licensee's failure to act in a reasonable, timely, and diligent manner upon receiving notice from the agency that the licensee's driver's license will be suspended in 150 days;

(3) the licensee has, within 30 days after receiving the agency's findings following a request for review under (2) of this subsection, filed and served a request for judicial relief under this section, but a resolution of that relief will not be made within the 150-day period before license suspension under (c) of this section; this paragraph applies only if the delay in completing the judicial relief process is not the result of the licensee's failure to act in a reasonable, timely, and diligent manner upon receiving the agency's notice of findings; or

(4) the licensee has obtained a judicial finding of substantial compliance.

(g) A licensee is required to act with diligence in responding to notices from the agency with the recognition that the person's driver's license will be suspended after 150 days or that a subsequent license will not be issued and that the agency and, where appropriate, the court must have time to act within that 150-day period or before

the subsequent license is needed, as applicable. A licensee's delay in acting, without good cause, that directly results in the inability of the agency to complete a review of the licensee's request or the court to hear the request for judicial relief within the required period does not constitute the diligence required under this section that would justify the issuance of a release.

(h) Except as otherwise provided in this section, the agency may not issue a release if the applicant is not in substantial compliance with the order for support or is not in substantial compliance with an agreement negotiated under (f)(1) of this section. The agency shall notify the licensee in writing that the licensee may request any or all of the following: (1) judicial relief from the agency's decision not to issue a release or the agency's decision to revoke a release under (f)(1) of this section; (2) a judicial determination of substantial compliance; (3) a modification of the support order. The notice must also contain the name and address of the court in which the licensee may file the request for relief and inform the licensee that the licensee's name shall remain on the list if the licensee does not request judicial relief within 30 days after receiving the notice. The licensee shall comply with all statutes and rules of court implementing this section. This section does not limit a licensee's authority under other law to request an order to show cause or notice of motion to modify a support order or to fix a payment schedule on arrearages accruing under a support order or to obtain a court finding of substantial compliance with a support order.

(i) A request for judicial relief from the agency's decision must state the grounds on which relief is requested and the judicial action shall be limited to those stated grounds. Judicial relief under this subsection is not an appeal and shall be governed by court rules adopted to implement this section. Unless otherwise provided by court rule, the court shall hold an evidentiary hearing within 20 calendar days after the filing of service on the opposing party. The court's decision shall be limited to a determination of each of the following issues:

(1) whether there is a support order or a payment schedule on arrearages;

(2) whether the petitioner is the obligor covered by the support order; and

(3) whether the obligor is in substantial compliance with the support order or payment schedule.

(j) If the court finds that the obligor is in substantial compliance with the support order or payment schedule, the agency shall immediately send a release under (f) of this section to the department and the licensee.

(k) When the obligor is in substantial compliance with a support order or payment schedule, the agency shall mail to the applicant and the department a release stating that the licensee is in substantial compliance. The receipt of a release shall serve to notify the licensee and the department that, for the purposes of this section, the applicant is in substantial compliance with the support order or payment schedule unless the agency, under (a) of this section, certifies subsequent to the issuance of a release that the licensee is once again not in substantial compliance with a support order or payment schedule.

(l) The process described in (f) of this section is the sole administrative remedy for contesting the suspension or the denial of a driver's license under this section. The procedures specified in AS 28 or AS 44.62.330 - 44.62.630 do not apply to the suspension or failure to issue or renew a license under this section.

(m) The agency and department, as appropriate, shall adopt regulations necessary to implement this section.

(n) In this section,

(1) "department" means the Department of Public Safety;

(2) "driver's license" or "license" means a driver's license, as defined in AS 28.40.100;

(3) "licensee" means a person holding or requesting a driver's license;

(4) "list" means the list of obligors compiled and maintained under (a) of this section;

(5) "substantial compliance with a support order or payment schedule" means that, with respect to a support order or a negotiated payment schedule under (f) of this section, whichever is applicable, the obligor either has no arrearage or has an arrearage in an amount that is not more than four times the monthly obligation under the support order or payment schedule.

* 2nd part of Amend #3

* Sec. 24. AS 36.30.850(b)(11) is amended to read:

(11) agreements with providers of services under AS 44.47.250; AS 47.07; AS 47.08; AS 47.10; AS 47.17; AS 47.24; and AS 47.27, including contractors under AS 47.27.050 [AS 47.25.195 AND 47.25.310];

* Sec. 25. AS 39.25.110 is amended by adding a new paragraph to read:

(31) a participant in the Alaska temporary assistance program under AS 47.27 who holds a temporary position with the state in order to obtain job training or experience.

* Sec. 26. AS 44.19.626(a) is amended to read:

(a) As the lead state planning and coordinating entity, the Alaska Human Resource Investment Council has responsibility, to the extent authorized by federal and state law, for planning and coordinating federal, state, and local efforts in human resource programs in this state related to employment training, including the work activities of the Alaska temporary assistance program under AS 47.27.

* Sec. 27. AS 44.29.020(a) is amended to read:

(a) The Department of Health and Social Services shall administer the state programs of public health and social services, including

(1) maternal and child health services;

(2) preventive medical services;

(3) public health nursing services;

(4) nutrition services;

(5) health education;

(6) laboratories;

(7) mental health treatment and diagnosis;

(8) management of state institutions, except for adult penal institutions;

(9) medical facilities;

(10) adult public assistance;

(11) Alaska temporary assistance program [AID TO FAMILIES WITH DEPENDENT CHILDREN];

(12) child welfare services;

(13) general relief; and

(14) licensing and supervision of child care facilities.

* Sec. 28. AS 44.47.280 is amended to read:

Sec. 44.47.280. ELIGIBILITY OF FAMILIES FOR BENEFITS. The department shall determine the eligibility of families for day care benefits on the basis of the following factors:

(1) [NET] income of the family, including salary, alimony, child support, retirement benefits, social security, and any other source of income;

(2) number of children in the family;

(3) whether there is one parent or guardian solely responsible for the care of the family [;

(4) REPEALED

(5) OTHER FACTORS FOUND RELEVANT BY THE DEPARTMENT].

* Sec. 29. AS 47.05.010(1) is amended to read:

(1) administer adult public assistance, the Alaska temporary assistance program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and all other assistance programs, and receive and spend money [FUNDS] made available to it;

* Sec. 30. AS 47.05.010(2) is amended to read:

(2) adopt regulations necessary for the conduct of its business and for carrying out federal and state laws granting adult public assistance, temporary assistance for needy families under the Alaska temporary assistance program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and other assistance;

* Sec. 31. AS 47.05.010(5) is amended to read:

(5) cooperate with the federal government in matters of mutual concern pertaining to adult public assistance, the Alaska temporary assistance program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and other forms of public assistance;

* Sec. 32. AS 47.05.010 is amended by adding a new paragraph to read:

(14) provide education and health-related services and referrals designed to reduce the number of out-of-wedlock pregnancies and the number of

induced pregnancy terminations in the state.

* Sec. 33. AS 47.05.020 is amended to read:

Sec. 47.05.020. REGULATIONS TO PROTECT CONFIDENTIAL PUBLIC ASSISTANCE RECORDS. The power of the department to adopt regulations includes the power to adopt and enforce reasonable regulations governing the custody, use, and preservation of the records, papers, files, and communications of the department. The regulations must provide that financial information concerning an eligiblity determination of a person applying for or receiving assistance under the Alaska temporary assistance program shall be disclosed to a legislator on request of the legislator in connection with official purposes within the scope of the legislator's legislative functions and related to the administration of the program consistent with federal law. When, under the law, names and addresses of recipients of public assistance are furnished to or held by another agency or department of government the agency or department of government shall adopt regulations necessary to prevent the publication of the lists or their use for purposes not directly connected with the administration of public assistance and legislative functions. A legislator to whom information relating to the Alaska temporary assistance program is disclosed under this section may not further disclose the information except to another legislator and then only in connection with official purposes within each legislator's legislative functions and related to the administration of the program consistent with federal law.

1st Part of Amend #9 *

Amend #9 *

* Sec. 34. AS 47.05.030 is amended to read:

Sec. 47.05.030. MISUSE OF PUBLIC ASSISTANCE LISTS AND RECORDS. Except as provided in (b) of this section and for purposes directly connected with the administration of general assistance, adult public assistance, the day care assistance program authorized under AS 44.47.250 - 44.47.310, or the Alaska temporary assistance program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and in accordance with the regulations of the department, a person may not solicit, disclose, receive, make use of, or authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or names of, or information concerning, persons applying for or receiving the assistance directly or indirectly derived from the records,

* Amend #9 (a)

papers, files, or communications of the department or subdivisions or agencies of the department, or acquired in the course of the performance of official duties.

* Sec. 35. AS 47.05.030 is amended by adding a new subsection to read:

(b) It is not a violation of (a) of this section for the department or an employee of the department to disclose to a legislator, or for a legislator to solicit, receive, or make use of, financial information concerning an eligibility determination of a person applying for or receiving assistance under the Alaska temporary assistance program if the disclosure, solicitation, receipt, and use are for official purposes in connection with the legislator's official functions and related to the administration of the program consistent with federal law. Information provided to a legislator under this subsection shall remain confidential and may not be further disclosed except as provided in AS 47.05.020.

New bill section Amend #9 (b)

* Sec. 36. AS 47.05 is amended by adding a new section to read:

Sec. 47.05.032. DISCLOSURES TO LEGISLATORS. A legislator to whom confidential information is disclosed under AS 47.05.020 - 47.05.030 is not subject to a penalty for further disclosure of the information unless, at the time the information was provided to the legislator, the legislator was given written notification that the material was confidential.

New bill section Comp part of Amend #9

* Sec. 37. AS 47.05.080(a) is amended to read:

(a) Benefit overpayments collected by the department in administering programs under AS 47.25.120 - 47.25.300 (general relief), [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN),] AS 47.25.430 - 47.25.615 (adult public assistance), [AND] AS 47.25.975 - 47.25.990 (food stamps), and AS 47.27 (Alaska temporary assistance program) shall be remitted to the Department of Revenue under AS 37.10.050(a).

* Sec. 38. AS 47.07.020(b)(1) is amended to read:

(1) persons eligible for but not receiving assistance under any plan of the state approved under [42 U.S.C. 601 - 615 (TITLE IV-A, SOCIAL SECURITY ACT, AID TO FAMILIES WITH DEPENDENT CHILDREN) OR] 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental Security Income) or a federal program designated as the successor to the aid to families with dependent

children program;

* Sec. 39. AS 47.07.020(b)(5) is amended to read:

(5) persons under age 21 who are in an institution designated as an intermediate care facility for the mentally retarded and who are financially eligible as determined by the standards of the federal program designated as the successor to the aid to families with dependent children program;

* Sec. 40. AS 47.07.020(b)(7) is amended to read:

(7) persons under age 21 who are receiving active treatment in a psychiatric hospital and who are financially eligible as determined by the standards of the federal program designated as the successor to the [42 U.S.C. 601 - 615 (TITLE IV-A, SOCIAL SECURITY ACT,] aid to families with dependent children program [)];

* Sec. 41. AS 47.07.020(b)(8) is amended to read:

(8) persons under age 21 and not covered under (a) of this section, who would be eligible for benefits under the federal program designated as the successor to the aid to families with dependent children program, except that they have the care and support of both their natural and adoptive parents;

* Sec. 42. AS 47.07.020(b)(9) is amended to read:

(9) pregnant women not covered under (a) of this section and who meet the income and resource requirements of the federal program designated as the successor to the aid to families with dependent children program;

* Sec. 43. AS 47.07.035(26) is amended to read:

(26) individuals under age 21 who are not eligible for benefits under the federal program designated as the successor to the aid to families with dependent children program because they are not deprived of one or more of their natural or adoptive parents;

* Sec. 44. Rule 90.3(c), Alaska Rules of Civil Procedure, is amended by adding a new paragraph to read:

(3) In addition to ordering a parent to pay child support as calculated under this rule, the court may, in appropriate circumstances, order one or more grandparents of a child to pay child support to an appropriate person in an amount

determined by the court to serve the best interests of the child. However, the amount may not exceed the smaller of (A) a proportionate share of the amount required to provide care in a supervised setting to the grandchild, as determined by the court, or (B) the amount that would have been awarded if the child's parents had the incomes of the child's grandparents and paragraphs (a) and (b) were applied. An order under this paragraph may be issued only with respect to a child whose parents are both minors, and the order terminates when either parent becomes 18 years of age. The court must specify in writing the reasons why it considers it to be appropriate to order a grandparent to pay child support under this paragraph and the factors considered in setting the amount of the child support award. In this paragraph, "grandparent" means the natural or adoptive parent of the minor parent.

* Sec. 45. AS 25.27.244 and 25.27.246, added by sec. 23 of this Act, are repealed.

* Sec. 46. AS 43.05.225(2)(B) is repealed.

* Sec. 47. AS 47.25.310(c) is repealed.

* Sec. 48. AS 47.25.301, 47.25.302, 47.25.303, 47.25.305, 47.25.306, 47.25.307, 47.25.308, and 47.25.309 are repealed on the date established under sec. 64 of this Act.

* Sec. 49. AS 47.25.310, 47.25.311, 47.25.315, 47.25.320, 47.25.330, 47.25.340, 47.25.345, 47.25.350, 47.25.360, 47.25.364, 47.25.365, 47.25.366, 47.25.370, 47.25.380, 47.25.395, 47.25.400, 47.25.410, 47.25.420, 47.25.421, 47.25.423, 47.25.425, 47.25.427, and 47.25.429 are repealed on the date established under sec. 59 of this Act.

* Sec. 50. AMENDMENT OF COURT RULE. AS 25.27.195(d), added by sec. 22 of this Act, has the effect of amending Rule 90.3(h)(2) by allowing retroactive modification of child support arrearages when a child support order is vacated because it was based on a default amount rather than on the obligor's actual ability to pay.

* Sec. 51. VOTE REQUIRED FOR COURT RULE CHANGES. The court rule changes in secs. 22, 44, and 50 of this Act may take effect with the affirmative vote of a majority of the membership of each house, notwithstanding art. IV, sec. 15, Constitution of the State of Alaska, because the rule being amended is not a rule governing practice or procedure.

* Sec. 52. WAIVER APPLICATIONS. The Department of Health and Social Services shall promptly apply to the federal government for waivers if the department determines that waivers are necessary to implement AS 47.25.309, added by sec. 1 of this Act, or any part of secs. 2 - 6 or 47 of this Act. If waivers are not necessary for any particular provision, the department

1st part Amend #4(

Last portion of Amend 4(c) *

?

New 6-11 section

* Do not appear in Amendments

shall promptly submit a state plan amendment to the federal government to implement the change made by the provision.

* Sec. 53. REPORT. (a) In furtherance of the public policy of increasing child support enforcement and collections, the child support enforcement agency shall, within 18 months after the effective date of this section, make a report to the governor based on data collected by the licensing entities and the agency in a format prescribed by the agency. The report must contain

(1) the number of delinquent obligors on the lists maintained by the agency under AS 25.27.244 - 25.27.246, enacted by sec. 23 of this Act, at the end of the first 12 months during which the lists were maintained;

(2) the number of delinquent obligors who also were applicants or licensees subject to AS 25.27.244 - 25.27.246, enacted by sec. 23 of this Act, during the first 12 months during which AS 25.27.244 - 25.27.246 were applicable;

(3) the number of new licenses and renewals that were delayed or denied and temporary licenses issued subject to AS 25.27.244 and the number of new licenses and renewals granted following receipt by licensing entities of releases under AS 25.27.244 by the end of the first 12 months during which AS 25.27.244 was applicable;

(4) the number of licenses under AS 28.15 that were suspended under AS 25.27.246 and the number of licenses under AS 28.15 that were reinstated following receipt by the Department of Public Safety of releases under AS 25.27.246 by the end of the first 12 months during which AS 25.27.246 was applicable; and

(5) the costs incurred in the implementation and enforcement of AS 25.27.244 - 25.27.246, enacted by sec. 23 of this Act, during the first 12 months during which AS 25.27.244 - 25.27.246 were applicable;

(b) A licensing entity receiving an inquiry from the agency under (a) of this section shall cooperate with the agency. When queried as to the licensed status of an applicant who has had a license denied or suspended under AS 25.27.244 or 25.27.246 or has been granted a temporary license under AS 25.27.244, the licensing entity shall respond only that the license was denied or suspended or that the temporary license was issued.

* Sec. 54. REDETERMINATION OF ASSISTANCE LEVELS. (a) On the first day of the First Regular Session of the Twenty-First Alaska State Legislature, the Department of Health and Social Services shall submit to the legislature the results of a comprehensive needs

study that includes estimates of the basic assistance amounts required by Alaska families who are receiving aid to families with dependent children (AFDC) or assistance under a program that is a successor to AFDC.

(b) If the First Regular Session of the Twenty-First Alaska State Legislature does not enact a bill that becomes law that adjusts the payment structure or the levels of assistance provided under AFDC or its successor program, each maximum assistance amo[illegible]nder AFDC or its successor program, as applicable, is reduced, effective January 1, 2[illegible] oy the percentage by which the total state funds appropriated for AFDC or its successor program for operation during fiscal year 1999 exceeded the total state funds appropriated for AFDC or its successor program for operation during fiscal year 1997, with no adjustment required if the 1999 state funds did not exceed the 1997 state funds.

Amend #10 *

* Sec. 55. TRANSITION. (a) The Department of Health and Social Services and the Department of Revenue, child support enforcement agency, may proceed to adopt regulations necessary to implement this Act. Regulations to implement a provision of this Act take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the relevant provision of this Act.

(b) Regulations adopted by the Department of Health and Social Services under the authority of AS 47.25.310 - 47.25.420 before the effective dates of secs. 1 - 7 of this Act remain in effect, and may be implemented and enforced to the extent that the regulations are not inconsistent with the corresponding provisions of secs. 1 - 7 of this Act, until the department has made regulation changes under AS 44.62 (Administrative Procedure Act) to implement this Act.

(c) Notwithstanding sec. 46 of this Act, an application for assistance filed under AS 47.25.310 - 47.25.420 remains effective as an application for the Alaska temporary assistance program following the effective date of sec. 7 of this Act until the Department of Health and Social Services requires a new application with the development of a family self-sufficiency plan; new applications shall be required no later than one year following the effective date of sec. 7 of this Act.

(d) Litigation, hearings, investigations, collection actions, and other proceedings pending under a law amended or repealed by this Act continue in effect and may be completed by the Department of Health and Social Services notwithstanding the repeal or

amendment under the Act.

* Sec. 56. APPLICABILITY. (a) AS 47.25.311(a), added by sec. 2 of this Act, and AS 47.27.015(e), added by sec. 7 of this Act, apply to disqualifications imposed on or after the effective dates of AS 47.25.311(a) and AS 47.27.015(e), respectively.

(b) AS 47.25.311(c), added by sec. 2 of this Act, and AS 47.27.015(c), added by sec. 7 of this Act, apply to refusals to accept, and separations from, suitable employment without good cause that occur on or after the effective dates of AS 47.25.311(c) and AS 47.27.015(c), respectively.

(c) AS 47.25.315, added by sec. 2 of this Act, and AS 47.27.027, added by sec. 7 of this Act, apply to minors who apply or reapply for assistance under AS 47.25.310 - 47.25.420 or AS 47.27.020, respectively, on or after the effective dates of AS 47.25.315 and AS 47.27.027, respectively.

* Sec. 57. AS 47.25.301, added by sec. 1 of this Act, and secs. 52, 55(a) and (b), and 56 of this Act take effect immediately under AS 01.10.070(c).

* Sec. 58. Sections 12, 22, 44, 46, 50, 51, and 55(c) and (d) of this Act take effect October 1, 1996.

* Sec. 59. Sections 7 - 11, 13 - 21, 24 - 43, and 49 of this Act take effect October 1, 1996, except that if the federal law providing for the aid to families with dependent children program has not been repealed by that date, those sections take effect on the first day after October 1, 1996, that the repeal of the federal aid to families with dependent children program is effective. The commissioner of health and social services shall notify the revisor of statutes and the lieutenant governor of the effective date of the repeal of the federal law providing for the aid to families with dependent children program.

* Sec. 60. AS 47.25.302 - 47.25.309, enacted by sec. 1 of this Act, secs. 2 - 6 of this Act, and sec. 47 of this Act take effect on the earlier of the following dates:

(1) the effective date for which the federal government approves and authorizes implementation of a state plan amendment effecting the change; or

(2) the effective date of a waiver received from the federal government that authorizes implementation of the provision.

* Sec. 61. Sections 23 and 53 of this Act take effect on the effective date of a provision of a federal law that requires the state to have procedures under which the state has authority to withhold or suspend, or to restrict the use of, driver's licenses or professional and

occupational licenses of individuals owing overdue child support.

Amend. #8

* **Sec. 62.** Section 45 of this Act takes effect two years after the effective date established under sec. 57 of this Act. (((Sec. 57 is correct now, because of other renumbering.)))

* **Sec. 63.** The commissioner of health and social services shall notify the revisor of statutes and the lieutenant governor of the effective date of

(1) the sections and parts of sections governed by sec. 60 of this Act and of whether the effective date was determined by a waiver approval or a determination that a waiver is not necessary; and

(2) sec. 23 of this Act.

* **Sec. 64.** Section 48 of this Act takes effect on the earlier of July 1, 2003, or the effective date established in sec. 59 of this Act.

moved Sen. Phillips

AMENDMENT #4(a)

OFFERED IN THE SENATE
TO: CSSB98(FIN) 4/18/96

Page 47, line 2:

Following "exceed":

#4(b)

Delete " the amount that would have been awarded if the child's parents had the incomes of the child's grandparents and paragraph (a) and (b) were applied." but in no event exceed more than

Insert " a proportionate share of the amount required to provide care in a supervised setting to the minor parent and the grandchild or grandchildren, as determined by the court."

Page 47, line 9:

Following "award ":

Delete "A grandparent ordered to pay child support under this paragraph is considered to be a child support obligor for the purpose of all laws, rules, and regulations relating to child support obligors."

Insert "For the purposes of this paragraph, a grandparent is the natural or adoptive parent of the minor parent."

amend. to amend moved by Sen Phillips
delete whole grandparent section.

4-11-96
Dist
4-13-96

9-LS0692\N
Lauterbach
4/10/96

CS FOR SENATE BILL NO. 98( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

"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; adjusting AFDC payment levels; 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 the Alaska family independence program and repealing the ADFC and job opportunity and basic skills programs upon the establishment of federal welfare reform; relating to work activities required under the Alaska family independence program; authorizing qualified entities to contract with the state to administer all or part of the Alaska family independence program; reducing the interest rate on child support arrears; relating to the duty to support children of minor parents; relating to relief

from administrative child support orders; 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 family independence program; relating to eligibility for day care benefits administered by the Department of Community and Regional Affairs; amending Rule 90.3, Alaska Rules of Civil Procedure; and providing for an effective date."

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

* Section 1. AS 47.25 is amended by adding new sections to read:

ARTICLE 1A. AFDC WORKFARE PROJECT.

Sec. 47.25.301. WAIVER APPLICATION FOR PROJECT. (a) The Department of Health and Social Services shall seek appropriate waivers from the federal government to implement the AFDC demonstration project described in AS 47.25.301 - 47.25.308. To the extent that the federal government approves the necessary waivers, the department shall implement the project. The purposes of the project are to promote personal responsibility and self-sufficiency.

(b) At a minimum, the department shall implement AS 47.25.303 so that there are experimental groups in at least three different areas of the state, with at least one experimental group in a municipality with a population over 25,000, one in a municipality with a population between 5,000 and 25,000, and one in a municipality or community with a population under 5,000. The department shall implement AS 47.25.303 with the minimum number of control groups that are required by the federal government for approval of the waivers applied for under this section.

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

(1) apply for and implement only the waivers that relate to the parts of

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

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

Sec. 47.25.302. EARNED INCOME DISREGARD; WAIVER OF "100-HOUR" RULE; AUTO ALLOWANCE. When determining the AFDC eligibility of a family that is participating in an experimental group in the project under AS 47.25.303 and when determining the amount of assistance to which the family is entitled, the department shall

(1) disregard, for the first 24 months for which the family receives assistance, $200 plus one-third of the remainder of the earned income of each person in the family unless federal regulations require that more earned income of a person must be disregarded, in which case the department shall disregard earned income as required by federal law; for a family that applies for AFDC after this paragraph has been implemented, this 24 months begins with the month for which the family is first granted AFDC; for a family that is already receiving assistance when this paragraph is implemented, this 24 months begins with the first month during which this paragraph is implemented;

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

(3) allow the exclusion of $5,000 of the combined equity of motor vehicles used by the family for basic family transportation, transportation of a disabled child in the household, or transportation of a member of the family to or from employment, training, or participation in an activity required under AS 47.25.303; if the combined equity of vehicles described in this paragraph exceeds $5,000, the

department shall apply the excess equity amount toward the asset limit otherwise applicable to the family.

Sec. 47.25.303. WORKFARE. (a) The department shall operate a workfare project. Each member of a family in an experimental group in the workfare project who is 18 years of age or older shall participate for 21 hours a week in an uncompensated activity if assigned to the activity by the department. The department shall assess the availability of activities that satisfy the purposes of this subsection in the project area and attempt to develop additional activities where necessary. When assessing the availability of activities that are suitable as uncompensated activities under this section and in assigning persons to those activities, the department shall consider activities recommended by governmental representatives of boroughs, cities, and communities and others in the project area. The activities may include provision of child care for other project participants, community work experience, work-related training programs, high school completion, GED programs, or culturally relevant subsistence activities. The department shall penalize the family for failure of a person to comply with this subsection by disregarding that person as a member of the family for purposes of determining the amount of AFDC assistance given to the family. The period of time during which the department shall disregard the noncomplying person for purposes of determining the amount of the family's AFDC assistance is

(1) until the person is in compliance with this subsection if the person has not previously been disregarded under this subsection;

(2) the longer of six months or until the person is in compliance with this subsection if the person has previously been disregarded under (1) of this subsection;

(3) the longer of 12 months or until the person is in compliance with this subsection if the person has previously been disregarded under (2) of this subsection.

(b) If organizations exist in the project area that have had successful experience in conducting employment placement services, community services, remedial education services, and job training programs, the department may offer contracts on a competitive basis or grants under the department's grant application

process to administer (a) of this section. A contract or grant under this subsection must provide that the department shall make the determinations required under (c) and (d) of this section and the contractor or grantee shall perform the duties assigned to the department under (a) of this section with respect to uncompensated activities, including assessment of their availability, development of additional activities, consideration of activities recommended by governmental representatives, and assignment of persons to specific activities after referral of those persons to the contractor or grantee by the department. The department may, after consultation with the appropriate contractor or grantee under this subsection, if any, use AFDC benefits to subsidize payments or provide services to participants in community work projects or work training projects; an amount distributed as a subsidy under this subsection is not considered to be wages.

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

(1) has paid employment of at least 20 hours a week; a person who has paid employment of less than 20 hours a week shall participate in an uncompensated activity assigned under (a) of this section for the number of hours that, when added to the hours of paid employment, equals 21;

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

(3) is enrolled as a full-time student in good standing in a career education program, college, or university, as defined in regulations adopted under AS 14.43;

(4) is the parent or other relative of a child under six years of age living in the same household who personally provides care for the child;

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

(6) is a parent who is providing care for a child who is experiencing a disability.

(d) Notwithstanding (a) of this section, the department may not require a

person to participate in an uncompensated activity under (a) of this section unless the department agrees to pay for

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

(2) transportation expenses determined by the department to be necessary for the person's participation in the activity.

(e) In this section, "project area" means the areas chosen by the department in which to operate the workfare project described in this section.

Sec. 47.25.305. COOPERATION. State agencies shall cooperate with the department to the extent necessary to implement AS 47.25.301 - 47.25.308.

Sec. 47.25.306. IMMUNITY FROM LIABILITY. (a) The Department of Health and Social Services, and its employees, agents, and grantees, are not liable for civil damages as a result of an act or omission in the implementation, operation, or administration of an authorized project under AS 47.25.301 - 47.25.308.

(b) The provisions of (a) of this section do not preclude liability for civil damages as a result of recklessness or intentional misconduct.

(c) The provisions of (b) of this section do not constitute a waiver or limitation of sovereign or other immunity.

Sec. 47.25.307. REGULATIONS. The Department of Health and Social Services shall adopt regulations necessary to implement AS 47.25.301 - 47.25.308. The regulations adopted by the department may include

(1) eligibility criteria for the project described in AS 47.25.301 - 47.25.308 that differ from eligibility requirements in AS 47.25.310 - 47.25.429 and the regulations adopted under those statutes;

(2) a maximum number of participants to be included in the project, if necessary;

(3) exemptions from requiring participation in the project because of exceptional circumstances; and

(4) provisions for financial or nonfinancial sanctions for applicants who fail to cooperate with project requirements.

Sec. 47.25.308. DEFINITIONS. In AS 47.25.301 - 47.25.308,

(1) "AFDC" means the program of aid to families with dependent children under AS 47.25.310 - 47.25.420;

(2) "department" means the Department of Health and Social Services.

ARTICLE 1B. DIVERSION PROGRAM.

Sec. 47.25.309. DIVERSION PROGRAM. (a) The Department of Health and Social Services shall operate a diversion program that is designed to increase family income through employment and child support payments by offering lump-sum diversion payments in place of ongoing financial assistance under the AFDC program. A diversion payment may be offered to an applicant for AFDC who is job-ready and who needs short-term financial assistance to meet critical needs in order to secure employment and support for the applicant's family.

(b) Diversion program benefits may be paid only to an applicant's family that appears, based on the information provided to the department on an AFDC application, to be eligible for AFDC benefits and to include a job-ready individual. The department may offer, to an AFDC applicant with the potential to participate in the diversion program, a choice between

(1) having the AFDC application processed under AS 47.25.310 - 47.25.429; or

(2) having the AFDC application referred to the diversion project under this section.

(c) The amount of the diversion payment must be sufficient to meet the family's immediate needs as determined by the department and the participant. A diversion payment may not exceed the amount the family would be eligible to receive in the first two months of eligibility for assistance under AS 47.25.310 - 47.25.420 if the family did not elect to receive a diversion payment under this section.

(d) As a condition of a family receiving a diversion payment under this section, the participant must sign a binding contract between the participant and the department that

(1) specifies the amount of the diversion payment and the needs it is intended to cover;

(2) provides that, during the three-month period beginning with the

month in which the diversion payment was received, child support collected on behalf of a child whose needs were considered in determining the diversion payment shall be paid to the family; and

(3) provides that, if the family reapplies for AFDC assistance under AS 47.25.310 - 47.25.429 during the three months beginning with the month in which the family received a diversion payment, the diversion payment shall be prorated over the three-month period and deducted from any AFDC benefit the family may be eligible for under the new application.

(e) A family that receives a diversion payment may not receive another diversion payment before the 12th month following the month in which it last received a diversion payment.

(f) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.429, and (d)(2) of this section supersedes inconsistent provisions of AS 25.27.120 and 25.27.130.

(g) In this section,

(1) "AFDC" means the program of aid to families with dependent children under AS 47.25.310 - 47.25.420;

(2) "department" means the Department of Health and Social Services.

* Sec. 2. AS 47.25 is amended by adding new sections to read:

Sec. 47.25.311. INELIGIBILITY FOR ASSISTANCE. (a) A person is ineligible for assistance under AS 47.25.310 - 47.25.420 for the following time periods upon administrative disqualification for an intentional program violation, as defined under 42 U.S.C. 616:

(1) six months following the first disqualification;

(2) 12 months following the second disqualification; and

(3) permanently following the third disqualification.

(b) A family is not eligible for assistance under AS 47.25.310 - 47.25.420 if the family includes an adult who has intentionally transferred an asset or assets at less than fair market value for the purpose of establishing eligibility for assistance. The

period of ineligibility shall begin on the first day of the month following the transfer of the asset or assets and shall remain in effect for a number of months equal to the fair market value of the transferred asset or assets divided by the maximum payment amount for the family as established under AS 47.25.320(a), or for 12 months, whichever is less.

(c) A family is not eligible for assistance for the following time periods after the day on which the adult applicant or a custodial parent in the family, without good cause, refused to accept, or separated from, suitable employment and that refusal or separation caused the family's need for assistance:

(1) one month for the first refusal or separation without good cause;

(2) six months for the second refusal or separation without good cause; and

(3) 12 months for the third and subsequent refusal or separation without good cause.

(d) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

Sec. 47.25.315. ASSISTANCE TO MINORS WITH CHILDREN. (a) Except as provided in (c) of this section, the department shall require, as a condition of eligibility for assistance, that a minor parent must reside in a

(1) place of residence maintained by the minor's parent, legal guardian, or other adult relative of the minor as the parent's, guardian's, or other adult relative's own home; or

(2) foster home, maternity home, or other adult-supervised supportive living arrangement; however, the minor may satisfy the condition of eligibility imposed by this subsection by residing in a foster home, maternity home, or other adult-supervised supportive living arrangement only if

(A) the minor parent does not have a parent, legal guardian, or other adult relative who is living and whose whereabouts are known;

(B) there is no living parent, legal guardian, or adult relative of

the minor parent who will allow the minor to live in the home of the parent, legal guardian, or adult relative; or

(C) the department determines that the physical or emotional health or safety of the minor parent or the minor's child would be jeopardized if the minor and the minor's child lived in the same residence with any of the minor's parents, legal guardian, or other adult relatives.

(b) Notwithstanding AS 47.25.360, the department shall, where possible, pay assistance on behalf of a minor parent who is subject to the requirements of (a) of this section to the minor's parent, legal guardian, or other adult relative, or, as applicable, to the head of the adult-supervised supportive living arrangement where the minor parent resides.

(c) The provisions of (a) of this section do not apply if

(1) the minor parent lived apart from the minor's parent or legal guardian for either one year before the birth of the dependent child or one year before the minor parent submitted the application for assistance; or

(2) the department otherwise determines under regulations that there is good cause for waiving the requirements of (a) of this section in the case of a particular minor parent.

(d) In this section, "minor parent" means a person who is under the age of 18, who has never married, and is either

(1) the natural parent of a dependent child living in the same household; or

(2) eligible for assistance as a pregnant woman.

(e) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* Sec. 3. AS 47.25.320(a) is amended to read:

(a) The department shall determine the amount of assistance for a dependent child, and the relative with whom the dependent child is living, with regard to the resources and necessary expenditures of the family and the condition existing in each

case. Assistance is sufficient if, when added to all other income and support available to the child, the child and relative have reasonable subsistence compatible with decency and health. However, **to the extent allowed under federal law or under a waiver approved under federal law,** the amount of assistance may not exceed the following:

(1) dependent child living with nonneedy relative: **$451** [FOR A DEPENDENT CHILD WHO IS LIVING IN THE HOME OF A NONNEEDY RELATIVE, $452], plus **$99** [$102] for each additional child;

(2) dependent child living with parent:

(A) for a parent and one dependent child, a maximum of **$794** [$821];

(B) for each additional dependent child, **$99** [OR FOR A SECOND PARENT, $102] a month [PER INDIVIDUAL];

(3) pregnant woman who is otherwise eligible for assistance under this section, **$497** [OR A SINGLE-PERSON HOUSEHOLD THAT DOES NOT CONSIST OF A DEPENDENT CHILD: $514] a month.

* **Sec. 4.** AS 47.25.320 is amended by adding new subsections to read:

(h) To the extent allowed under federal law or under a waiver approved under federal law, the department shall reduce the shelter allowance used under AS 47.25.310 - 47.25.420 for a family whose shelter costs are lower than the standard shelter allowance used by the department for similar families. The shelter allowance for a family whose costs are below the standard allowance shall be an amount equal to the family's actual verified shelter costs. In this subsection,

(1) "shelter allowance" means the portion of the benefit under AS 47.25.310 - 47.25.420 that is allocated by the department for shelter costs;

(2) "shelter costs" means

(A) rental payments or mortgage payments for the family's housing, including payments made for property or mortgage insurance and property taxes; and

(B) the cost of utilities, including heat, electricity, telephone, water, sewer, and garbage services incurred for the family's housing; the

department may establish different utility cost standards for different areas of the state and may use an average utility cost per month based on estimated level payments over a 12-month period.

(i) To the extent allowed under federal law or under a waiver approved under federal law, the department shall, for the months of July, August, and September, reduce by 50 percent the assistance for which the family is otherwise eligible if the family's eligibility for assistance is based on the unemployment of the family's principal wage earner.

* **Sec. 5.** AS 47.25.360 is amended to read:

Sec. 47.25.360. GRANTING OF ASSISTANCE. Upon the completion of the investigation the department shall decide whether the child is eligible for assistance under AS 47.25.310 - 47.25.420, the amount of assistance, and the date on which it starts. The department shall notify the person having custody of the child of its decision. **Except as provided in AS 47.25.315(b), the** [THE] assistance shall be paid monthly to the person having custody of the child upon order of the department.

* Sec. 6. AS 47.25 is amended by adding a new section to read:

Sec. 47.25.364. TIME LIMITS ON BENEFITS. (a) Except as provided in (b) of this section, a family is not eligible for more than 24 months of assistance under AS 47.25.310 - 47.25.420 during any 60 consecutive months that occur after the effective date of this section.

(b) The eligibility of a family described in (a) of this section shall be extended beyond 24 months if the family has cooperated with the department and every adult in the family who has been assigned to an activity under AS 47.25.303 or 47.25.421 - 47.25.429 has substantially complied with the requirements of the program to which the person was assigned but

(1) a temporary and verified physical or mental condition, as supported by appropriate medical documentation, prevents adults in the family from attaining and maintaining employment that would provide the family with net income equal to or greater than what the family would receive from the assistance grant;

(2) the department failed to provide services required under AS 47.25.303(d) or 47.25.427 with respect to the family; or

(3) despite all appropriate efforts, the adults in the family have been unable to find, or have lost without cause, employment that would provide the family with total net income equal to or greater than what the family would receive from assistance.

(c) Notwithstanding (a) of this section, a family that becomes ineligible for assistance solely by operation of (a) of this section nevertheless remains eligible for medical assistance under AS 47.07 for a period of 12 months after losing eligibility for assistance under (a) of this section.

(d) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* **Sec. 7.** AS 47.25 is amended by adding a new section to read:

Sec. 47.25.366. SCHOOL ATTENDANCE. (a) The department shall reduce the assistance for which an assistance unit is otherwise eligible under AS 47.25.310 - 47.25.420 if a minor parent in the assistance unit fails, without good cause, to meet standards of adequate levels of school attendance, as defined in regulations of the department. The reduction under this subsection shall be achieved by disregarding the needs of the person who failed to meet the school attendance standards. The person's needs shall be disregarded until the minor parent complies.

(b) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* **Sec. 8.** AS 47 is amended by adding a new chapter to read:

CHAPTER 27. ALASKA FAMILY INDEPENDENCE PROGRAM.

Sec. 47.27.005. DUTIES OF THE DEPARTMENT. The department shall

(1) administer the Alaska family independence program by providing assistance with basic living expenses and self-sufficiency services to needy children and their families under this chapter;

(2) establish, by regulation, program standards that will provide

incentives to work, incentives for financial planning, and opportunities to develop self-sufficiency while providing assistance with basic living expenses;

(3) prepare, submit to the federal government, and amend, if necessary, a state plan designed to assure that federal money is available to the state for the operation of the program set out in this chapter to provide assistance for basic living expenses and self-sufficiency services to needy children and their families consistent with the state objectives identified in (2) of this section;

(4) adopt methods of program administration to ensure consistency with the federal requirements under any successor federal program that replaces the aid to families with dependent children program;

(5) make reports to the federal government as required under any successor federal program that replaces the aid to families with dependent children program, in the form and containing the information required, and comply with the provisions that the federal government determines are necessary to ensure correct and verifiable information on the program;

(6) provide to the legislature an annual executive summary of the information required to be reported to the federal government under (5) of this section;

(7) conduct studies and research in order to evaluate and monitor the effectiveness of the state program; and

(8) adopt regulations and take action to implement, interpret, and administer the provisions of this chapter.

Sec. 47.27.010. ELIGIBLE FAMILIES. The following families may apply for assistance under the Alaska family independence program:

(1) a single parent who has the physical custody of one or more related dependent children;

(2) a caretaker of one or more dependent children who is a relative to at least the fifth degree;

(3) a woman in the last trimester of pregnancy; or

(4) a two-parent family with physical custody of one or more related dependent children.

Sec. 47.27.015. DISQUALIFYING CONDITIONS. (a) A family is not

eligible for assistance under the Alaska family independence program if the family includes an adult who

(1) has received benefits under the Alaska family independence program, or a program of another state operated under a federal assistance grant program for needy families, for a total of 60 months as the caretaker or spouse of a caretaker of a dependent child or as a pregnant woman, unless the caretaker or pregnant woman is

(A) determined, under regulations of the department to be physically or mentally unable to perform gainful activity;

(B) a parent who is providing care for a child who is experiencing a disability; or

(C) a family determined by the department to be exempt from this paragraph by reason of hardship; the number of families for which an exemption is in effect under this subparagraph may not exceed 10 percent or the maximum percentage of families allowed an exemption under federal law, whichever is greater; or

(2) is determined to be fleeing to avoid prosecution, custody, or confinement after conviction, in this or another jurisdiction, for a crime that is classified as a felony under AS 11 or the laws of the jurisdiction where the criminal activity was committed.

(b) A family is not eligible for assistance under this chapter for a period of 120 months beginning on the date the adult applicant for the family is convicted of having fraudulently misrepresented the applicant's residence in order to receive assistance in more than one state under a program financed with federal money under any successor federal program that replaces the aid to families with dependent children program.

(c) The department may determine that a family is ineligible for the following time periods if the family's demonstrated need for assistance is due to a refusal of or voluntary separation from suitable employment by the adult applicant, or a custodial parent or caretaker, without good cause:

(1) one month for the first refusal or separation without good cause;

(2) six months for the second refusal or separation without good cause; and

(3) 12 months for the third and subsequent refusal or separation without good cause.

(d) The department may determine that a family is ineligible for assistance for up to 12 months if the family's demonstrated need is due to an intentional transfer of an asset or assets at less than fair market value for the purpose of establishing eligibility for assistance. A period of ineligibility shall begin on the first day of the month following the transfer of the asset or assets and shall remain in effect for a number of months equal to the fair market value of the transferred asset or assets divided by the maximum payment amount for the family as established under AS 47.27.025, or for 12 months, whichever is less.

(e) An Alaska family independence program applicant or participant who makes a false statement or misrepresentation knowing it is false, or who knowingly fails to disclose a material fact, in order to obtain or increase assistance or services under this chapter is ineligible to receive assistance under this chapter for a period of

(1) six months following the first disqualification;

(2) 12 months following the second disqualification; and

(3) permanently following the third disqualification.

Sec. 47.27.020. APPLICATION AND REQUIREMENTS FOR ASSISTANCE. (a) An applicant for assistance under the Alaska family independence program shall complete an application in writing, or by electronic means, and in a form specified by the department. The applicant must be a pregnant woman or an individual who has physical custody of the dependent child or children. The application must be complete and must provide all of the information about the family and the child or children that is requested by the department. The applicant shall provide all supporting documentation for verification that the department determines to be necessary to establish eligibility.

(b) On the application, each applicant shall attest to whether the family, at any time, has received assistance from another state program that was established with federal money under any successor federal program that replaces the aid to families

with dependent children program and whether the family has ever been disqualified from receiving assistance under a successor federal program that replaces aid to families with dependent children for the period for which the application has been submitted.

(c) An applicant shall agree to cooperate with the department to establish a family self-sufficiency plan and to participate in work activities if assigned by the department.

(d) An applicant shall acknowledge the assignment of support rights as required by AS 47.27.040(a) and shall agree to cooperate with the child support enforcement agency of the Department of Revenue to the extent required under AS 47.27.040(b). The applicant shall agree to report all child support payments received directly by the family, during or for a period for which the family is receiving assistance under this chapter, to the department within 15 days after receipt of those payments.

(e) An applicant shall update the information requested in the application at regular intervals as established by the department in regulation. The department may conduct reviews of an application and audit the information provided as necessary to determine eligibility.

Sec. 47.27.025. FAMILY ASSISTANCE. (a) The department shall provide assistance for basic living expenses to families that establish eligibility based on a determination of need that considers the family's available income, assets, and other resources, as established by the department in regulation. Each dependent child in the family is eligible for assistance except as otherwise provided in AS 47.27.015 or 47.27.027(b), and assistance received as a dependent child does not count against eligibility for assistance under this chapter as a caretaker or spouse of a caretaker of a dependent child or as a pregnant woman.

(b) The amounts of assistance for basic living expenses may not exceed the following:

(1) for a dependent child living with a nonneedy relative caretaker, $451 per month, plus $99 for each additional child;

(2) for a dependent child living with at least one needy parent or

relative caretaker, $794 per month, plus $99 for each additional child and $99 for a second needy parent if the second parent is physically or mentally unable to perform gainful activity as defined by department regulation; or

(3) for a family consisting solely of an eligible pregnant woman, $497 per month.

(c) The department shall, for the months of July, August, and September, reduce by 50 percent the assistance for which the family is otherwise eligible if the family's eligibility for assistance is based on the unemployment of the family's principal wage earner.

(d) The department shall reduce assistance under this section to the extent that the family's shelter costs are lower than the standard shelter allowance used by the department for similar families. The shelter allowance for a family whose costs are below the standard allowance shall be an amount equal to the family's actual verified shelter costs. In this subsection,

(1) "shelter allowance" means the portion of the assistance provided under this section that is allocated by the department for shelter costs;

(2) "shelter costs" means

(A) rental payments or mortgage payments for the family's housing, including payments made for property or mortgage insurance and property taxes; and

(B) the cost of utilities, including heat, electricity, telephone, water, sewer, and garbage services incurred for the family's housing; the department may establish different utility cost standards for different areas of the state and may use an average utility cost per month based on estimated level payments over a 12-month period.

RH Flag

(e) The department shall provide additional assistance as self-sufficiency services or referrals to eligible families. Self-sufficiency services and referrals may include one or more of the following:

(1) job readiness assessments;

(2) employment testing and counseling;

(3) job readiness training;

(4) job referral and job search;

(5) education and vocational training;

(6) community service work assignments;

(7) child care assistance;

(8) family planning services; and

(9) other services to facilitate the transition of a member of the family to paid employment.

(f) The department may, instead of paying all of the cash assistance to a family under this section, use all or part of the cash assistance as a wage subsidy paid to an employer who employs a person in the family at a wage that is higher than the wage subsidy. A subsidy under this subsection may not exceed one year in duration.

Sec. 47.27.026. DIVERSION PAYMENTS. (a) The department may offer a lump-sum diversion payment in place of ongoing assistance and services to an adult applicant who applies for assistance under AS 47.27.020 if the adult applicant is job ready and is determined to need only short-term financial assistance to meet critical needs in order to secure employment and support for the adult applicant's family. The department shall set standards and conditions for diversion payments by regulation.

(b) The department may pay diversion benefits to an applicant's family only if that family appears to be eligible for benefits under AS 47.27.020 and to include a job-ready individual based on the information provided to the department in the application completed under AS 47.27.020. The department may offer to an applicant with the potential to participate in the diversion project a choice between

(1) having the Alaska family independence program application processed under AS 47.27.020 and the regulations adopted by the department; or

(2) having the application referred to the diversion project of the Alaska family independence program for a determination of project benefits under this section.

(c) The amount of the diversion payment must be sufficient to meet the family's immediate needs as determined by the department and the participant. A diversion payment may not exceed the amount the family would be eligible to receive as cash assistance for the first two months of eligibility under AS 47.27.025 if the family did not elect to receive a diversion payment.

(d) As a condition of a family receiving a diversion payment under this section, the participant must sign an agreement that

(1) specifies the amount of the diversion payment and the needs it is intended to cover;

(2) provides that, during the three-month period beginning with the month in which the diversion payment was received, child support collected on behalf of a child whose needs were considered in determining the diversion payment shall be paid to the family; and

(3) provides that if the family reapplies for Alaska family independence program assistance under AS 47.27.020 during the three months beginning with the month in which the family received a diversion payment, the diversion payment shall be treated as unearned income, prorated over the three-month period, and deducted from any Alaska family independence program benefit the family may be eligible for under the new application.

(e) A family that receives a diversion payment may not receive another diversion payment before the 12th month following the month in which it last received a diversion payment.

(f) To the extent that (d)(2) of this section is inconsistent with AS 25.27.120 or 25.27.130, or with another provision of this chapter, (d)(2) of this section governs.

Sec. 47.27.027. ASSISTANCE TO MINORS. (a) If an applicant under AS 47.27.020 is not married, is under the age of 18, and has not been previously emancipated under AS 09.55.590, the applicant must

(1) live in a home maintained by the applicant's parent, legal guardian, or other adult relative, unless the applicant establishes that there is good cause, as established by the department in regulation, to waive this requirement; if the department waives this requirement, the applicant must live in an approved, adult-supervised, supportive living environment;

(2) agree that assistance for basic living expenses on behalf of the applicant's family may be paid to the applicant's parent, legal guardian, or other adult relative, or, if applicable, to the adult head of the adult-supervised, supportive living environment in which the applicant resides; and

(3) maintain attendance in a secondary school or other appropriate training program unless the applicant has a high school diploma or general equivalent diploma.

(b) The department shall reduce the assistance for which an assistance unit is otherwise eligible under this chapter if a minor parent in the assistance unit fails, without good cause, to meet standards of adequate levels of school attendance, as defined in regulations of the department. The reduction under this subsection shall be achieved by disregarding the needs of the person who failed to meet the school attendance standards. The person's needs shall be disregarded until the minor parent complies.

Sec. 47.27.030. FAMILY SELF-SUFFICIENCY PLAN. (a) A participant in the Alaska family independence program shall cooperate with the department, or its designee, to develop and sign a family self-sufficiency plan that includes

(1) the steps the family will take towards the self-sufficiency of the family;

(2) the self-sufficiency services the department will provide to assist the family to attain self-sufficiency;

(3) specific benchmarks to indicate the steps toward successful completion of the family plan;

(4) a statement that the family may be subject to benefit reductions or other sanctions if the family fails to comply with the family plan; and

(5) a statement that describes the necessary conditions and the steps that must be taken to renegotiate the terms of the family plan.

(b) The family self-sufficiency plan must set a time period for the achievement of self-sufficiency from assistance under the Alaska family independence program. That time period may not provide for any more than a total of 60 months of assistance under the Alaska family independence program.

(c) A family is exempt from the requirement that the family have a self-sufficiency plan under this section if the family

(1) does not include a needy adult;

(2) does not include an adult physically or mentally able to perform

gainful activity; or

(3) is receiving a diversion payment under AS 47.27.026.

Sec. 47.27.035. PARTICIPATION IN WORK ACTIVITIES. (a) An Alaska family independence program participant who is an adult shall participate in work activities upon assignment by the department or its designee in order for the family to continue to receive assistance or services from the department under the Alaska family independence program, unless the participant is exempt from the work participation requirements under one or more of the exemptions set out in (b) or (c) of this section.

(b) A parent or caretaker with a dependent child of up to 12 months of age may be exempt from work participation requirements for up to 12 months, as established in the family self-sufficiency plan.

(c) A parent or caretaker may be exempt from work participation requirements in the family self-sufficiency plan if

(1) the parent or caretaker is providing home care for a child who is experiencing a disability or a related, disabled person who requires 24-hour care;

(2) the parent or caretaker establishes an inability to participate for medical reasons supported by documentation from a physician or other licensed medical professional;

(3) the participation would impose an unreasonable hardship on the family; or

(4) there is a dependent child in the home that has not yet attained six years of age and the parent or caretaker demonstrates an inability to obtain needed child care because appropriate child care is not available.

(d) A participant in work activities under this section is not a state employee for purposes of AS 39.25 (State Personnel Act).

(e) A participant in work activities under this section is not considered an employee of the state or other public employer for purposes of AS 23.40.070 - 23.40.260 (Public Employment Relations Act) nor shall any provision of a collective bargaining agreement entered into under AS 23.40.070 - 23.40.260 be construed to interfere with the department's authority to assign participants to work activities as authorized under this section.

Sec. 47.27.040. ASSIGNMENT OF SUPPORT RIGHTS; COOPERATION WITH CHILD SUPPORT ENFORCEMENT AGENCY. (a) An Alaska family independence program applicant is considered to have assigned to the state, through the child support enforcement agency of the Department of Revenue, all rights to accrued and continuing child support, from all sources, that is due for the support of any individuals in the family for whom support is sought. The assignment takes effect upon a determination that the applicant's family is eligible for assistance under this chapter. Except with respect to the amount of any unpaid support obligation accrued under the assignment, the assignment terminates when the family ceases to be a participant in the Alaska family independence program.

(b) An Alaska family independence program participant shall cooperate with the child support enforcement agency of the Department of Revenue in establishing paternity or establishing, modifying, or enforcing a child support order requiring the payment of support by the noncustodial parent for a dependent child for whom Alaska family independence program assistance is received unless the participant establishes good cause for refusing to cooperate.

(c) The department may distribute to an Alaska family independence program participant $50 per month from a monthly child support payment, or the amount of the child support payment if it is less than $50, received by the child support enforcement agency for the support of a child for whom Alaska family independence program assistance is paid.

Sec. 47.27.045. ALIENATION AND ATTACHMENT. Assistance granted under this chapter is inalienable by assignment or transfer and is exempt from garnishment, levy, or execution as is provided in AS 09.38.

Sec. 47.27.050. GRANTS AND CONTRACTS FOR SERVICES. (a) The department may contract with or award grants to qualified entities in the state to administer an Alaska family independence program or a distinct part of the Alaska family independence program. The department may establish standards for the administration of services under the grant or contract, including fees to be charged to applicants for or recipients of those services.

(b) Contracts authorized under this section are to be administered in

accordance with AS 47.05.015. Grants authorized under this section are to be awarded using requirements, established in regulation, that are substantially similar to those set out in AS 47.05.015 for contracts.

(c) This section may not be construed to expand the powers of a municipality.

(d) In this section, "qualified entities" include municipalities, other political subdivisions of the state, nonprofit corporations formed under AS 10.20, churches and religious organizations, and incorporated and unincorporated businesses operating within the state that meet the requirements established by the department in regulation.

Sec. 47.27.055. AGENCY COLLABORATION. (a) The department shall coordinate with other state agencies that provide assistance, benefits, or services to applicants that are eligible for and to participants in the Alaska family independence program in order to facilitate the application for and delivery of assistance, benefits, or services to promote family self-sufficiency. Subject to appropriations, state agencies may locate their facilities and operations near each other in order to improve service delivery.

(b) The department may provide information received under this chapter to other state agencies in order to facilitate the delivery of services. Information received from an applicant for or participant in the Alaska family independence program shall be treated as confidential by all state agencies that share the information under this section and is not open to public inspection or copying under AS 09.25.110 - 09.25.125. Misuse of public assistance lists or information is punishable as a violation of AS 47.05.030.

(c) Departments in the executive branch shall cooperate in fulfilling the purposes of this chapter, including, subject to appropriations, the establishment of temporary positions that will provide job opportunities for families participating in the Alaska family independence program. Temporary positions established for this purpose are in the exempt service under AS 39.25.110 but are not subject to AS 39.25.125. An individual participating in the Alaska family independence program who holds a temporary position established for purposes of this subsection is not a public employee for purposes of AS 23.40.070 - 23.40.260.

Sec. 47.27.060. JOB DEVELOPMENT. The department may establish

cooperative agreements with the Department of Labor, Department of Community and Regional Affairs, Department of Education, and Department of Commerce and Economic Development, and with other public or private sector organizations for the purpose of developing job, training, and educational opportunities for families eligible for assistance under this chapter.

Sec. 47.27.065. FEDERAL-STATE COOPERATION. (a) In the administration of this chapter, the department shall cooperate with the Secretary of the United States Department of Health and Human Services and shall take actions necessary to comply with the requirements of federal law to obtain public assistance block grants or other federal assistance available for the purposes of this chapter. The department shall make reports in the form and containing the information required to the Secretary of the United States Department of Health and Human Services. The department may cooperate with federal agencies charged with the administration of the federal public assistance block grants and other financial assistance.

(b) Notwithstanding any other provisions of this chapter, and if the conditions in this subsection are met, the department may implement modifications to the Alaska family independence program that are not directly authorized in this chapter, or that may be contrary to a provision of this chapter, by providing notification to the legislature and by adopting regulations. A program modification implemented under this subsection is repealed two years after the date on which the modification took effect unless its implementation is achieved by statutory changes. A program modification under this subsection may be implemented only if

(1) states are authorized by the Secretary of the United States Department of Health and Human Services to undertake the program;

(2) the governor approves the implementation in writing;

(3) the commissioner determines that the implementation of the program modification will result in the receipt of additional federal money to carry out the purposes of this chapter and will produce a net monetary gain to the state; and

(4) the program modification will not require general fund expenditures, other than the outlay of money received from the federal government for the program.

Sec. 47.27.070. ALASKA NATIVE ORGANIZATIONS' FAMILY

ASSISTANCE PROGRAMS. (a) The department may coordinate only with the following Alaska Native organizations, as designated under federal law, in the development of family assistance programs:

(1) Arctic Slope Native Association;

(2) Kawerak, Inc.;

(3) Maniilaq Association;

(4) Association of Village Council Presidents;

(5) Tanana Chiefs Conference;

(6) Cook Inlet Tribal Council;

(7) Bristol Bay Native Association;

(8) Aleutian and Pribilof Island Association;

(9) Chugachmiut;

(10) Tlingit Haida Central Council;

(11) Kodiak Area Native Association;

(12) Copper River Native Association; and

(13) Metlakatla Indian Community of the Annette Islands Reserve.

(b) The department may cooperate with the Alaska Native organizations named in (a) of this section to propose program criteria to the Secretary of the United States Department of Health and Human Services in order to promote programs comparable to the state program for Alaska Native families living within the Alaska Native organizations' family assistance areas.

(c) Notwithstanding other provisions of this section, the department may cooperate with an Alaska Native organization listed in (a) of this section only if the organization waives any claim to sovereign immunity with respect to matters involved with the family assistance program.

Sec. 47.27.075. EMERGENCY ACCOUNT ESTABLISHED. (a) There is established within the general fund the Alaska family independence program emergency account. The account consists of appropriations from any appropriate source of money, including lapsing money that was appropriated for the Alaska family independence program but was not expended or obligated in the fiscal year for which it was appropriated.

4/12/96 BS talk out RH

(b) The account shall be administered by the commissioner, and shall be used to provide assistance authorized under this chapter upon a determination by the commissioner that the current year's appropriation is not sufficient to pay for the Alaska family independence program due to an unanticipated increase in the number of eligible families. Money appropriated to the account does not lapse under AS 37.25.010.

(c) By December 15 of each year, the commissioner shall report to the governor and the legislature on the use of money from the Alaska family independence program emergency account during the preceding fiscal year.

Sec. 47.27.080. APPEALS; DISPUTE RESOLUTION. (a) An applicant or participant who receives a determination from the department that denies, limits, or modifies the assistance or services provided under this chapter may request a hearing before the department or a representative of the department appointed for that purpose. If a representative is appointed, the representative shall conduct the hearing under the regulations adopted by the department. The appeal is not subject to AS 44.62.330 - 44.62.630.

(b) The department may require an applicant or participant to participate in an informal dispute resolution process before a formal hearing. The department may adopt regulations establishing the informal dispute resolution process.

Sec. 47.27.085. SANCTIONS; RECOVERY OF COSTS. (a) An Alaska family independence program applicant or participant who, without good cause, fails to comply with a condition of the family self-sufficiency plan or who fails to participate in work activities required as a part of the Alaska family independence program is subject to a reduction in assistance and services as determined under regulations adopted by the department.

(b) An Alaska family independence program applicant or participant who, without good cause, fails to cooperate with establishment of paternity or the establishment, modification, or enforcement of a support order for a child for whom assistance is received is subject to a reduction or limitation in assistance or services for the term of noncooperation as required by federal law and as specified in regulations adopted by the department.

(c) An Alaska family independence program applicant or participant who receives assistance or services when not entitled to them under this chapter because the information provided by the applicant or participant was inaccurate or incomplete is liable to the department for the value of the assistance and services improperly provided to the applicant or participant.

(d) In a civil action brought by the state to recover the value of assistance or services improperly provided under this chapter, the state may recover costs of investigation and prosecution of the civil action, including attorney fees as determined under court rules.

Sec. 47.27.900. DEFINITIONS. In this chapter,

(1) "assistance for basic living expenses" means assistance provided under the Alaska family independence program that may include cash, vouchers, or third-party vendor payments;

(2) "child care assistance" means payments made by the Department of Health and Social Services or the Department of Community and Regional Affairs to Alaska family independence program participant families or to providers for the care of children of the participant families;

(3) "child support" includes court-ordered or administratively ordered child support, medical support, and spousal support;

(4) "child support enforcement agency" means the child support enforcement agency in the Department of Revenue;

(5) "commissioner" means the commissioner of health and social services;

(6) "department" means the Department of Health and Social Services;

(7) "dependent child" means an ~~unemancipated~~ individual who

(A) has not attained

(i) 18 years of age; or

(ii) 19 years of age and is a full-time student in a secondary school or in the equivalent level of vocational or technical training; and

(B) is not an applicant under AS 47.27.020;

Sen. Amend to take Grant out 4-13-90

(8) "self-sufficiency services" means work-related services, community service work referrals, child care assistance, and other services determined by the department in regulation to promote family self-sufficiency;

(9) "work activities" includes job readiness assessments, on-the-job training, education and vocational training, job sampling, job search requirements, subsidized and unsubsidized work, and community work service.

Sec. 47.27.990. SHORT TITLE. This chapter may be cited as the Alaska family independence program.

* Sec. 9. AS 15.07.055(a) is amended to read:

(a) The following agencies are designated voter registration agencies:

(1) the Department of Public Safety, division of motor vehicles;

(2) divisions of the Department of Health and Social Services that provide public assistance through the food stamp program, Medicaid program, Special Supplemental Food Program for Women, Infants, and Children (WIC), and Alaska family independence program [AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) PROGRAM];

(3) the division of the Department of Community and Regional Affairs that is responsible for municipal and regional assistance programs; and

(4) all recruitment offices of the armed forces of the United States located in Alaska.

* Sec. 10. AS 23.10.055 is amended by adding a new paragraph to read:

(14) an individual engaged in activities for a nonprofit religious, charitable, civic, cemetery, recreational, or educational organization where the employer-employee relationship does not, in fact, exist, and where services are rendered to the organization under a work activity requirement of AS 47.27 (Alaska family independence program).

* Sec. 11. AS 23.40.075 is amended to read:

Sec. 23.40.075. ITEMS NOT SUBJECT TO BARGAINING. The parties may not negotiate terms contrary to the

(1) [THE] reemployment rights for injured state employees under AS 39.25.158; [OR]

(2) [THE] reemployment rights of the organized militia under AS 26.05.075;

(3) authority of the Department of Health and Social Services under AS 47.27.035 to assign Alaska family independence program participants to a work activity considered appropriate by the Department of Health and Social Services; or

(4) authority for agencies to create temporary positions under AS 47.27.055(c).

* Sec. 12. AS 25.20.050(f) is amended to read:

(f) If the child support enforcement agency is a party in an action in which paternity is contested, the agency shall request the court to order the tests and procedures described in (e) of this section. The agency may recover the costs of tests as a cost of the action, except that costs may not be recovered from a person who is a recipient of assistance [AID] under AS 47.27 (Alaska family independence program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

* Sec. 13. AS 25.27.025 is amended to read:

Sec. 25.27.025. RATE OF INTEREST. The rate of interest imposed under AS 25.27.020(a)(2)(C) shall be six percent a year [EQUAL THE RATE IMPOSED UNDER AS 43.05.225] or a lesser rate that is the maximum rate of interest permitted to be imposed under federal law.

* Sec. 14. AS 25.27.040(a) is amended to read:

(a) The agency may appear on behalf of minor children or their mother or legal custodian or the state and initiate efforts to have the paternity of children born out of wedlock determined by the court. When the agency is a party to a court action in which paternity is contested, it shall request and pay for genetic testing and procedures under AS 25.20.050(f). The agency may recover the costs of the tests as a cost of the court action, except that costs may not be recovered from a person who is a recipient of assistance [AID] under AS 47.27 (Alaska family independence program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

* Sec. 15. AS 25.27.060 is amended by adding new subsections to read:

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

(1) percentages of physical custody exercised by the child's parents; a minor parent's custody of the child shall be imputed to the parents of the minor parent, regardless of where the minor parent lives, except that

(A) if the minor parent and child live with a parent of the noncustodial minor parent, the minor parent's custody of the child shall be imputed to the parent of the noncustodial minor parent; and

(B) a minor parent's custody of a child may not be imputed to the parents of the minor parent if the minor parent and child do not live with a parent of the minor parent because

(i) neither parent will allow the minor and child to live in the residence of the minor's parent; or

(ii) the physical or emotional health or safety of the minor parent or the minor's child would be jeopardized if the minor and the minor's child lived in the same residence with the minor's parent; and

(2) incomes of the child's grandparents and parents.

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

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

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

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

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

* **Sec. 16.** AS 25.27.065(b) is amended to read:

(b) When the right to receive child support has been assigned to a governmental entity, an agreement under (a) of this section that has not been adopted as an administrative order of the agency is not effective during a period when the obligee is receiving assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420].

* **Sec. 17.** AS 25.27.120(a) is amended to read:

(a) An obligor is liable to the state in the amount of assistance granted under AS 47.07 and AS 47.27 [AS 47.25.310 - 47.25.420] to a child to whom the obligor owes a duty of support except that, if a support order has been entered, the liability of the obligor for assistance granted under AS 47.27 [AS 47.25.310 - 47.25.420] may not exceed the amount of support provided for in the support order, and, if a medical order of support has been entered, the liability of the obligor for assistance granted under AS 47.07 may not exceed the amount of support provided for in the medical order of support.

* **Sec. 18.** AS 25.27.125(b) is amended to read:

(b) The annual estimated balance in the account maintained by the commissioner of administration under AS 37.05.142 may be used by the legislature to make appropriations to the Department of Health and Social Services to carry out the purposes of AS 47.10.230 - 47.10.260 and AS 47.27 [AS 47.25.310 - 47.25.420].

* **Sec. 19.** AS 25.27.130(c) is amended to read:

(c) The recovery of any amount for which the obligor is liable that exceeds the total assistance granted under AS 47.07 and AS 47.27 [AS 47.25.310 - 47.25.420] shall be paid to the obligee.

* **Sec. 20.** AS 25.27.130(d) is amended to read:

(d) Except as provided in (f) of this section, if the obligee is not receiving assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420] at the time the

state recovers money in an action under this section, the recovery of any amount for which the obligor is liable shall be distributed to the obligee for support payments, including medical support payments, that have become due and unpaid since the termination of assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420] under a support order in favor of the obligee.

* **Sec. 21.** AS 25.27.130(e) is amended to read:

(e) After payment to the obligee under (d) of this section, the state may retain an amount not to exceed the total unreimbursed assistance paid on behalf of the obligee under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420].

* **Sec. 22.** AS 25.27.130(f) is amended to read:

(f) Notwithstanding (d) of this section, the state shall, if required under federal law or regulations, distribute amounts recovered through offset of the obligor's federal tax refund as past due support with first distribution to the state for unpaid support assigned to the state under AS 47.07.025 and AS 47.27.040 [AS 47.25.345].

* **Sec. 23.** AS 25.27.165(i) is amended to read:

(i) The agency may recover any costs it pays for genetic tests required by this section, except that costs may not be recovered from a person who is a recipient of assistance [AID] under AS 47.27 (Alaska family independence program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

* **Sec. 24.** AS 25.27 is amended by adding a new section to read:

Sec. 25.27.195. RELIEF FROM ADMINISTRATIVE ORDER. (a) A clerical mistake in an administrative order issued by the agency or an error arising from an oversight or omission by the agency may be corrected by the agency at any time on its own initiative or on the motion of an obligor or a custodian.

(b) Upon the motion of an obligor or a custodian or on the agency's own initiative, the agency may, at any time, vacate an administrative support order issued by the agency under AS 25.27.160 that was based on a default amount rather than on the obligor's actual ability to pay.

(c) Before an order may be vacated under (a) or (b) of this section, the agency must send notice of the intended action to the obligor and the custodian and provide an adequate opportunity for the obligor and the custodian to be heard on the issue.

(d) If an order is vacated under (b) of this section, the agency may at the same time issue a new order establishing a support amount, based on information about the obligor's income or on the Alaska average wage standard, for periods of time covered by the previous order. Upon issuance of the new order, the agency may adjust the obligor's account to reflect the support amounts established in the new order. In no case may the agency adjust the obligor's account below zero.

* **Sec. 25.** AS 25.27 is amended by adding new sections to read:

Sec. 25.27.244. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S OCCUPATIONAL LICENSE. (a) The agency shall compile and maintain a list of obligors who are not in substantial compliance with a support order or payment schedule negotiated under (g)(1) of this section. The list must include the names, social security numbers, dates of birth, and last known addresses of the obligors. The list shall be updated by the agency on a monthly basis.

(b) The agency shall, on a monthly basis, provide a copy of the list to each licensing entity through a computer readable magnetic medium. A licensing entity subject to this section shall implement procedures to accept and process the list. Notwithstanding any other law to the contrary, a licensing entity may not issue or renew a license for a person on the list except as provided in this section.

(c) Promptly after receiving an application from an applicant and before issuing or renewing a license, a licensing entity shall determine whether the applicant is on the most recent list provided by the agency. If the applicant is on the list, the licensing entity shall immediately serve notice under (e) of this section of the licensing entity's intent to withhold issuance or renewal of the license. The notice shall be considered given when delivered personally to the applicant or deposited in the United States mail addressed to the applicant's last known mailing address on file with the licensing entity.

(d) A licensing entity shall issue a temporary license valid for a period of 150 days to an applicant whose name is on the list if the applicant is otherwise eligible for a license. The temporary license may not be extended. Only one temporary license may be issued during a regular license term and its validity shall coincide with the first 150 days of that license term. A license for the full or remainder of the license term

may be issued or renewed only upon compliance with this section. If a license or application is denied under this section, money paid by the applicant or licensee shall be refunded by the licensing entity after retention of the temporary license fee, if any.

(e) Notices for use under (c) of this section shall be developed by each licensing entity under guidelines provided by the agency and are subject to approval by the agency. The notice must include the address and telephone number of the agency and shall emphasize the necessity of obtaining a release from the agency as a condition for the issuance or renewal of a license. The notice must inform an applicant whose license is governed by (d) of this section that the licensing entity shall issue a temporary license for 150 calendar days under (d) of this section if the applicant is otherwise eligible and that, upon expiration of that time period, the license will be denied unless the licensing entity has received a release from the agency. The agency shall also develop a form that the applicant may use to request a review by the agency. A copy of this form shall be included with each notice sent under (c) of this section.

(f) The agency shall establish review procedures consistent with this section to allow an applicant to have the underlying arrearages and relevant defenses investigated, to provide an applicant information on the process of obtaining a modification of a support order, or to provide an applicant assistance in the establishment of a payment schedule on arrearages if the circumstances warrant.

(g) If the applicant wishes to challenge being included on the list, the applicant shall submit to the agency a written request for review within 30 days after receiving the notice under (c) of this section by using the form developed under (e) of this section. Within 30 days after receiving a written request for review, the agency shall inform the applicant in writing of the agency's findings. The agency shall immediately send a release to the appropriate licensing entity and the applicant if any of the following conditions is met:

(1) the applicant is found to be in substantial compliance with each support order applicable to the applicant or has negotiated an agreement with the agency for a payment schedule on arrearages and is in substantial compliance with the negotiated agreement; if the applicant fails to be in substantial compliance with an

agreement negotiated under this paragraph, the agency shall send to the appropriate licensing entity a revocation of any release previously sent to the entity for that applicant;

(2) the applicant has submitted a timely request for review to the agency, but the agency will be unable to complete the review and send notice of findings to the applicant in sufficient time for the applicant to file a timely request for judicial relief within the 150-day period during which the applicant's temporary license is valid under (d) of this section; this paragraph applies only if the delay in completing the review process is not the result of the applicant's failure to act in a reasonable, timely, and diligent manner upon receiving notice from the licensing entity that the applicant's name is on the list;

(3) the applicant has, within 30 days after receiving the agency's findings following a request for review under (2) of this subsection, filed and served a request for judicial relief under this section, but a resolution of that relief will not be made within the 150-day period of the temporary license under (d) of this section; this paragraph applies only if the delay in completing the judicial relief process is not the result of the applicant's failure to act in a reasonable, timely, and diligent manner upon receiving the agency's notice of findings; or

(4) the applicant has obtained a judicial finding of substantial compliance.

(h) An applicant is required to act with diligence in responding to notices from the licensing entity and the agency with the recognition that the temporary license granted under (d) of this section will lapse after 150 days and that the agency and, where appropriate, the court must have time to act within that 150-day period. An applicant's delay in acting, without good cause, that directly results in the inability of the agency to complete a review of the applicant's request or the court to hear the request for judicial relief within the required period does not constitute the diligence required under this section that would justify the issuance of a release.

(i) Except as otherwise provided in this section, the agency may not issue a release if the applicant is not in substantial compliance with the order for support or is not in substantial compliance with an agreement negotiated under (g)(1) of this

section. The agency shall notify the applicant in writing that the applicant may request any or all of the following: (1) judicial relief from the agency's decision not to issue a release or the agency's decision to revoke a release under (g)(1) of this section; (2) a judicial determination of substantial compliance; (3) a modification of the support order. The notice must also contain the name and address of the court in which the applicant may file the request for relief and inform the applicant that the applicant's name shall remain on the list if the applicant does not request judicial relief within 30 days after receiving the notice. The applicant shall comply with all statutes and rules of court implementing this section. This section does not limit an applicant's authority under other law to request an order to show cause or notice of motion to modify a support order or to fix a payment schedule on arrearages accruing under a support order or to obtain a court finding of substantial compliance with a support order.

(j) A request for judicial relief from the agency's decision must state the grounds on which relief is requested and the judicial action shall be limited to those stated grounds. Judicial relief under this subsection is not an appeal, and shall be governed by court rules adopted to implement this section. Unless otherwise provided by court rule, the court shall hold an evidentiary hearing within 20 calendar days after the filing of service on the opposing party. The court's decision shall be limited to a determination of each of the following issues:

(1) whether there is a support order or a payment schedule on arrearages;

(2) whether the petitioner is the obligor covered by the support order, and

(3) whether the obligor is in substantial compliance with the support order or payment schedule.

(k) If the court finds that the obligor is in substantial compliance with the support order or payment schedule, the agency shall immediately send a release under (g) of this section to the appropriate licensing entity and the applicant.

(l) When the obligor is in substantial compliance with a support order or payment schedule, the agency shall mail to the applicant and the appropriate licensing entity a release stating that the applicant is in substantial compliance. The receipt of

New Text Underlined [DELETED TEXT BRACKETED]

a release shall serve to notify the applicant and the licensing entity that, for the purposes of this section, the applicant is in substantial compliance with the support order or payment schedule unless the agency, under (a) of this section, certifies subsequent to the issuance of a release that the applicant is once again not in substantial compliance with a support order or payment schedule.

(m) The agency may enter into interagency agreements with the state agencies that have responsibility for the administration of licensing entities as necessary to implement this section to the extent that it is cost effective to implement the interagency agreements. The agreements shall provide for the receipt by the other state agencies and licensing entities of federal money to cover that portion of costs allowable in federal law and regulation and incurred by the state agencies and licensing entities in implementing this section.

(n) Notwithstanding any other provision of law, the licensing entities subject to this section shall assess a fee for issuance of a temporary license under this section. The licensing entity shall set the amount of the fee so that the fees collected under this section, to the extent reasonable, cover the costs of implementing and administering this section.

(o) The process described in (g) of this section is the sole administrative remedy for contesting the issuance to the applicant of a temporary license or the denial of a license under this section. The procedures specified in AS 44.62.330 - 44.62.630 do not apply to the denial or failure to issue or renew a license under this section.

(p) The agency and licensing entities, as appropriate, shall adopt regulations necessary to implement this section.

(q) In this section,

(1) "applicant" means a person applying for issuance or renewal of a license;

(2) "license"

(A) means, except as provided in (B) of this paragraph, a license, certificate, permit, registration, or other authorization that, at the time of issuance, will be valid for more than 150 days and that may be acquired from a state agency to perform an occupation, including the following:

(i) license relating to boxing or wrestling under AS 05.10;

(ii) authorization to perform an occupation regulated under AS 08;

(iii) teacher certificate under AS 14.20;

(iv) authorization under AS 18.08 to perform emergency medical services;

(v) asbestos worker certification under AS 18.31;

(vi) boiler operator's license under AS 18.60.395;

(vii) certificate of fitness under AS 18.62;

(viii) hazardous painting certification under AS 18.63;

(ix) security guard license under AS 18.65.400 - 18.65.490;

(x) license relating to insurance under AS 21.27;

(xi) employment agency permit under AS 23.15.330 - 23.15.520;

(xii) registration as a broker-dealer, agent, or investment adviser under AS 45.55.030;

(xiii) certification as a pesticide applicator under AS 46.03.320;

(xiv) certification as a storage tank worker or contractor under AS 46.03.375; and

(xv) certification as a water and wastewater works operator under AS 46.30;

(B) does not include

(i) a vessel license issued under AS 16.05.490 or 16.05.530;

(ii) a commercial fishing license under AS 16.05.480, including a crew member fishing license;

(iii) an entry permit or interim-use permit issued under AS 16.43

(iv) a license issued under AS 47.35;

(v) a business license issued under AS 43.70; or

(vi) a driver's license issued under AS 28.15;

(3) "licensee" means a person holding a license or applying to renew a license;

(4) "licensing entity" means the state agency that issues or renews a license; in the case of a license issued or renewed by the Department of Commerce and Economic Development after an applicant's qualifications are determined by another agency, "licensing entity" means the department;

(5) "list" means the list of obligors compiled and maintained under (a) of this section;

(6) "substantial compliance with a support order or payment schedule" means that, with respect to a support order or a negotiated payment schedule under (g) of this section, whichever is applicable, the obligor has no more than $2,500 past due and has cumulatively paid an amount equal to or greater than the amount due for eight months during the past 12 months; with respect to a support order or payment schedule that has been in effect for less than one year, "substantial compliance" means that the obligor has no more than $2,500 past due and has cumulatively paid an amount equal to or greater than 67 percent of the amount due during the period the support order or payment schedule has been in effect.

Sec. 25.27.246. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S DRIVER'S LICENSE. (a) The agency shall compile and maintain a list of obligors who have a driver's license and are not in substantial compliance with a support order or payment schedule negotiated under (f)(1) of this section. The list must include the names, social security numbers, dates of birth, and last known addresses of the obligors. The list shall be updated by the agency on a monthly basis.

(b) The agency shall serve notice under (d) of this section to each person on the list that the person's driver's license will be suspended in 150 days, and will not be reissued or renewed the next time it is applied for if the person's name is on the list at the time of the subsequent application, unless the licensee receives a release from the agency. The notice shall be considered given when delivered personally to the

obligor or deposited in the United States mail addressed to the obligor's last known mailing address on file with the agency.

(c) If the licensee fails to obtain a release during the 150-day period following notice under (b) and (d) of this section, the agency shall notify the department that the licensee's driver's license should be suspended and further renewals or applications should be denied until the agency sends the department a release for the licensee. Upon receiving the agency's notice under this subsection, the department shall suspend the licensee's driver's license and may not issue or renew a driver's license for the licensee until the department receives a release to do so from the agency. If a license is suspended or an application is denied under this section, money paid by the applicant or licensee may not be refunded by the department.

(d) The notice under (b) of this section must include the address and telephone number of the agency and shall emphasize the necessity of obtaining a release from the agency as a condition for avoiding suspension or denial of the person's driver's license. The notice must also inform the licensee that, if a license is suspended or an application is denied under this section, money paid by the licensee will not be refunded by the department. The agency shall also develop a form that the licensee may use to request a review by the agency. A copy of this form shall be included with each notice sent under (b) of this section.

(e) The agency shall establish review procedures consistent with this section to allow a licensee to have the underlying arrearages and relevant defenses investigated, to provide a licensee with information on the process of obtaining a modification of a support order, or to provide a licensee with assistance in the establishment of a payment schedule on arrearages if the circumstances warrant.

(f) If a licensee wishes to challenge being included on the list, the licensee shall submit to the agency a written request for review within 30 days after the notice under (b) of this section was personally delivered or postmarked by using the form developed under (d) of this section. Within 30 days after receiving a written request for review, the agency shall inform the licensee in writing of the agency's findings. The agency shall immediately send a release to the department and the licensee if any of the following conditions is met:

(1) the licensee is found to be in substantial compliance with each support order applicable to the licensee or has negotiated an agreement with the agency for a payment schedule on arrearages and is in substantial compliance with the negotiated agreement; if the licensee fails to be in substantial compliance with an agreement negotiated under this paragraph, the agency shall send to the department a revocation of any release previously sent to the entity for that licensee;

(2) the licensee has submitted a timely request for review to the agency, but the agency will be unable to complete the review and send notice of findings to the licensee in sufficient time for the licensee to file a timely request for judicial relief within the 150-day period before the licensee's license will be suspended under (c) of this section; this paragraph applies only if the delay in completing the review process is not the result of the licensee's failure to act in a reasonable, timely, and diligent manner upon receiving notice from the agency that the licensee's driver's license will be suspended in 150 days;

(3) the licensee has, within 30 days after receiving the agency's findings following a request for review under (2) of this subsection, filed and served a request for judicial relief under this section, but a resolution of that relief will not be made within the 150-day period before license suspension under (c) of this section; this paragraph applies only if the delay in completing the judicial relief process is not the result of the licensee's failure to act in a reasonable, timely, and diligent manner upon receiving the agency's notice of findings; or

(4) the licensee has obtained a judicial finding of substantial compliance.

(g) A licensee is required to act with diligence in responding to notices from the agency with the recognition that the person's driver's license will be suspended after 150 days or that a subsequent license will not be issued and that the agency and, where appropriate, the court must have time to act within that 150-day period or before the subsequent license is needed, as applicable. A licensee's delay in acting, without good cause, that directly results in the inability of the agency to complete a review of the licensee's request or the court to hear the request for judicial relief within the required period does not constitute the diligence required under this section that would

justify the issuance of a release.

(h) Except as otherwise provided in this section, the agency may not issue a release if the applicant is not in substantial compliance with the order for support or is not in substantial compliance with an agreement negotiated under (f)(1) of this section. The agency shall notify the licensee in writing that the licensee may request any or all of the following: (1) judicial relief from the agency's decision not to issue a release or the agency's decision to revoke a release under (f)(1) of this section; (2) a judicial determination of substantial compliance; (3) a modification of the support order. The notice must also contain the name and address of the court in which the licensee may file the request for relief and inform the licensee that the licensee's name shall remain on the list if the licensee does not request judicial relief within 30 days after receiving the notice. The licensee shall comply with all statutes and rules of court implementing this section. This section does not limit a licensee's authority under other law to request an order to show cause or notice of motion to modify a support order or to fix a payment schedule on arrearages accruing under a support order or to obtain a court finding of substantial compliance with a support order.

(i) A request for judicial relief from the agency's decision must state the grounds on which relief is requested and the judicial action shall be limited to those stated grounds. Judicial relief under this subsection is not an appeal and shall be governed by court rules adopted to implement this section. Unless otherwise provided by court rule, the court shall hold an evidentiary hearing within 20 calendar days after the filing of service on the opposing party. The court's decision shall be limited to a determination of each of the following issues:

(1) whether there is a support order or a payment schedule on arrearages;

(2) whether the petitioner is the obligor covered by the support order; and

(3) whether the obligor is in substantial compliance with the support order or payment schedule.

(j) If the court finds that the obligor is in substantial compliance with the support order or payment schedule, the agency shall immediately send a release under

(f) of this section to the department and the licensee.

(k) When the obligor is in substantial compliance with a support order or payment schedule, the agency shall mail to the applicant and the department a release stating that the licensee is in substantial compliance. The receipt of a release shall serve to notify the licensee and the department that, for the purposes of this section, the applicant is in substantial compliance with the support order or payment schedule unless the agency, under (a) of this section, certifies subsequent to the issuance of a release that the licensee is once again not in substantial compliance with a support order or payment schedule.

(l) The process described in (f) of this section is the sole administrative remedy for contesting the suspension or the denial of a driver's license under this section. The procedures specified in AS 28 or AS 44.62.330 - 44.62.630 do not apply to the suspension or failure to issue or renew a license under this section.

(m) The agency and department, as appropriate, shall adopt regulations necessary to implement this section.

(n) In this section,

(1) "department" means the Department of Public Safety;

(2) "driver's license" or "license" means a driver's license, as defined in AS 28.40.100;

(3) "licensee" means a person holding or requesting a driver's license;

(4) "list" means the list of obligors compiled and maintained under (a) of this section;

(5) "substantial compliance with a support order or payment schedule" means that, with respect to a support order or a negotiated payment schedule under (f) of this section, whichever is applicable, the obligor has no more than $2,500 past due and has cumulatively paid an amount equal to or greater than the amount due for eight months during the past 12 months; with respect to a support order or payment schedule that has been in effect for less than one year, "substantial compliance" means that the obligor has no more than $2,500 past due and has cumulatively paid an amount equal to or greater than 67 percent of the amount due during the period the support order or payment schedule has been in effect.

* Sec. 26. AS 36.30.850(b)(11) is amended to read:

(11) agreements with providers of services under AS 44.47.250; AS 47.07; AS 47.08; AS 47.10; AS 47.17; AS 47.24; and AS 47.27, including contractors under AS 47.27.050 [AS 47.25.195 AND 47.25.310];

* Sec. 27. AS 39.25.110 is amended by adding a new paragraph to read:

(31) a participant in the Alaska family independence program under AS 47.27 who holds a temporary position with the state in order to obtain job training or experience.

* Sec. 28. AS 44.19.626(a) is amended to read:

(a) As the lead state planning and coordinating entity, the Alaska Human Resource Investment Council has responsibility, to the extent authorized by federal and state law, for planning and coordinating federal, state, and local efforts in human resource programs in this state related to employment training, including the work activities of the Alaska family independence program under AS 47.27.

* Sec. 29. AS 44.29.020(a) is amended to read:

(a) The Department of Health and Social Services shall administer the state programs of public health and social services, including

(1) maternal and child health services;

(2) preventive medical services;

(3) public health nursing services;

(4) nutrition services;

(5) health education;

(6) laboratories;

(7) mental health treatment and diagnosis;

(8) management of state institutions, except for adult penal institutions;

(9) medical facilities;

(10) adult public assistance;

(11) Alaska family independence program [AID TO FAMILIES WITH DEPENDENT CHILDREN];

(12) child welfare services;

(13) general relief; and

(14) licensing and supervision of child care facilities.

* Sec. 30. AS 44.47.280 is amended to read:

Sec. 44.47.280. ELIGIBILITY OF FAMILIES FOR BENEFITS. The department shall determine the eligibility of families for day care benefits on the basis of the following factors:

(1) [NET] income of the family, including salary, alimony, child support, retirement benefits, social security, and any other source of income;

(2) number of children in the family;

(3) whether there is one parent or guardian solely responsible for the care of the family;

(4) [REPEALED

(5)] other factors found relevant by the department.

* Sec. 31. AS 47.05.010(1) is amended to read:

(1) administer adult public assistance, the Alaska family independence program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and all other assistance programs, and receive and spend money [FUNDS] made available to it;

* Sec. 32. AS 47.05.010(2) is amended to read:

(2) adopt regulations necessary for the conduct of its business and for carrying out federal and state laws granting adult public assistance, temporary assistance for needy families under the Alaska family independence program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and other assistance;

* Sec. 33. AS 47.05.010(5) is amended to read:

(5) cooperate with the federal government in matters of mutual concern pertaining to adult public assistance, the Alaska family independence program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and other forms of public assistance;

* Sec. 34. AS 47.05.010 is amended by adding a new paragraph to read:

(14) provide education and health-related services and referrals designed to reduce the number of out-of-wedlock pregnancies and the number of induced pregnancy terminations in the state.

* Sec. 35. AS 47.05.030 is amended to read:

Sec. 47.05.030. MISUSE OF PUBLIC ASSISTANCE LISTS AND RECORDS. Except for purposes directly connected with the administration of general assistance, adult public assistance, the day care assistance program authorized under AS 44.47.250 - 44.47.310, or the Alaska family independence program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and in accordance with the regulations of the department, a person may not solicit, disclose, receive, make use of, or authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or names of, or information concerning, persons applying for or receiving the assistance directly or indirectly derived from the records, papers, files, or communications of the department or subdivisions or agencies of the department, or acquired in the course of the performance of official duties.

* Sec. 36. AS 47.05.080(a) is amended to read:

(a) Benefit overpayments collected by the department in administering programs under AS 47.25.120 - 47.25.300 (general relief), [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN),] AS 47.25.430 - 47.25.615 (adult public assistance), [AND] AS 47.25.975 - 47.25.990 (food stamps), and AS 47.27 (Alaska family independence program) shall be remitted to the Department of Revenue under AS 37.10.050(a).

* Sec. 37. AS 47.07.020(b)(1) is amended to read:

(1) persons eligible for but not receiving assistance under any plan of the state approved under [42 U.S.C. 601 - 615 (TITLE IV-A, SOCIAL SECURITY ACT, AID TO FAMILIES WITH DEPENDENT CHILDREN) OR] 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental Security Income) or a federal program designated as the successor to the aid to families with dependent children program;

* Sec. 38. AS 47.07.020(b)(5) is amended to read:

(5) persons under age 21 who are in an institution designated as an intermediate care facility for the mentally retarded and who are financially eligible as determined by the standards of the federal program designated as the successor to the aid to families with dependent children program;

* Sec. 39. AS 47.07.020(b)(7) is amended to read:

(7) persons under age 21 who are receiving active treatment in a psychiatric hospital and who are financially eligible as determined by the standards of the federal program designated as the successor to the [42 U.S.C. 601 - 615 (TITLE IV-A, SOCIAL SECURITY ACT.] aid to families with dependent children program [)];

* Sec. 40. AS 47.07.020(b)(8) is amended to read:

(8) persons under age 21 and not covered under (a) of this section, who would be eligible for benefits under the federal program designated as the successor to the aid to families with dependent children program, except that they have the care and support of both their natural and adoptive parents;

* Sec. 41. AS 47.07.020(b)(9) is amended to read:

(9) pregnant women not covered under (a) of this section and who meet the income and resource requirements of the federal program designated as the successor to the aid to families with dependent children program;

* Sec. 42. AS 47.07.035(26) is amended to read:

(26) individuals under age 21 who are not eligible for benefits under the federal program designated as the successor to the aid to families with dependent children program because they are not deprived of one or more of their natural or adoptive parents;

* Sec. 43. AS 43.05.225(2)(B) is repealed.

* Sec. 44. AS 47.25.310(c) is repealed.

* Sec. 45. AS 47.25.301, 47.25.302, 47.25.303, 47.25.305, 47.25.306, 47.25.307, 47.25.308, and 47.25.309 are repealed on the date established under sec. 57 of this Act.

* Sec. 46. AS 47.25.310, 47.25.311, 47.25.315, 47.25.320, 47.25.330, 47.25.340, 47.25.345, 47.25.350, 47.25.360, 47.25.364, 47.25.365, 47.25.366, 47.25.370, 47.25.380, 47.25.395, 47.25.400, 47.25.410, 47.25.420, 47.25.421, 47.25.423, 47.25.425, 47.25.427, and 47.25.429 are repealed on the date established under sec. 54 of this Act.

* Sec. 47. WAIVER APPLICATIONS. The Department of Health and Social Services shall promptly apply to the federal government for waivers if the department determines that waivers are necessary to implement AS 47.25.309, added by sec. 1 of this Act, or any part of secs. 2 - 7 or 44 of this Act. If waivers are not necessary for any particular provision, the department shall promptly submit a state plan amendment to the federal government to implement the

change made by the provision.

* Sec. 48. COURT RULE CHANGE. (a) AS 25.27.060(e) - (g), added by sec. 15 of this Act, have the effect of amending Rule 90.3, Alaska Rules of Civil Procedure, by requiring consideration of the income of the grandparents of a child when determining a child support obligation under certain circumstances and by providing that a child's grandparents are obligated to support the child under certain circumstances.

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

* Sec. 49. REPORT. (a) In furtherance of the public policy of increasing child support enforcement and collections, on or before January 1, 1999, the child support enforcement agency shall make a report to the governor and legislature based on data collected by the licensing entities and the agency in a format prescribed by the agency. The report must contain

(1) the number of delinquent obligors on the lists maintained by the agency under AS 25.27.244 - 25.27.246, enacted by sec. 25 of this Act;

(2) the number of delinquent obligors who also were applicants or licensees subject to AS 25.27.244 - 25.27.246, enacted by sec. 25 of this Act;

(3) the number of new licenses and renewals that were delayed or denied and temporary licenses issued subject to AS 25.27.244 and the number of new licenses and renewals granted following receipt by licensing entities of releases under AS 25.27.244 by July 1, 1998;

(4) the number of licenses under AS 28.15 that were suspended under AS 25.27.246 and the number of licenses under AS 28.15 that were reinstated following receipt by the Department of Public Safety of releases under AS 25.27.246 by July 1, 1998; and

(5) the costs incurred in the implementation and enforcement of AS 25.27.244 - 25.27.246, enacted by sec. 25 of this Act.

(b) A licensing entity receiving an inquiry from the agency under (a) of this section shall cooperate with the agency. When queried as to the licensed status of an applicant who has had a license denied or suspended under AS 25.27.244 or 25.27.246 or has been granted

a temporary license under AS 25.27.244, the licensing entity shall respond only that the license was denied or suspended or that the temporary license was issued.

* Sec. 50. TRANSITION. (a) The Department of Health and Social Services, the Department of Revenue, child support enforcement agency, and any department that issues a license affected by sec. 25 of this Act may proceed to adopt regulations necessary to implement this Act. Regulations to implement a provision of this Act take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the relevant provision of this Act.

(b) Regulations adopted by the Department of Health and Social Services under the authority of AS 47.25.310 - 47.25.420 before the effective dates of secs. 1 - 8 of this Act remain in effect, and may be implemented and enforced to the extent that the regulations are not inconsistent with the corresponding provisions of secs. 1 - 8 of this Act, until the department has made regulation changes under AS 44.62 (Administrative Procedure Act) to implement this Act.

(c) Notwithstanding sec. 46 of this Act, an application for assistance filed under AS 47.25.310 - 47.25.420 remains effective as an application for the Alaska family independence program following the effective date of sec. 8 of this Act until the Department of Health and Social Services requires a new application with the development of a family self-sufficiency plan; new applications shall be required no later than one year following the effective date of sec. 8 of this Act.

(d) Litigation, hearings, investigations, collection actions, and other proceedings pending under a law amended or repealed by this Act continue in effect and may be completed by the Department of Health and Social Services notwithstanding the repeal or amendment under the Act.

* Sec. 51. APPLICABILITY. (a) AS 47.25.311(a), added by sec. 2 of this Act, and AS 47.27.015(e), added by sec. 8 of this Act, apply to disqualifications imposed on or after the effective dates of AS 47.25.311(a) and AS 47.27.015(e), respectively.

(b) AS 47.25.311(c), added by sec. 2 of this Act, and AS 47.27.015(c), added by sec. 8 of this Act, apply to refusals to accept, and separations from, suitable employment without good cause that occur on or after the effective dates of AS 47.25.311(c) and AS 47.27.015(c), respectively.

(c) AS 47.25.315, added by sec. 2 of this Act, and AS 47.27.027, added by sec. 8 of

this Act, apply to minors who apply or reapply for assistance under AS 47.25.310 - 47.25.420 or AS 47.27.020, respectively, on or after the effective dates of AS 47.25.315 and AS 47.27.027, respectively.

* **Sec. 52.** AS 47.25.301, added by sec. 1 of this Act, and secs. 47, 50(a) - (b), and 51 of this Act take effect immediately under AS 01.10.070(c).

* **Sec. 53.** Sections 13, 15, 24, 25, 43, 48, 49, and 50(c) - (d) of this Act take effect October 1, 1996.

* **Sec. 54.** Sections 8 - 12, 14, 16 - 23, 26 - 42, and 46 of this Act take effect October 1, 1996, except that if the federal law providing for the aid to families with dependent children program has not been repealed by that date, those sections take effect on the first day after October 1, 1996, that the repeal of the federal aid to families with dependent children program is effective. The commissioner of health and social services shall notify the revisor of statutes and the lieutenant governor of the effective date of the repeal of the federal law providing for the aid to families with dependent children program.

* **Sec. 55.** AS 47.25.302 - 47.25.309, enacted by sec. 1 of this Act, secs. 2 - 7 of this Act, and sec. 44 of this Act take effect on the earlier of the following dates:

(1) the effective date for which the federal government approves and authorizes implementation of a state plan amendment effecting the change; or

(2) the effective date of a waiver received from the federal government that authorizes implementation of the provision.

* **Sec. 56.** The commissioner of health and social services shall notify the revisor of statutes and the lieutenant governor of the effective date of the sections and parts of sections governed by sec. 55 of this Act and of whether the effective date was determined by a waiver approval or a determination that a waiver is not necessary.

* **Sec. 57.** Section 45 of this Act takes effect on the earlier of July 1, 2003, or the effective date established in sec. 54 of this Act.

Puts ratable reduction back in bill

AMENDMENT

OFFERED IN THE SENATE BY
TO: CSSB98 ( ), "B" 4/17/96

Page 10, line 24

Insert new section 3

Sec. 3 AS 47.25.320 (a) is amended to read:

(a) The Department shall determine the amount of assistance for a dependent child, and the relative with whom the dependent child is living, with regard to resources and necessary expenditures of the family and the condition existing in each case. Assistance is sufficient if, when added to all other income and support available to the child, the child and relative have reasonable subsistence compatible with decency and health. However, to the extent allowed under federal law or under a waiver approved under federal law, the amount of assistance may not exceed the following:

(1) dependent child living with nonneedy relative: $451 [FOR A DEPENDENT CHILD WHO IS LIVING IN THE HOME OF A NONNEEDY RELATIVE, $452], plus $99 [$102] for each additional child;

(2) dependent child living with parent:

(A) for a parent and one dependent child, a maximum of $794 [$821];

(B) for each additional dependent child $99 [OR FOR A SECOND PARENT, $102] a month [PER INDIVIDUAL];

(3) pregnant woman who is otherwise eligible for assistance under this section, $497 [OR A SINGLE-PERSON HOUSEHOLD THAT DOES NOT CONSIST OF A DEPENDENT CHILD: $514] a month.

Renumber following bill sections accordingly
Adjust internal references to bill sections accordingly

Page 17, line 16

Delete "$452" and insert "$451"

Delete "$102" and insert "$99"

Page 17, line 18

Delete "$821" and insert "$794"

Delete "$102" and insert "$99" in both places

Page 17, line 21

Delete "$514" and insert "$497"

9-LS0692\B.1
Lauterbach
4/18/96

AMENDMENT

OFFERED IN THE SENATE BY SENATOR HALFORD

TO: CSSB 98(FIN), draft version "B"

Page 50, line 31:

Delete "sec. 57"

Insert "sec. 53"

AMENDMENT

BY SHARP

OFFERED IN THE SENATE
TO: CSSB98(FIN) 4/18/96

Page 37, line 13 DELETE

Page 37, line 22 DELETE

Page 37, line 14-21 renumber - (line 14 renumber (xvi) and lines 16, 18, 20 and 21 accordingly)

AMENDMENT

TO: CSSB 98 (FIN) BY
LS0692\B

Page 11, line 17 following during those months

Delete "compared to previous months"

Page 16, line 23

Delete "if" and replace with "when"

AMENDMENT

TO: CSSB 98 ( ) 9-LS0692\V BY HALFORD

page 25, line 30

Delete "for families living within the organizations' family assistance areas"

AMENDMENT

BY SHARP

OFFERED IN THE SENATE
TO: CSSB98(FIN) 4/18/96

Page 47,	line 1	delete "[a]" insert after of "an infant"
	line 2	before the word child, insert the word "infant"
	line 3	before the word child, insert the word "infant"
	line 4	before the word child, insert the word "infant"
	line 5	delete "[a]" before the word child, insert "an infant"

9-LS0692\V
Lauterbach
4/15/96

CS FOR SENATE BILL NO. 98( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

"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; adjusting AFDC payment levels; 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 the Alaska family independence program and repealing the ADFC and job opportunity and basic skills programs upon the establishment of federal welfare reform; relating to work activities required under the Alaska family independence program; authorizing qualified entities to contract with the state to administer all or part of the Alaska family independence program; reducing the interest rate on child support arrears; relating to an exemption to the State Procurement Code for certain services and

New Text Underlined [DELETED TEXT BRACKETED]

contracts under the Alaska family independence program; relating to eligibility for day care benefits administered by the Department of Community and Regional Affairs; and providing for an effective date."

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

* **Section 1.** AS 47.25 is amended by adding new sections to read:

ARTICLE 1A. AFDC WORKFARE PROJECT.

Sec. 47.25.301. WAIVER APPLICATION FOR PROJECT. (a) The Department of Health and Social Services shall seek appropriate waivers from the federal government to implement the AFDC demonstration project described in AS 47.25.301 - 47.25.308. To the extent that the federal government approves the necessary waivers, the department shall implement the project. The purposes of the project are to promote personal responsibility and self-sufficiency.

(b) At a minimum, the department shall implement AS 47.25.303 so that there are experimental groups in at least three different areas of the state, with at least one experimental group in a municipality with a population over 25,000, one in a municipality with a population between 5,000 and 25,000, and one in a municipality or community with a population under 5,000. The department shall implement AS 47.25.303 with the minimum number of control groups that are required by the federal government for approval of the waivers applied for under this section.

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

(1) apply for and implement only the waivers that relate to the parts of the project that are not substantially affected by the changes in federal statutes or regulations;

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

Sec. 47.25.302. EARNED INCOME DISREGARD; WAIVER OF "100-

HOUR" RULE; AUTO ALLOWANCE. When determining the AFDC eligibility of a family that is participating in an experimental group in the project under AS 47.25.303 and when determining the amount of assistance to which the family is entitled, the department shall

(1) disregard, for the first 24 months for which the family receives assistance, $200 plus one-third of the remainder of the earned income of each person in the family unless federal regulations require that more earned income of a person must be disregarded, in which case the department shall disregard earned income as required by federal law; for a family that applies for AFDC after this paragraph has been implemented, this 24 months begins with the month for which the family is first granted AFDC; for a family that is already receiving assistance when this paragraph is implemented, this 24 months begins with the first month during which this paragraph is implemented;

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

(3) allow the exclusion of $5,000 of the combined equity of motor vehicles used by the family for basic family transportation, transportation of a disabled child in the household, or transportation of a member of the family to or from employment, training, or participation in an activity required under AS 47.25.303; if the combined equity of vehicles described in this paragraph exceeds $5,000, the department shall apply the excess equity amount toward the asset limit otherwise applicable to the family.

Sec. 47.25.303. WORKFARE. (a) The department shall operate a workfare project. Each member of a family in an experimental group in the workfare project who is 18 years of age or older shall participate for 21 hours a week in an uncompensated activity if assigned to the activity by the department. The department shall assess the availability of activities that satisfy the purposes of this subsection in the project area and attempt to develop additional activities where necessary. When assessing the availability of activities that are suitable as uncompensated activities under this section and in assigning persons to those activities, the department shall

consider activities recommended by governmental representatives of boroughs, cities, and communities and others in the project area. The activities may include provision of child care for other project participants, community work experience, work-related training programs, high school completion, GED programs, or culturally relevant subsistence activities. The department shall penalize the family for failure of a person to comply with this subsection by disregarding that person as a member of the family for purposes of determining the amount of AFDC assistance given to the family. The period of time during which the department shall disregard the noncomplying person for purposes of determining the amount of the family's AFDC assistance is

(1) until the person is in compliance with this subsection if the person has not previously been disregarded under this subsection;

(2) the longer of six months or until the person is in compliance with this subsection if the person has previously been disregarded under (1) of this subsection;

(3) the longer of 12 months or until the person is in compliance with this subsection if the person has previously been disregarded under (2) of this subsection.

(b) If organizations exist in the project area that have had successful experience in conducting employment placement services, community services, remedial education services, and job training programs, the department may offer contracts on a competitive basis or grants under the department's grant application process to administer (a) of this section. A contract or grant under this subsection must provide that the department shall make the determinations required under (c) and (d) of this section and the contractor or grantee shall perform the duties assigned to the department under (a) of this section with respect to uncompensated activities, including assessment of their availability, development of additional activities, consideration of activities recommended by governmental representatives, and assignment of persons to specific activities after referral of those persons to the contractor or grantee by the department. The department may, after consultation with the appropriate contractor or grantee under this subsection, if any, use AFDC benefits to subsidize payments or provide services to participants in community work projects

or work training projects; an amount distributed as a subsidy under this subsection is not considered to be wages.

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

(1) has paid employment of at least 20 hours a week; a person who has paid employment of less than 20 hours a week shall participate in an uncompensated activity assigned under (a) of this section for the number of hours that, when added to the hours of paid employment, equals 21;

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

(3) is enrolled as a full-time student in good standing in a career education program, college, or university, as defined in regulations adopted under AS 14.43;

(4) is the parent or other relative of a child under six years of age living in the same household who personally provides care for the child;

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

(6) is a parent who is providing care for a child who is experiencing a disability.

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

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

(2) transportation expenses determined by the department to be necessary for the person's participation in the activity.

(e) In this section, "project area" means the areas chosen by the department in which to operate the workfare project described in this section.

Sec. 47.25.305. COOPERATION. State agencies shall cooperate with the department to the extent necessary to implement AS 47.25.301 - 47.25.308.

Sec. 47.25.306. IMMUNITY FROM LIABILITY. (a) The Department of Health and Social Services, and its employees, agents, and grantees, are not liable for civil damages as a result of an act or omission in the implementation, operation, or administration of an authorized project under AS 47.25.301 - 47.25.308.

(b) The provisions of (a) of this section do not preclude liability for civil damages as a result of recklessness or intentional misconduct.

(c) The provisions of (b) of this section do not constitute a waiver or limitation of sovereign or other immunity.

Sec. 47.25.307. REGULATIONS. The Department of Health and Social Services shall adopt regulations necessary to implement AS 47.25.301 - 47.25.308. The regulations adopted by the department may include

(1) eligibility criteria for the project described in AS 47.25.301 - 47.25.308 that differ from eligibility requirements in AS 47.25.310 - 47.25.429 and the regulations adopted under those statutes;

(2) a maximum number of participants to be included in the project, if necessary;

(3) exemptions from requiring participation in the project because of exceptional circumstances; and

(4) provisions for financial or nonfinancial sanctions for applicants who fail to cooperate with project requirements.

Sec. 47.25.308. DEFINITIONS. In AS 47.25.301 - 47.25.308,

(1) "AFDC" means the program of aid to families with dependent children under AS 47.25.310 - 47.25.420;

(2) "department" means the Department of Health and Social Services.

ARTICLE 1B. DIVERSION PROGRAM.

Sec. 47.25.309. DIVERSION PROGRAM. (a) The Department of Health and Social Services shall operate a diversion program that is designed to increase family income through employment and child support payments by offering lump-sum diversion payments in place of ongoing financial assistance under the AFDC program. A diversion payment may be offered to an adult applicant for AFDC who is job-ready and who needs short-term financial assistance to meet critical needs in order to secure

employment and support for the applicant's family.

(b) Diversion program benefits may be paid only to an applicant's family that appears, based on the information provided to the department on an AFDC application, to be eligible for AFDC benefits and to include a job-ready individual. The department may offer, to an AFDC applicant with the potential to participate in the diversion program, a choice between

(1) having the AFDC application processed under AS 47.25.310 - 47.25.429; or

(2) having the AFDC application referred to the diversion project under this section.

(c) The amount of the diversion payment must be sufficient to meet the family's immediate needs as determined by the department and the participant. A diversion payment may not exceed the amount the family would be eligible to receive in the first two months of eligibility for assistance under AS 47.25.310 - 47.25.420 if the family did not elect to receive a diversion payment under this section.

(d) As a condition of a family receiving a diversion payment under this section, the participant must sign a binding contract between the participant and the department that

(1) specifies the amount of the diversion payment and the needs it is intended to cover;

(2) provides that, during the three-month period beginning with the month in which the diversion payment was received, child support collected on behalf of a child whose needs were considered in determining the diversion payment shall be paid to the family; and

(3) provides that, if the family reapplies for AFDC assistance under AS 47.25.310 - 47.25.429 during the three months beginning with the month in which the family received a diversion payment, the diversion payment shall be prorated over the three-month period and deducted from any AFDC benefit the family may be eligible for under the new application.

(e) A family that receives a diversion payment may not receive another diversion payment before the 12th month following the month in which it last received

a diversion payment.

(f) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.429, and (d)(2) of this section supersedes inconsistent provisions of AS 25.27.120 and 25.27.130.

(g) In this section,

(1) "AFDC" means the program of aid to families with dependent children under AS 47.25.310 - 47.25.420;

(2) "department" means the Department of Health and Social Services.

* Sec. 2. AS 47.25 is amended by adding new sections to read:

Sec. 47.25.311. INELIGIBILITY FOR ASSISTANCE. (a) A person is ineligible for assistance under AS 47.25.310 - 47.25.420 for the following time periods upon administrative disqualification for making a false statement or misrepresentation knowing it was false, or for knowingly failing to disclose a material fact, in order to obtain or increase assistance under AS 47.25.310 - 47.25.420:

(1) six months following the first disqualification;

(2) 12 months following the second disqualification; and

(3) permanently following the third disqualification.

(b) A family is not eligible for assistance under AS 47.25.310 - 47.25.420 if the family includes an adult who has intentionally transferred an asset or assets at less than fair market value for the purpose of establishing eligibility for assistance. The period of ineligibility shall begin on the first day of the month following the transfer of the asset or assets and shall remain in effect for a number of months equal to the fair market value of the transferred asset or assets divided by the maximum payment amount for the family as established under AS 47.25.320(a), or for 12 months, whichever is less.

(c) A family is not eligible for assistance for the following time periods after the day on which the adult applicant or a custodial parent in the family, without good cause, refused to accept, or separated from, suitable employment and that refusal or separation caused the family's need for assistance:

(1) one month for the first refusal or separation without good cause;

(2) six months for the second refusal or separation without good cause; and

(3) 12 months for the third and subsequent refusal or separation without good cause.

(d) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

Sec. 47.25.315. ASSISTANCE TO MINORS WITH CHILDREN. (a) Except as provided in (c) of this section, the department shall require, as a condition of eligibility for assistance, that a minor parent must reside in a

(1) place of residence maintained by the minor's parent, legal guardian, or other adult relative of the minor as the parent's, guardian's, or other adult relative's own home; or

(2) foster home, maternity home, or other adult-supervised supportive living arrangement; however, the minor may satisfy the condition of eligibility imposed by this subsection by residing in a foster home, maternity home, or other adult-supervised supportive living arrangement only if

(A) the minor parent does not have a parent, legal guardian, or other adult relative who is living and whose whereabouts are known;

(B) there is no living parent, legal guardian, or adult relative of the minor parent who will allow the minor to live in the home of the parent, legal guardian, or adult relative; or

(C) the department determines that the physical or emotional health or safety of the minor parent or the minor's child would be jeopardized if the minor and the minor's child lived in the same residence with any of the minor's parents, legal guardian, or other adult relatives.

(b) Notwithstanding AS 47.25.360, the department shall, where possible, pay assistance on behalf of a minor parent who is subject to the requirements of (a) of this section to the minor's parent, legal guardian, or other adult relative, or, as applicable,

to the head of the adult-supervised supportive living arrangement where the minor parent resides.

(c) The provisions of (a) of this section do not apply if

(1) the minor parent lived apart from the minor's parent or legal guardian for either one year before the birth of the dependent child or one year before the minor parent submitted the application for assistance; or

(2) the department otherwise determines under regulations that there is good cause for waiving the requirements of (a) of this section in the case of a particular minor parent.

(d) In this section, "minor parent" means a person who is under the age of 18, who has never married, and is either

(1) the natural parent of a dependent child living in the same household; or

(2) eligible for assistance as a pregnant woman.

(e) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* Sec. 3. AS 47.25.320(a) is amended to read:

(a) The department shall determine the amount of assistance for a dependent child, and the relative with whom the dependent child is living, with regard to the resources and necessary expenditures of the family and the condition existing in each case. Assistance is sufficient if, when added to all other income and support available to the child, the child and relative have reasonable subsistence compatible with decency and health. However, **to the extent allowed under federal law or under a waiver approved under federal law,** the amount of assistance may not exceed the following:

(1) dependent child living with nonneedy relative: **$451** [FOR A DEPENDENT CHILD WHO IS LIVING IN THE HOME OF A NONNEEDY RELATIVE, $452], plus **$99** [$102] for each additional child;

(2) dependent child living with parent:

(A) for a parent and one dependent child, a maximum of $794 [$821];

(B) for each additional dependent child, $99 [OR FOR A SECOND PARENT, $102] a month [PER INDIVIDUAL];

(3) pregnant woman who is otherwise eligible for assistance under this section, $497 [OR A SINGLE-PERSON HOUSEHOLD THAT DOES NOT CONSIST OF A DEPENDENT CHILD: $514] a month.

* Sec. 4. AS 47.25.320 is amended by adding new subsections to read:

(h) To the extent allowed under federal law or under a waiver approved under federal law, the department shall reduce the shelter allowance used under AS 47.25.310 - 47.25.420 for a family whose shelter costs are lower than the standard shelter allowance used by the department for similar families. The shelter allowance for a family whose costs are below the standard allowance shall be an amount equal to the family's actual verified shelter costs. In this subsection,

(1) "shelter allowance" means the portion of the benefit under AS 47.25.310 - 47.25.420 that is allocated by the department for shelter costs;

(2) "shelter costs" means

(A) rental payments or mortgage payments for the family's housing, including payments made for property or mortgage insurance and property taxes; and

(B) the cost of utilities, including heat, electricity, basic telephone service, water, sewer, and garbage services incurred for the family's housing; the department may establish different utility cost standards for different areas of the state and may use an average utility cost per month based on estimated level payments over a 12-month period.

(i) To the extent allowed under federal law or under a waiver approved under federal law, the department shall, for the months of July, August, and September, reduce by 50 percent the maximum assistance for which the family is otherwise eligible if the family's eligibility for assistance is based on the unemployment of the family's principal wage earner. However, if the commissioner determines that temporary economic conditions have resulted in decreased employment opportunities

during those months compared to previous months and a reduction in assistance would impose an undue hardship on a family, the department may waive application of this paragraph with respect to that family.

* Sec. 5. AS 47.25.360 is amended to read:

Sec. 47.25.360. GRANTING OF ASSISTANCE. Upon the completion of the investigation the department shall decide whether the child is eligible for assistance under AS 47.25.310 - 47.25.420, the amount of assistance, and the date on which it starts. The department shall notify the person having custody of the child of its decision. **Except as provided in AS 47.25.315(b), the** [THE] assistance shall be paid monthly to the person having custody of the child upon order of the department.

* Sec. 6. AS 47.25 is amended by adding a new section to read:

Sec. 47.25.364. TIME LIMITS ON BENEFITS. (a) A family is not eligible for more than 24 months of assistance under AS 47.25.310 - 47.25.420 during any 60 consecutive months that occur after the effective date of this section unless

(1) the family includes only one parent or consists solely of a pregnant woman and the parent or pregnant woman, as applicable, is

(A) determined, under regulations of the department to be physically or mentally unable to perform gainful activity; or

(B) providing care for a child who is experiencing a disability; or

(2) the family includes two parents and each of the parents is either

(A) determined, under regulations of the department to be physically or mentally unable to perform gainful activity; or

(B) is the principal caretaker of a child who is experiencing a disability.

(b) Notwithstanding (a) of this section, a family that becomes ineligible for assistance solely by operation of (a) of this section nevertheless remains eligible for medical assistance under AS 47.07 for a period of 12 months after losing eligibility for assistance under (a) of this section.

(c) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may

be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* Sec. 7. AS 47.25 is amended by adding a new section to read:

Sec. 47.25.366. SCHOOL ATTENDANCE. (a) The department shall reduce the assistance for which an assistance unit is otherwise eligible under AS 47.25.310 - 47.25.420 if a minor parent in the assistance unit fails, without good cause, to meet standards of adequate levels of school attendance, as defined in regulations of the department. The reduction under this subsection shall be achieved by disregarding the needs of the person who failed to meet the school attendance standards. The person's needs shall be disregarded until the minor parent complies.

(b) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* Sec. 8. AS 47 is amended by adding a new chapter to read:

CHAPTER 27. ALASKA FAMILY INDEPENDENCE PROGRAM.

Sec. 47.27.005. DUTIES OF THE DEPARTMENT. The department shall

(1) administer the Alaska family independence program by providing assistance with basic living expenses and self-sufficiency services to needy children and their families under this chapter;

(2) establish, by regulation, program standards that will provide incentives to work, incentives for financial planning, and opportunities to develop self-sufficiency while providing assistance with basic living expenses;

(3) prepare, submit to the federal government, and amend, if necessary, a state plan designed to assure that federal money is available to the state for the operation of the program set out in this chapter to provide assistance for basic living expenses and self-sufficiency services to needy children and their families consistent with the state objectives identified in (2) of this section;

(4) adopt methods of program administration to ensure consistency with the federal requirements under any successor federal program that replaces the aid to families with dependent children program;

(5) make reports to the federal government as required under any successor federal program that replaces the aid to families with dependent children program, in the form and containing the information required, and comply with the provisions that the federal government determines are necessary to ensure correct and verifiable information on the program;

(6) provide to the legislature an annual executive summary of the information required to be reported to the federal government under (5) of this section;

(7) conduct studies and research in order to evaluate and monitor the effectiveness of the state program; and

(8) adopt regulations and take action to implement, interpret, and administer the provisions of this chapter.

Sec. 47.27.010. ELIGIBLE FAMILIES. The following families may apply for assistance under the Alaska family independence program:

(1) a single parent who has the physical custody of one or more related dependent children;

(2) a caretaker of one or more dependent children who is a relative to at least the fifth degree;

(3) a woman in the last trimester of pregnancy; or

(4) a two-parent family with physical custody of one or more related dependent children.

Sec. 47.27.015. DISQUALIFYING CONDITIONS. (a) A family is not eligible for assistance under the Alaska family independence program if the family includes an adult who

(1) has received benefits under the Alaska family independence program, or a program of another state operated under a federal assistance grant program for needy families, for a total of 60 months as the caretaker or spouse of a caretaker of a dependent child or as a pregnant woman, unless the caretaker or pregnant woman is

(A) determined, under regulations of the department to be physically or mentally unable to perform gainful activity;

(B) a parent who is providing care for a child who is

experiencing a disability; or

(C) a family determined by the department to be exempt from this paragraph by reason of hardship; the number of families for which an exemption is in effect under this subparagraph may not exceed 10 percent or the maximum percentage of families allowed an exemption under federal law, whichever is greater; or

(2) is determined to be fleeing to avoid prosecution, custody, or confinement after conviction, in this or another jurisdiction, for a crime that is classified as a felony or a class A misdemeanor under AS 11 or the criminal laws of the jurisdiction where the criminal activity was committed.

(b) A family is not eligible for assistance under this chapter for a period of 120 months beginning on the date the adult applicant for the family is convicted of having fraudulently misrepresented the applicant's residence in order to receive assistance in more than one state under a program financed with federal money under any successor federal program that replaces the aid to families with dependent children program.

(c) A family is not eligible for the following time periods if the family's demonstrated need for assistance is due to a refusal of or voluntary separation from suitable employment by the adult applicant, or a custodial parent or caretaker, without good cause:

(1) one month for the first refusal or separation without good cause;

(2) six months for the second refusal or separation without good cause; and

(3) 12 months for the third and subsequent refusal or separation without good cause.

(d) A family is not eligible for assistance for up to 12 months if the family's demonstrated need is due to an intentional transfer of an asset or assets at less than fair market value for the purpose of establishing eligibility for assistance. A period of ineligibility shall begin on the first day of the month following the transfer of the asset or assets and shall remain in effect for a number of months equal to the fair market value of the transferred asset or assets divided by the maximum payment amount for

the family as established under AS 47.27.025, or for 12 months, whichever is less.

(e) An Alaska family independence program applicant or participant who is administratively disqualified for making a false statement or misrepresentation knowing it was false, or for knowingly failing to disclose a material fact, in order to obtain or increase assistance or services under this chapter is not eligible to receive assistance under this chapter for a period of

(1) six months following the first disqualification;

(2) 12 months following the second disqualification; and

(3) permanently following the third disqualification.

Sec. 47.27.020. APPLICATION AND REQUIREMENTS FOR ASSISTANCE. (a) An applicant for assistance under the Alaska family independence program shall complete an application in writing, or by electronic means, and in a form specified by the department. The applicant must be a pregnant woman or an individual who has physical custody of the dependent child or children. The application must be complete and must provide all of the information about the family and the child or children that is requested by the department. The applicant shall provide all supporting documentation for verification that the department determines to be necessary to establish eligibility.

(b) On the application, each applicant shall attest to whether the family, at any time, has received assistance from another state program that was established with federal money under any successor federal program that replaces the aid to families with dependent children program and whether the family has ever been disqualified from receiving assistance under a successor federal program that replaces aid to families with dependent children for the period for which the application has been submitted.

(c) An applicant shall agree to cooperate with the department to establish a family self-sufficiency plan and to participate in work activities if assigned by the department.

(d) An applicant shall acknowledge the assignment of support rights as required by AS 47.27.040(a) and shall agree to cooperate with the child support enforcement agency of the Department of Revenue to the extent required under

AS 47.27.040(b). The applicant shall agree to report all child support payments received directly by the family, during or for a period for which the family is receiving assistance under this chapter, to the department within 15 days after receipt of those payments.

(c) An applicant shall update the information requested in the application at regular intervals as established by the department in regulation. The department may conduct reviews of an application and audit the information provided as necessary to determine eligibility.

Sec. 47.27.025. FAMILY ASSISTANCE. (a) Subject to the availability of appropriations for the purpose of providing assistance under this chapter, the department shall provide assistance for basic living expenses to families that establish eligibility based on a determination of need that considers the family's available income, assets, and other resources, as established by the department in regulation. Each dependent child in the family is eligible for assistance except as otherwise provided in AS 47.27.015 or 47.27.027(b), and assistance received as a dependent child does not count against eligibility for assistance under this chapter as a caretaker or spouse of a caretaker of a dependent child or as a pregnant woman.

(b) The amounts of assistance for basic living expenses may not exceed the following:

(1) for a dependent child living with a nonneedy relative caretaker, $451 per month, plus $99 for each additional child;

(2) for a dependent child living with at least one needy parent or relative caretaker, $794 per month, plus $99 for each additional child and $99 for a second needy parent if the second parent is physically or mentally unable to perform gainful activity as defined by department regulation; or

(3) for a family consisting solely of an eligible pregnant woman, $497 per month.

(c) The department shall, for the months of July, August, and September, reduce by 50 percent the maximum assistance for which the family is otherwise eligible if the family's eligibility for assistance is based on the unemployment of the family's principal wage earner. However, if the commissioner determines that

temporary economic conditions have resulted in decreased employment opportunities during those months compared to previous months and a reduction in assistance would impose an undue hardship on a family, the department may waive application of this paragraph with respect to that family.

(d) The department shall reduce assistance under this section to the extent that the family's shelter costs are lower than the standard shelter allowance used by the department for similar families. The shelter allowance for a family whose costs are below the standard allowance shall be an amount equal to the family's actual verified shelter costs. In this subsection,

(1) "shelter allowance" means the portion of the assistance provided under this section that is allocated by the department for shelter costs;

(2) "shelter costs" means

(A) rental payments or mortgage payments for the family's housing, including payments made for property or mortgage insurance and property taxes; and

(B) the cost of utilities, including heat, electricity, basic telephone service, water, sewer, and garbage services incurred for the family's housing; the department may establish different utility cost standards for different areas of the state and may use an average utility cost per month based on estimated level payments over a 12-month period.

(e) The department may, instead of paying all of the cash assistance to a family under this section, use all or part of the cash assistance as a wage subsidy paid to an employer who employs a person in the family at a wage that is higher than the wage subsidy. A subsidy under this subsection may not exceed one year in duration.

(f) Notwithstanding any other provision of this chapter, if the amount appropriated to the department at the beginning of a fiscal year for assistance under this chapter for that fiscal year is estimated by the department to be insufficient to fully fund the assistance described under this chapter, the department shall, at the beginning of the fiscal year, reduce the assistance granted to each family by a percentage determined to be sufficient to continue operation of the program under this chapter at the reduced level for the entire fiscal year. If, at any time during the fiscal

year, the department determines that its initial estimate and reductions were inaccurate, the department shall adjust assistance levels again for the remainder of the fiscal year, subject to the maximum assistance levels set under this section.

Sec. 47.27.026. DIVERSION PAYMENTS. (a) The department may offer a lump-sum diversion payment in place of ongoing assistance and services to an adult applicant who applies for assistance under AS 47.27.020 if the adult applicant is job ready and is determined to need only short-term financial assistance to meet critical needs in order to secure employment and support for the adult applicant's family. The department shall set standards and conditions for diversion payments by regulation.

(b) The department may pay diversion benefits to an applicant's family only if that family appears to be eligible for benefits under AS 47.27.020 and to include a job-ready individual based on the information provided to the department in the application completed under AS 47.27.020. The department may offer to an applicant with the potential to participate in the diversion project a choice between

(1) having the Alaska family independence program application processed under AS 47.27.020 and the regulations adopted by the department; or

(2) having the application referred to the diversion project of the Alaska family independence program for a determination of project benefits under this section.

(c) The amount of the diversion payment must be sufficient to meet the family's immediate needs as determined by the department and the participant. A diversion payment may not exceed the amount the family would be eligible to receive as cash assistance in the first two months of eligibility under AS 47.27.025 if the family did not elect to receive a diversion payment.

(d) As a condition of a family receiving a diversion payment under this section, the participant must sign an agreement that

(1) specifies the amount of the diversion payment and the needs it is intended to cover;

(2) provides that, during the three-month period beginning with the month in which the diversion payment was received, child support collected on behalf of a child whose needs were considered in determining the diversion payment shall be paid to the family; and

(3) provides that if the family reapplies for Alaska family independence program assistance under AS 47.27.020 during the three months beginning with the month in which the family received a diversion payment, the diversion payment shall be treated as unearned income, prorated over the three-month period, and deducted from any Alaska family independence program benefit the family may be eligible for under the new application.

(e) A family that receives a diversion payment may not receive another diversion payment before the 12th month following the month in which it last received a diversion payment.

(f) To the extent that (d)(2) of this section is inconsistent with AS 25.27.120 or 25.27.130, or with another provision of this chapter, (d)(2) of this section governs.

Sec. 47.27.027. ASSISTANCE TO MINORS. (a) If an applicant under AS 47.27.020 is not married, is under the age of 18, and has not been previously emancipated under AS 09.55.590, the applicant must

(1) live in a home maintained by the applicant's parent, legal guardian, or other adult relative, unless the applicant establishes that there is good cause, as established by the department in regulation, to waive this requirement; if the department waives this requirement, the applicant must live in an approved, adult-supervised, supportive living environment;

(2) agree that assistance for basic living expenses on behalf of the applicant's family may be paid to the applicant's parent, legal guardian, or other adult relative, or, if applicable, to the adult head of the adult-supervised, supportive living environment in which the applicant resides; and

(3) maintain attendance in a secondary school or other appropriate training program unless the applicant has a high school diploma or general equivalent diploma.

(b) The department shall reduce the assistance for which an assistance unit is otherwise eligible under this chapter if a minor parent in the assistance unit fails, without good cause, to meet standards of adequate levels of school attendance, as defined in regulations of the department. The reduction under this subsection shall be achieved by disregarding the needs of the person who failed to meet the school

attendance standards. The person's needs shall be disregarded until the minor parent complies.

Sec. 47.27.030. FAMILY SELF-SUFFICIENCY PLAN. (a) A participant in the Alaska family independence program shall cooperate with the department, or its designee, to develop and sign a family self-sufficiency plan that includes

(1) the steps the family will take towards the self-sufficiency of the family;

(2) the self-sufficiency services the department will provide to assist the family to attain self-sufficiency;

(3) specific benchmarks to indicate the steps toward successful completion of the family plan;

(4) a statement that the family may be subject to benefit reductions or other sanctions if the family fails to comply with the family plan; and

(5) a statement that describes the necessary conditions and the steps that must be taken to renegotiate the terms of the family plan.

(b) The family self-sufficiency plan must set a time period for the achievement of self-sufficiency from assistance under the Alaska family independence program. That time period may not provide for any more than a total of 60 months of assistance under the Alaska family independence program.

(c) A family is exempt from the requirement that the family have a self-sufficiency plan under this section if the family

(1) does not include a needy adult;

(2) does not include an adult physically or mentally able to perform gainful activity; or

(3) is receiving a diversion payment under AS 47.27.026.

Sec. 47.27.035. PARTICIPATION IN WORK ACTIVITIES. (a) An Alaska family independence program participant shall participate in work activities upon assignment by the department or its designee in order for the family to continue to receive assistance or services from the department under the Alaska family independence program, unless the participant is exempt from the work participation requirements under one or more of the exemptions set out in (b) or (c) of this section.

(b) A parent or caretaker with a dependent child of up to 12 months of age may be exempt from work participation requirements for up to 12 months, as established in the family self-sufficiency plan.

(c) A parent or caretaker may be exempt from work participation requirements in the family self-sufficiency plan if

(1) the parent or caretaker is providing home care for a child who is experiencing a disability or a related, disabled person who requires 24-hour care;

(2) the parent or caretaker establishes an inability to participate for medical reasons supported by documentation from a physician or other licensed medical professional;

(3) the participation would impose an unreasonable hardship on the family; or

(4) there is a dependent child in the home that has not yet attained six years of age and the parent or caretaker demonstrates an inability to obtain needed child care because appropriate child care is not available.

(d) A participant in work activities under this section is not a state employee for purposes of AS 39.25 (State Personnel Act).

(e) A participant in work activities under this section is not considered an employee of the state or other public employer for purposes of AS 23.40.070 - 23.40.260 (Public Employment Relations Act) nor shall any provision of a collective bargaining agreement entered into under AS 23.40.070 - 23.40.260 be construed to interfere with the department's authority to assign participants to work activities as authorized under this section.

Sec. 47.27.040. ASSIGNMENT OF SUPPORT RIGHTS; COOPERATION WITH CHILD SUPPORT ENFORCEMENT AGENCY. (a) An Alaska family independence program applicant is considered to have assigned to the state, through the child support enforcement agency of the Department of Revenue, all rights to accrued and continuing child support, from all sources, that is due for the support of any individuals in the family for whom support is sought. The assignment takes effect upon a determination that the applicant's family is eligible for assistance under this chapter. Except with respect to the amount of any unpaid support obligation accrued

under the assignment, the assignment terminates when the family ceases to be a participant in the Alaska family independence program.

(b) An Alaska family independence program participant shall cooperate with the child support enforcement agency of the Department of Revenue in establishing paternity or establishing, modifying, or enforcing a child support order requiring the payment of support by the noncustodial parent for a dependent child for whom Alaska family independence program assistance is received unless the participant establishes good cause for refusing to cooperate.

(c) The department may distribute to an Alaska family independence program participant $50 per month from a monthly child support payment, or the amount of the child support payment if it is less than $50, received by the child support enforcement agency for the support of a child for whom Alaska family independence program assistance is paid.

Sec. 47.27.045. ALIENATION AND ATTACHMENT. Assistance granted under this chapter is inalienable by assignment or transfer and is exempt from garnishment, levy, or execution as is provided in AS 09.38.

Sec. 47.27.050. GRANTS AND CONTRACTS FOR SERVICES. (a) The department may contract with or award grants to qualified entities in the state to administer an Alaska family independence program or a distinct part of the Alaska family independence program. The department may establish standards for the administration of services under the grant or contract, including fees to be charged to applicants for or recipients of those services.

(b) Contracts authorized under this section are to be administered in accordance with AS 47.05.015. Grants authorized under this section are to be awarded using requirements, established in regulation, that are substantially similar to those set out in AS 47.05.015 for contracts.

(c) This section may not be construed to expand the powers of a municipality.

(d) In this section, "qualified entities" include municipalities, other political subdivisions of the state, nonprofit corporations formed under AS 10.20, churches and religious organizations, and incorporated and unincorporated businesses operating within the state that meet the requirements established by the department in regulation.

Sec. 47.27.055. AGENCY COLLABORATION. (a) The department shall coordinate with other state agencies that provide assistance, benefits, or services to applicants that are eligible for and to participants in the Alaska family independence program in order to facilitate the application for and delivery of assistance, benefits, or services to promote family self-sufficiency. Subject to appropriations, state agencies may locate their facilities and operations near each other in order to improve service delivery.

(b) The department may provide information received under this chapter to other state agencies in order to facilitate the delivery of services. Information received from an applicant for or participant in the Alaska family independence program shall be treated as confidential by all state agencies that share the information under this section and is not open to public inspection or copying under AS 09.25.110 - 09.25.125. Misuse of public assistance lists or information is punishable as a violation of AS 47.05.030.

(c) Departments in the executive branch shall cooperate in fulfilling the purposes of this chapter, including, subject to appropriations, the establishment of temporary positions that will provide job opportunities for families participating in the Alaska family independence program. Temporary positions established for this purpose are in the exempt service under AS 39.25.110 but are not subject to AS 39.25.195. An individual participating in the Alaska family independence program who holds a temporary position established for purposes of this subsection is not a public employee for purposes of AS 23.40.070 - 23.40.260.

Sec. 47.27.060. JOB DEVELOPMENT. The department may establish cooperative agreements with the Department of Labor, Department of Community and Regional Affairs, Department of Education, and Department of Commerce and Economic Development, and with other public or private sector organizations for the purpose of developing job, training, and educational opportunities for families eligible for assistance under this chapter.

Sec. 47.27.065. FEDERAL-STATE COOPERATION. In the administration of this chapter, the department shall cooperate with the Secretary of the United States Department of Health and Human Services and shall take actions necessary to comply

with the requirements of federal law to obtain public assistance block grants or other federal assistance available for the purposes of this chapter. The department shall make reports in the form and containing the information required to the Secretary of the United States Department of Health and Human Services. The department may cooperate with federal agencies charged with the administration of the federal public assistance block grants and other financial assistance.

Sec. 47.27.070. ALASKA NATIVE ORGANIZATIONS' FAMILY ASSISTANCE PROGRAMS. (a) The department may coordinate only with the following Alaska Native organizations, as designated under federal law, in the development of family assistance programs:

(1) Arctic Slope Native Association;

(2) Kawerak, Inc.;

(3) Maniilaq Association;

(4) Association of Village Council Presidents;

(5) Tanana Chiefs Conference;

(6) Cook Inlet Tribal Council;

(7) Bristol Bay Native Association;

(8) Aleutian and Pribilof Island Association;

(9) Chugachmiut;

(10) Tlingit Haida Central Council;

(11) Kodiak Area Native Association;

(12) Copper River Native Association; and

(13) Metlakatla Indian Community of the Annette Islands Reserve; however, the department may cooperate with the Metlakatla Indian Community under this chapter only if the community waives any claim to sovereign immunity with respect to matters involved with the family assistance program.

(b) The department may cooperate with the Alaska Native organizations named in (a) of this section to propose program criteria to the Secretary of the United States Department of Health and Human Services in order to promote programs comparable to the state program for families living within the organizations' family assistance areas.

(c) Notwithstanding other provisions of this section, the department may coordinate with an Alaskan Native organization under (a) of this section only if, for purposes of this chapter, the Alaska Native organization incorporates a nonprofit entity under state law and the nonprofit entity is active and in good standing, as determined by the Department of Commerce and Economic Development.

Sec. 47.27.075. EMERGENCY ACCOUNT ESTABLISHED. There is established within the general fund the Alaska family independence program emergency account. The account consists of appropriations that were made by the legislature from federal money available for assistance under this chapter, including lapsing money that was previously appropriated from federal money for the Alaska family independence program, but that were not expended or obligated in the fiscal year for which they were appropriated.

Sec. 47.27.080. APPEALS; DISPUTE RESOLUTION. (a) An applicant or participant who receives a determination from the department that denies, limits, or modifies the assistance or services provided under this chapter may request a hearing before the department or a representative of the department appointed for that purpose. If a representative is appointed, the representative shall conduct the hearing under the regulations adopted by the department. The appeal is not subject to AS 44.62.330 - 44.62.630.

(b) The department may require an applicant or participant to participate in an informal dispute resolution process before a formal hearing. The department may adopt regulations establishing the informal dispute resolution process.

Sec. 47.27.085. SANCTIONS; RECOVERY OF COSTS. (a) The department shall penalize an Alaska family independence program applicant or participant who, without good cause, fails to comply with a condition of the family self-sufficiency plan or who fails to participate in work activities required as a part of the Alaska family independence program by disregarding that person as a member of the family for purposes of determining the amount of assistance given to the family. The period of time during which the department shall disregard the noncomplying person for purposes of determining the amount of the family's assistance is

(1) until the person is in compliance under this subsection if the person

has not previously been disregarded under this subsection;

(2) the longer of six months or until the person is in compliance under this subsection if the person has previously been disregarded under (1) of this subsection;

(3) the longer of 12 months or until the person is in compliance under this subsection if the person has previously been disregarded under (2) of this section.

(b) An Alaska family independence program applicant or participant who, without good cause, fails to cooperate with establishment of paternity or the establishment, modification, or enforcement of a support order for a child for whom assistance is received is subject to a reduction or limitation in assistance or services for the term of noncooperation as required by federal law and as specified in regulations adopted by the department.

(c) An Alaska family independence program applicant or participant who receives assistance or services when not entitled to them under this chapter because the information provided by the applicant or participant was inaccurate or incomplete is liable to the department for the value of the assistance and services improperly provided to the applicant or participant.

(d) In a civil action brought by the state to recover the value of assistance or services improperly provided under this chapter, the state may recover costs of investigation and prosecution of the civil action, including attorney fees as determined under court rules.

Sec. 47.27.900. DEFINITIONS. In this chapter,

(1) "assistance for basic living expenses" means assistance provided under the Alaska family independence program that may include cash, vouchers, or third-party vendor payments;

(2) "child care assistance" means payments made by the Department of Health and Social Services or the Department of Community and Regional Affairs to Alaska family independence program participant families or to providers for the care of children of the participant families;

(3) "child support" includes court-ordered or administratively ordered child support, medical support, and spousal support;

(4) "child support enforcement agency" means the child support enforcement agency in the Department of Revenue;

(5) "commissioner" means the commissioner of health and social services;

(6) "department" means the Department of Health and Social Services;

(7) "dependent child" means an individual who

(A) has not attained

(i) 18 years of age; or

(ii) 19 years of age and is a full-time student in a secondary school or in the equivalent level of vocational or technical training; and

(B) is not an applicant under AS 47.27.020;

(8) "self-sufficiency services" means work-related services, community service work referrals, child care assistance, and other services determined by the department in regulation to promote family self-sufficiency;

(9) "work activities" includes job readiness assessments, on-the-job training, education and vocational training, job sampling, job search requirements, subsidized and unsubsidized work, and community work service.

Sec. 47.27.990. SHORT TITLE. This chapter may be cited as the Alaska family independence program.

* Sec. 9. AS 15.07.055(a) is amended to read:

(a) The following agencies are designated voter registration agencies:

(1) the Department of Public Safety, division of motor vehicles;

(2) divisions of the Department of Health and Social Services that provide public assistance through the food stamp program, Medicaid program, Special Supplemental Food Program for Women, Infants, and Children (WIC), and <u>Alaska family independence program</u> [AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) PROGRAM];

(3) the division of the Department of Community and Regional Affairs that is responsible for municipal and regional assistance programs; and

(4) all recruitment offices of the armed forces of the United States

located in Alaska.

* **Sec. 10.** AS 23.10.055 is amended by adding a new paragraph to read:

(14) an individual engaged in activities for a nonprofit religious, charitable, civic, cemetery, recreational, or educational organization where the employer-employee relationship does not, in fact, exist, and where services are rendered to the organization under a work act :quirement of AS 47.27 (Alaska family independence program).

* **Sec. 11.** AS 23.40.075 is amended to read:

Sec. 23.40.075. ITEMS NOT SUBJECT TO BARGAINING. The parties may not negotiate terms contrary to the

(1) [THE] reemployment rights for injured state employees under AS 39.25.158; [OR]

(2) [THE] reemployment rights of the organized militia under AS 26.05.075;

(3) authority of the Department of Health and Social Services under AS 47.27.035 to assign Alaska family independence program participants to a work activity considered appropriate by the Department of Health and Social Services; or

(4) authority for agencies to create temporary positions under AS 47.27.055(c).

* **Sec. 12.** AS 25.20.050(f) is amended to read:

(f) If the child support enforcement agency is a party in an action in which paternity is contested, the agency shall request the court to order the tests and procedures described in (e) of this section. The agency may recover the costs of tests as a cost of the action, except that costs may not be recovered from a person who is a recipient of assistance [AID] under AS 47.27 (Alaska family independence program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

* **Sec. 13.** AS 25.27.025 is amended to read:

Sec. 25.27.025. RATE OF INTEREST. The rate of interest imposed under AS 25.27.020(a)(2)(C) shall be six percent a year [EQUAL THE RATE IMPOSED

UNDER AS 43.05.225] or a lesser rate that is the maximum rate of interest permitted to be imposed under federal law.

* **Sec. 14.** AS 25.27.040(a) is amended to read:

(a) The agency may appear on behalf of minor children or their mother or legal custodian or the state and initiate efforts to have the paternity of children born out of wedlock determined by the court. When the agency is a party to a court action in which paternity is contested, it shall request and pay for genetic testing and procedures under AS 25.20.050(f). The agency may recover the costs of the tests as a cost of the court action, except that costs may not be recovered from a person who is a recipient of assistance [AID] under AS 47.27 (Alaska family independence program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

* **Sec. 15.** AS 25.27.065(b) is amended to read:

(b) When the right to receive child support has been assigned to a governmental entity, an agreement under (a) of this section that has not been adopted as an administrative order of the agency is not effective during a period when the obligee is receiving assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420].

* **Sec. 16.** AS 25.27.120(a) is amended to read:

(a) An obligor is liable to the state in the amount of assistance granted under AS 47.07 and AS 47.27 [AS 47.25.310 - 47.25.420] to a child to whom the obligor owes a duty of support except that, if a support order has been entered, the liability of the obligor for assistance granted under AS 47.27 [AS 47.25.310 - 47.25.420] may not exceed the amount of support provided for in the support order, and, if a medical order of support has been entered, the liability of the obligor for assistance granted under AS 47.07 may not exceed the amount of support provided for in the medical order of support.

* **Sec. 17.** AS 25.27.125(b) is amended to read:

(b) The annual estimated balance in the account maintained by the commissioner of administration under AS 37.05.142 may be used by the legislature to make appropriations to the Department of Health and Social Services to carry out the

purposes of AS 47.10.230 - 47.10.260 and AS 47.27 [AS 47.25.310 - 47.25.420].

* Sec. 18. AS 25.27.130(c) is amended to read:

(c) The recovery of any amount for which the obligor is liable that exceeds the total assistance granted under AS 47.07 and AS 47.27 [AS 47.25.310 - 47.25.420] shall be paid to the obligee.

* Sec. 19. AS 25.27.130(d) is amended to read:

(d) Except as provided in (f) of this section, if the obligee is not receiving assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420] at the time the state recovers money in an action under this section, the recovery of any amount for which the obligor is liable shall be distributed to the obligee for support payments, including medical support payments, that have become due and unpaid since the termination of assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420] under a support order in favor of the obligee.

* Sec. 20. AS 25.27.130(e) is amended to read:

(e) After payment to the obligee under (d) of this section, the state may retain an amount not to exceed the total unreimbursed assistance paid on behalf of the obligee under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420].

* Sec. 21. AS 25.27.130(f) is amended to read:

(f) Notwithstanding (d) of this section, the state shall, if required under federal law or regulations, distribute amounts recovered through offset of the obligor's federal tax refund as past due support with first distribution to the state for unpaid support assigned to the state under AS 47.07.025 and AS 47.27.040 [AS 47.25.345].

* Sec. 22. AS 25.27.165(i) is amended to read:

(i) The agency may recover any costs it pays for genetic tests required by this section, except that costs may not be recovered from a person who is a recipient of assistance [AID] under AS 47.27 (Alaska family independence program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

* Sec. 23. AS 36.30.850(b)(11) is amended to read:

(11) agreements with providers of services under AS 44.47.250; AS 47.07; AS 47.08; AS 47.10; AS 47.17; AS 47.24; and AS 47.27, including contractors under AS 47.27.050 [AS 47.25.195 AND 47.25.310];

* **Sec. 24.** AS 39.25.110 is amended by adding a new paragraph to read:

(31) a participant in the Alaska family independence program under AS 47.27 who holds a temporary position with the state in order to obtain job training or experience.

* Sec. 25. AS 44.19.626(a) is amended to read:

(a) As the lead state planning and coordinating entity, the Alaska Human Resource Investment Council has responsibility, to the extent authorized by federal and state law, for planning and coordinating federal, state, and local efforts in human resource programs in this state related to employment training, **including the work activities of the Alaska family independence program under AS 47.27**.

* Sec. 26. AS 44.29.020(a) is amended to read:

(a) The Department of Health and Social Services shall administer the state programs of public health and social services, including

(1) maternal and child health services;

(2) preventive medical services;

(3) public health nursing services;

(4) nutrition services;

(5) health education;

(6) laboratories;

(7) mental health treatment and diagnosis;

(8) management of state institutions, except for adult penal institutions;

(9) medical facilities;

(10) adult public assistance;

(11) **Alaska family independence program** [AID TO FAMILIES WITH DEPENDENT CHILDREN];

(12) child welfare services;

(13) general relief; and

(14) licensing and supervision of child care facilities.

* Sec. 27. AS 44.47.280 is amended to read:

Sec. 44.47.280. ELIGIBILITY OF FAMILIES FOR BENEFITS. The department shall determine the eligibility of families for day care benefits on the basis

of the following factors:

(1) [NET] income of the family, including salary, alimony, child support, retirement benefits, social security, and any other source of income;

(2) number of children in the family;

(3) whether there is one parent or guardian solely responsible for the care of the family [;

(4) REPEALED

(5) OTHER FACTORS FOUND RELEVANT BY THE DEPARTMENT].

* Sec. 28. AS 47.05.010(1) is amended to read:

(1) administer adult public assistance, the Alaska family independence program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and all other assistance programs, and receive and spend money [FUNDS] made available to it;

* Sec. 29. AS 47.05.010(2) is amended to read:

(2) adopt regulations necessary for the conduct of its business and for carrying out federal and state laws granting adult public assistance, temporary assistance for needy families under the Alaska family independence program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and other assistance;

* Sec. 30. AS 47.05.010(5) is amended to read:

(5) cooperate with the federal government in matters of mutual concern pertaining to adult public assistance, the Alaska family independence program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and other forms of public assistance;

* Sec. 31. AS 47.05.010 is amended by adding a new paragraph to read:

(14) provide education and health-related services and referrals designed to reduce the number of out-of-wedlock pregnancies and the number of induced pregnancy terminations in the state.

* Sec. 32. AS 47.05.030 is amended to read:

Sec. 47.05.030. MISUSE OF PUBLIC ASSISTANCE LISTS AND RECORDS. Except with respect to a legislator or a legislator's employee in connection with official purposes within the scope of the legislator's or employee's

legislative functions, or for purposes directly connected with the administration of general assistance, adult public assistance, the day care assistance program authorized under AS 44.47.250 - 44.47.310, or the Alaska family independence program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and in accordance with the regulations of the department, a person may not solicit, disclose, receive, make use of, or authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or names of, or information concerning, persons applying for or receiving the assistance directly or indirectly derived from the records, papers, files, or communications of the department or subdivisions or agencies of the department, or acquired in the course of the performance of official duties.

* Sec. 33. AS 47.05.080(a) is amended to read:

(a) Benefit overpayments collected by the department in administering programs under AS 47.25.120 - 47.25.300 (general relief), [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN),] AS 47.25.430 - 47.25.615 (adult public assistance), [AND] AS 47.25.975 - 47.25.990 (food stamps), and AS 47.27 (Alaska family independence program) shall be remitted to the Department of Revenue under AS 37.10.050(a).

* Sec. 34. AS 47.07.020(b)(1) is amended to read:

(1) persons eligible for but not receiving assistance under any plan of the state approved under [42 U.S.C. 601 - 615 (TITLE IV-A, SOCIAL SECURITY ACT, AID TO FAMILIES WITH DEPENDENT CHILDREN) OR] 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental Security Income) or a federal program designated as the successor to the aid to families with dependent children program;

* Sec. 35. AS 47.07.020(b)(5) is amended to read:

(5) persons under age 21 who are in an institution designated as an intermediate care facility for the mentally retarded and who are financially eligible as determined by the standards of the federal program designated as the successor to the aid to families with dependent children program;

* Sec. 36. AS 47.07.020(b)(7) is amended to read:

(7) persons under age 21 who are receiving active treatment in a

psychiatric hospital and who are financially eligible as determined by the standards of the federal program designated as the successor to the [42 U.S.C. 601 - 615 (TITLE IV-A, SOCIAL SECURITY ACT,] aid to families with dependent children program [)];

* Sec. 37. AS 47.07.020(b)(8) is amended to read:

(8) persons under age 21 and not covered under (a) of this section, who would be eligible for benefits under the federal program designated as the successor to the aid to families with dependent children program, except that they have the care and support of both their natural and adoptive parents;

* Sec. 38. AS 47.07.020(b)(9) is amended to read:

(9) pregnant women not covered under (a) of this section and who meet the income and resource requirements of the federal program designated as the successor to the aid to families with dependent children program;

* Sec. 39. AS 47.07.035(26) is amended to read:

(26) individuals under age 21 who are not eligible for benefits under the federal program designated as the successor to the aid to families with dependent children program because they are not deprived of one or more of their natural or adoptive parents;

* Sec. 40. AS 43.05.225(2)(B) is repealed.

* Sec. 41. AS 47.25.310(c) is repealed.

* Sec. 42. AS 47.25.301, 47.25.302, 47.25.303, 47.25.305, 47.25.306, 47.25.307, 47.25.308, and 47.25.309 are repealed on the date established under sec. 52 of this Act.

* Sec. 43. AS 47.25.310, 47.25.311, 47.25.315, 47.25.320, 47.25.330, 47.25.340, 47.25.345, 47.25.350, 47.25.360, 47.25.364, 47.25.365, 47.25.366, 47.25.370, 47.25.380, 47.25.395, 47.25.400, 47.25.410, 47.25.420, 47.25.421, 47.25.423, 47.25.425, 47.25.427, and 47.25.429 are repealed on the date established under sec. 49 of this Act.

* Sec. 44. WAIVER APPLICATIONS. The Department of Health and Social Services shall promptly apply to the federal government for waivers if the department determines that waivers are necessary to implement AS 47.25.309, added by sec. 1 of this Act, or any part of secs. 2 - 7 or 41 of this Act. If waivers are not necessary for any particular provision, the department shall promptly submit a state plan amendment to the federal government to implement the change made by the provision.

* Sec. 45. TRANSITION. (a) The Department of Health and Social Services and the Department of Revenue, child support enforcement agency, may proceed to adopt regulations necessary to implement this Act. Regulations to implement a provision of this Act take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the relevant provision of this Act.

(b) Regulations adopted by the Department of Health and Social Services under the authority of AS 47.25.310 - 47.25.420 before the effective dates of secs. 1 - 8 of this Act remain in effect, and may be implemented and enforced to the extent that the regulations are not inconsistent with the corresponding provisions of secs. 1 - 8 of this Act, until the department has made regulation changes under AS 44.62 (Administrative Procedure Act) to implement this Act.

(c) Notwithstanding sec. 43 of this Act, an application for assistance filed under AS 47.25.310 - 47.25.420 remains effective as an application for the Alaska family independence program following the effective date of sec. 8 of this Act until the Department of Health and Social Services requires a new application with the development of a family self-sufficiency plan; new applications shall be required no later than one year following the effective date of sec. 8 of this Act.

(d) Litigation, hearings, investigations, collection actions, and other proceedings pending under a law amended or repealed by this Act continue in effect and may be completed by the Department of Health and Social Services notwithstanding the repeal or amendment under the Act.

* Sec. 46. APPLICABILITY. (a) AS 47.25.311(a), added by sec. 2 of this Act, and AS 47.27.015(e), added by sec. 8 of this Act, apply to disqualifications imposed on or after the effective dates of AS 47.25.311(a) and AS 47.27.015(e), respectively.

(b) AS 47.25.311(c), added by sec. 2 of this Act, and AS 47.27.015(c), added by sec. 8 of this Act, apply to refusals to accept, and separations from, suitable employment without good cause that occur on or after the effective dates of AS 47.25.311(c) and AS 47.27.015(c), respectively.

(c) AS 47.25.315, added by sec. 2 of this Act, and AS 47.27.027, added by sec. 8 of this Act, apply to minors who apply or reapply for assistance under AS 47.25.310 - 47.25.420 or AS 47.27.020, respectively, on or after the effective dates of AS 47.25.315 and AS 47.27.027, respectively.

* **Sec. 47.** AS 47.25.301, added by sec. 1 of this Act, and secs. 44, 45(a) and (b), and 46 of this Act take effect immediately under AS 01.10.070(c).

* **Sec. 48.** Sections 13, 40, and 45(c) and (d) of this Act take effect October 1, 1996.

* **Sec. 49.** Sections 8 - 12, 14, 15 - 39, and 43 of this Act take effect October 1, 1996, except that if the federal law providing for the aid to families with dependent children program has not been repealed by that date, those sections take effect on the first day after October 1, 1996, that the repeal of the federal aid to families with dependent children program is effective. The commissioner of health and social services shall notify the revisor of statutes and the lieutenant governor of the effective date of the repeal of the federal law providing for the aid to families with dependent children program.

* **Sec. 50.** AS 47.25.302 - 47.25.309, enacted by sec. 1 of this Act, secs. 2 - 7 of this Act, and sec. 41 of this Act take effect on the earlier of the following dates:

(1) the effective date for which the federal government approves and authorizes implementation of a state plan amendment effecting the change; or

(2) the effective date of a waiver received from the federal government that authorizes implementation of the provision.

* **Sec. 51.** The commissioner of health and social services shall notify the revisor of statutes and the lieutenant governor of the effective date of the sections and parts of sections governed by sec. 50 of this Act and of whether the effective date was determined by a waiver approval or a determination that a waiver is not necessary.

* **Sec. 52.** Section 42 of this Act takes effect on the earlier of July 1, 2003, or the effective date established in sec. 49 of this Act.

4-13-96
Sen. Green
Amends.
Distributed
Most substantive
amendment
discussed.

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB98 ( ), "N" 4/10/96

Page 10, line 28:

Insert new section to read:

AS 47.25.318 TRANSITIONAL ASSISTANCE (a) The department shall provide transitional child care assistance for up to 24 months after the first day of the month following the month the family became ineligible for cash assistance under AS 47.25.320 due to an increase in hours of or income from employment as long as the adult family member remains employed.

(b) The department shall provide transitional medical assistance coverage under AS 47.07 to adults and dependent children in a family for 12 months and to the dependent children in a family for up to 24 months after the first day of the month following the month the family became ineligible for cash assistance under AS 47.25.320 due to an increase in hours of or income from employment.

(c) Recipients of transitional child care assistance under (a) of this subsection shall contribute to the costs of transitional child care in accordance with the schedule established for the day care assistance program under AS 44.47.290.

(d) Benefits under (b) of this subsection shall to granted only to those families whose income is less than 185 percent of the federal poverty level for Alaska.

(e) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

Page 12, line 9

Insert new subsection (j)

(j) To the extent allowed under federal law and subject to appropriation, the department may pay for all or part of the costs of child care for a family receiving cash assistance under AS 47.25.320 if the department determines that child care is needed due to

the employment or required participation in an uncompensated work activity of the adult or the adults in the family.

Page 28, line 10

Insert new section to read:

AS 47.27.028 TRANSITIONAL ASSISTANCE (a) The department shall provide transitional child care assistance for up to 24 months after the first day of the month following the month the family became ineligible for assistance for basic living expenses due to an increase in hours of or income from employment as long as the adult family member remains employed.

(b) The department shall provide transitional medical assistance coverage under AS 47.07 to adults and dependent children in a family for 12 months and to the dependent children in a family for up to 24 months after the first day of the month following the month the family became ineligible for assistance for basic living expenses due to an increase in hours of or income from employment.

(c) Recipients of transitional child care assistance under (a) of this subsection shall contribute to the costs of transitional child care in accordance with the schedule established for the day care assistance program under AS 44.47.290.

(d) Benefits under (b) of this subsection shall to granted only to those families whose income is less than 185 percent of the federal poverty level for Alaska.

Page 48, line 15

Insert new section 42 to read:

Sec. 42 AS 47.07.020 is amended to read:

(h) Upon receipt of an approved federal waiver, the dependent children in a family which were receiving assistance under any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A of the Social Security Act, Aid to Families with Dependent Children), or its federal successor program, for at least three of the six months immediately preceding the month in which the family became ineligible due to an increase in hours of or income from employment, shall continue to be eligible for Medicaid coverage for 24 months after the first day of the month following the month the family became ineligible for assistance.

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB98 ( ), "N" 4/10/96

Page 7, line 9:

Before "applicant"

Insert "adult"

Page 7, line 11:

Before "applicant's"

Insert "adult"

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB98 ( ), "N" 4/10/96

Page 22, line 4:

Delete "who is an adult"

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB98 ( ), "N" 4/10/96

Page 24, line 28:

Delete "AS 39.25.125"

Insert "AS 39.25.195"

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB98 ( ), "N" 4/10/96

Page 25, lines 6 - 30:

Delete all

Page 26, line 26 to page 27 line 9:

Delete all

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB98 ( ), "N" 4/10/96

Page 27, lines 20:

After "(a)"

Insert "The Department shall penalize"

Page 27, line 24:

After "program"

Delete "is subject to a reduction in assistance and services as determined under regulations adopted by the department."

Insert "by disregarding that person as a member of the family for purposes of determining the amount of assistance given to the family. The period of time during which the department shall disregard the noncomplying person for purposes of determining the amount of the family's assistance is

(1) until the person is in compliance with this subsection if the person has not previously been disregarded under this subsection;

(2) the longer of six months or until the person is in compliance with this subsection if the person has previously been disregarded under (1) of this subsection;

(3) the longer of 12 months or until the person is in compliance with this subsection if the person has previously been disregarded under (2) of this subsection.

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB98 ( ), "N" 4/10/96

Page 28, line 28:

Delete "unemancipated"

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB98 ( ), "N" 4/10/96

Page 49, line 13:

After "governor"

Insert "and legislature"

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB98 ( ), "N" 4/10/96

Page 51, line 6:

Delete "25"

Page 51, line 8:

After "16 - 23,"

Insert "25,"

Old

Rewritten

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB98 ( ), "N" 4/10/96

Page 10, line 28:

Insert new section to read:

AS 47.25.318 TRANSITIONAL ASSISTANCE (a) The department shall provide transitional child care assistance for up to 24 months after the first day of the month following the month the family became ineligible for cash assistance under AS 47.25.320 due to an increase in hours of or income from employment as long as the adult family member remains employed.

(b) The department shall provide transitional medical assistance coverage under AS 47.07 to adults and dependent children in a family for up to 12 months and to the dependent children in a family for up to 24 months after the first day of the month following the month the family became ineligible for cash assistance under AS 47.25.320 due to an increase in hours of or income from employment.

(c) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

Page 12, line 9

Insert new subsection (j)

(j) To the extent allowed under federal law and subject to appropriation, the department may pay for all or part of the costs of child care for a family receiving cash assistance under AS 47.25.320 if the department determines that child care is needed due to the employment or required participation in an uncompensated work activity of the adult or the adults in the family.

Page 28, line 10

Insert new section to read:

AS 47.27.028 TRANSITIONAL ASSISTANCE (a) The department shall provide transitional child care assistance for 24 months after the first day of the month following the month the family became ineligible for assistance for basic living expenses due to an increase in hours of or income from employment as long as the adult family member remains employed.

(b) The department shall provide transitional medical assistance coverage under AS 47.07 to adults and dependent children in a family for up to 12 months and to the dependent children in a family for up to 24 months after the first day of the month following the month the family became ineligible for assistance for basic living expenses due to an increase in hours of or income from employment.

Page 48, line 15

Insert new section 42 to read:

Sec. 42 AS 47.27.020 is amended to read:

(h) Upon receipt of an approved federal waiver, the dependent children in a family which were receiving assistance under any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A of the Social Security Act, Aid to Families with Dependent Children), or its federal successor program, for at least three of the six months immediately preceding the month in which the family became ineligible due to an increase in hours of or income from employment, shall continue to be eligible for Medicaid coverage for 24 months after the first day of the month following the month the family became ineligible for assistance.

Department of Commerce and Economic Development
Division of Banking, Securities and Corporations
P.O. Box 110808
Juneau, AK 99811-0808
(907) 465-2530
(907) 465-3257 (fax)

RECEIVED
APR 10 1996
Ans'd.....

Fax/Memo

TO: Office of Senator Lyda Green Attn: Mike

FROM: Mike Monagle

SUBJECT: Status of Native Associations

DATE: April 4, 1996

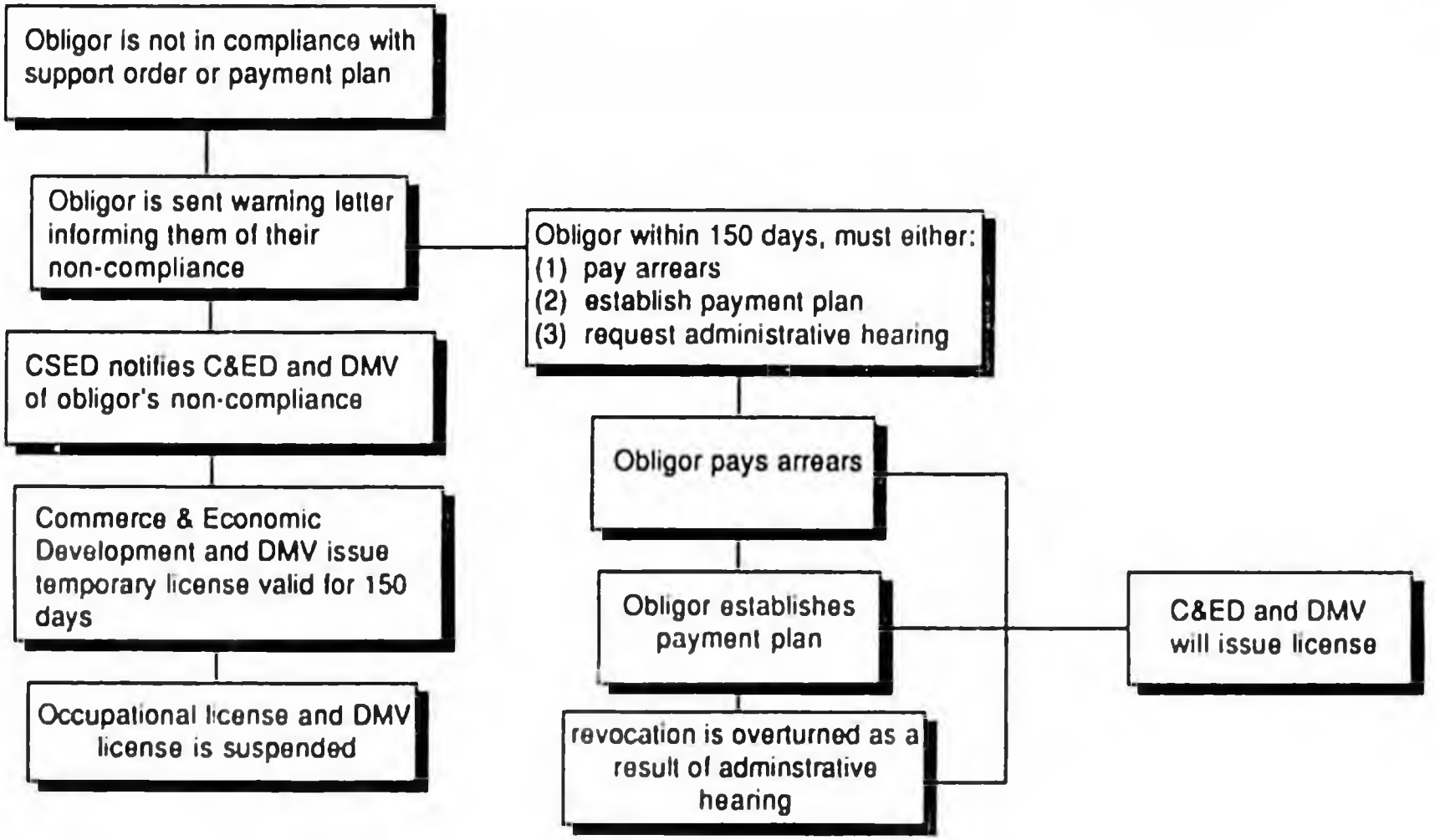
PAGES: 1 page

The following is the status of the corporations on the list you faxed over:

	Nonprofit Corp	Active In Good Standing
Arctic Slope Native Association	YES	YES
Kawerak	YES	YES
Manilaq Association	YES	YES
Assoc of Village Council Presidents	YES	YES
Dena' Nena' Henash (aka Tanana Chiefs)	YES	YES
Cook Inlet Tribal Council	YES	YES
Bristol Bay Native Assoc	YES	YES
Aleutian Pribilof Island Assoc	YES	YES
Chugachmiut	YES	YES
Kodiak Area Native Assoc	YES	YES
Atlina Tanah Nimnah (akaCopper River Native Assoc)	YES	YES
Tlingit Haida Central Council	NO RECORD	
Metlakatla Indian Community	NO RECORD	

JFC 4/13/96
CJHB 98
27 (25)
Jn. Chair

Occupational licensing and DMV provision



In the first year, collection is estimated to collect $2,727,000 in AFDC reimbursements. One half of this will be retained by the state. This provision is expected to increase overall collections by 25%.

4-13-96 PM

STATE OF ALASKA

DEPARTMENT OF REVENUE

CHILD SUPPORT ENFORCEMENT DIVISION

TONY KNOWLES, GOVERNOR

550 WEST 7th AVE, Suite 310, MS [illegible]
ANCHORAGE, AK 99501-6699
PHONE: (907) 269-6900
TOLL FREE ALASKA: (800) 478-3300
CASEWORKER FAX: (907) 269-6913/269-6914
C.S.C. FAX: (907) 269-6650
TTY: (907) 269-6694
TOLL FREE ALASKA TTY: (800) 370-6694

CHILD SUPPORT PROVISIONS FOR STATE WELFARE REFORM LEGISLATION

AS 25.27.195 Relief from Administrative Order

Clerical mistakes and errors. Under Civil Rule 60(a), the courts can correct clerical errors made in establishing child support orders. *Sec. 25.27.195(a)* authorizes CSED to correct errors made in establishing administrative orders, so that there will not be a disparity in the way the courts and CSED handle these child support orders.

Vacating a default order. Presently, CSED must administratively establish a child support order when no child support order exists AND either the custodian requests our services or public assistance/medicaid only/foster care services are provided by Alaska or another state. To establish the order, CSED must be provided with complete income information from the non-custodial parent. When that parent does not provide us with income information, we are then required to establish a child support order by default (45 CFR 303.101(d)(4)).

In the past, CSED used the AFDC needs standard to establish a default amount, but the federal government told CSED to cease using that method for defaults. CSED then used the default standard which the court primarily used: the maximum amount allowed by Civil Rule 90.3. This maximum amount was based on a $60,000 per year income. So, for one child, the default child support order was $1,000 per month. Less than a year later, CSED began using the Alaska Dept. of Labor's average wage standard and continues to use that standard for establishing default orders.

As of January 1996, CSED had approximately 4,400 default cases, representing $107.8 million in arrears. Of those cases, approximately 820 are cases involving Alaskan Natives, with arrears of $49.0 million.

CSED wishes to develop a program which would allow obligors to bring in their income information for periods of time represented by the default order. This is something the court already can accomplish under Civil Rule 60(b). *Sec. 25.27.195(b)* allows CSED to vacate the existing order and *Sec. 25.27.195(d)* allows CSED to establish a new order (with arrears based on the actual income of the obligor)

Sec. 25.27.195(d) makes it clear that CSED will not return previously collected child support nor will it place the obligor in a pre-pay status. It is important to remember that the original order was valid. A *default* order was established because the obligor would not provide us with income information, despite the fact that, by law, the obligor was required to do so.

To return previously collected money would adversely affect the children of the order or the State of Alaska, whomever is the recipient of the order. There is a reasonable expectation by the custodial parent that he or she will receive monthly support to help raise the children. It would be punitive to the custodial parent and the children, or to the State of Alaska, to place the obligor in pre-pay status because the recipient of future support had a legitimate reason to believe that they would receive those funds and had budgeted for the receipt of those funds. The obligor would have already benefited by receiving a reduced order. It would be wrong to reward obligors for their non-compliance in a manner which would have such a negative impact on others - by placing them in pre-pay or by returning previously collected money.

Sec. 25.27.195(c) requires notice to the affected parties and allows them to be heard on the issue of vacating an order and issuing a new one.

CSED is hopeful that when obligors are faced with support orders which reflect their income level, then they will be more likely to make their payments.

Practical Implications. Let us say that an obligor was required to provide her income information so that we could establish an administrative order. She did not provide this information to CSED, so a default order was established at $1,000 per month. Fifty months later, she owes $50,000 to the State of Alaska for reimbursement of public assistance. The obligor now provides us with income information which proves that her support order would have been $200 per month had she complied with the law. Under the new program, CSED would vacate the order and the arrears of $50,000 and establish a new order at $200 per month with an arrears of $10,000 (50 months x $200).

The Department of Law has advised CSED that they have the right, by regulation, to implement such a program. However, the Knowles Administration would like to place this provision in statute, so that the ability to do the program is not dependent upon future changes in Administration leadership.

AS 25.27.025 Rate of Interest

The interest rate presently used by CSED is 12% simple interest per year. For many years, the 12% rate was reasonable given the prevailing rates at the time. However, an interest rate of 6% per year better reflects existing rates

AS 25.27.244 and AS 25.27.246

There are presently 32 states which have occupational and/or driver's license suspension/revocation laws. Please refer to Attachment A for information concerning other states.

AS 25.27.244 requires that a licensing entity may issue only a temporary license, valid for 150 days, for obligors who are not in substantial compliance with a support order or a payment schedule. After 150 days, the occupational license will not be issued if the obligor has not come into substantial compliance.

AS 25.27.246 requires that the Division of Motor Vehicles suspend the driver's licenses of obligors who fail to come into substantial compliance with a support order or a payment schedule within 150 days.

Both sections provide due process procedures.

"Substantial compliance" means that an obligor has no more than $2,500 past due and has cumulatively paid at least an amount equal to the amount due for eight months during the past 12 months. This compliance is in respect to either a support order or a negotiated payment schedule.

ATTACHMENT A

License Restriction and Revocation:
A Partial Progress Report

A year ago at this time, 19 states had license revocation legislation, many of which had not yet reached their implementation dates. Currently 34 states have license revocation legislation; eight of which have been in operation six months or less; another ten states with 1996 implementation dates.

The following is a brief report on how some states are faring.

Maine--*effective 6/93*
In August, 1993, Maine issued a license revocation warning letter to 17,400 obligors, all of whom had paid no child support for at least 90 days. Within three months, $3,496,158 was collected from this target group. Many lump sum payments were reported. Since that time, additional warning letters have been sent to other nonpayors and hundreds of revocation actions have been started. Since August, 1993, 14,692 nonpayors who were sent warning letters have paid $39,621,063 in child support. This figure does not include tax offset receipts. **(1/24/96 fact sheet)**

As of January, 1996, license issuing authorities have been notified to revoke: 111 driver's licenses and 13 professional licenses. Of the 124 revocations, 58 have come into compliance.

Massachusetts--*effective 4/94*
Massachusetts has both professional license revocation and drivers license renewal restrictions. In both situations, there is a "show cause" hearing procedure--that is, payment agreement information is included with the warning letter. If there is not a response to the payment agreement, a "show cause" hearing is scheduled.

For professional licenses, Massachusetts has scheduled 95 hearings:

--29 of which have not yet been held;
--13 had their professional licenses revoked (failed to appear);
--9 entered into a payment plan and;
--44 are awaiting the decision of the hearing officer.

Of the 9 who entered a payment plan:
--6 were pulled back for failure to pay and were issued a second "show cause" hearing. Of those 6, half resumed their payments and half lost their licenses.

For drivers licenses, 236 "show cause" hearings have been scheduled. Of the 236:
--38 obligors entered into payment agreements and the hearings were canceled;
--29 of the 236 are waiting for a hearing;
--92 have not been able to renew their drivers license;
--20 of the 236 signed and agreement plan after their hearing;
--17 cases were found in favor of the obligor;
--40 decisions are still pending.

Eleven cases involved a second "show cause" hearing. Of the 11, 7 have paid and 4 are still outstanding. **(phone interview, 1/24/96)**

Texas--*effective 9/95*

Texas reports that 17,000 obligors came forward in Phase One, the first four and a half months of the program, and paid over $9 million was collected. **(from 1/23/96 press release)**:

South Dakota--*implemented 11/93*
As of November, 1995, South Dakota has suspended only 7 drivers' licenses (South Dakota restricts, not revokes, licenses) and was able to collect 4,000 payment agreements. South Dakota's collections are up 30%--while not all can be attributed to license revocation, there does not appear to be any other new enforcement remedy in place which can account for the increase. **(From 11/95 Child Support Report)**

Colorado--*effective 9/95*
Several Colorado counties have gone forward with a manual process of threatening to suspend drivers' licenses from obligors delinquent in child support. Most Colorado counties have elected to wait until the process is automated in July, 1996. For those counties that have utilized a manual process, the following has occurred:

A total of 3,000 warning letters were sent in September and October, 1995. From November to present, approximately 6,000 Notices of Noncompliance have been sent. These notices allowed obligors to seek an administrative review if they disagreed with the amount owed. From the 6,000 notices, 105 licenses were sent Notices of Suspension from the Department of Revenue, Motor Vehicle Division. Colorado is awaiting a 30 day period to see how many of the 105 obligors comply with child support prior to having their licenses actually suspended.

Over $110,000 of lump sum payments have been collected from all of the notices, and over 5,000 repayment plans have been made. At the conclusion of the manual process and the beginning of the automated process, an ad hoc report to discover total collections from the manual process will be conducted. **(phone interview, 1/25/96)**

Minnesota–*effective 8/94*
Minnesota IV-D referred 35 cases for hearings. Nearly all entered payment agreements. Two professional licenses have been suspended. In these two cases, both individuals have continued to work. One is a CPA who now works as an accountant (yet advertises himself as a CPA--he will likely face additional charges); the other is an electrician who works under a subcontractor or works in situations where he does not have to produce his license. **(phone interview, 1/26/96)**

Oklahoma–*effective 6/93*
Oklahoma's legislation became effective in November, 1995. They report collecting $2.16 million as of January 31, 1996. They have revoked 16 drivers licenses and a few professional licenses.

More significantly, Oklahoma reports that several of the larger lump-sum payments are from obligors who had never made a child support payment or who had not made a payment in several years.
(phone interview, 1/26/96)

Montana--*effective 10/93*
As of October, 1994, Montana has issued a total a total of 300 administrative orders to suspend licenses, 15 of which were for professions and occupations; 285 for drivers licenses. Of the 300, 107 stay orders were issued, reinstating licenses. Many licenses have been reinstated. Some obligors had more than one license suspended. Montana has collected $500,000 through this enforcement remedy. **(from report to IV-D Director, 2/1/96)**

North Dakota–*effective 8/95*
North Dakota mailed notices to 6,000 obligors (cost of $2,567). The amount of child support payments that month yielded an additional $134,530 above their projected collection amount. **(phone interview, 12/95)**

Kentucky--*effective 1/95*
Kentucky found 43,000 potential license revocation cases. A courtesy mailing and several press releases informed delinquent obligors of the law. In the months following the mailing and press releases, collections were $400,000 above the projected amount. The total estimated collection is set at $1.5 million. About 25 licenses have been suspended. **(phone interview, 1/26/96)**

Arkansas–*effective 4/93*
Only two occupational licenses have the potential of being revoked and an additional two licenses could face revocation proceedings within the next few weeks. One occupational license was suspended. Arkansas estimates that there has been $300,000 paid in lump sum payments, that is situations in which the entire arrearage is paid off. An untold, but

Washington State Welfare Reform

License Suspension for Failure to Pay Child Support

State	Licenses Suspended	Driver's License	Commercial Drv's License	Occupational License	Health Care Professionals	Attorneys	Prof. Other	Recreational	Hunting	Fishing	Suepended Others
Alabama	No	No	No	No	No	No'	No	No	No	No	No
Alaska	No	No	No	No	No	No	No	No	No	No	No
Arizona	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Arkansas	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
California	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Colorado	(7)Yes	Yes	No	No	No	No	No	No	No	No	No
Connecticut	(7)Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
Delaware	No	No	No	No	No	No	No	No	No	No	No
Florida	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	No	Yes
Georgia	No	No	No	No	No	No	No	No	No	No	No
Hawaii	No	No	No	No	No	No	No	No	No	No	No
Idaho	No	No	No	No	No	No	No	No	No	No	No
Illinois	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No
Indiana	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Iowa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Kansas	No	No	No	No	No	No	No	No	No	No	No
Kentucky	Yes	Yes	Yes	No	No	No	No	No	No	No	No
Louisiana	(6)Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No
Maine	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes
Maryland	(6)Yes	Yes	Yes	No	No	No	No	No	No	No	No
Massachusetts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Michigan	No	No	No	No	No	No	No	No	No	No	No
Minnesota	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No
Mississippi	No	No	No	No	No	No	No	No	No	No	No
Missouri	No	No	No	No	No	No	No	No	No	No	No
Montana	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes
Nebraska	(*)No	No	No	No	No	No	No	No	No	No	No
Nevada	(6)Yes	Yes	Yes	No	No	No	No	No	No	No	No
New Hampshire	(7)Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
New Jersey	No	No	No	No	No	No	No	No	No	No	No
New Mexico	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
New York	(*)Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
North Carolina	(6)Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
North Dakota	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
Ohio	(6)Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
Oklahoma	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Oregon	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No
Pennsylvania	(*)Yes	No	No	Yes	Yes	Yes	Yes	No	No	No	Yes
Rhode Island	(7)Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
South Carolina	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
South Dakota	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Tennessee	No	No	No	No	No	No	No	No	No	No	No

State		Licenses Suspended	Driver's License	Commercial Drv's License	Occupational License	Health Care Professionals	Attorneys	Prof. Other	Recreational	Hunting	Fishing	Suspended Others
Texas		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Utah		No	No	No	No	No	No	No	No	No	No	No
Vermont		Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Virginia		Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
Washington		No	No	No	No	No	No	No	No	No	No	No
West Virginia		No	No	No	No	No	No	No	No	No	No	No
Wisconsin		No	No	No	No	No	No	No	No	No	No	No
Wyoming		No	No	No	No	No	No	No	No	No	No	No
TOTALS:	YES	32	30	28	28	27	23	17	9	9	9	5
	NO	18	20	21	22	23	27	33	41	41	41	45

Procedural Due Process Provisions for License Suspension

State	Procedural Due Process	Right to Notice	Right to Hearing	Right to Appeal	Suspended Revoked	Support Collected
Alabama	No	No	No	No	N/A	$0
Alaska	No	No	No	No	N/A	$0
Arizona	Yes	Yes	Yes	Yes	N/A	$0
Arkansas	Yes	Yes	Yes	Yes	N/A	$0
California	Yes	Yes	Yes	Yes	27596	$10,000,000
Colorado	Yes	Yes	Yes	Yes	N/A	$0
Connecticut	Yes	Yes	Yes	Yes	N/A	$0
Delaware	No	No	No	No	N/A	$0
Florida	Yes	Yes	Yes	Yes	190	$1,374,384
Georgia	No	No	No	No	N/A	$0
Hawaii	No	No	No	No	N/A	$0
Idaho	No	No	No	No	N/A	$0
Illinois	Yes	Yes	Yes	Yes	N/A	$0
Indiana	Yes	Yes	Yes	Yes	N/A	$0
Iowa	Yes	Yes	Yes	Yes	N/A	$0
Kansas	No	No	No	No	N/A	$0
Kentucky	Yes	Yes	Yes	Yes	N/A	$0
Louisiana	Yes	Yes	Yes	Yes	N/A	$0
Maine	Yes	Yes	Yes	Yes	78	$32,295,000
Maryland	Yes	Yes	Yes	No	N/A	$0
Massachusetts	Yes	Yes	Yes	Yes	N/A	$0
Michigan	No	No	No	No	N/A	$0
Minnesota	Yes	Yes	Yes	Yes	N/A	$0
Mississippi	No	No	No	No	N/A	$0
Missouri	No	No	No	No	N/A	$0
Montana	Yes	Yes	Yes	Yes	1461	$200,000
Nebraska	No	No	No	No	N/A	$0
Nevada	Yes	Yes	Yes	Yes	N/A	$0
New Hampshire	Yes	Yes	Yes	Yes	N/A	$0
New Jersey	No	No	No	No	N/A	$0
New Mexico	Yes	Yes	Yes	Yes	N/A	$0
New York	Yes	Yes	Yes	Yes	N/A	$0
North Carolina	Yes	Yes	Yes	Yes	N/A	$0
North Dakota	Yes	Yes	Yes	Yes	N/A	$0
Ohio	Yes	Yes	No	No	N/A	$0
Oklahoma	Yes	Yes	Yes	Yes	N/A	$0
Oregon	Yes	Yes	Yes	Yes	N/A	$0
Pennsylvania	Yes	Yes	Yes	Yes	4	$40,323
Rhode Island	Yes	Yes	Yes	Yes	N/A	$0
South Carolina	Yes	Yes	Yes	Yes	N/A	$0
South Dakota	Yes	Yes	Yes	No	14986	$400,000
Tennessee	No	No	No	No	N/A	$0

SENT BY: 4- 8-95 ; 14:22 ;CSED DIRECTOR OFFICE-
04-14-95 10:37AM FROM DHSS/ACS/REGION X TO 91007260862 PG04/010

State		Procedural Due Process	Right to Notice	Right to Hearing	Right to Appeal	Suspended Revoked	Support Collected
Texas		Yes	Yes	Yes	Yes	N/A	$0
Utah		No	No	No	No	N/A	$0
Vermont		Yes	Yes	Yes	Yes	N/A	$0
Virginia		Yes	Yes	Yes	Yes	N/A	$0
Washington		No	No	No	No	N/A	$0
West Virginia		No	No	No	No	N/A	$0
Wisconsin		No	No	No	No	N/A	$0
Wyoming		No	No	No	No	N/A	$0
TOTALS:	YES	32	32	31	29		
	NO	18	18	19	21		
AVERAGES:						7168	$7,378,948

Wash. State Welfare Ref.

KEY TO ANNOTATIONS ON CHARTS

1=welfare reform was passed by the state legislature, but federal waiver approval is pending

2=waiver has been granted; reform is being implemented in demonstration counties

3=waiver has been granted, but not yet implemented

4=bill passed the legislature, awaiting Governor's action. If enacted, must submit waiver request

5=bill will be introduced during legislative session

6=legislature passed bill, not yet implemented

7=legislature passed bill, in process of being implemented

N/A=information not available

c=not applicable and not available (explained in comment section).

*=see comment section in state profile

To CSSB 115 (FIN) By Rieger

Letter of Intent

It is the intent of the legislature that the CSED division organize its personnel in a way which will ensure that the personnel who deal with obligors who are not delinquent or in arrears are not the same personnel who deal with obligors who are delinquent or in arrears.

SENATE FINANCE
COMMITTEE
Amendment Number: AM-1
Bill Number: CS SB 115 (FIN) Working Draft
Sponsor: Rieger Date: 5/2/95
Logged In By:

SENATE FINANCE COMMITTEE
Amendment Number:_____
Bill Number: SB 98
Sponsor:_____ Date: 4/9/96
Logged In By: JS

9-LS0692\J.1
Lauterbach
4/3/96

AMENDMENT

OFFERED IN THE SENATE BY SENATOR DONLEY

TO: CSSB 98( ), draft version "J"

Page 1, line 6, following "laws":

Insert "**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;**"

Page 1, following line 7:

Insert a new bill section to read:

"* **Section 1.** AS 25.27 is amended by adding new sections to read:

Sec. 25.27.244. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S OCCUPATIONAL LICENSE. (a) The agency shall compile and maintain a list of obligors who are not in substantial compliance with a support order or a payment schedule negotiated under (g)(1) of this section. The list must include the names, social security numbers, dates of birth, and last known addresses of the obligors. The list shall be updated by the agency on a monthly basis.

(b) The agency shall, on a monthly basis, provide a copy of the list to each licensing entity through a computer-readable magnetic medium. A licensing entity subject to this section shall implement procedures to accept and process the list. Notwithstanding any other law to the contrary, a licensing entity may not issue or renew a license for a person on the list except as provided in this section.

(c) Promptly after receiving an application from an applicant and before issuing or renewing a license, a licensing entity shall determine whether the applicant is on the most recent list provided by the agency. If the applicant is on the list, the licensing entity shall immediately serve notice under (e) of this section of the licensing entity's intent to withhold issuance or renewal of the license. The notice shall be considered given when delivered personally to the applicant or deposited in

the United States mail addressed to the applicant's last known mailing address on file with the licensing entity.

(d) A licensing entity shall issue a temporary license valid for a period of 150 days to an applicant whose name is on the list if the applicant is otherwise eligible for a license. The temporary license may not be extended. Only one temporary license may be issued during a regular license term and its validity shall coincide with the first 150 days of that license term. A license for the full or remainder of the license term may be issued or renewed only upon compliance with this section. If a license or application is denied under this section, money paid by the applicant or licensee shall be refunded by the licensing entity after retention of the temporary license fee, if any.

(e) Notices for use under (c) of this section shall be developed by each licensing entity under guidelines provided by the agency and are subject to approval by the agency. The notice must include the address and telephone number of the agency and shall emphasize the necessity of obtaining a release from the agency as a condition for the issuance or renewal of a license. The notice must inform an applicant whose license is governed by (d) of this section that the licensing entity shall issue a temporary license for 150 calendar days under (d) of this section if the applicant is otherwise eligible and that, upon expiration of that time period, the license will be denied unless the licensing entity has received a release from the agency. The agency shall also develop a form that the applicant may use to request a review by the agency. A copy of this form shall be included with each notice sent under (c) of this section.

(f) The agency shall establish review procedures consistent with this section to allow an applicant to have the underlying arrearages and relevant defenses investigated, to provide an applicant information on the process of obtaining a modification of a support order, or to provide an applicant assistance in the establishment of a payment schedule on arrearages if the circumstances warrant.

(g) If the applicant wishes to challenge being included on the list, the applicant shall submit to the agency a written request for review within 30 days after receiving the notice under (c) of this section by using the form developed under (e) of this section. Within 30 days after receiving a written request for review, the

agency shall inform the applicant in writing of the agency's findings. The agency shall immediately send a release to the appropriate licensing entity and the applicant if any of the following conditions is met:

(1) the applicant is found to be in substantial compliance with each support order applicable to the applicant or has negotiated an agreement with the agency for a payment schedule on arrearages and is in substantial compliance with the negotiated agreement; if the applicant fails to be in substantial compliance with an agreement negotiated under this paragraph, the agency shall send to the appropriate licensing entity a revocation of any release previously sent to the entity for that applicant;

(2) the applicant has submitted a timely request for review to the agency, but the agency will be unable to complete the review and send notice of findings to the applicant in sufficient time for the applicant to file a timely request for judicial relief within the 150-day period during which the applicant's temporary license is valid under (d) of this section; this paragraph applies only if the delay in completing the review process is not the result of the applicant's failure to act in a reasonable, timely, and diligent manner upon receiving notice from the licensing entity that the applicant's name is on the list;

(3) the applicant has, within 30 days after receiving the agency's findings following a request for review under (2) of this subsection, filed and served a request for judicial relief under this section, but a resolution of that relief will not be made within the 150-day period of the temporary license under (d) of this section; this paragraph applies only if the delay in completing the judicial relief process is not the result of the applicant's failure to act in a reasonable, timely, and diligent manner upon receiving the agency's notice of findings; or

(4) the applicant has obtained a judicial finding of substantial compliance.

(h) An applicant is required to act with diligence in responding to notices from the licensing entity and the agency with the recognition that the temporary license granted under (d) of this section will lapse after 150 days and that the agency and, where appropriate, the court must have time to act within that 150-day period. An applicant's delay in acting, without good cause, that directly results in the inability

of the agency to complete a review of the applicant's request or the court to hear the request for judicial relief within the required period does not constitute the diligence required under this section that would justify the issuance of a release.

(i) Except as otherwise provided in this section, the agency may not issue a release if the applicant is not in substantial compliance with the order for support or is not in substantial compliance with an agreement negotiated under (g)(1) of this section. The agency shall notify the applicant in writing that the applicant may request any or all of the following: (1) judicial relief from the agency's decision not to issue a release or the agency's decision to revoke a release under (g)(1) of this section; (2) a judicial determination of substantial compliance; (3) a modification of the support order. The notice must also contain the name and address of the court in which the applicant may file the request for relief and inform the applicant that the applicant's name shall remain on the list if the applicant does not request judicial relief within 30 days after receiving the notice. The applicant shall comply with all statutes and rules of court implementing this section. This section does not limit an applicant's authority under other law to request an order to show cause or notice of motion to modify a support order or to fix a payment schedule on arrearages accruing under a support order or to obtain a court finding of substantial compliance with a support order.

(j) A request for judicial relief from the agency's decision must state the grounds on which relief is requested and the judicial action shall be limited to those stated grounds. Judicial relief under this subsection is not an appeal and shall be governed by court rules adopted to implement this section. Unless otherwise provided by court rule, the court shall hold an evidentiary hearing within 20 calendar days after the filing of service on the opposing party. The court's decision shall be limited to a determination of each of the following issues:

(1) whether there is a support order or a payment schedule on arrearages;

(2) whether the petitioner is the obligor covered by the support order; and

(3) whether the obligor is in substantial compliance with the support order or payment schedule.

(k) If the court finds that the obligor is in substantial compliance with the support order or payment schedule, the agency shall immediately send a release under (g) of this section to the appropriate licensing entity and the applicant.

(l) When the obligor is in substantial compliance with a support order or payment schedule, the agency shall mail to the applicant and the appropriate licensing entity a release stating that the applicant is in substantial compliance. The receipt of a release shall serve to notify the applicant and the licensing entity that, for the purposes of this section, the applicant is in substantial compliance with the support order or payment schedule unless the agency, under (a) of this section, certifies subsequent to the issuance of a release that the applicant is once again not in substantial compliance with a support order or payment schedule.

(m) The agency may enter into interagency agreements with the state agencies that have responsibility for the administration of licensing entities as necessary to implement this section to the extent that it is cost effective to implement the interagency agreements. The agreements must provide for the receipt by the other state agencies and licensing entities of federal money to cover that portion of costs allowable in federal law and regulation and incurred by the state agencies and licensing entities in implementing this section.

(n) Notwithstanding any other provision of law, the licensing entities subject to this section shall assess a fee for issuance of a temporary license under this section. The licensing entity shall set the amount of the fee so that the fees collected under this section, to the extent reasonable, cover the costs of implementing and administering this section.

(o) The process described in (g) of this section is the sole administrative remedy for contesting the issuance to the applicant of a temporary license or the denial of a license under this section. The procedures specified in AS 44.62.330 - 44.62.630 do not apply to the denial or failure to issue or renew a license under this section.

(p) The agency and licensing entities, as appropriate, shall adopt regulations necessary to implement this section.

(q) In this section,

(1) "applicant" means a person applying for issuance or renewal of a

license;

(2) "license"

(A) means, except as provided in (B) of this paragraph, a license, certificate, permit, registration, or other authorization that, at the time of issuance, will be valid for more than 150 days and that may be acquired from a state agency to perform an occupation, including the following:

(i) license relating to boxing or wrestling under AS 05.10;

(ii) authorization to perform an occupation regulated under AS 08;

(iii) teacher certificate under AS 14.20;

(iv) authorization under AS 18.08 to perform emergency medical services;

(v) asbestos worker certification under AS 18.31;

(vi) boiler operator's license under AS 18.60.395;

(vii) certificate of fitness under AS 18.62;

(viii) hazardous painting certification under AS 18.63;

(ix) security guard license under AS 18.65.400 - 18.65.490;

(x) license relating to insurance under AS 21.27;

(xi) employment agency permit under AS 23.15.330 - 23.15.520;

(xii) registration as a broker-dealer, agent, or investment adviser under AS 45.55.030;

(xiii) certification as a pesticide applicator under AS 46.03.320;

(xiv) certification as a storage tank worker or contractor under AS 46.03.375; and

(xv) certification as a water and wastewater works operator under AS 46.30;

(B) does not include

(i) a vessel license issued under AS 16.05.490 or

16.05.530;

(ii) a commercial fishing license under AS 16.05.480, including a crew member fishing license;

(iii) an entry permit or interim-use permit issued under AS 16.43;

(iv) a license issued under AS 47.35;

(v) a business license issued under AS 43.70; or

(vi) a driver's license issued under AS 28.15;

(3) "licensee" means a person holding a license or applying to renew a license;

(4) "licensing entity" means the state agency that issues or renews a license; in the case of a license issued or renewed by the Department of Commerce and Economic Development after an applicant's qualifications are determined by another agency, "licensing entity" means the department;

(5) "list" means the list of obligors compiled and maintained under (a) of this section;

(6) "substantial compliance with a support order or payment schedule" means that, with respect to a support order or a negotiated payment schedule under (g) of this section, whichever is applicable, the obligor has no more than $2,500 past due and has cumulatively paid an amount equal to or greater than the amount due for eight months during the past 12 months; with respect to a support order or payment schedule that has been in effect for less than one year, "substantial compliance" means that the obligor has no more than $2,500 past due and has cumulatively paid an amount equal to or greater than 67 percent of the amount due during the period the support order or payment schedule has been in effect.

Sec. 25.27.246. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S DRIVER'S LICENSE. (a) The agency shall compile and maintain a list of obligors who have a driver's license and are not in substantial compliance with a support order or a payment schedule negotiated under (f)(1) of this section. The list must include the names, social security numbers, dates of birth, and last known addresses of the obligors. The list shall be updated by the agency on a monthly basis.

(b) The agency shall serve notice under (d) of this section to each person on

the list that the person's driver's license will be suspended in 150 days, and will not be reissued or renewed the next time it is applied for if the person's name is on the list at the time of the subsequent application, unless the licensee receives a release from the agency. The notice shall be considered given when delivered personally to the obligor or deposited in the United States mail addressed to the obligor's last known mailing address on file with the agency.

(c) If the licensee fails to obtain a release during the 150-day period following notice under (b) and (d) of this section, the agency shall notify the department that the licensee's driver's license should be suspended and further renewals or applications should be denied until the agency sends the department a release for the licensee. Upon receiving the agency's notice under this subsection, the department shall suspend the licensee's driver's license and may not issue or renew a driver's license for the licensee until the department receives a release to do so from the agency. If a license is suspended or an application is denied under this section, money paid by the applicant or licensee may not be refunded by the department.

(d) The notice under (b) of this section must include the address and telephone number of the agency and shall emphasize the necessity of obtaining a release from the agency as a condition for avoiding suspension or denial of the person's driver's license. The notice must also inform the licensee that, if a license is suspended or an application is denied under this section, money paid by the licensee will not be refunded by the department. The agency shall also develop a form that the licensee may use to request a review by the agency. A copy of this form shall be included with each notice sent under (b) of this section.

(e) The agency shall establish review procedures consistent with this section to allow a licensee to have the underlying arrearages and relevant defenses investigated, to provide a licensee with information on the process of obtaining a modification of a support order, or to provide a licensee with assistance in the establishment of a payment schedule on arrearages if the circumstances warrant.

(f) If a licensee wishes to challenge being included on the list, the licensee shall submit to the agency a written request for review within 30 days after the notice under (b) of this section was personally delivered or postmarked by using the form developed under (d) of this section. Within 30 days after receiving a written request

for review, the agency shall inform the licensee in writing of the agency's findings. The agency shall immediately send a release to the department and the licensee if any of the following conditions is met:

(1) the licensee is found to be in substantial compliance with each support order applicable to the licensee or has negotiated an agreement with the agency for a payment schedule on arrearages and is in substantial compliance with the negotiated agreement; if the licensee fails to be in substantial compliance with an agreement negotiated under this paragraph, the agency shall send to the department a revocation of any release previously sent to the entity for that licensee;

(2) the licensee has submitted a timely request for review to the agency, but the agency will be unable to complete the review and send notice of findings to the licensee in sufficient time for the licensee to file a timely request for judicial relief within the 150-day period before the licensee's license will be suspended under (c) of this section; this paragraph applies only if the delay in completing the review process is not the result of the licensee's failure to act in a reasonable, timely, and diligent manner upon receiving notice from the agency that the licensee's driver's license will be suspended in 150 days;

(3) the licensee has, within 30 days after receiving the agency's findings following a request for review under (2) of this subsection, filed and served a request for judicial relief under this section, but a resolution of that relief will not be made within the 150-day period before license suspension under (c) of this section; this paragraph applies only if the delay in completing the judicial relief process is not the result of the licensee's failure to act in a reasonable, timely, and diligent manner upon receiving the agency's notice of findings; or

(4) the licensee has obtained a judicial finding of substantial compliance.

(g) A licensee is required to act with diligence in responding to notices from the agency with the recognition that the person's driver's license will be suspended after 150 days or that a subsequent license will not be issued and that the agency and, where appropriate, the court must have time to act within that 150-day period or before the subsequent license is needed, as applicable. A licensee's delay in acting, without good cause, that directly results in the inability of the agency to complete a

review of the licensee's request or the court to hear the request for judicial relief within the required period does not constitute the diligence required under this section that would justify the issuance of a release.

(h) Except as otherwise provided in this section, the agency may not issue a release if the applicant is not in substantial compliance with the order for support or is not in substantial compliance with an agreement negotiated under (f)(1) of this section. The agency shall notify the licensee in writing that the licensee may request any or all of the following: (1) judicial relief from the agency's decision not to issue a release or the agency's decision to revoke a release under (f)(1) of this section; (2) a judicial determination of substantial compliance; (3) a modification of the support order. The notice must also contain the name and address of the court in which the licensee may file the request for relief and inform the licensee that the licensee's name shall remain on the list if the licensee does not request judicial relief within 30 days after receiving the notice. The licensee shall comply with all statutes and rules of court implementing this section. This section does not limit a licensee's authority under other law to request an order to show cause or notice of motion to modify a support order or to fix a payment schedule on arrearages accruing under a support order or to obtain a court finding of substantial compliance with a support order.

(i) A request for judicial relief from the agency's decision must state the grounds on which relief is requested and the judicial action shall be limited to those stated grounds. Judicial relief under this subsection is not an appeal and shall be governed by court rules adopted to implement this section. Unless otherwise provided by court rule, the court shall hold an evidentiary hearing within 20 calendar days after the filing of service on the opposing party. The court's decision shall be limited to a determination of each of the following issues:

(1) whether there is a support order or a payment schedule on arrearages;

(2) whether the petitioner is the obligor covered by the support order; and

(3) whether the obligor is in substantial compliance with the support order or payment schedule.

(j) If the court finds that the obligor is in substantial compliance with the

support order or payment schedule, the agency shall immediately send a release under (f) of this section to the department and the licensee.

(k) When the obligor is in substantial compliance with a support order or payment schedule, the agency shall mail to the applicant and the department a release stating that the licensee is in substantial compliance. The receipt of a release shall serve to notify the licensee and the department that, for the purposes of this section, the applicant is in substantial compliance with the support order or payment schedule unless the agency, under (a) of this section, certifies subsequent to the issuance of a release that the licensee is once again not in substantial compliance with a support order or payment schedule.

(l) The process described in (f) of this section is the sole administrative remedy for contesting the suspension or the denial of a driver's license under this section. The procedures specified in AS 28 or AS 44.62.330 - 44.62.630 do not apply to the suspension or failure to issue or renew a license under this section.

(m) The agency and department, as appropriate, shall adopt regulations necessary to implement this section.

(n) In this section,

(1) "department" means the Department of Public Safety;

(2) "driver's license" or "license" means a driver's license, as defined in AS 28.40.100;

(3) "licensee" means a person holding or requesting a driver's license;

(4) "list" means the list of obligors compiled and maintained under (a) of this section;

(5) "substantial compliance with a support order or payment schedule" means that, with respect to a support order or a negotiated payment schedule under (f) of this section, whichever is applicable, the obligor has no more than $2,500 past due and has cumulatively paid an amount equal to or greater than the amount due for eight months during the past 12 months; with respect to a support order or payment schedule that has been in effect for less than one year, "substantial compliance" means that the obligor has no more than $2,500 past due and has cumulatively paid an amount equal to or greater than 67 percent of the amount due during the period the support order or payment schedule has been in effect."

Page 1, line 8:

Delete "* Section 1."

Insert "* Sec. 2."

Renumber the following bill sections accordingly.

Page 13, line 30:

Delete "sec. 1"

Insert "sec. 2"

Page 13, lines 30 - 31:

Delete "secs. 2 or 4 - 7"

Insert "secs. 3 or 5 - 8"

Page 13, following line 31:

Insert a new bill section to read:

"* Sec. 12. REPORT. (a) In furtherance of the public policy of increasing child support enforcement and collections, on or before January 1, 1999, the child support enforcement agency shall make a report to the governor based on data collected by the licensing entities and the agency in a format prescribed by the agency. The report must contain

(1) the number of delinquent obligors on the lists maintained by the agency under AS 25.27.244 - 25.27.246, enacted by sec. 1 of this Act;

(2) the number of delinquent obligors who also were applicants or licensees subject to AS 25.27.244 - 25.27.246, enacted by sec. 1 of this Act;

(3) the number of new licenses and renewals that were delayed or denied and temporary licenses issued subject to AS 25.27.244 and the number of new licenses and renewals granted following receipt by licensing entities of releases under AS 25.27.244 by July 1, 1998;

(4) the number of licenses under AS 28.15 that were suspended under AS 25.27.246 and the number of licenses under AS 28.15 that were reinstated following receipt by the Department of Public Safety of releases under AS 25.27.246 by July 1, 1998; and

(5) the costs incurred in the implementation and enforcement of AS 25.27.244 - 25.27.246, enacted by sec. 1 of this Act.

(b) A licensing entity receiving an inquiry from the agency under (a) of this section shall cooperate with the agency. When queried as to the licensed status of an applicant who has had a license denied or suspended under AS 25.27.244 or 25.27.246 or has been granted a temporary license under AS 25.27.244, the licensing entity shall respond only that the license was denied or suspended or that the temporary license was issued."

Renumber the following bill sections accordingly.

Page 13, line 32, following "Services":

Insert ", the Department of Revenue, child support enforcement agency, and any agency that issues a license affected by sec. 1 of this Act"

Page 14, line 4:

Delete "sec. 2"

Insert "sec. 3"

Page 14, line 6:

Delete "sec. 2"

Insert "sec. 3"

Page 14, line 8:

Delete "sec. 2"

Insert "sec. 3"

Page 14, line 11:

Delete "sec. 2"

Insert "sec. 3"

Page 14, following line 12:

Insert a new bill section to read:

"* Sec. 15. Sections 1 and 12 of this Act take effect October 1, 1996."

Renumber the following bill sections accordingly.

Page 14, line 13:

Delete "sec. 1"

Insert "sec. 2"

Delete "secs. 3, 8 - 12, and 15"

Insert "secs. 4, 9 - 11, 13, 14, and 18"

Page 14, line 15:

Delete "sec. 13"

Insert "secs. 15 and 16"

Page 14, line 23:

Delete "sec. 14"

Insert "sec. 17"

Alaska State Legislature

Sen. Lyda Green, Chairman
Sen. Loren Leman, Vice-Chairman
Sen. Mike Miller
Sen. Johnny Ellis
Sen. Judith Salo

State Capitol
Room 423
Juneau, Alaska 99801-1182
907-465-3762

Senate Committee on
Health, Education and Social Services

SB 98
Personal Responsibility Act of 1996

Sectional Analysis

Section 1 Establishes an AFDC workfare project which requires recipients to either work 20 hours a week in a paid activity or participate for 21 hours a week in an uncompensated activity. This section does not apply to persons who are
1) exempt from participating in the JOBS program;
2) enrolled as a full-time student;
3) the parent or caretaker of a child under the age of six;
4) physically or mentally unable to perform such an activity; or
4) a parent who is providing care for a child with a developmental disability as defined by AS 47.80.900.

This section requires the department, when determining the eligibility of a family participating under the workfare project, to
1) disregard $200 plus one-third of the remainder of the earned income per month of each person in the family;
2) waive the 100 hour work rule for AFDC-UP cases; and
3) increase the auto allowance from $1500 to $5000.

Section 1 also establishes a diversion program. Families who consist of a job-ready individual will be given the opportunity to have their AFDC application processed under AS 47.25.310 - 47.25.429 or having their AFDC application denied, allowing them to apply for a diversion payment. Payments may not exceed the equivalent of two months in cash assistance the family would otherwise be eligible to receive if they did not elect to receive a diversion payment. Families accepting the diversion payment would be ineligible to reapply for another diversion payment for 12 months. If the family reapplies for AFDC assistance within three months after receiving a diversion payment, their benefit

will be reduced by the amount of the diversion payment prorated over a three month period.

Section 2 Adds new section AS 47.25.311 INELIGIBILITY FOR ASSISTANCE
(a) A person is ineligible for assistance under AS 47.25.310 - 47.25.420 (AFDC) upon administrative disqualification for an intentional program violation as defined under 42 U.S.C. 616 for 6 months for the first disqualification, 12 months for second disqualification, and permanently for a third disqualification.

(b) Requires the department to implement a "Family Cap." This would prohibit the department from increasing benefits to a family due a to birth of a child, if the birth occurs more than 10 calendar months after the date on which the family applied for assistance.

(c) This section provides exemptions to (b) for those families meeting specific criteria established in the bill.

(d) Establishes a life-time limit on benefits for a family that includes an adult who has received assistance as the caretaker of a dependent child for a cumulative total of 60 months. This section provides exemptions for those families meeting the specific criteria established in the bill.

(e) Makes those families ineligible for assistance if the family includes an adult who is fleeing prosecution, custody, or confinement after conviction, in this or another jurisdiction for a felony offense.

(f) Establishes penalties for families that include an adult who, without good cause, refused to accept, or separated from, suitable employment and that refusal or separation caused the family's need for assistance.

Adds new section AS 47.25.315 ASSISTANCE TO MINORS WITH CHILDREN
(a) Requires as a condition of eligibility for AFDC assistance, that a minor parent must reside in either a residence maintained by the minor's parent, adult relative or guardian or a foster home, maternity home or other adult-supervised supportive living arrangement.

(b) Requires the department, where possible, pay assistance on behalf of a minor parent who is subject to requirement (a) of this section to the minor's parent, legal guardian, or other adult relative.

Section 3 Reduces cash assistance to level authorized under federal law. With the reduction, Alaska still provides the highest level of cash assistance in the nation for the AFDC program.

Section 4 (h) This provision is aimed at providing more equitable benefits to all recipients. When determining eligibility, the department compares the family's income to their basic need (requirement for minimal subsistence of food, clothing, shelter, etc.). Under this section, the department shall reduce the benefits of families whose shelter costs are lower than the standard shelter allowance used by the department for similar families.

(i) Reduces the benefits by 50 percent for the summer months to those two parent families whose eligibility for assistance is based upon the unemployment of the family's principal wage earner.

Section 5 Makes a technical change to AS 47.25.360 Granting of Assistance to take into consideration requirements imposed under AS 47.25.315(b) Payments to minors.

Section 6 Limits cash assistance under AFDC to 24 months in a 60 month period. Additional assistance may be granted beyond the 24 month limit to families who meet specific criteria.

Section 7 Requires that all school age individuals in the assistance unit maintain adequate levels of school attendance. Failure to meet this requirement will result in a reduction of assistance by disregarding the need of the person failing to meet school attendance standards.

Section 8 Repeals AS 47.25.310(c), which conflicts with requirements imposed under section two of this bill.

Section 9 Repeals workfare demonstration project statutes July 1, 2003 (the date after which a six year federal waiver would expire and the state would no longer be able to enforce these statutes).

Section 10 Requires the department to promptly apply for waivers to implement the sections of this bill not currently authorized under federal law.

Section 11 Authorized the department to immediately proceed to adopt regulation to implement the sections of this bill. These regulation will not take effect until the effective date of this act.

Section 12 Clarifies that the time limits and ineligibility criteria established in the measure will not begin or count for actions after the effective date of this act.

Sec.13-15 Establishes effective dates for this act.

Outdated Replaced by "N" version 4/10/96

9-LS0692\J
Lauterbach
3/28/96

CS FOR SENATE BILL NO. 98( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act making changes related to the aid to families with dependent children program; relating to the duties of the Department of Health and Social Services; reducing AFDC payment levels; 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; and providing for an effective date."

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

* Section 1. AS 47.25 is amended by adding new sections to read:

ARTICLE 1A. AFDC WORKFARE PROJECT.

Sec. 47.25.301. WAIVER APPLICATION FOR PROJECT. (a) The Department of Health and Social Services shall seek appropriate waivers from the federal government to implement the AFDC demonstration project described in AS 47.25.301 - 47.25.308. To the extent that the federal government approves the necessary waivers,

the department shall implement the project. The purposes of the project are to promote personal responsibility and self-sufficiency.

(b) At a minimum, the department shall implement AS 47.25.303 as three separate programs in three different areas of the state, with at least one program in a municipality with a population over 25,000, one in a municipality with a population between 5,000 and 25,000, and one in a municipality or community with a population under 5,000.

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

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

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

Sec. 47.25.302. EARNED INCOME DISREGARD; WAIVER OF "100-HOUR" RULE; AUTO ALLOWANCE. When determining the AFDC eligibility of a family that is participating in a project under AS 47.25.303 and when determining the amount of assistance to which the family is entitled, the department shall

(1) disregard, for the first 24 months for which the family receives assistance, $200 plus one-third of the remainder of the earned income of each person in the family unless federal regulations require that more earned income of a person must be disregarded, in which case the department shall disregard earned income as required by federal law; for a family that applies for AFDC after this paragraph has been implemented, this 24 months begins with the month for which the family is first granted AFDC; for a family that is already receiving assistance when this paragraph is implemented, this 24 months begins with the first month during which this paragraph is

implemented;

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

(3) allow the exclusion of $5,000 of the combined equity of motor vehicles used by the family for basic family transportation, transportation of a disabled child in the household, or transportation of a member of the family to or from employment, training, or participation in an activity required under AS 47.25.303; if the combined equity of vehicles described in this paragraph exceeds $5,000, the department shall apply the excess equity amount toward the asset limit otherwise applicable to the family.

Sec. 47.25.303. WORKFARE. (a) The department shall operate a workfare project. Each member of a family in the workfare project area who is 18 years of age or older shall participate for 21 hours a week in an uncompensated activity if assigned to the activity by the department. The department shall assess the availability activities that satisfy the purposes of this subsection in the project area and attempt to develop additional activities where necessary. When assessing the availability of activities that are suitable as uncompensated activities under this section and in assigning persons to those activities, the department shall consider activities recommended by governmental representatives of boroughs, cities, and communities and others in the project area. The activities may include provision of child care for other project participants, community work experience, work-related training programs, high school completion, GED programs, or culturally relevant subsistence activities. The department shall penalize the family for failure of a person to comply with this subsection by disregarding that person as a member of the family for purposes of determining the amount of AFDC assistance given to the family. The period of time during which the department shall disregard the noncomplying person for purposes of determining the amount of the family's AFDC assistance is

(1) until the person is in compliance with this subsection if the person has not previously been disregarded under this subsection;

(2) the longer of six months or until the person is in compliance with this subsection if the person has previously been disregarded under (1) of this subsection;

(3) the longer of 12 months or until the person is in compliance with this subsection if the person has previously been disregarded under (2) of this subsection.

(b) If organizations exist in the project area that have had successful experience in conducting employment placement services, community services, remedial education services, and job training programs, the department shall offer on a competitive basis contracts to those organizations to administer (a) of this section. A contract under this subsection must provide that the department shall make the determinations required under (c) and (d) of this section and the contractor shall perform the duties assigned to the department under (a) of this section with respect to uncompensated activities, including assessment of their availability, development of additional activities, consideration of activities recommended by governmental representatives, and assignment of persons to specific activities after referral of those persons to the contractor by the department. The department may, after consultation with the appropriate contractor under this subsection, if any, use AFDC benefits to subsidize payments or provide services to participants in community work projects or work training projects; an amount distributed as a subsidy under this subsection is not considered to be wages.

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

(1) has paid employment of at least 20 hours a week; a person who has paid employment of less than 20 hours a week shall participate in an uncompensated activity assigned under (a) of this section for the number of hours that, when added to the hours of paid employment, equals 21;

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

(3) is enrolled as a full-time student in good standing in a career education program, college, or university, as defined in regulations adopted under AS 14.43;

(4) is the parent or other relative of a child under six years of age living in the same household who personally provides care for the child;

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

(6) is a parent who is providing care for a child with a developmental disability as defined by AS 47.80.900.

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

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

(2) transportation expenses determined by the department to be necessary for the person's participation in the activity.

(e) In this section, "project area" means the area chosen by the department in which to operate the workfare project described in this section.

Sec. 47.25.305. COOPERATION. State agencies shall cooperate with the department to the extent necessary to implement AS 47.25.301 - 47.25.308.

Sec. 47.25.306. IMMUNITY FROM LIABILITY. (a) The Department of Health and Social Services, and its employees, agents, and grantees, are not liable for civil damages as a result of an act or omission in the implementation, operation, or administration of an authorized project under AS 47.25.301 - 47.25.308.

(b) The provisions of (a) of this section do not preclude liability for civil damages as a result of recklessness or intentional misconduct.

(c) The provisions of (b) of this section do not constitute a waiver or limitation of sovereign or other immunity.

Sec. 47.25.307. REGULATIONS. The Department of Health and Social Services shall adopt regulations necessary to implement AS 47.25.301 - 47.25.308. The regulations adopted by the department may include

(1) eligibility criteria for the project described in AS 47.25.301 - 47.25.308 that differ from eligibility requirements in AS 47.25.310 - AS 47.25.429 and the regulations adopted under those statutes;

(2) a maximum number of participants to be included in the project, if necessary;

(3) exemptions from requiring participation in the project because of exceptional circumstances; and

(4) provisions for financial or non-financial sanctions for applicants who

fail to cooperate with project requirements.

Sec. 47.25.308. DEFINITIONS. In AS 47.25.301 - 47.25.308,

(1) "AFDC" means the program of aid to families with dependent children under AS 47.25.310 - 47.25.420;

(2) "department" means the Department of Health and Social Services.

ARTICLE 1B. DIVERSION PROGRAM.

Sec. 47.25.309. DIVERSION PROGRAM. (a) The Department of Health and Social Services shall operate a diversion program that is designed to increase family income through employment and child support payments by offering lump-sum diversion payments in place of ongoing financial assistance under the AFDC program. A diversion payment may be offered to an applicant for AFDC who is job-ready and who needs short-term financial assistance to meet critical needs in order to secure employment and support for the applicant's family.

(b) Diversion program benefits may be paid only to an applicant's family that appears, based on the information provided to the department on an AFDC application, to be eligible for AFDC benefits and to include a job-ready individual. The department may offer, to an AFDC applicant with the potential to participate in the diversion program, a choice between

(1) having the AFDC application processed under AS 47.25.310 - 47.25.429; or

(2) having the AFDC application denied and applying for diversion program benefits under this section.

(c) The amount of the diversion payment must be sufficient to meet the family's immediate needs as determined by the department and the participant. A diversion payment may not exceed the amount the family would be eligible to receive in the first two months of eligibility for assistance under AS 47.25.310 - 47.25.420 if the family did not elect to receive a diversion payment under this section.

(d) As a condition of a family receiving a diversion payment under this section, the participant must sign a binding contract between the participant and the department that

(1) specifies the amount of the diversion payment and the needs it is intended to cover;

(2) provides that, during the three-month period beginning with the month in which the diversion payment was received, child support collected on behalf of a child whose needs were considered in determining the diversion payment shall be paid to the family; and

(3) provides that, if the family reapplies for AFDC assistance under AS 47.25.310 - 47.25.429 during the three months beginning with the month in which the family received a diversion payment, the diversion payment shall be prorated over the three-month period and deducted from any AFDC benefit the family may be eligible for under the new application.

(e) A family that receives a diversion payment may not receive another diversion payment before the 12th month following the month in which it last received a diversion payment.

(f) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 25.27.120, 25.27.130, and AS 47.25.310 - 47.25.429.

(g) In this section,

(1) "AFDC" means the program of aid to families with dependent children under AS 47.25.310 - 47.25.420;

(2) "department" means the Department of Health and Social Services.

* Sec. 2. AS 47.25 is amended by adding new sections to read:

Sec. 47.25.311. INELIGIBILITY FOR ASSISTANCE. (a) A person is ineligible for assistance under AS 47.25.310 - 47.25.420 for the following time periods upon administrative disqualification for an intentional program violation, as defined under 42 U.S.C. 616:

(1) six months following the first disqualification;

(2) 12 months following the second disqualification; and

(3) permanently following the third disqualification.

(b) Except as provided in (c) of this section, a family is not eligible for an increase in cash assistance due to the birth of a child if the birth occurs more than 10 calendar months after the later of the

(1) date on which the family applied for assistance; or

(2) effective date of this subsection.

(c) The limit on increases in cash assistance under (b) of this section does not apply

(1) if the additional child was conceived as a result of incest or sexual assault as verified by a physician statement and law enforcement records;

(2) to children who are the firstborn, including all children in the case of a multiple birth, of a minor who is included under an assistance grant who becomes a first-time minor parent;

(3) to a child who does not reside with a parent of the child; or

(4) to a child that was conceived in a month in which the family was not receiving assistance.

(d) In addition to the time limits on eligibility for assistance that may be applicable under AS 47.25.364, a family is not eligible to receive benefits under AS 47.25.310 - 47.25.420 if the family includes an adult who has received benefits under AS 47.25.310 - 47.25.420 for more than a cumulative total of 60 months after the effective date of this subsection as the caretaker of a dependent child or as a pregnant woman unless the caretaker or pregnant woman is

(1) determined, under regulations of the department, to be physically or mentally unable to perform gainful activity;

(2) a parent who is providing care for a child with a developmental disability, as defined in AS 47.80.900; or

(3) in a family determined by the department to be exempt from this subsection by reason of hardship; the number of families for which an exemption is in effect under this paragraph may not exceed 10 percent or the maximum percentage allowed under federal law, whichever is greater, of the families for which the department is providing benefits under AS 47.25.310 - 47.25.420.

(e) A family is not eligible for assistance under AS 47.25.310 - 47.25.420 if the family includes an adult who is determined by the department to be fleeing prosecution, custody, or confinement after conviction, in this or another jurisdiction, for a crime that is classified as a felony under AS 11 or the laws of the jurisdiction

where the criminal activity was committed.

(f) A family is not eligible for assistance for the following time periods after the day on which the adult applicant or a custodial parent in the family, without good cause, refused to accept, or separated from, suitable employment and that refusal or separation caused the family's need for assistance:

(1) one month for the first refusal or separation without good cause;

(2) six months for the second refusal or separation without good cause; and

(3) 12 months for the third and subsequent refusal or separation without good cause.

(g) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

Sec. 47.25.315. ASSISTANCE TO MINORS WITH CHILDREN. (a) Except as provided in (c) of this section, the department shall require, as a condition of eligibility for assistance, that a minor parent must reside in a

(1) place of residence maintained by the minor's parent, legal guardian, or other adult relative of the minor as the parent's, guardian's, or other adult relative's own home; or

(2) foster home, maternity home, or other adult-supervised supportive living arrangement; however, the minor may satisfy the condition of eligibility imposed by this subsection by residing in a foster home, maternity home, or other adult-supervised supportive living arrangement only if

(A) the minor parent does not have a parent, legal guardian, or other adult relative who is living and whose whereabouts are known;

(B) there is no living parent, legal guardian, or adult relative of the minor parent who will allow the minor to live in the home of the parent, legal guardian, or adult relative; or

(C) the department determines that the physical or emotional health or safety of the minor parent or the minor's child would be jeopardized

if the minor and the minor's child lived in the same residence with any of the minor's parents, legal guardian, or other adult relatives.

(b) Notwithstanding AS 47.25.360, the department shall, where possible, pay assistance on behalf of a minor parent who is subject to the requirements of (a) of this section to the minor's parent, legal guardian, or other adult relative, or, as applicable, to the head of the adult-supervised supportive living arrangement where the minor parent resides.

(c) The provisions of (a) of this section do not apply if

(1) the minor parent lived apart from the minor's parent or legal guardian for either one year before the birth of the dependent child or one year before the minor parent submitted the application for assistance; or

(2) the department otherwise determines under regulations that there is good cause for waiving the requirements of (a) of this section in the case of a particular minor parent.

(d) In this section, "minor parent" means a person who is under the age of 18, who has never married, and is either

(1) the natural parent of a dependent child living in the same household; or

(2) eligible for assistance as a pregnant woman.

(e) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* Sec. 3. AS 47.25.320(a) is amended to read:

(a) The department shall determine the amount of assistance for a dependent child, and the relative with whom the dependent child is living, with regard to the resources and necessary expenditures of the family and the condition existing in each case. Assistance is sufficient if, when added to all other income and support available to the child, the child and relative have reasonable subsistence compatible with decency and health. However, <u>to the extent allowed under federal law or under a waiver approved under federal law,</u> the amount of assistance may not exceed the

following:

(1) dependent child living with nonneedy relative: **$463** [FOR A DEPENDENT CHILD WHO IS LIVING IN THE HOME OF A NONNEEDY RELATIVE, $452], plus **$87** [$102] for each additional child;

(2) dependent child living with parent:

(A) for a parent and one dependent child, a maximum of **$767** [$821];

(B) for each additional dependent child, or for a second parent **in a family whose eligibility is not based on the unemployment of the family's principal wage earner**, **$87** [$102] a month per individual;

(3) pregnant woman who is otherwise eligible for assistance under this section, or a single-person household that does not consist of a dependent child: **$437** [$514] a month.

* Sec. 4. AS 47.25.320 is amended by adding new subsections to read:

(h) To the extent allowed under federal law or under a waiver approved under federal law, the department shall reduce the shelter allowance used under AS 47.25.310 - 47.25.420 for a family whose shelter costs are lower than the standard shelter allowance used by the department for similar families. The shelter allowance for a family whose costs are below the standard allowance shall be an amount equal to the family's actual verified shelter costs. In this subsection,

(1) "shelter allowance" means the portion of the benefit under AS 47.25.310 - 47.25.420 that is allocated by the department for shelter costs;

(2) "shelter costs" means

(A) rental payments or mortgage payments for the family's housing, including payments made for property or mortgage insurance and property taxes; and

(B) the cost of utilities, including heat, electricity, telephone, water, sewer, and garbage services incurred for the family's housing; the department may establish different utility cost standards for different areas of the state and may use an average utility cost per month based on estimated level payments over a 12-month period.

(i) To the extent allowed under federal law or under a waiver approved under

federal law, the department shall, for the months of June, July, August, and September, reduce by 50 percent the assistance for which the family is otherwise eligible if the family's eligibility for assistance is based on the unemployment of the family's principal wage earner.

* Sec. 5. AS 47.25.360 is amended to read:

Sec. 47.25.360. GRANTING OF ASSISTANCE. Upon the completion of the investigation, the department shall decide whether the child is eligible for assistance under AS 47.25.310 - 47.25.420, the amount of assistance, and the date on which it starts. The department shall notify the person having custody of the child of its decision. Except as provided in AS 47.25.315(b), the [THE] assistance shall be paid monthly to the person having custody of the child upon order of the department.

* Sec. 6. AS 47.25 is amended by adding a new section to read:

Sec. 47.25.364. TIME LIMITS ON BENEFITS. (a) Except as provided in (b) of this section, a family is not eligible for more than 24 months of assistance under AS 47.25.310 - 47.25.420 during any 60 consecutive months that occur after the effective date of this section.

(b) The eligibility of a family described in (a) of this section shall be extended beyond 24 months if the family has cooperated with the department and every adult in the family who has been assigned to an activity under AS 47.25.303 or 47.25.421 - 47.25.429 has substantially complied with the requirements of the program to which the person was assigned but

(1) a temporary and verified physical or mental condition, as supported by appropriate medical documentation, prevents adults in the family from attaining and maintaining employment that would provide the family with net income equal to or greater than what the family would receive from the assistance grant;

(2) the department failed to comply with AS 47.25.303(d) or 47.25.427 with respect to the family;

(3) despite all appropriate efforts, the adults in the family have been unable to find, or have lost without cause, employment that would provide the family with total net income equal to or greater than what the family would receive from assistance; or

(4) other unique circumstances exist, as determined by the department,

that prevent the adults in the family from obtaining or retaining adequate employment.

(c) Notwithstanding (a) of this section, a family that becomes ineligible for assistance solely by operation of (a) of this section nevertheless remains eligible for medical assistance under AS 47.07 for a period of 12 months after losing eligibility for assistance under (a) of this section.

(d) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* Sec. 7. AS 47.25 is amended by adding a new section to read:

Sec. 47.25.366. SCHOOL ATTENDANCE. (a) The department shall reduce the assistance for which an assistance unit is otherwise eligible under AS 47.25.310 - 47.25.420 if a minor parent in the assistance unit fails, without good cause, to meet standards of adequate levels of school attendance, as defined in regulations of the department. The reduction under this subsection shall be achieved by disregarding the needs of the person who failed to meet the school attendance standards. The person's needs shall be disregarded for

(1) one month for the first failure;

(2) six months for the second failure; and

(3) 12 months for the third and subsequent failures.

(b) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or under a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

* Sec. 8. AS 47.25.310(c) is repealed.

* Sec. 9. AS 47.25.301, 47.25.302, 47.25.303, 47.25.305, 47.25.306, 47.25.307, and 47.25.308 are repealed July 1, 2003.

* Sec. 10. WAIVER APPLICATIONS. The Department of Health and Social Services shall promptly apply to the federal government for waivers if the department determines that waivers are necessary to implement AS 47.25.309, added by sec. 1 of this Act, or any part of secs. 2 or 4 - 7 of this Act.

* Sec. 11. TRANSITION. The Department of Health and Social Services may proceed to

adopt regulations necessary to implement this Act. The regulations to implement a section of this Act take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the relevant section of this Act.

* Sec. 12. APPLICABILITY. (a) AS 47.25.311(a), added by sec. 2 of this Act, applies to disqualifications imposed on or after the effective date of AS 47.25.311(a).

(b) AS 47.25.311(e), added by sec. 2 of this Act, applies to offenses committed on or after the effective date of AS 47.25.311(e).

(c) AS 47.25.311(f), added by sec. 2 of this Act, applies to refusals to accept, and separations from, suitable employment without good cause that occur on or after the effective date of AS 47.25.311(f).

(d) AS 47.25.315, added by sec. 2 of this Act, applies to minors who apply for assistance under AS 47.25.310 - 47.25.420 on or after the effective date of AS 47.25.315.

* Sec. 13. AS 47.25.301, added by sec. 1 of this Act, and secs. 3, 8 - 12, and 15 of this Act take effect immediately under AS 01.10.070(c).

* Sec. 14. Except as provided in sec. 13 of this Act, each section or part of a section of this Act takes effect on the earlier of the following dates:

(1) the date on which the Department of Health and Social Services determines that the section or part of a section can be implemented without a waiver of federal law; or

(2) the effective date of a waiver received from the federal government that authorizes implementation of the section or part of a section.

* Sec. 15. The commissioner of health and social services shall notify the revisor of statutes and the lieutenant governor of the effective date of the sections and parts of sections governed by sec. 14 of this Act and of whether the effective date was determined by a waiver approval or a determination that a waiver is not necessary.

ALASKA STATE LEGISLATURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE S FIN
COMMITTEE NAME

COMMITTEE ON SB 98 DATED 4-12-96
BILL/SUBJECT

I have several concerns after a brief review of the new bill, and certainly the bill contains some positive elements

1. Please exempt single parents when their child is under 12 mo (from benefit limits) and when JOBS, childcare not available.
2. The cost of living is not going down. I do not support ratables reduction
3. The AFDC Roles in Alaska declined due to an aggressive effort by DPA and success with the JOBS program. National research indicates the importance of REINVESTING dollars into JOBS, training and childcare for the harder to serve (because of greater needs for education, mental health and substance abuse counseling
4. Tribal and State JOBS programs and vocational training are not adequately funded to meet the time limit goals and ensure safety for families

SIGNED T Ruth Burdick
TESTIFIER

Tanana Valley Campus - UAF
REPRESENTING (OPTIONAL)

510 Second Ave Fairbanks 4747400
ADDRESS/PHONE NUMBER