

**ALASKA LEGISLATURE**

**HOUSE and SENATE FINANCE COMMITTEE FILES,**

**1993-1994**

**953**

21

**ANALYSIS (cont.):****Use AFDC Basic Need Standards for AFDC-UP and AFDC-Incap**

AS 47.25.320(e) sets the AFDC need standards for AFDC-UP payments at the same level as the standards for AFDC INCAP cases that are set in state regulations. This proposes that the statute be amended to pay AFDC-UP and INCAP cases on the same standard used for AFDC-BASIC cases, i.e., to set the increment for the second parent at the same level as the increment for an additional child in an AFDC-BASIC case. This would result in a payment reduction of \$90 for a typical AFDC-UP and INCAP case.

This change eliminates the inequity between existing payment standards for single-parent and two-parent AFDC households of the same size. It also makes the AFDC-UP program a less attractive alternative to working by reducing payment levels, thus tending to reduce the dependency of intact families on welfare payments. Increased Food Stamp benefits will partially offset the reduction in cash benefits.

**Assumptions used in fiscal note computations:**

1. AFDC-UP and AFDC-INCAP caseloads increase at an average annual rate of 5%
2. AFDC-UP and AFDC-INCAP payment level is the same standard used for AFDC-Basic cases.
3. The adjustment in payments is effective October 1, 1993 (9 month impact in FY94).

The FY94-FY99 formula impact of the standards change for AFDC-UP and AFDC-INCAP assumes the reduction is not restored retroactively, therefore the maximum AFDC payment base is lower in subsequent fiscal years.

AFDC	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Projected Average AFDC-UP and INCAP Caseload	2476	2599	2729	2866	3009	3160
Average Payment reduction for the base change that is not restored retroactively	\$87.26	\$87	\$87	\$87	\$87	\$87
<b>TOTAL FY REDUCTION</b>	<b>1944.4</b>	<b>2713.4</b>	<b>2849.0</b>	<b>2992.1</b>	<b>3141.4</b>	<b>3299.0</b>
Federal	972.2	1356.7	1424.5	1496.0	1570.7	1649.5
GFM	972.2	1356.7	1424.5	1496.1	1570.7	1649.5

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 67 (FIN)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU  
payments of Public Assistance. Section 6 Component: Adult Public Assistance (APA)  
 Sponsor: House Rules  
 Requestor: Governor COMPONENT SERIAL NO. 0222

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	434.0	1,016.3	1,076.1	1,135.9	1,195.7	1,255.5
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(434.0)	(1,016.3)	(1,076.1)	(1,135.9)	(1,195.7)	(1,255.5)
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

IMPLEMENT INTERIM ASSISTANCE REIMBURSEMENT

Enact Interim Assistance Reimbursement that recovers state Interim Assistance benefits from the retroactive SSI benefits of applicants found eligible for SSI.

The FY94 GF savings is included in the FY94 Governor's budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance  
 Approved by Commissioner: Theodore A. Mala, MD, MPH  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 3/28/93  
 Date: 3/28/93

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**ANALYSIS (cont.):**

**Enact Interim Assistance Reimbursement and Eliminate Retroactive APA Payments to Interim Assistance Recipients After SSI Application Approved.**

State statute AS 47.25.455 requires the State to pay \$280 per month to persons eligible under this statute while the Social Security Administration is processing their disability applications. SSI regulations allow states to be reimbursed for their Interim Assistance costs out of the retroactive SSI entitlements of applicants who are ultimately found eligible for federal SSI benefits.

Because of concerns that disability assistance can be easily abused, the process of proving or disapproving disability for Social Security purposes has gradually become lengthy and complex. Concerns that people may need help badly while that process is allowed to unfold led to Alaska's enactment of Interim Assistance for APA Aid to the Disabled applicants who are awaiting a disability determination by the Social Security Administration. Although a high proportion (about 60%) of all Disability applicants are ultimately determined to be not legally disabled, an Alaska Supreme Court decision (Moore v. Beirne) determined that AS 47.25.455 requires that the state continue interim assistance until all Social Security administrative processes are complete and all administrative appeal rights have been exhausted.

Under existing state law, Alaska applicants for Adult Public Assistance receive Interim Assistance for an average of 8.8 months before a decision is made on their eligibility for SSI benefits. The Interim Assistance case is converted retroactively to Adult Public Assistance, effective with the date of APA application, after the SSI decision is made. Interim Assistance recipients receive \$280 in Interim Assistance. The proposed change does not eliminate any monthly assistance payments to recipients; it simply recovers Interim Assistance by reducing retroactive windfall payments.

The proposed changes to AS 47.25.455 would enable DHSS to effectively recover Interim Assistance benefits from the retroactive SSI benefits of APA applicants who are found eligible for SSI. APA applicants would be required to agree to have their retroactive SSI benefits paid to DHSS to reimburse the state for the Interim Assistance they would receive. There would be no retroactive entitlement to regular APA benefits.

\$280 of the monthly retroactive SSI benefit would be collected by DHSS, and the remaining \$154 in retroactive SSI would be paid to the client.

	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Cases per month	32	34	36	38	40	42
Average Reimbursement Amount	\$1130.20	\$2491	\$2491	\$2491	\$2491	\$2491
<b>TOTAL</b>	<b>134.0</b>	<b>1016.3</b>	<b>1076.1</b>	<b>1135.9</b>	<b>1195.7</b>	<b>1255.5</b>

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CS HB 67 (FIN)

Revision Date: 03/30/93 Dept. Affected: Health and Social Services  
 Title: An act relating to eligibility for payments of Public Assistance..... BRU: Medical Assistance  
 Component: Medicaid Non-Facilities  
 Sponsor: Rules, by request  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 0229

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(106.9)	(119.2)	(132.9)	(148.2)	(165.2)	(184.2)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(106.9)</b>	<b>(119.2)</b>	<b>(132.9)</b>	<b>(148.2)</b>	<b>(165.2)</b>	<b>(184.2)</b>

CAPITAL						
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REVENUE FUND SOURCE						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts	(53.5)	(59.6)	(66.5)	(74.1)	(82.6)	(92.1)
1003 GF Match	(53.4)	(59.6)	(66.4)	(74.1)	(82.6)	(92.1)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>(106.9)</b>	<b>(119.2)</b>	<b>(132.9)</b>	<b>(148.2)</b>	<b>(165.2)</b>	<b>(184.2)</b>

**POSITIONS:**

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

Estimate of current year (FY93) impact: None

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

See Attached Analysis

Prepared by: Randy Super   
 Division: Division of Medical Assistance

Phone: 465-3355  
 Date: 3/30/93

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

Date: 3/20/93

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**ANALYSIS (cont.):**

Division of Public Assistance counts show 56 adults and 71 children would become ineligible for AFDC if this bill were to pass. Medicaid applies a 100% of Federal Poverty Level Qualifying income standard to non-AFDC children under age 9. All of the families who will be disqualified from AFDC have incomes below the poverty level, so only children over 9 will lose eligibility for Medicaid. Of the 71 children affected, 31 are children over 9.

An AFDC adult averages \$250.38 per month in Medicaid benefits. An AFDC child averages \$121.91 per month in benefits. For FY 94, Medicaid savings will be 213.7. (106.9 Federal Funds, 106.8 State General Fund Match)

56 adults x 250.38/mo x 12 mo. =	168.3
31 children x \$121.91/mo =	45.4

It is likely that some currently-eligible children over 9 who are members of a Medicaid-only optional eligible group, children under 21 years of age who do not meet all the AFDC requirements, will lose eligibility, since this group uses the AFDC income qualifying standards. Because of the structure of the Eligibility Information System, it is impossible to measure how many of these children will lose benefits. Only a very few of these recipients are likely to have incomes that fall between the current limits and the lower levels proposed by this bill.

Services for these eligibles are split evenly by cost between two components, Medicaid Facility, and Medicaid Non-Facility.

FY 94 savings, Medicaid Facility =	106.8 (53.5 Fed, 53.4 SGFM)
Medicaid Non-Facility =	106.9 (53.4 Fed, 53.4 SGFM)

For FY 95 and following, the FY 94 savings are increased annually by 11.5%, the budgeted rate of growth of the Medicaid program proposed in the Governor's FY 94 budget request.

**FISCAL NOTE**

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CS HB 67 (FIN)

Revision Date: 03/30/93 Dept. Affected: Health and Social Services  
 Title: An act relating to eligibility for payments BRU: Medical Assistance  
of Public Assistance..... Component: Medicaid Facilities  
 Sponsor: Rules, by request  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 0230

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

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(106.8)	(119.1)	(132.8)	(148.1)	(165.1)	(184.1)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(106.8)</b>	<b>(119.1)</b>	<b>(132.8)</b>	<b>(148.1)</b>	<b>(165.1)</b>	<b>(184.1)</b>

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

1002 Federal Receipts	(53.4)	(59.6)	(66.4)	(74.1)	(82.6)	(92.1)
1003 GF Match	(53.4)	(59.5)	(66.4)	(74.0)	(82.5)	(92.0)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>(106.8)</b>	<b>(119.1)</b>	<b>(132.8)</b>	<b>(148.1)</b>	<b>(165.1)</b>	<b>(184.1)</b>

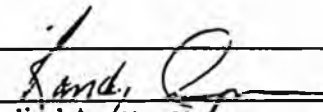
**POSITIONS:**

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

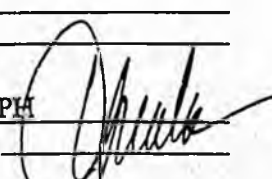
Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

See Attached Analysis

Prepared by: Randy Super   
 Division: Division of Medical Assistance

Phone: 465-3355  
 Date: 3/30/93

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

Date: 3/30/93

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Services for these eligibles are split evenly by cost between two components, Medicaid Facility, and Medicaid Non-facility.

FY 94 savings, Medicaid facility = 106.8 (53.5 Fed, 53.4 SGFM)  
Medicaid Non-Facility = 106.9 (53.4 Fed, 53.4 SGFM)

For FY 95 and following, the FY 94 savings are increased annually by 11.5%, the budgeted rate of growth of the Medicaid program proposed in the Governor's FY 94 budget request.

REFLECTS COMMITTEE ACTION TAKEN 3/30/93.  
Eliminates COLA FROM STATUTE

8-GH1036X

CS FOR HOUSE BILL NO. 67(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to eligibility for and payments of public assistance; and  
2 providing for an effective date."

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

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

5 (a) The department shall determine the amount of assistance for a dependent  
6 child, and the relative with whom the dependent child is living, with regard to the  
7 resources and necessary expenditures of the family and the condition existing in each  
8 case. Assistance is sufficient if, when added to all other income and support available  
9 to the child, the child and relative have reasonable subsistence compatible with  
10 decency and health. However, the amount of assistance may not exceed the following:

11 (1) dependent child living with nonneedy relative: for a dependent  
12 child [UNDER AGE 18] who is living in the home of a nonneedy relative, \$452  
13 [\$200], plus \$102 for [AN ADDITIONAL \$200 FOR THE SECOND CHILD, AND  
14 \$65 A CHILD FOR THE THIRD AND] each additional child;

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(2) dependent child living with parent:

(A) for a parent and one dependent child [UNDER 18], a maximum of \$821 [\$500];

(B) [REPEALED

(C) for each additional dependent child, or for a second parent. \$102 [UNDER AGE 18, \$65] a month per individual [CHILD];

(3) pregnant woman who is otherwise eligible for assistance under this section, or [: AN AMOUNT EQUAL TO THE ASSISTANCE RECEIVED BY] a single-person household that does not consist of a dependent child: \$514 [UNDER THIS SECTION AS DETERMINED BY THE DEPARTMENT PLUS A SPECIAL NEEDS ALLOWANCE NOT TO EXCEED \$20] a month.

\* Sec. 2. AS 47.25.320 is amended by adding a new subsection to read:

(g) The department may adopt regulations to establish a monthly need standard for a dependent child and the relative with whom the dependent child is living that equals or exceeds the monetary maximums set in (a) of this section.

\* Sec. 3. AS 47.25.430(b) is amended to read:

(b) The department shall determine the amount of assistance with regard to the resources and needs of the person and the conditions existing in each case. Assistance shall be in an amount that will provide the applicant with reasonable subsistence compatible with decency and health in accordance with standards established by the department and with the standards established under 42 U.S.C. 1381 - 1383 [42 U.S.C. 1381 - 1385] (Title XVI, Social Security Act Supplemental Security Income Program). When benefit amounts under 42 U.S.C. 1381 - 1383 [42 U.S.C. 1381 - 1385] are increased as a result of an increase in the cost of living, the state shall pass along the increase to recipients [AND SHALL INCREASE THE AMOUNT OF THE STATE CONTRIBUTION TO RECIPIENTS BY A PERCENTAGE OF THE STATE CONTRIBUTION EQUAL TO THE PERCENTAGE INCREASE IN THE BENEFIT AMOUNTS UNDER 42 U.S.C. 1381 - 1385]. Direct payments for medical services and remedial care may not be considered in determining the maximum amount payable.

\* Sec. 4. AS 47.25.430 is amended by adding a new subsection to read:

1 (e) Notwithstanding (a) and (b) of this section, the department shall, in a  
2 manner that complies with federal requirements, reduce the maximum state  
3 contribution to recipients otherwise payable on July 1, 1993, to the maximum state  
4 contribution to recipients that was in effect on January 1, 1992. After June 30, 1993,  
5 the department shall, in a manner that complies with federal requirements, calculate  
6 the amount of monthly assistance for a recipient based on the maximum state  
7 contribution to recipients in effect on January 1, 1992.

8 \* Sec. 5. AS 47.25.455 is amended by adding new subsections to read:

9 (c) A person applying for assistance under this section shall, as a condition of  
10 eligibility for assistance, agree to repay the state for assistance granted upon the  
11 person's receipt of a benefit under 42 U.S.C. 1381 - 1383 for a month in which the  
12 person received interim assistance under this section. The monthly repayment required  
13 by this subsection may not exceed the amount of assistance that the person received  
14 under 42 U.S.C. 1381 - 1383 for that month.

15 (d) Beginning the first full month after a person is determined to be eligible  
16 for assistance under 42 U.S.C. 1381 - 1383, the department shall terminate interim  
17 assistance to that person under this section and begin payments to the person under  
18 AS 47.25.430.

19 \* Sec. 6. AS 47.25.320(d) and 47.25.320(e) are repealed.

20 \* Sec. 7. TRANSITION FOR REGULATIONS. The Department of Health and Social  
21 Services shall adopt regulations necessary to implement this Act, consistent with federal  
22 requirements. The regulations take effect under AS 44.62 (Administrative Procedure Act), but  
23 not before July 1, 1993.

24 \* Sec. 8. Sections 1 - 6 of this Act take effect July 1, 1993.

25 \* Sec. 9. Section 7 of this Act takes effect immediately under AS 01.10.070(c).

**DIVISION OF LEGAL SERVICES**

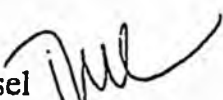
**LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA**

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

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

MEMORANDUM

March 30, 1993

**SUBJECT:** Public Assistance (CSHB 67( ))  
**TO:** Representative Kay Brown  
**FROM:** Terri Lauterbach  
Legislative Counsel 

Enclosed is a blank CS for HB 67.

It would set payment levels for APA and AFDC at 1992 payment levels and authorize future COLA's only if, without the COLA's, assistance levels would fall below 70% of the federal poverty guideline for Alaska, as determined by the federal DHHS. The COLA language is in sec. 2 for AFDC and sec. 4 for APA.

Please let me know if I can be of further assistance.

TML:pl  
93-254.plm

Enclosure

8-GH1036U ✓  
Lauterbach  
3/30/93

CS FOR HOUSE BILL NO. 67( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to eligibility for and payments of public assistance; and  
2 providing for an effective date."

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

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

5 (a) The department shall determine the amount of assistance for a dependent  
6 child, and the relative with whom the dependent child is living, with regard to the  
7 resources and necessary expenditures of the family and the condition existing in each  
8 case. Assistance is sufficient if, when added to all other income and support available  
9 to the child, the child and relative have reasonable subsistence compatible with  
10 decency and health. However, the amount of assistance may not exceed the following:

11 (1) dependent child living with nonneedy relative: for a dependent  
12 child [UNDER AGE 18] who is living in the home of a nonneedy relative, \$452  
13 [\$200], plus \$102 for [AN ADDITIONAL \$200 FOR THE SECOND CHILD, AND  
14 \$65 A CHILD FOR THE THIRD AND] each additional child;

- 1 (2) dependent child living with parent:  
2 (A) for a parent and one dependent child [UNDER 18], a  
3 maximum of \$821 [\$500];  
4 (B) [REPEALED  
5 (C)] for each additional dependent child, or for a second  
6 parent, \$102 [UNDER AGE 18, \$65] a month per individual [CHILD];  
7 (3) pregnant woman who is otherwise eligible for assistance under this  
8 section, or [: AN AMOUNT EQUAL TO THE ASSISTANCE RECEIVED BY] a  
9 single-person household that does not consist of a dependent child: \$514 [UNDER  
10 THIS SECTION AS DETERMINED BY THE DEPARTMENT PLUS A SPECIAL  
11 NEEDS ALLOWANCE NOT TO EXCEED \$20] a month.

12 \* Sec. 2. AS 47.25.320(d) is amended to read:

13 (d) If benefits under 42 U.S.C. 1381 - 1383 [42 U.S.C. 1381 - 1385] (Social  
14 Security Act Supplemental Security Income Program) are increased because of an  
15 increase in the cost of living, the department shall increase the monetary maximums  
16 in (a) of this section by a percentage equal to the percentage increase in benefits under  
17 42 U.S.C. 1381 - 1383, but only if assistance levels under AS 47.25.310 - 47.25.420,  
18 without the increase under this subsection, would be less than 70 percent of the  
19 federal poverty guideline for the state as determined by the secretary of the  
20 Department of Health and Human Services [42 U.S.C. 1381 - 1385].

21 \* Sec. 3. AS 47.25.320 is amended by adding a new subsection to read:

22 (g) The department may adopt regulations to establish a monthly need standard  
23 for a dependent child and the relative with whom the dependent child is living that  
24 equals or exceeds the monetary maximums set in (a) of this section.

25 \* Sec. 4. AS 47.25.430(b) is amended to read:

26 (b) The department shall determine the amount of assistance with regard to the  
27 resources and needs of the person and the conditions existing in each case. Assistance  
28 shall be in an amount that will provide the applicant with reasonable subsistence  
29 compatible with decency and health in accordance with standards established by the  
30 department and with the standards established under 42 U.S.C. 1381 - 1383 [42 U.S.C.  
31 1381 - 1385] (Title XVI, Social Security Act Supplemental Security Income Program).

1       When benefit amounts under 42 U.S.C. 1381 - 1383 [42 U.S.C. 1381 - 1385] are  
2       increased as a result of an increase in the cost of living, the state shall pass along the  
3       increase to recipients and shall increase the amount of the state contribution to  
4       recipients by a percentage of the state contribution equal to the percentage increase in  
5       the benefit amounts under 42 U.S.C. 1381 - 1383, but only if assistance under this  
6       section, without the increase authorized under this subsection, would be less than  
7       70 percent of the federal poverty guideline for this state as determined by the  
8       secretary of the Department of Health and Human Services [42 U.S.C. 1381 -  
9       1385]. Direct payments for medical services and remedial care may not be considered  
10      in determining the maximum amount payable.

11     \* Sec. 5. AS 47.25.430 is amended by adding a new subsection to read:

12           (e) Notwithstanding (a) and (b) of this section, the department shall, in a  
13      manner that complies with federal requirements, reduce the maximum state  
14      contribution to recipients otherwise payable on July 1, 1993, to the maximum state  
15      contribution to recipients that was in effect on January 1, 1992. After June 30, 1993,  
16      the department shall, in a manner that complies with federal requirements, calculate  
17      the amount of monthly assistance for a recipient based on the maximum state  
18      contribution to recipients in effect on January 1, 1992, as modified by any increases  
19      in benefit amounts under 42 U.S.C. 1381 - 1383, that result in increases in the state  
20      contribution under (b) of this section.

21     \* Sec. 6. AS 47.25.455 is amended by adding new subsections to read:

22           (c) A person applying for assistance under this section shall, as a condition of  
23      eligibility for assistance, agree to repay the state for assistance granted upon the  
24      person's receipt of a benefit under 42 U.S.C. 1381 - 1383 for a month in which the  
25      person received interim assistance under this section. The monthly repayment required  
26      by this subsection may not exceed the amount of assistance that the person received  
27      under 42 U.S.C. 1381 - 1383 for that month.

28           (d) Beginning the first full month after a person is determined to be eligible  
29      for assistance under 42 U.S.C. 1381 - 1383, the department shall terminate interim  
30      assistance to that person under this section and begin payments to the person under  
31      AS 47.25.430.

1 \* Sec. 7. AS 47.25.320(e) is repealed.

2 \* Sec. 8. TRANSITION FOR REGULATIONS. The Department of Health and Social  
3 Services shall adopt regulations necessary to implement this Act, consistent with federal  
4 requirements. The regulations take effect under AS 44.62 (Administrative Procedure Act), but  
5 not before July 1, 1993.

6 \* Sec. 9. Sections 1 - 7 of this Act take effect July 1, 1993.

7 \* Sec. 10. Section 8 of this Act takes effect immediately under AS 01.10.070(c).

A M E N D M E N T

OFFERED IN THE HOUSE BY REPRESENTATIVE HOFFMAN  
TO: CSHB 67(FIN) (8-GH1036X)

Page 2, after line 11:

Insert a new bill section to read:

\*\* Sec. 2. AS 47.25.320(d) is amended to read:

(d) If benefits under 42 U.S.C. 1381 - 1383 [42 U.S.C. 1381 - 1385] (Social Security Act Supplemental Security Income Program) are increased because of an increase in the cost of living, the department shall, subject to an appropriation made specifically for the purposes of this subsection, increase the monetary maximums in (a) of this section by a percentage equal to the percentage increase in benefits under 42 U.S.C. 1381 - 1383 [42 U.S.C. 1381 - 1385]."

Renumber the following bill sections accordingly.

Page 2, lines 25 - 28:

Delete "[AND SHALL INCREASE THE AMOUNT OF THE STATE CONTRIBUTION TO RECIPIENTS BY A PERCENTAGE OF THE STATE CONTRIBUTION EQUAL TO THE PERCENTAGE INCREASE IN THE BENEFIT AMOUNT UNDER"

Insert ". The state [AND] shall also increase the amount of the state contribution to recipients by a percentage of the state contribution equal to the percentage increase in the benefit amounts under 42 U.S.C. 1381 - 1383, subject to an appropriation made specifically for the purpose of funding the increase ["

Page 3, line 7, after "1992":

Insert ", as modified by an increase under (b) of this section, if any, resulting from an increase in benefit amounts under 42 U.S.C. 1381 - 1383"

Page 3, line 19:

Delete "AS 47.25.320(d) and 47.25.320(e) are"

Insert "AS 47.25.320(e) is"

Page 3, line 24:

Delete "1 - 6"

Insert "1 - 7"

Page 3, line 25:

Delete "7"

Insert "8"

AMENDMENT 2 *raised*

OFFERED IN THE HOUSE  
TO: CSHB 67(JUD)

BY REPRESENTATIVE BROWN

Page 1, line 13:

Delete "\$98"

Insert "\$102"

Page 2, line 3:

Delete "\$792"

Insert "\$821"

Page 2, line 6:

Delete "\$98"

Insert "\$102"

Page 2, line 9:

Delete "\$497"

Insert "\$514"

Page 3, line 4:

Delete "1990"

Insert "1992"

Page 3, line 7:

Delete "1990"

Insert "1992"

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 67 (House-HESS)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU  
payments of Public Assistance. Section 1,6 Component: Aid to Families with Dependent  
Children (AFDC)  
 Sponsor: House Rules  
 Requestor: Governor COMPONENT SERIAL NO. 0220

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(1,944.4)	(2,713.4)	(2,849.0)	(2,992.1)	(3,141.4)	(3,299.0)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(1,944.4)</b>	<b>(2,713.4)</b>	<b>(2,849.0)</b>	<b>(2,992.1)</b>	<b>(3,141.4)</b>	<b>(3,299.0)</b>
<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>REVENUE FUND SOURCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	(972.2)	(1,356.7)	(1,424.5)	(1,496.1)	(1,570.7)	(1,649.5)
1003 GF Match	(972.2)	(1,356.7)	(1,424.5)	(1,496.0)	(1,570.7)	(1,649.5)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>(1,944.4)</b>	<b>(2,713.4)</b>	<b>(2,849.0)</b>	<b>(2,992.1)</b>	<b>(3,141.4)</b>	<b>(3,299.0)</b>

POSITIONS:

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

AFDC BASIC NEED STANDARDS FOR AFDC-UP AND AFDC INCAP

Formula AFDC program savings by amending pay to AFDC-UP and Incap cases on the same standard used for AFDC-Basic cases.

The FY94 reduction is included in the FY94 Gov Budget. DO NOT Duplicate

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance

Phone: 465-2680  
 Date: 3/9/93

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

Date: 3/12/93

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**ANALYSIS (cont.):****Use AFDC Basic Need Standards for AFDC-UP and AFDC-Incap**

AS 47.25.320(e) sets the AFDC need standards for AFDC-UP payments at the same level as the standards for AFDC INCAP cases that are set in state regulations. This proposes that the statute be amended to pay AFDC-UP and INCAP cases on the same standard used for AFDC-BASIC cases, i.e., to set the increment for the second parent at the same level as the increment for an additional child in an AFDC-BASIC case. This would result in a payment reduction of \$90 for a typical AFDC-UP and INCAP case.

This change eliminates the inequity between existing payment standards for single-parent and two-parent AFDC households of the same size. It also makes the AFDC-UP program a less attractive alternative to working by reducing payment levels, thus tending to reduce the dependency of intact families on welfare payments. Increased Food Stamp benefits will partially offset the reduction in cash benefits.

Assumptions used in fiscal note computations:

1. AFDC-UP and AFDC-INCAP caseloads increase at an average annual rate of 5%
2. AFDC-UP and AFDC-INCAP payment level is the same standard used for AFDC-Basic cases.
3. The adjustment in payments is effective October 1, 1993 (9 month impact in FY94).

The FY94-FY99 formula impact of the standards change for AFDC-UP and AFDC-INCAP assumes the reduction is not restored retroactively, therefore the maximum AFDC payment base is lower in subsequent fiscal years.

AFDC	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Projected Average AFDC-UP and INCAP Caseload	2476	2599	2729	2866	3009	3160
Average Payment reduction for the base change that is not restored retroactively	\$87.26	\$87	\$87	\$87	\$87	\$87
<b>TOTAL FY REDUCTION</b>	<b>1944.4</b>	<b>2713.4</b>	<b>2849.0</b>	<b>2992.1</b>	<b>3141.4</b>	<b>3299.0</b>
Federal	972.2	1356.7	1424.5	1496.0	1570.7	1649.5
GFM	972.2	1356.7	1424.5	1496.1	1570.7	1649.5

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB67 (House HESS)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU  
payments of Public Assistance. Section 1,2 Component: Aid to Families with Dependent  
 Sponsor: House Rules Children (AFDC)  
 Requestor: Governor COMPONENT SERIAL NO. 0220

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(8,600.1)	(9,035.3)	(9,482.1)	(9,956.3)	(10,454.0)	(10,976.6)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(8,600.1)</b>	<b>(9,035.3)</b>	<b>(9,482.1)</b>	<b>(9,956.3)</b>	<b>(10,454.0)</b>	<b>(10,976.6)</b>

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts	(3,921.6)	(4,120.0)	(4,324.0)	(4,540.0)	(4,767.0)	(5,005.5)
1003 GF Match	(3,921.6)	(4,120.0)	(4,324.0)	(4,540.0)	(4,767.0)	(5,005.5)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	(756.9)	(795.3)	(834.1)	(876.3)	(920.0)	(965.6)
<b>TOTAL</b>	<b>(8,600.1)</b>	<b>(9,035.3)</b>	<b>(9,482.1)</b>	<b>(9,956.3)</b>	<b>(10,454.0)</b>	<b>(10,976.6)</b>

POSITIONS:

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

IMPLEMENT RATABLE REDUCTION

Formula AFDC program savings from a ratable reduction in AFDC payment level.

The FY94 reduction is included in the FY94 Gov Budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance

Phone: 465-2680  
 Date: 3/9/93

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

Date: 3/12/93

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## Ratable Reduction in AFDC Payment Level

### Aid to Families with Dependent Children (AFDC)

This proposes legislation that provides for a ratable reduction of AFDC benefits. A provision of the Medicare Catastrophic Illness Act of 1988 requires, as a condition of future approval of Medicaid State Plans, maintenance of AFDC payment levels at or above those in effect for April 1988.

A ratable reduction of monthly maximum payments to their 1991 benefit level would result in an average payment reduction per family of \$52 for each month of FY94.

Ratable reductions are the single most effective method of immediately reducing program costs. They equitably distribute benefit reductions across the caseload, rather than impact specific groups. Food Stamp benefit increases will partially offset the decreases in cash benefits.

The AFDC reduction can be structured to create a "gap" between the need standard and the payment standard which creates an incentive for earned income by allowing for increased income from earnings without termination of AFDC. "GAP" exists when payments are made at a percentage of the need standard. Reductions in AFDC benefits will also make AFDC a slightly less attractive alternative to work.

Of the 39,911 people who will receive AFDC each month, 24,759 are children under the age of 19. Roughly two-thirds of all AFDC households consist of a parent and one or two children, with no other source of cash income but the PFD. The typical AFDC household in Alaska consists of a mother and one child. In FY94, without the reductions, this household would have expected to receive \$871 per month in AFDC cash assistance, assuming no other source of income. In all months that this family receives assistance, the grant amount will be reduced by \$79 due to imposition of a ratable reduction to the 1991 payment level. The AFDC formula reduction from this reduction is \$8.6 million (\$3.9 million GF).

### Assumptions used in fiscal note calculation:

1. AFDC program caseloads increase at an average annual rate of 5%.
2. The ratable reduction to AFDC maximum payment levels is to 1991 levels. This effectively rolls back COLA increases of 3.0% (January 1, 1993) and 3.7% (January 1, 1992).
3. The adjustment in payments is effective July 1, 1993.

Maximum benefit levels are set by AS 47.25.320(a) and 7 AAC 45.520. These benefit levels vary according to the size and composition of the assisted family. In accordance with AS 47.25.320(d), AFDC benefits (funded 50 percent General Fund, 50 percent federal match) are adjusted upward in January of each year by the same percentage as the federal Supplemental Security Income (SSI) program cost-of-living adjustment.

A provision of the Medicare Catastrophic Coverage Act of 1988 requires, as a condition of future approval of Medicaid State Plans, maintenance of AFDC payment levels at or above those in effect for April 1988. The proposed reduction does not conflict with this requirement, so long as payments remain at or above the April 1988 level.

## ANALYSIS (cont.):

The FY94-FY99 formula impact of the ratable reduction assumes the reduction is not restored retroactively, therefore the maximum AFDC payment base is lower in subsequent fiscal years.

CSHB 67 (House HESS)	AFDC					
	FY94	FY95	FY96	FY97	FY98	FY99
AFDC Caseload Average Caseload	13858	14558	15278	16042	16844	17636
*Average Payment reduction for the ratable reduction that is not restored retroactively	\$51.71	\$51.72	\$51.72	\$51.72	\$51.72	\$51.72
<b>TOTAL FY REDUCTION</b>	<b>8600.1</b>	<b>9035.3</b>	<b>9482.1</b>	<b>9956.3</b>	<b>10454.0</b>	<b>10976.6</b>
Funding Source						
FEDERAL	3921.6	4120.0	4324.0	4540.0	4767.0	5005.5
GF	3921.6	4120.0	4324.0	4540.0	4767.0	5005.5
I/A	756.9	795.3	834.1	876.3	920.0	965.6

\*The \$51.72 per year represents the minimum savings as the actual savings would be compounded annually by any subsequent.

The FY94 reduction is included in the FY94 agency budget request. DO NOT Duplicate Reduction.

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 67 (House HESS)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU  
payments of Public Assistance. Section 3,4 Component: Adult Public Assistance (APA)  
 Sponsor: House Rules  
 Requestor: Governor COMPONENT SERIAL NO. 0222

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(4,051.9)	(4,247.7)	(4,460.2)	(4,683.3)	(4,917.4)	(5,163.4)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(4,051.9)</b>	<b>(4,247.7)</b>	<b>(4,460.2)</b>	<b>(4,683.3)</b>	<b>(4,917.4)</b>	<b>(5,163.4)</b>

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(3,815.6)	(4,001.0)	(4,202.0)	(4,412.0)	(4,632.0)	(4,864.0)
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	(236.3)	(246.7)	(258.2)	(271.3)	(285.4)	(299.4)
<b>TOTAL</b>	<b>(4,051.9)</b>	<b>(4,247.7)</b>	<b>(4,460.2)</b>	<b>(4,683.3)</b>	<b>(4,917.4)</b>	<b>(5,163.4)</b>

POSITIONS:

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

IMPLEMENT RATABLE REDUCTION

Formula APA program savings from a ratable reduction in APA payment level.

The FY94 reduction is included in the FY94 Gov Budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance

Phone: 465-2680  
 Date: 3/9/93

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

Date: 3/12/93

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## ANALYSIS (cont.):

Ratable Reduction in APA Payment Level

## Adult Public Assistance (APA)

Federal rules require, as a condition of federal Medicaid funding, APA payment levels at least as high as those in effect for March 1983 or maintenance of total program expenditures for the immediately preceding year. A reduction to the 1990 APA maximum payment level would result in an average payment reduction per client of approximately \$37 for each month of FY94. Ratable reductions are the single most effective method of immediately reducing program costs. They equitably distribute benefit reductions across the caseload, rather than impact specific groups.

Food Stamp benefit increases will partially offset decreases in cash benefits.

In FY94, the maximum state supplemental payment for an APA individual living independently is \$384. A ratable reduction to the 1990 payment level would reduce the state payment to an individual APA client by \$43 each month. The APA payment is currently 111% of poverty and would be reduced to 104% of poverty. The APA formula reduction from the ratable is 3.8 million GF.

## Assumptions used in fiscal note calculation:

1. APA program caseloads increase at an average annual rate of 5%.
2. The ratable reduction to APA maximum payment levels is to 1990 levels. This rolls back COLA increases of 3.0% (January 1, 1993) 3.7% (January 1, 1992) and 5.4% (January 1, 1991).
3. The adjustment in payments is effective July 1, 1993.

Adult Public Assistance payment levels are set in regulation at 7 AAC 40.310, as authorized by AS 47.25.430(b). These benefit levels vary according to the composition of the household and the type of living arrangement. Current statute at AS 47.25.430(b), provides for COLA adjustments at the same percentage as the SSI program. APA payments are funded with 100 percent General Fund monies.

The APA program is essentially supplemental to federal Social Security and SSI benefits; APA applicants are required to apply for payments from the Social Security Administration, and nearly all APA recipients receive federal payments which are subtracted from the APA maximum payment standard to determine the amount of their APA payments. Under current state law, both federal benefit levels and APA benefit levels are adjusted concurrently each January.

Federal rules require, as a condition of federal Medicaid matching funds, maintenance of APA payment levels at least as high as those in effect for March 1983, or maintenance of total APA program expenditures for a calendar year at a level at least as great as the expenditures for the immediately preceding year (Interim Assistance expenditures are not considered in the calculation.) Alaska's compliance is not threatened by this proposed ratable reduction in APA payments.

## ANALYSIS (cont.):

The FY94--FY99 formula impact of the ratable reduction assumes the reduction is not restored retroactively, therefore the maximum APA payment base is lower in subsequent fiscal years.

CSHB 67 (House HESS)	APA					
	FY94	FY95	FY96	FY97	FY98	FY99
AFDC Caseload Average Caseload	9207	9653	10136	10643	11175	11734
*Average Payment reduction for the ratable reduction that is not restored retroactively	\$36.67	\$36.67	\$36.67	\$36.67	\$36.67	\$36.67
TOTAL FY REDUCTION	4051.9	4247.7	4460.2	4683.3	4917.4	5163.4
GF	3815.5	4001.0	4202.0	4412.0	4632.0	4864.0
I/A	236.3	246.7	258.2	271.3	285.4	299.4

\* The \$36.67 per year represents the minimum savings as the actual savings would be compounded annually by any subsequent COLAS..

The FY94 reduction is included in the FY94 agency budget request. DO NOT Duplicate Reduction.

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 67 (House HESS)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU  
payments of Public Assistance. Section 5 Component: Adult Public Assistance (APA)  
 Sponsor: House Rules  
 Requestor: Governor COMPONENT SERIAL NO. 0222

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	434.0	1,016.3	1,076.1	1,135.9	1,195.7	1,255.5
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(434.0)	(1,016.3)	(1,076.1)	(1,135.9)	(1,195.7)	(1,255.5)
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

IMPLEMENT INTERIM ASSISTANCE REIMBURSEMENT

Enact Interim Assistance Reimbursement that recovers state Interim Assistance benefits from the retroactive SSI benefits of applicants found eligible for SSI.

The FY94 GF savings is included in the FY94 Gov Budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director  
 Division: Director of Public Assistance

Phone: 465-2680  
 Date: 3/9/93

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

Date: 3/12/93

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**ANALYSIS (cont.):**

Enact Interim Assistance Reimbursement and Eliminate Retroactive APA Payments to Interim Assistance Recipients After SSI Application Approved.

State statute AS 47.25.455 requires the State to pay \$280 per month to persons eligible under this statute while the Social Security Administration is processing their disability applications. SSI regulations allow states to be reimbursed for their Interim Assistance costs out of the retroactive SSI entitlements of applicants who are ultimately found eligible for federal SSI benefits.

Because of concerns that disability assistance can be easily abused, the process of proving or disproving disability for Social Security purposes has gradually become lengthy and complex. Concerns that people may need help badly while that process is allowed to unfold led to Alaska's enactment of Interim Assistance for APA Aid to the Disabled applicants who are awaiting a disability determination by the Social Security Administration. Although a high proportion (about 60%) of all Disability applicants are ultimately determined to be not legally disabled, an Alaska Supreme Court decision (Moore v. Beirne) determined that AS 47.25.455 requires that the state continue interim assistance until all Social Security administrative processes are complete and all administrative appeal rights have been exhausted.

Under existing state law, Alaska applicants for Adult Public Assistance receive Interim Assistance for an average of 8.8 months before a decision is made on their eligibility for SSI benefits. The Interim Assistance case is converted retroactively to Adult Public Assistance, effective with the date of APA application, after the SSI decision is made. Interim Assistance recipients receive \$280 in Interim Assistance. The proposed change does not eliminate any monthly assistance payments to recipients; it simply recovers Interim Assistance by reducing retroactive windfall payments.

The proposed changes to AS 47.25.455 would enable DHSS to effectively recover Interim Assistance benefits from the retroactive SSI benefits of APA applicants who are found eligible for SSI. APA applicants would be required to agree to have their retroactive SSI benefits paid to DHSS to reimburse the state for the Interim Assistance they would receive. There would be no retroactive entitlement to regular APA benefits.

\$280 of the monthly retroactive SSI benefit would be collected by DHSS, and the remaining \$154 in retroactive SSI would be paid to the client.

	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Cases per month	32	34	36	38	40	42
Average Reimbursement Amount	\$1130.20	\$2491	\$2491	\$2491	\$2491	\$2491
TOTAL	434.0	1016.3	1076.1	1135.9	1195.7	1255.5

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 67 (House HESS)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BFU: Assistance Payments BRU  
payments of Public Assistance, Section 6 Component: Aid to Families with Dependent  
 Sponsor: House HESS Children (AFDC)  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 0220

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(2,107.3)	(6,380.8)	(10,732.7)	(15,779.5)	(21,446.0)	(27,793.1)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(2,107.3)	(6,380.8)	(10,732.7)	(15,779.5)	(21,446.0)	(27,793.1)

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts	(960.9)	(2,935.1)	(4,937.0)	(7,258.6)	(9,865.2)	(12,784.8)
1003 GF Match	(960.9)	(2,935.1)	(4,937.0)	(7,258.6)	(9,865.2)	(12,784.8)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	(185.5)	(510.6)	(858.7)	(1,262.3)	(1,715.6)	(2,223.5)
TOTAL	(2,107.3)	(6,380.8)	(10,732.7)	(15,779.5)	(21,446.0)	(27,793.1)

POSITIONS:

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

NOTE: The FY94 reduction is included in the FY94 Governor budget. DO NOT DUPLICATE REDUCTION.

The Division of Public Assistance administers two assistance programs which have statutory provisions for annual cost-of-living payment increases: Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA). Under existing statutes, benefit levels for both of these entitlement programs are increased by the same percentage as any cost-of-living adjustment (COLA) in the federal Supplemental Security Income program. These benefit adjustments are made in January of each year; we project that the adjustments will be 3.0 percent each January from 1994 to 1999.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance

Phone: 465-2680  
 Date: 3/4/93

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

Date: 3/4/93

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## ANALYSIS (cont.):

CSHB 67 (House HESS) repeals the COLA for the AFDC program. The general fund savings by this action would be approximately \$960.9 million in FY94. The savings increase in subsequent years as the compounded effects of COLA repeal accumulate.

Repealing the COLA does not reduce individual benefit amounts; it simply does not award an increase each January. The COLA percentage could be awarded in the AFDC standard of need, and not in AFDC payment calculations, creating a payment gap that serves as an incentive to work. Increased Food Stamp benefits will partially offset the loss of the COLA in household budgets.

Since July 1, 1980 AFDC need standards and maximum payment levels have been automatically increased annually by the same percentage as Social Security and SSI benefits increase. In addition to the automatic COLA the legislature approved AFDC benefit level increases in 1981 and 1983. These increases have maintained formula program maximum payment levels measured as a percentage of the Federal Poverty Guideline for Alaska at approximately 77% for an AFDC family of three.

## Assumptions used in fiscal note calculation:

1. The January 1, 1994 Federal SSI COLA will be 3.0%. COLAs in subsequent years will also be 3.0%.
2. AFDC program caseloads increase at an average annual rate of 5%.

Currently maximum benefit levels are set by AS 47.25.320(a) and 7 AAC 45.520. These benefit levels vary according to size and composition of the assisted family. In accordance with AS 47.25.320(d), AFDC benefits (funded 50% General Fund, 50 percent federal match) are adjusted upward in January of each year by the same percentage as the federal Supplemental Security Income (SSI) program cost-of-living adjustment.

## ANALYSIS (cont.):

FY95 is the first full year of impact of repeal of the AFDC COLA. The impact in FY94 occurs only during the second six months of the fiscal year.

The FY94 reduction is included in the FY94 agency budget request. DO NOT DUPLICATE REDUCTION/

## CSHB 67 (House HESS)

## AFDC

	FY94	FY95	FY96	FY97	FY98	FY99
No COLA in FY94 AFDC AVG. Payment (After ratable and AFDC-Up Standards change to basic Assume 3.0 % yearly COLA for FY94-FY99	747	769	792	816	841	866
COLA INCREASE	25.344	22	23	24	24	25
AFDC Caseload AVG	13,858	14,550	15,278	16,042	16,844	17,686
6-Month reduction	\$25.34	\$22	\$23	\$24	\$24	\$25
12-month cumulative		\$25.34	\$47	\$70	\$94	\$118
FY Reduction						
6-Month impact	2107.3	1956.4	2115.9	2288.4	2474.9	2676.5
Cumulative impact	0	4424.4	8616.8	13491.1	18971.1	25116.6
TOTAL FY Reduction	2,107.3	6,380.8	10,732.7	15,779.5	21,446.0	27,793.1
Funding Source						
FEDERAL	960.9	2935.1	4937.0	7258.6	9865.2	12784.8
GFM	960.9	2935.1	4937.0	7258.6	9865.2	12784.8
I/A	185.5	510.6	858.7	1262.3	1715.6	2223.5
TOTAL		6380.8	10732.7	15779.5	21446.0	27793.1

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. C5HB 67 (House HESS)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU  
payments of Public Assistance. Section 3 Component: Adult Public Assistance (APA)  
 Sponsor: \_\_\_\_\_  
 Revisor: \_\_\_\_\_ COMPONENT SERIAL NO. 222

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

	FY94	FY95	FY96	FY97	FY98	FY99
<b>OPERATING</b>						
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(607.7)	(1,780.4)	(2,948.5)	(4,262.8)	(5,737.9)	(7,389.8)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(607.7)</b>	<b>(1,780.4)</b>	<b>(2,948.5)</b>	<b>(4,262.8)</b>	<b>(5,737.9)</b>	<b>(7,389.8)</b>
<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>REVENUE FUND SOURCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FUNDING:** (Thousands of Dollars)

	FY94	FY95	FY96	FY97	FY98	FY99
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	(572.2)	(1,676.4)	(2,776.3)	(4,013.9)	(5,402.8)	(6,958.2)
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	(35.5)	(104.0)	(172.2)	(248.9)	(335.1)	(431.6)
<b>TOTAL</b>	<b>(607.7)</b>	<b>(1,780.4)</b>	<b>(2,948.5)</b>	<b>(4,262.8)</b>	<b>(5,737.9)</b>	<b>(7,389.8)</b>

**POSITIONS:**

	FY94	FY95	FY96	FY97	FY98	FY99
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY93) impact: None

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

The FY94 reduction is included in the FY94 Gov Budget. DO NOT DUPLICATE REDUCTION

The Division of Public Assistance administers two assistance programs which have statutory provisions for annual cost-of-living payment increases: Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA). Under existing statutes, benefit levels for both of these entitlement programs are increased by the same percentage as any cost-of-living adjustment (COLA) in the federal Supplemental Security Income program. These benefit adjustments are made in January of each year; we project that the COLA adjustments will be 3.0 percent each January from 1994 through 1999.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance  
 Approved by Commissioner: Theodore A. Mala, MD, MPH  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 3/4/93  
 Date: 3/4/93

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## ANALYSIS (cont.):

CSHB 67 (House HESS) repeals the COLA for APA benefits beginning in January 1994. The general funds savings by this action would be approximately \$572.2 million in FY94 and would increase each year as the effects in subsequent years compound.

Repealing the COLA does not reduce individual benefit amounts; it simply does not award an increase in January and passes along the SSI COLA amount to APA recipients. Increased Food Stamp benefits will partially offset loss of COLAs in household budgets.

Since July 1, 1980 APA need standards and maximum payment levels have been automatically increased annually by the same percentage as Social Security and SSI benefits increase. In addition to the automatic COLA the legislature approved APA benefit level increases in 1981 and 1983.

These increases have maintained formula program maximum payment levels measured as a percentage of the Federal Poverty Guideline for Alaska at approximately 111% for a single APA client. (125% APA couple)

## Assumptions used in fiscal note calculation:

1. The Federal SSI COLA will be 3.0% per year.
2. APA program caseload increases at an average annual rate of 5%

Adult Public Assistance payment levels are set in regulation at 7 AAC 40.310, as authorized by AS 47.25.430(b). These benefit levels vary according to the composition of the household and the type of living arrangement. Current statute at AS 47.25.430(b) provides for COLA adjustments at the same percentage as the SSI program. APA payments are funded with 100 percent General Fund monies.

The APA program is essentially supplemental to federal Social Security and SSI benefits; APA applicants are required to apply for payments from the Social Security Administration, and nearly all APA recipients receive federal payments which are subtracted from the APA maximum payment standard to determine the amount of their APA payments. Under current state law, both federal benefit levels and APA benefit levels are adjusted concurrently each January.

Federal rules require, as a condition of federal Medicaid matching funds, maintenance of APA payment levels at least as high as those in effect for March 1983, or maintenance of total APA program expenditures for a calendar year at a level at least as great as the expenditures for the immediately preceding year (Interim Assistance expenditures are not considered in the calculation.) Alaska's compliance is not threatened by a repeal of the APA COLA. CSHB 67 (House HESS) freezes APA payment levels at the January 1990 level

Under this proposed change in the law, the State will pass along the 1/1/94 COLA increase allowed in the federal SSI program, but will not increase the state supplemental contribution to recipients.

FY95 is the first full year of impact of repeal of the January 1994 COLA. The impact in FY94 occurs only during the second six months of the fiscal year.

The FY94 reduction is included in the FY94 agency budget request. DO NOT DUPLICATE REDUCTION.

## ANALYSIS (cont.):

## CSHB 67 (House HESS)

## APA

	FY94	FY95	FY96	FY97	FY98	FY99
No COLA in FY94 APA AVG. Payment After ratable and APA Standards change to basic Assume 3.0% FY95 - FY99 /	291.32	300	309	318	328	338
COLA INCREASE	11	9	9	9	10	10
APA Caseload AVG	9,207	9,653	10,136	10,643	11,175	11,734
6-Month reduction	\$11.00	\$9	\$9	\$9	\$10	\$10
12-month cumulative		\$11.00	\$20	\$29	\$38	\$48
FY Reduction						
6-Month impact	607.7	506.2	547.5	592.1	640.3	692.5
Cumulative impact	0	1274.2	2401.0	3670.7	5097.6	6697.3
TOTAL FY Reduction	607.7	1,780.4	2,948.5	4,262.8	5,737.9	7,389.8
Funding Source						
GF	572.2	1676.4	2776.3	4013.9	5402.8	6958.2
I/A	35.5	104.0	172.2	248.9	335.1	431.6
TOTAL	607.7	1780.4	2948.5	4262.8	5737.9	7389.8

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 67 (JUD) 1

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU  
payments of Public Assistance, Section 1,6 Component: Aid to Families with Dependent  
 Sponsor: House Rules Children (AFDC)  
 Requestor: Governor COMPONENT SERIAL NO. 0220

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(1,944.4)	(2,713.4)	(2,849.0)	(2,992.1)	(3,141.4)	(3,299.0)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(1,944.4)</b>	<b>(2,713.4)</b>	<b>(2,849.0)</b>	<b>(2,992.1)</b>	<b>(3,141.4)</b>	<b>(3,299.0)</b>
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	(972.2)	(1,356.7)	(1,424.5)	(1,496.1)	(1,570.7)	(1,649.5)
1003 GF Match	(972.2)	(1,356.7)	(1,424.5)	(1,496.0)	(1,570.7)	(1,649.5)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>(1,944.4)</b>	<b>(2,713.4)</b>	<b>(2,849.0)</b>	<b>(2,992.1)</b>	<b>(3,141.4)</b>	<b>(3,299.0)</b>

POSITIONS:

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

Estimate of current year (FY93) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

AFDC BASIC NEED STANDARDS FOR AFDC-UP AND AFDC INCAP

Formula AFDC program savings by amending pay to AFDC-UP and Incap cases on the same standard used for AFDC-Basic cases.

The FY94 reduction is included in the FY94 Governor's budget. DO NOT Duplicate

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance  
 Approved by Commissioner: Theodore A. Mala, MD, MPH  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 3/24/93  
 Date: 3/24/93

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## ANALYSIS (cont.):

## Use AFDC Basic Need Standards for AFDC-UP and AFDC-Incap

AS 47.25.320(e) sets the AFDC need standards for AFDC-UP payments at the same level as the standards for AFDC INCAP cases that are set in state regulations. This proposes that the statute be amended to pay AFDC-UP and INCAP cases on the same standard used for AFDC-BASIC cases, i.e., to set the increment for the second parent at the same level as the increment for an additional child in an AFDC-BASIC case. This would result in a payment reduction of \$90 for a typical AFDC-UP and INCAP case.

This change eliminates the inequity between existing payment standards for single-parent and two-parent AFDC households of the same size. It also makes the AFDC-UP program a less attractive alternative to working by reducing payment levels, thus tending to reduce the dependency of intact families on welfare payments. Increased Food Stamp benefits will partially offset the reduction in cash benefits.

## Assumptions used in fiscal note computations:

1. AFDC-UP and AFDC-INCAP caseloads increase at an average annual rate of 5%
2. AFDC-UP and AFDC-INCAP payment level is the same standard used for AFDC-Basic cases.
3. The adjustment in payments is effective October 1, 1993 (9 month impact in FY94).

The FY94-FY99 formula impact of the standards change for AFDC-UP and AFDC-INCAP assumes the reduction is not restored retroactively, therefore the maximum AFDC payment base is lower in subsequent fiscal years.

AFDC	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Projected Average AFDC-UP and INCAP Caseload	2476	2599	2729	2866	3009	3160
Average Payment reduction for the base change that is not restored retroactively	\$87.26	\$87	\$87	\$87	\$87	\$87
<b>TOTAL FY REDUCTION</b>	<b>1944.4</b>	<b>2713.4</b>	<b>2849.0</b>	<b>2992.1</b>	<b>3141.4</b>	<b>3299.0</b>
Federal	972.2	1356.7	1424.5	1496.0	1570.7	1649.5
GFM	972.2	1356.7	1424.5	1496.1	1570.7	1649.5

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 67 (JUD)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU  
payments of Public Assistance. Section 1,2 Component: Aid to Families with Dependent  
 Sponsor: House Rules Children (AFDC)  
 Requestor: Governor COMPONENT SERIAL NO. 0220

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(8,600.1)	(9,035.3)	(9,482.1)	(9,956.3)	(10,454.0)	(10,976.6)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(8,600.1)</b>	<b>(9,035.3)</b>	<b>(9,482.1)</b>	<b>(9,956.3)</b>	<b>(10,454.0)</b>	<b>(10,976.6)</b>
<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>REVENUE FUND SOURCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	(3,921.6)	(4,120.0)	(4,324.0)	(4,540.0)	(4,767.0)	(5,005.5)
1003 GF Match	(3,921.6)	(4,120.0)	(4,324.0)	(4,540.0)	(4,767.0)	(5,005.5)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Receipts	(756.9)	(795.3)	(834.1)	(876.3)	(920.0)	(965.6)
<b>TOTAL</b>	<b>(8,600.1)</b>	<b>(9,035.3)</b>	<b>(9,482.1)</b>	<b>(9,956.3)</b>	<b>(10,454.0)</b>	<b>(10,976.6)</b>

POSITIONS:

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

Estimate of current year (FY93) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

IMPLEMENT RATABLE REDUCTION

Formula AFDC program savings from a ratable reduction in AFDC payment level.

The FY94 reduction is included in the FY94 Governor's budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance  
 Approved by Commissioner: Theodore A. Mala, MD, MPH  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 3/24/93  
 Date: 3/24/93

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## ANALYSIS (cont.):

Ratable Reduction in AFDC Payment Level

## Aid to Families with Dependent Children (AFDC)

This proposes legislation that provides for a ratable reduction of AFDC benefits. A provision of the Medicare Catastrophic Illness Act of 1988 requires, as a condition of future approval of Medicaid State Plans, maintenance of AFDC payment levels at or above those in effect for April 1988.

A ratable reduction of monthly maximum payments to their 1991 benefit level would result in an average payment reduction per family of \$52 for each month of FY94.

Ratable reductions are the single most effective method of immediately reducing program costs. They equitably distribute benefit reductions across the caseload, rather than impact specific groups. Food Stamp benefit increases will partially offset the decreases in cash benefits.

The AFDC reduction can be structured to create a "gap" between the need standard and the payment standard which creates an incentive for earned income by allowing for increased income from earnings without termination of AFDC. "GAP" exists when payments are made at a percentage of the need standard. Reductions in AFDC benefits will also make AFDC a slightly less attractive alternative to work.

Of the 39,911 people who will receive AFDC each month, 24,759 are children under the age of 19. Roughly two-thirds of all AFDC households consist of a parent and one or two children, with no other source of cash income but the PFD. The typical AFDC household in Alaska consists of a mother and one child. In FY94, without the reductions, this household would have expected to receive \$871 per month in AFDC cash assistance, assuming no other source of income. In all months that this family receives assistance, the grant amount will be reduced by \$79 due to imposition of a ratable reduction to the 1991 payment level. The AFDC formula reduction from this reduction is \$8.6 million (\$3.9 million GF).

## Assumptions used in fiscal note calculation:

1. AFDC program caseloads increase at an average annual rate of 5%.
2. The ratable reduction to AFDC maximum payment levels is to 1991 levels. This effectively rolls back COLA increases of 3.0% (January 1, 1993) and 3.7% (January 1, 1992).
3. The adjustment in payments is effective July 1, 1993.

Maximum benefit levels are set by AS 47.25.320(a) and 7 AAC 45.520. These benefit levels vary according to the size and composition of the assisted family. In accordance with AS 47.25.320(d), AFDC benefits (funded 50 percent General Fund, 50 percent federal match) are adjusted upward in January of each year by the same percentage as the federal Supplemental Security Income (SSI) program cost-of-living adjustment.

A provision of the Medicare Catastrophic Coverage Act of 1988 requires, as a condition of future approval of Medicaid State Plans, maintenance of AFDC payment levels at or above those in effect for April 1988. The proposed reduction does not conflict with this requirement, so long as payments remain at or above the April 1988 level.

## ANALYSIS (cont.):

The FY94-FY99 formula impact of the ratable reduction assumes the reduction is not restored retroactively, therefore the maximum AFDC payment base is lower in subsequent fiscal years.

AFDC	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
AFDC Caseload Average Caseload	13858	14558	15278	16042	16844	17686
* Average Payment reduction for the ratable reduction that is not restored retroactively	\$51.71	\$51.72	\$51.72	\$51.72	\$51.72	\$51.72
<b>TOTAL FY REDUCTION</b>	<b>8600.1</b>	<b>9035.3</b>	<b>9482.1</b>	<b>9956.3</b>	<b>10454.0</b>	<b>10976.6</b>
Funding Source						
Federal	3921.6	4120.0	4324.0	4540.0	4767.0	5005.5
GF	3921.6	4120.0	4324.0	4540.0	4767.0	5005.5
I/A	756.9	795.3	834.1	876.3	920.0	965.6

\*The \$51.72 per year represents the minimum savings as the actual savings would be compounded annually by any subsequent COLAS.

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 67 (JUD)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU  
payments of Public Assistance. Section 3,4 Component: Adult Public Assistance (APA)  
 Sponsor: House Rules  
 Requestor: Governor COMPONENT SERIAL NO. 0222

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(4,051.9)	(4,247.7)	(4,460.2)	(4,683.3)	(4,917.4)	(5,163.4)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(4,051.9)</b>	<b>(4,247.7)</b>	<b>(4,460.2)</b>	<b>(4,683.3)</b>	<b>(4,917.4)</b>	<b>(5,163.4)</b>

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(3,815.6)	(4,001.0)	(4,202.0)	(4,412.0)	(4,632.0)	(4,864.0)
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Receipts	(236.3)	(246.7)	(258.2)	(271.3)	(285.4)	(299.4)
<b>TOTAL</b>	<b>(4,051.9)</b>	<b>(4,247.7)</b>	<b>(4,460.2)</b>	<b>(4,683.3)</b>	<b>(4,917.4)</b>	<b>(5,163.4)</b>

POSITIONS:

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

Estimate of current year (FY93) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

IMPLEMENT RATABLE REDUCTION

Formula APA program savings from a ratable reduction in APA payment level.

The FY94 reduction is included in the FY94 Governor's budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance

Phone: 465-2680  
 Date: 3/24/93

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

Date: 3/24/93

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## ANALYSIS (cont.):

Ratable Reduction in APA Payment Level

## Adult Public Assistance (APA)

Federal rules require, as a condition of federal Medicaid funding, APA payment levels at least as high as those in effect for March 1983 or maintenance of total program expenditures for the immediately preceding year. A reduction to the 1990 APA maximum payment level would result in an average payment reduction per client of approximately \$37 for each month of FY94. Ratable reductions are the single most effective method of immediately reducing program costs. They equitably distribute benefit reductions across the caseload, rather than impact specific groups.

Food Stamp benefit increases will partially offset decreases in cash benefits.

In FY94, the maximum state supplemental payment for an APA individual living independently is \$384. A ratable reduction to the 1990 payment level would reduce the state payment to an individual APA client by \$43 each month. The APA payment is currently 111% of poverty and would be reduced to 104% of poverty. The APA formula reduction from the ratable is 3.8 million GF.

## Assumptions used in fiscal note calculation:

1. APA program caseloads increase at an average annual rate of 5%.
2. The ratable reduction to APA maximum payment levels is to 1990 levels. This rolls back COLA increases of 3.0% (January 1, 1993) 3.7% (January 1, 1992) and 5.4% (January 1, 1991).
3. The adjustment in payments is effective July 1, 1993.

Adult Public Assistance payment levels are set in regulation at 7 AAC 40.310, as authorized by AS 47.25.430(b). These benefit levels vary according to the composition of the household and the type of living arrangement. Current statute at AS 47.25.430(b), provides for COLA adjustments at the same percentage as the SSI program. APA payments are funded with 100 percent General Fund monies.

The APA program is essentially supplemental to federal Social Security and SSI benefits; APA applicants are required to apply for payments from the Social Security Administration, and nearly all APA recipients receive federal payments which are subtracted from the APA maximum payment standard to determine the amount of their APA payments. Under current state law, both federal benefit levels and APA benefit levels are adjusted concurrently each January.

Federal rules require, as a condition of federal Medicaid matching funds, maintenance of APA payment levels at least as high as those in effect for March 1983, or maintenance of total APA program expenditures for a calendar year at a level at least as great as the expenditures for the immediately preceding year (Interim Assistance expenditures are not considered in the calculation.) Alaska's compliance is not threatened by this proposed ratable reduction in APA payments.

## ANALYSIS (cont.):

The FY94-FY99 formula impact of the ratable reduction assumes the reduction is not restored retroactively, therefore the maximum APA payment base is lower in subsequent fiscal years.

APA	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
APA Caseload Average	9207	9653	10136	10643	11175	11734
Caseload (less Interim Assistance)						
* Average Payment reduction for the ratable reduction that is not restored retroactively	\$36.67	\$36.67	\$36.67	\$36.67	\$36.67	\$36.67
<b>TOTAL FY REDUCTION</b>	<b>4051.9</b>	<b>4247.7</b>	<b>4460.2</b>	<b>4683.3</b>	<b>4917.4</b>	<b>5163.4</b>
GF	3815.6	4001.0	4202.0	4412.0	4632.0	4864.0
I/A	236.3	246.7	258.2	271.3	285.4	299.4

\* The \$36.67 per year represents the minimum savings as the actual savings would be compounded annually by any subsequent COLAS.

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 67 (JUD)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU  
payments of Public Assistance. Section 5 Component: Adult Public Assistance (APA)  
 Sponsor: House Rules  
 Requestor: Governor COMPONENT SERIAL NO. 0222

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	434.0	1,016.3	1,076.1	1,135.9	1,195.7	1,255.5
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(434.0)	(1,016.3)	(1,076.1)	(1,135.9)	(1,195.7)	(1,255.5)
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

IMPLEMENT INTERIM ASSISTANCE REIMBURSEMENT

Enact Interim Assistance Reimbursement that recovers state Interim Assistance benefits from the retroactive SSI benefits of applicants found eligible for SSI.

The FY94 GF savings is included in the FY94 Governor's budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance

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

Phone: 465-2680  
 Date: 3/22/93  
 Date: 3/24/93

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**ANALYSIS (cont.):**

Enact Interim Assistance Reimbursement and Eliminate Retroactive APA Payments to Interim Assistance Recipients After SSI Application Approved.

State statute AS 47.25.455 requires the State to pay \$280 per month to persons eligible under this statute while the Social Security Administration is processing their disability applications. SSI regulations allow states to be reimbursed for their Interim Assistance costs out of the retroactive SSI entitlements of applicants who are ultimately found eligible for federal SSI benefits.

Because of concerns that disability assistance can be easily abused, the process of proving or disapproving disability for Social Security purposes has gradually become lengthy and complex. Concerns that people may need help badly while that process is allowed to unfold led to Alaska's enactment of Interim Assistance for APA Aid to the Disabled applicants who are awaiting a disability determination by the Social Security Administration. Although a high proportion (about 60%) of all Disability applicants are ultimately determined to be not legally disabled, an Alaska Supreme Court decision (Moore v. Beirne) determined that AS 47.25.455 requires that the state continue interim assistance until all Social Security administrative processes are complete and all administrative appeal rights have been exhausted.

Under existing state law, Alaska applicants for Adult Public Assistance receive Interim Assistance for an average of 8.8 months before a decision is made on their eligibility for SSI benefits. The Interim Assistance case is converted retroactively to Adult Public Assistance, effective with the date of APA application, after the SSI decision is made. Interim Assistance recipients receive \$280 in Interim Assistance. The proposed change does not eliminate any monthly assistance payments to recipients; it simply recovers Interim Assistance by reducing retroactive windfall payments.

The proposed changes to AS 47.25.455 would enable DHSS to effectively recover Interim Assistance benefits from the retroactive SSI benefits of APA applicants who are found eligible for SSI. APA applicants would be required to agree to have their retroactive SSI benefits paid to DHSS to reimburse the state for the Interim Assistance they would receive. There would be no retroactive entitlement to regular APA benefits.

\$280 of the monthly retroactive SSI benefit would be collected by DHSS, and the remaining \$154 in retroactive SSI would be paid to the client.

	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Cases per month	32	34	36	38	40	42
Average Reimbursement Amount	\$1130.20	\$2491	\$2491	\$2491	\$2491	\$2491
TOTAL	434.0	1016.3	1076.1	1135.9	1195.7	1255.5

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 67 (JUD)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU  
payments of Public Assistance. Section 6 Component: Aid to Families with Dependent  
 Sponsor: House Rules Children (AFDC)  
 Requestor: Governor COMPONENT SERIAL NO. 0220

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(2,107.3)	(6,380.8)	(10,732.7)	(15,779.5)	(21,446.0)	(27,793.1)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(2,107.3)</b>	<b>(6,380.8)</b>	<b>(10,732.7)</b>	<b>(15,779.5)</b>	<b>(21,446.0)</b>	<b>(27,793.1)</b>

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	(960.9)	(2,935.1)	(4,937.0)	(7,258.6)	(9,865.2)	(12,784.8)
1003 GF Match	(960.9)	(2,935.1)	(4,937.0)	(7,258.6)	(9,865.2)	(12,784.8)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Receipts	(185.5)	(510.6)	(858.7)	(1,262.3)	(1,715.6)	(2,223.5)
<b>TOTAL</b>	<b>(2,107.3)</b>	<b>(6,380.8)</b>	<b>(10,732.7)</b>	<b>(15,779.5)</b>	<b>(21,446.0)</b>	<b>(27,793.1)</b>

POSITIONS:

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

NOTE: The FY94 reduction is included in the FY94 Governor budget. DO NOT DUPLICATE REDUCTION.

The Division of Public Assistance administers two assistance programs which have statutory provisions for annual cost-of-living payment increases: Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA). Under existing statutes, benefit levels for both of these entitlement programs are increased by the same percentage as any cost-of-living adjustment (COLA) in the federal Supplemental Security Income program. These benefit adjustments are made in January of each year; we project that the adjustments will be 3.0 percent each January from 1994 to 1999.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance

Phone: 465-2680  
 Date: 3/24/93

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

Date: 3/24/93

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**ANALYSIS (cont.):**

CSHB 67 (JUD) repeals the COLA for the AFDC program. The general fund savings by this action would be approximately \$960.9 thousand in FY94. The savings increase in subsequent years as the compounded effects of COLA repeal accumulate.

Repealing the COLA does not reduce individual benefit amounts; it simply does not award an increase each January. The COLA percentage awarded in the AFDC standard of need, and not in AFDC payment calculations, creating a gap that serves as an incentive to work. Increased Food Stamp benefits will partially offset the loss of the COLA in household budgets.

Since July 1, 1980 AFDC need standards and maximum payment levels have been automatically increased annually by the same percentage as Social Security and SSI benefits increase. In addition to the automatic COLA the legislature approved AFDC benefit level increases in 1981 and 1983. These increases have maintained formula program maximum payment levels measured as a percentage of the Federal Poverty Guideline for Alaska at approximately 77% for an AFDC family of three.

**Assumptions used in fiscal note calculation:**

1. The January 1, 1994 Federal SSI COLA will be 3.0%. COLAs in subsequent years will also be 3.0%.
2. AFDC program caseloads increase at an average annual rate of 5%.

Currently maximum benefit levels are set by AS 47.25.320(a) and 7 AAC 45.520. These benefit levels vary according to size and composition of the assisted family. In accordance with AS 47.25.320(d), AFDC benefits (funded 50% General Fund, 50 percent federal match) are adjusted upward in January of each year by the same percentage as the federal Supplemental Security Income (SSI) program cost-of-living adjustment.

## ANALYSIS (cont.):

FY95 is the first full year of impact of repeal of the AFDC COLA. The impact in FY94 occurs only during the second six months of the fiscal year.

The FY94 reduction is included in the FY94 agency budget request. DO NOT DUPLICATE REDUCTION/

## AFDC

	FY94	FY95	FY96	FY97	FY98	FY99
No COLA in FY94						
AFDC AVG. Payment (After ratable and AFDC-Up Standards change to basic Assume 3.0 % yearly COLA for FY94--FY99	747	769	792	816	841	866
COLA INCREASE	25.344	22	23	24	24	25
AFDC Caseload AVG	13,858	14,550	15,278	16,042	16,844	17,686
6-Month reduction	\$25.34	\$22	\$23	\$24	\$24	\$25
12-month cumulative		\$25.34	\$47	\$70	\$94	\$118
FY Reduction						
6-Month impact	2107.3	1956.4	2115.9	2288.4	2474.9	2676.5
Cumulative impact	0	4424.4	8616.8	13491.1	18971.1	25116.6
TOTAL FY Reduction	2,107.3	6,380.8	10,732.7	15,779.5	21,446.0	27,793.1
Funding Source						
FEDERAL	960.9	2935.1	4937.0	7258.6	9865.2	12784.8
GFM	960.9	2935.1	4937.0	7258.6	9865.2	12784.8
I/A	185.5	510.6	858.7	1262.3	1715.6	2223.5
TOTAL	2107.3	6380.8	10732.7	15779.5	21446.0	27793.1

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CASH 67 (JUD)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU  
payments of Public Assistance. Section 3 Component: Adult Public Assistance (APA)  
 Sponsor: House Rules  
 Requestor: Governor COMPONENT SERIAL NO. 222

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(607.7)	(1,780.4)	(2,948.5)	(4,262.8)	(5,737.9)	(7,389.8)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(607.7)</b>	<b>(1,780.4)</b>	<b>(2,948.5)</b>	<b>(4,262.8)</b>	<b>(5,737.9)</b>	<b>(7,389.8)</b>

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(572.2)	(1,676.4)	(2,776.3)	(4,013.9)	(5,402.8)	(6,958.2)
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Receipts	(35.5)	(104.0)	(172.2)	(248.9)	(335.1)	(431.6)
<b>TOTAL</b>	<b>(607.7)</b>	<b>(1,780.4)</b>	<b>(2,948.5)</b>	<b>(4,262.8)</b>	<b>(5,737.9)</b>	<b>(7,389.8)</b>

POSITIONS:

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

The FY94 reduction is included in the FY94 Gov Budget. DO NOT DUPLICATE REDUCTION

The Division of Public Assistance administers two assistance programs which have statutory provisions for annual cost-of-living payment increases: Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA). Under existing statutes, benefit levels for both of these entitlement programs are increased by the same percentage as any cost-of-living adjustment (COLA) in the federal Supplemental Security Income program. These benefit adjustments are made in January of each year; we project that the COLA adjustments will be 3.0 percent each January from 1994 through 1999.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance  
 Approved by Commissioner: Theodore A. Mala, MD, MPH  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 3/24/93  
 Date: 3/24/93

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**ANALYSIS (cont.):**

CSHB 67 (JUD) repeals the COLA for APA benefits beginning in January 1994. The general funds savings by this action would be approximately \$572.2 thousand in FY94 and would increase each year as the effects in subsequent years compound.

Repealing the COLA does not reduce individual benefit amounts; it simply does not award an increase in January and passes along the SSI COLA amount to APA recipients. Increased Food Stamp benefits will partially offset loss of COLAs in household budgets.

Since July 1, 1980 APA need standards and maximum payment levels have been automatically increased annually by the same percentage as Social Security and SSI benefits increase. In addition to the automatic COLA the legislature approved APA benefit level increases in 1981 and 1983.

These increases have maintained formula program maximum payment levels measured as a percentage of the Federal Poverty Guideline for Alaska at approximately 111% for a single APA client. (125% APA couple)

**Assumptions used in fiscal note calculation:**

1. The Federal SSI COLA will be 3.0% per year.
2. APA program caseload increases at an average annual rate of 5%

Adult Public Assistance payment levels are set in regulation at 7 AAC 40.310, as authorized by AS 47.25.430(b). These benefit levels vary according to the composition of the household and the type of living arrangement. Current statute at AS 47.25.430(b) provides for COLA adjustments at the same percentage as the SSI program. APA payments are funded with 100 percent General Fund monies.

The APA program is essentially supplemental to federal Social Security and SSI benefits; APA applicants are required to apply for payments from the Social Security Administration, and nearly all APA recipients receive federal payments which are subtracted from the APA maximum payment standard to determine the amount of their APA payments. Under current state law, both federal benefit levels and APA benefit levels are adjusted concurrently each January.

Federal rules require, as a condition of federal Medicaid matching funds, maintenance of APA payment levels at least as high as those in effect for March 1983, or maintenance of total APA program expenditures for a calendar year at a level at least as great as the expenditures for the immediately preceding year (Interim Assistance expenditures are not considered in the calculation.) Alaska's compliance is not threatened by a repeal of the APA COLA. This legislation freezes APA payment levels at the January 1990 level.

Under this proposed change in the law, the State will pass along the 1/1/94 COLA increase allowed in the federal SSI program, but will not increase the state supplemental contribution to recipients.

FY95 is the first full year of impact of repeal of the January 1994 COLA. The impact in FY94 occurs only during the second six months of the fiscal year.

The FY94 reduction is included in the FY94 agency budget request. DO NOT DUPLICATE REDUCTION.

## ANALYSIS (cont.):

## APA

	FY94	FY95	FY96	FY97	FY98	FY99
No COLA in FY94 APA AVG. Payment After ratable and APA Standards change to basic Assume 3.0% FY95 - FY99	291.32	300	309	318	328	338
COLA INCREASE	11	9	9	9	10	10
APA Caseload AVG	9,207	9,653	10,136	10,643	11,175	11,734
6 - Month reduction	\$11.00	\$9	\$9	\$9	\$10	\$10
12 - month cumulative		\$11.00	\$20	\$29	\$38	\$48
FY Reduction 6 - Month impact	607.7	506.2	547.5	592.1	640.3	692.5
Cumulative impact	0	1274.2	2401.0	3670.7	5097.6	6697.3
TOTAL FY Reduction	607.7	1780.4	2,948.5	4,262.8	5,737.9	7,389.8
Funding Source						
GF	572.2	1676.4	2776.3	4013.9	5402.8	6958.2
I/A	35.5	104.0	172.2	248.9	335.1	431.6
TOTAL	607.7	1780.4	2948.5	4262.8	5737.9	7389.8

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB67 (JUD)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An act relating to eligibility for payments BRU: Medical Assistance  
of Public Assistance..... Component: Medicaid Non-Facilities  
 Sponsor: Rules, by request  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 0229

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(106.9)	(119.2)	(132.9)	(148.2)	(165.2)	(184.2)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(106.9)</b>	<b>(119.2)</b>	<b>(132.9)</b>	<b>(148.2)</b>	<b>(165.2)</b>	<b>(184.2)</b>

CAPITAL						
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REVENUE FUND SOURCE						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts	(53.5)	(59.6)	(66.5)	(74.1)	(82.6)	(92.1)
1003 GF Match	(53.4)	(59.6)	(66.4)	(74.1)	(82.6)	(92.1)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>(106.9)</b>	<b>(119.2)</b>	<b>(132.9)</b>	<b>(148.2)</b>	<b>(165.2)</b>	<b>(184.2)</b>

**POSITIONS:**

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

Estimate of current year (FY93) impact: None

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

See Attached Analysis

Prepared by: Gordon G. Landes   
 Division: Division of Medical Assistance

Phone: 465-3555  
 Date: 7/24/93

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

Date: 3/24/93

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**ANALYSIS (cont.):**

Division of Public Assistance counts show 56 adults and 71 children would become ineligible for AFDC if this bill were to pass. Medicaid applies a 100% of Federal Poverty Level Qualifying income standard to non-AFDC children under age 9. All of the families who will be disqualified from AFDC have incomes below the poverty level, so only children over 9 will lose eligibility for Medicaid. Of the 71 children affected, 31 are children over 9.

An AFDC adult averages \$250.38 per month in Medicaid benefits. An AFDC child averages \$121.91 per month in benefits. For FY 94, Medicaid savings will be 213.7. (106.9 Federal Funds, 106.8 State General Fund Match)

56 adults x 250.38/mo x 12 mo.	=	168.3
31 children x \$121.91/mo	=	45.4

It is likely that some currently-eligible children over 9 who are members of a Medicaid-only optional eligible group, children under 21 years of age who do not meet all the AFDC requirements, will lose eligibility, since this group uses the AFDC income qualifying standards. Because of the structure of the Eligibility Information System, it is impossible to measure how many of these children will lose benefits. Only a very few of these recipients are likely to have incomes that fall between the current limits and the lower levels proposed by this bill.

Services for these eligibles are split evenly by cost between two components, Medicaid Facility, and Medicaid Non-Facility.

FY 94 savings, Medicaid Facility	=	106.8 (53.5 Fed, 53.4 SGFM)
Medicaid Non-Facility	=	106.9 (53.4 Fed, 53.4 SGFM)

For FY 95 and following, the FY 94 savings are increased annually by 11.5%, the budgeted rate of growth of the Medicaid program proposed in the Governor's FY 94 budget request.

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB67 (JUD)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An act relating to eligibility for payments BRU: Medical Assistance  
of Public Assistance..... Component: Medicaid Facilities  
 Sponsor: Rules, by request  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 023C

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(106.8)	(119.1)	(132.8)	(148.1)	(165.1)	(184.1)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(106.8)</b>	<b>(119.1)</b>	<b>(132.8)</b>	<b>(148.1)</b>	<b>(165.1)</b>	<b>(184.1)</b>

CAPITAL						
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REVENUE FUND SOURCE						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts	(53.4)	(59.6)	(66.4)	(74.1)	(82.6)	(92.1)
1003 GF Match	(53.4)	(59.5)	(66.4)	(74.0)	(82.5)	(92.0)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>(106.8)</b>	<b>(119.1)</b>	<b>(132.8)</b>	<b>(148.1)</b>	<b>(165.1)</b>	<b>(184.1)</b>

**POSITIONS:**

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

See Attached Analysis

Prepared by: Gordon G. Landes  
 Division: Division of Medical Assistance

Phone: 465-3355  
 Date: 3/24/93

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

Date: 3/24/93

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**ANALYSIS (cont.):**

Division of Public Assistance counts show 56 adults and 71 children would become ineligible for AFDC if this bill were to pass. Medicaid applies a 100% of Federal Poverty Level Qualifying income standard to non-AFDC children under age 9. All of the families who will be disqualified from AFDC have incomes below the poverty level, so only children over 9 will lose eligibility for Medicaid. Of the 71 children affected, 31 are children over 9.

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31 children x \$121.91/mo	= 45.4

It is likely that some currently-eligible children over 9 who are members of a Medicaid-only optional eligible group, children under 21 years of age who do not meet all the AFDC requirements, will lose eligibility, since this group uses the AFDC income qualifying standards. Because of the structure of the Eligibility Information System, it is impossible to measure how many of these children will lose benefits. Only a very few of these recipients are likely to have incomes that fall between the current limits and the lower levels proposed by this bill.

Services for these eligibles are split evenly by cost between two components, Medicaid Facility, and Medicaid Non-facility.

FY 94 savings, Medicaid facility	= 106.8 (53.5 Fed, 53.4 SGFM)
Medicaid Non-Facility	= 106.9 (53.4 Fed, 53.4 SGFM)

For FY 95 and following, the FY 94 savings are increased annually by 11.5%, the budgeted rate of growth of the Medicaid program proposed in the Governor's FY 94 budget request.

Comparison of CSMB 67(FIN) with Original Version of HB 67

Several necessary technical amendments were made that did not affect the substance of the legislation.

The only substantive changes were made to the sections dealing with ratable reductions in benefit levels for AFDC and Adult Public Assistance payments, and in the cost-of-living adjustment provisions for AFDC and APA benefits:

HB 67 (Governor)

AFDC payment reductions to levels in effect in calendar 1991.

AFDC COLA suspended for calendar 1994, automatic thereafter.

Adult Public Assistance payment reductions to levels in effect in calendar 1990.

APA COLA suspended for calendar 1994, automatic thereafter.

CSHB 67(FIN)

AFDC payment reductions to levels in effect in calendar 1992.

FY 94 AFDC increases over Gov request:

Fed Receipts: 2136.4  
GF Match : 2136.4  
IA Receipts : 412.4

AFDC COLAs automatic for any calendar year payments to a family of two fell below 75% of poverty in prior year; optional in other years, subject to appropriation.

Zero fiscal impact (no FY 94 appropriation).

APA payment reductions to levels in effect in calendar 1992.

FY 94 APA increases over Gov request:

GF : 2898.5  
IA Receipts : 179.5

APA COLAs automatic for any calendar year payments to an individual fell below 100% of poverty in prior year; optional in other years, subject to appropriation.

Zero fiscal impact (No FY94 appropriation).

Back-up

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Juneau, AK 99811-0209  
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## Older Alaskans Commission

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### POSITION PAPER ON COMMITTEE SUBSTITUTE FOR HOUSE BILL 67

"Old Age Assistance" is by state law a part of Adult Public Assistance for the "aged, blind and disabled." This bill would roll back the monthly benefit check to these poor seniors and disabled adults by \$ 36.00 per month, and would eliminate the future prospect of annual cost-of-living allowances. The effect of the "roll-back" to 1990 assistance levels will also push some 325 poor seniors and adults off of the assistance program altogether.

The Older Alaskans Commission is very concerned about the effects of this bill on the poorest of Alaskans, including children who have no choice about living on welfare, adults who have been declared permanently disabled, and 3,854 senior Alaskans who receive Old Age Assistance as of February, 1993.

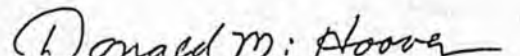
Nearly 14 % of all Alaskans over the age of 65 are recipients of old age assistance---many other adults in the 50 to 65 year age group are chronically disabled by blindness or health conditions and rely on adult public assistance. The federal process for determination of permanent "disability" disqualifies over 40 % of the applicants, thus giving a strong guarantee against abuse of the disability system.

In addition to the basic economic necessities of life covered by the assistance check, many seniors (and all disabled adults under age 65) are not covered by Medicare for their health care. Alaska has a high proportion of seniors who did not work in the social security system enough to qualify for Medicare coverage or for social security payments. For the 325 seniors and disabled adults who are pushed off the adult assistance program, may also eliminate their Medicaid health care coverage.

Although the reductions in Aid to Families with Dependent Children are arguably being made to increase the "incentive" for the parents to move off public assistance, the Commission does not believe that any such policy argument can be made to justify reducing or eliminating financial aid and medical coverage to poor seniors or disabled adults. These seniors and adults are not likely to be able to reverse their current economic situations.

The Older Alaskans Commission urges the Legislature to re-think this bill, and to, at the very least, delete all sections which reduce benefits to the "aged, blind and disabled" adults.

Dated Mar 10, 1993

  
Donald M. Hoover, Chairman  
Older Alaskans Commission

## POSITION PAPER

CSHB 67 (HES)

## DISCUSSION

CSHB 67 (HES) amends the Governor's welfare reduction bill by permanently repealing the authority to automatically award cost-of-living allowances (COLAs) in benefits paid under the Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA) programs. The Governor's bill proposed a one-year suspension of the COLAs and would have denied the 3 percent COLAs expected to be awarded in January 1994 while retaining the authority to award COLAs in future years.

The Governor's bill has the dual goals of producing immediate savings in program costs and curbing the rate of increase in the welfare caseload. Suspending rather than repealing the COLAs was a strategy calculated to achieve the necessary savings in program costs while maintaining the protection against rising living costs afforded by the statutory COLA provision. CSHB 67 (HES) removes this protection. The benefit reductions imposed by the Governor's bill are substantial. We do not support the assistance reductions which would result from permanent repeal of the AFDC and APA COLAs.

## THE GOVERNOR'S WELFARE REDUCTION PROPOSAL

The Governor's bill achieves substantial cost savings in the AFDC program by reducing benefit payments by 6.3 percent to January 1991 levels, suspending the COLA adjustment for one year, and reducing the payment standards for two-parent AFDC families (AFDC Unemployed Parent and Incapacitated Parent cases) to the same level as the standards for single-parent (AFDC Basic) families.

In addition to saving program dollars, this change establishes payment equity among single-parent and two-parent AFDC families of the same size. The bill also makes a cost-neutral adjustment to the payment standards for AFDC families headed by a non-needy relative in order to bring Alaska's AFDC program into conformity with federal requirements that payment standards be incremented equally for each additional child.

This legislation amends the Adult Public Assistance (APA) statutes to achieve savings in payments to the aged, disabled, and blind. APA benefits are reduced to the level in effect in January 1990, resulting in a net reduction in assistance to individual recipients of 3.7 percent. The scheduled January 1994 COLA increase is suspended. The APA statutes are amended to allow the State to be reimbursed for Interim Assistance paid to individuals applying for federal

Finally, Section 1 restructures the payment standards for AFDC households headed by a non-needy specified relative ("Adult-not-included" cases). This cost-neutral change is necessary to conform the program to federal law. The federal Department of Health and Human Services has cited Alaska's AFDC payment standards for households of this type as out of compliance with the requirement that the payment increment for each child above the base level for one child be the same.

Current law sets the payment standard for one child at \$200, two children at \$400, and the increment for a third or additional child at \$65. COLA adjustments since 1982 have increased these standards to \$335 for one child, \$672 for two, and \$105 for each additional child as of January 1993. Section One sets the standard at \$452 for one child and \$98 for each additional child.

The reductions in benefit levels imposed by Section 1 take effect on July 1, 1993.

Section 2 allows the Department of Health and Social Services to use its regulatory authority to set standards of need that exceed the payment standards set in Section 1. Federal law allows the states to pay a reduced percentage (a "ratable reduction") of the amount that is established as necessary for the basic household expenses that the AFDC payment is intended to cover. Alaska has historically paid 100 percent of need.

Ratable reductions may be structured to create a payment "gap" that works as an incentive for recipients to earn income. The administration intends to use the authority provided in Section 2 to establish AFDC need standards that are 6.3 percent above the payment standards set in Section 1, effectively maintaining the January 1993 basic need standards and creating a small payment gap that assures that current AFDC recipients who receive small grants will continue to be eligible for Medicaid and Job Opportunities and Basic Skills Training (JOBS) program services, and providing a small incentive for recipients to work.

The authority provided by Section 2 could also be used, given sufficient appropriations to cover additional AFDC and Medicaid program costs, to create a larger payment gap that allows recipients to retain more of their earnings and earn larger amounts without losing eligibility for AFDC and AFDC-related benefits. The Department intends to make future adjustments in the standards of need as SSI COLAs are awarded, and to increase the ratable reduction percentage to maintain payment levels at the statutory maximums.

## POSITION PAPER

CSHB 67 (HES)

## DISCUSSION

CSHB 67 (HES) amends the Governor's welfare reduction bill by permanently repealing the authority to automatically award cost-of-living allowances (COLAs) in benefits paid under the Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA) programs. The Governor's bill proposed a one-year suspension of the COLAs and would have denied the 3 percent COLAs expected to be awarded in January 1994 while retaining the authority to award COLAs in future years.

The Governor's bill has the dual goals of producing immediate savings in program costs and curbing the rate of increase in the welfare caseload. Suspending rather than repealing the COLAs was a strategy calculated to achieve the necessary savings in program costs while maintaining the protection against rising living costs afforded by the statutory COLA provision. CSHB 67 (HES) removes this protection. The benefit reductions imposed by the Governor's bill are substantial. We do not support the assistance reductions which would result from permanent repeal of the AFDC and APA COLAs.

## THE GOVERNOR'S WELFARE REDUCTION PROPOSAL

The Governor's bill achieves substantial cost savings in the AFDC program by reducing benefit payments by 6.3 percent to January 1991 levels, suspending the COLA adjustment for one year, and reducing the payment standards for two-parent AFDC families (AFDC Unemployed Parent and Incapacitated Parent cases) to the same level as the standards for single-parent (AFDC Basic) families.

In addition to saving program dollars, this change establishes payment equity among single-parent and two-parent AFDC families of the same size. The bill also makes a cost-neutral adjustment to the payment standards for AFDC families headed by a non-needy relative in order to bring Alaska's AFDC program into conformity with federal requirements that payment standards be incremented equally for each additional child.

This legislation amends the Adult Public Assistance (APA) statutes to achieve savings in payments to the aged, disabled, and blind. APA benefits are reduced to the level in effect in January 1990, resulting in a net reduction in assistance to individual recipients of 3.7 percent. The scheduled January 1994 COLA increase is suspended. The APA statutes are amended to allow the State to be reimbursed for Interim Assistance paid to individuals applying for federal

Position Paper  
CSHB 67 (HES)  
Page 2

Supplemental Security Income (SSI) benefits by collecting the Interim Assistance from their retroactive entitlement to SSI benefits.

SECTIONAL ANALYSIS of CSHB 67 (HES)

Section 1 of the bill amends AS 47.25.320(a) to reduce Aid to Families with Dependent Children (AFDC) maximum payment levels by 6.3 percent, effectively rolling them back to the levels in effect on January 1, 1991. The maximum grant amounts specified in the current statute were established in 1982.

Under the COLA provision at AS 47.25.320(d), those amounts have been increased annually to reflect cost-of-living increases. The maximum monthly grant amount for one adult and one child is specified in AS 47.25.320(a)(2)(A) as \$500; COLA adjustments have increased this standard to \$845 as of January 1993. Section 1 reduces the standard to \$792.

This section makes a similar adjustment to the payment increment for additional children specified at AS 47.25.320(a)(2)(C). The increment has increased because of COLA adjustments from \$65 in 1982 to \$105 in 1993; SB 101/HB 67 reduces the increment to \$98 for each additional child.

Section 1 amends AS 47.25.320(a)(3) to reduce by 6.3 percent the maximum grant amount for a pregnant woman in her last trimester or an adult whose only dependent child receives SSI benefits. The maximum grant amount specified for such "Adult-only" AFDC cases is set by regulation at \$530 per month as of January 1993. Section 1 reduces the standard to \$497.

Section 1 also amends and renumbers AS 47.25.320(a)(2)(C) to restructure the payment standards for AFDC Unemployed Parent and Incapacitated Parent families by setting the increment for the second parent at \$98, the same as the increment for a second or additional child. The increment for the second parent is currently set by regulations at 7 AAC 45.520 (a)(2) and statute at AS 45.25.320(e). The January 1993 payment standard for a family of two parents and one child is \$1040. This change reduces the standard to \$890 and adds \$98 for each additional child, the same as the proposed standards for single-parent households of the same size.

The adjustment to the payment standards for two-parent families is expected to result in approximately 28 families becoming ineligible for AFDC benefits. In these families, approximately 56 adults and 31 children will become ineligible for Medicaid.

Position Paper  
CSHB 67 (HES)  
Page 3

Finally, Section 1 restructures the payment standards for AFDC households headed by a non-needy specified relative ("Adult-not-included" cases). This cost-neutral change is necessary to conform the program to federal law. The federal Department of Health and Human Services has cited Alaska's AFDC payment standards for households of this type as out of compliance with the requirement that the payment increment for each child above the base level for one child be the same.

Current law sets the payment standard for one child at \$200, two children at \$400, and the increment for a third or additional child at \$65. COLA adjustments since 1982 have increased these standards to \$335 for one child, \$672 for two, and \$105 for each additional child as of January 1993. Section One sets the standard at \$452 for one child and \$98 for each additional child.

The reductions in benefit levels imposed by Section 1 take effect on July 1, 1993.

Section 2 allows the Department of Health and Social Services to use its regulatory authority to set standards of need that exceed the payment standards set in Section 1. Federal law allows the states to pay a reduced percentage (a "ratable reduction") of the amount that is established as necessary for the basic household expenses that the AFDC payment is intended to cover. Alaska has historically paid 100 percent of need.

Ratable reductions may be structured to create a payment "gap" that works as an incentive for recipients to earn income. The administration intends to use the authority provided in Section 2 to establish AFDC need standards that are 6.3 percent above the payment standards set in Section 1, effectively maintaining the January 1993 basic need standards and creating a small payment gap that assures that current AFDC recipients who receive small grants will continue to be eligible for Medicaid and Job Opportunities and Basic Skills Training (JOBS) program services, and providing a small incentive for recipients to work.

The authority provided by Section 2 could also be used, given sufficient appropriations to cover additional AFDC and Medicaid program costs, to create a larger payment gap that allows recipients to retain more of their earnings and earn larger amounts without losing eligibility for AFDC and AFDC-related benefits. The Department intends to make future adjustments in the standards of need as SSI COLAs are awarded, and to increase the ratable reduction percentage to maintain payment levels at the statutory maximums.

Position Paper  
CSHB 67 (HES)  
Page 4

Section 3 amends 47.25.430(b) to repeal the authority to award annual cost-of-living (COLA) increases in Adult Public Assistance benefits. This adjustment, which is based on the federal SSI COLA, is expected to be approximately 3 percent in January 1994.

Section 4 amends AS 47.25.430 to reduce Adult Public Assistance payments to the levels in effect on January 1, 1990. The January 1993 APA payment to a typical individual who also receives SSI benefits is \$374; Section 4 would reduce that payment to \$331. The payment to a typical couple would be reduced from \$544 to \$484.

Because of increases in the amount of SSI benefits since 1990, the total assistance income of a typical single APA recipient would decrease from \$808 (combined SSI and APA) to \$778 - a reduction of 3.7 percent. A typical couple's combined assistance would be reduced from \$1196 to \$1156 - a 3.3 percent reduction. The APA benefits of recipients who do not receive SSI would be similarly reduced.

The APA maximum payment standards are set by regulation at 7 AAC 40.310. Section 4 gives the Department of Health and Social Services the direction and authority to reduce the payment standards while maintaining maximum income levels at or above the current levels, thus preserving the Medicaid eligibility of APA recipients whose countable income exceeds the maximum payment level but is less than the existing standards of need, as adjusted for future COLAs.

The reductions in benefit levels imposed by Section 4 would take effect on July 1, 1993.

Section 5 amends AS 47.25.455 to allow the state to be reimbursed for Interim Assistance benefits paid to APA applicants while they are waiting for the Social Security Administration to determine their disability. Social Security typically takes 4 months or longer to make a disability determination. APA applicants must be disabled under SSI standards before they qualify for regular APA and Medicaid benefits; Interim Assistance provides these individuals with a \$280 monthly payment for basic living expenses until they are determined eligible to receive SSI and regular APA benefits.

Once APA applicants are determined to be disabled, they are retroactively eligible for SSI from the date they applied. Such individuals typically receive 4 or more months of retroactive SSI benefits (at up to \$434 per month) for the months they received Interim Assistance. Federal law allows

the states to be reimbursed for the Interim Assistance from the applicant's retroactive SSI benefits. Section 5 establishes the authority for Interim Assistance reimbursement in Alaska by requiring applicants to repay the Interim Assistance they receive if they are found eligible for SSI. The Social Security Administration would make the individual's retroactive SSI payment to the Division of Public Assistance. DPA would retain the first \$280 of each month's retroactive SSI benefit and forward the balance to the recipient.

Section 5 also eliminates retroactive eligibility for regular APA benefits to individuals who have received Interim Assistance. Under current law, an Interim Assistance recipient who is found eligible for SSI is retroactively entitled to APA benefits; this entitlement is reduced by the amount of Interim Assistance the individual already received each month. Interim Assistance reimbursement will achieve savings only if the retroactive entitlement is eliminated. Section 5 adds a new subsection (d) to AS 47.25.455 that repeals the retroactive entitlement to APA benefits of Interim Assistance who are found eligible for SSI.

Section 6 repeals AS 47.25.320(d), which provides the authority to award annual cost-of-living (COLA) increases in Aid to Families with Dependent Children payments. This adjustment, which is based on the federal SSI COLA, is expected to be approximately 3 percent in January 1994.

Section 6 also repeals AS 47.25.320(e), which established the payment standards for AFDC Unemployed Parent cases when the AFDC-UP program was enacted in 1990. This change is necessary to conform to the change to AS 47.25.320(a)(2) made in Section 1, establishing the payment standards for two-parent AFDC families at the same level as the standards for single-parent families.

Section 7 provides transitional authority to allow DHSS to adopt implementing regulations for SB 101/HB 67 before the effective date of the law. The regulations would take effect on the effective date of the legislation. This provision is intended to facilitate timely implementation on the statutory changes included in the bill.

Section 8 provides for an effective date for Sections 1 through 6 of July 1, 1993.

Section 9 provides for an immediate effective date for Section 7.

RECOMMENDATION

We recommend that CSHB 67 (HES) be amended to restore the authority to award COLAs in AFDC and APA payments after calendar year 1994 and be adopted with the rest of the provisions of the bill intact. The Governor's bill attempts to balance the need to contain the growth in public assistance expenditures against the necessity of continuing to provide cash assistance to increasing numbers of low-income Alaskan families and aged, disabled, and blind adults. The additional reductions imposed by permanent repeal of the statutory COLA provisions undermine the State's commitment to providing for the basic subsistence of its citizens who are unable to support themselves.

*Jan L. Hansen*

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

*3/12/93*

Date

*Theodore A. Mala*

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

*12 March 1993*

Date

Department of Health and Social Services  
Division of Public Assistance  
February 5, 1993

DISCUSSION PAPER  
HOUSE BILL NO. 67

House Bill 67 is the Administration's response to the problems of welfare dependency and increasing costs in Alaska's cash public assistance programs. This set of changes has the dual goals of producing immediate savings in program costs and curbing the rate of increase in the welfare caseload.

HB 67 achieves substantial cost savings in the Aid to Families with Dependent Children (AFDC) program by reducing benefit payments by 6.3 percent to January 1991 levels, suspending the calendar year 1994 automatic cost-of-living allowance (COLA) adjustment in payment levels, and reducing the payment standards for two-parent AFDC families (AFDC Unemployed Parent and Incapacitated Parent cases) to the same level as the standards for single-parent (AFDC Basic) families.

In addition to saving program dollars, this change establishes payment equity among single-parent and two-parent AFDC families of the same size. HB 67 also makes a cost-neutral adjustment to the payment standards for AFDC families headed by a non-needy relative in order to bring Alaska's AFDC program into conformity with federal requirements that payment standards be incremented equally for each additional child.

HB 67 amends the Adult Public Assistance (APA) statutes to achieve savings in payments to the aged, disabled, and blind. APA benefits are reduced to the level in effect in January 1990, resulting in a net reduction in assistance to individual recipients of 3.7 percent. The scheduled January 1994 COLA increase is suspended. The APA statutes are also amended to allow the State to be reimbursed for Interim Assistance paid to individuals applying for federal Supplemental Security Income (SSI) benefits by collecting the Interim Assistance from their retroactive entitlement to SSI benefits.

SECTIONAL ANALYSIS of HB 67

Section 1 of the bill amends AS 47.25.320(a) to reduce Aid to Families with Dependent Children (AFDC) maximum payment levels by 6.3 percent, effectively rolling them back to the levels in effect on January 1, 1991. The maximum grant amounts specified in the current statute were established in 1982.

Under the COLA provision at AS 47.25.320(d), those amounts have been increased annually to reflect cost-of-living increases. The maximum monthly grant amount for one adult and one child is specified in AS 47.25.320(a)(2)(A) as \$500; COLA adjustments have increased this standard to \$845 as of January 1993. Section 1 reduces the standard to \$792.

This section makes a similar adjustment to the payment increment for additional children specified at AS 47.25.320(a)(2)(C). The increment has increased because of COLA adjustments from \$65 in 1982 to \$105 in 1993; HB 67 reduces the increment to \$98 for each additional child.

Section 1 amends AS 47.25.320(a)(3) to reduce by 6.3 percent the maximum grant amount for a pregnant woman in her last trimester or an adult whose only dependent child receives SSI benefits. The maximum grant amount specified for such "Adult-only" AFDC cases is set by regulation at \$530 per month as of January 1993. Section 1 reduces the standard to \$497.

Section 1 also amends and renumbers AS 47.25.320(a)(2)(C) to restructure the payment standards for AFDC Unemployed Parent and Incapacitated Parent families by setting the increment for the second parent at \$98, the same as the increment for a second or additional child. The increment for the second parent is currently set by regulations at 7 AAC 45.520 (a)(2) and statute at AS 45.25.320(e). The January 1993 payment standard for a family of two parents and one child is \$1040. This change reduces the standard to \$890 and adds \$98 for each additional child, the same as the proposed standards for single-parent households of the same size.

Finally, Section 1 restructures the payment standards for AFDC households headed by a non-needy specified relative ("Adult-not-included" cases). This cost-neutral change is necessary to conform the program to federal law. The federal Department of Health and Human Services has cited Alaska's AFDC payment standards for households of this type as out of compliance with the requirement that the payment increment for each child above the base level for one child be the same.

Current law sets the payment standard for one child at \$200, two children at \$400, and the increment for a third or additional child at \$65. COLA adjustments since 1982 have increased these standards to \$335 for one child, \$672 for two, and \$105 for each additional child as of January 1993. Section One sets the standard at \$452 for one child and \$98 for each additional child.

The changes in benefit levels imposed by Section 1 would take effect on July 1, 1993.

Section 2 of the bill amends AS 47.25.320(d) to suspend for calendar 1994 the automatic COLA adjustment to the AFDC payment standards. This adjustment, which is based on the federal SSI COLA, occurs each January and is expected to be approximately 3 percent in January 1994. Section 2 also includes language that directs that the 1994 COLA, as well as the previous AFDC COLAs that are, in effect, rescinded by Section 1, will not be restored after 1994. Under Section 2, the annual AFDC COLA adjustments would resume in calendar 1995.

Section 3 allows the Department of Health and Social Services to use its regulatory authority to set standards of need that exceed the payment standards set in Section 1. Federal law allows the states to pay a reduced percentage (a "ratable reduction") of the amount that is established as necessary for the basic household expenses that the AFDC payment is intended to cover. Alaska has historically paid 100 percent of need.

Ratable reductions may be structured to create a payment "gap" that works as an incentive for recipients to earn income. The administration intends to use the authority provided in Section 3 to establish AFDC need standards that are 6.3 percent above the payment standards set in Section 1, effectively maintaining the January, 1993 basic need standards and creating a small payment gap that assures that current AFDC recipients who receive small grants will continue to be eligible for Medicaid and Job Opportunities and Basic Skills Training (JOBS) program services, and providing a small incentive for recipients to work.

The authority provided by Section 3 could also be used, given sufficient appropriations to cover additional AFDC and Medicaid program costs, to create a larger payment gap that allows recipients to retain more of their earnings and earn larger amounts without losing eligibility for AFDC and AFDC-related benefits.

Section 4 amends 47.25.430(b) to suspend the January 1994 COLA increase in Adult Public Assistance benefits. This adjustment, which is based on the federal SSI COLA, is expected to be approximately 3 percent. Section 4 also includes language that directs that the 1994 COLA, as well as the previous APA COLAs that are, in effect, rescinded by Section 5, will not be restored after 1994. Under Section 4, the annual APA COLA adjustments would resume in calendar 1995.

Section 5 amends AS 47.25.430(a) to reduce Adult Public Assistance payments to the levels in effect on January 1, 1990. The January 1993 APA payment to a typical individual who also receives SSI benefits is \$374; Section 5 would reduce that payment to \$331. The payment to a typical couple would be reduced from \$544 to \$484.

Because of increases in the amount of SSI benefits since 1990, the total assistance income of a typical single APA recipient would decrease from \$808 (combined SSI and APA) to \$778 - a reduction of 3.7 percent. A typical couple's combined assistance would be reduced from \$1196 to \$1156 - a 3.3 percent reduction. The APA benefits of recipients who do not receive SSI would be similarly reduced.

The APA need standards are set by regulation at 7 AAC 40.310. Section 5 gives the Department of Health and Social Services the direction and authority to reduce the standards.

The changes in benefit levels imposed by Section 5 would take effect on July 1, 1993.

Section 6 amends AS 47.25.455 to allow the state to be reimbursed for Interim Assistance benefits paid to APA applicants while they are waiting for the Social Security Administration to determine their disability. Social Security typically takes 4 months or longer to make a disability determination. APA applicants must be disabled under SSI standards before they qualify for regular APA and Medicaid benefits; Interim Assistance provides these individuals with a \$280 monthly payment for basic living expenses until they are determined eligible to receive SSI and regular APA benefits.

Once APA applicants are determined to be disabled, they are retroactively eligible for SSI from the date they applied. Such individuals typically receive 4 or more months of retroactive SSI benefits (at up to \$434 per month) for the months they received Interim Assistance. Federal law allows the states to be reimbursed for the Interim Assistance from the applicant's retroactive SSI benefits. Section 6 establishes the authority for Interim Assistance reimbursement in Alaska by requiring applicants to repay the Interim Assistance they receive if they are found eligible for SSI. The Social Security Administration would make the individual's retroactive SSI payment to the Division of Public Assistance. DPA would retain the first \$280 of each month's retroactive SSI benefit and forward the balance to the recipient.

Section 6 also eliminates retroactive eligibility for regular APA benefits to individuals who have received Interim Assistance. Under current law, an Interim Assistance recipient who is found eligible for SSI is retroactively entitled to APA benefits; this entitlement is reduced by the amount of Interim Assistance the individual already received each month. Interim Assistance reimbursement will achieve savings only if the retroactive entitlement is eliminated. Section 6 adds a new subsection (d) to AS 47.25.455 that repeals the retroactive entitlement to APA benefits of Interim Assistance who are found eligible for SSI.

The changes in Section 6 take effect on July 1, 1993.

Section 7 repeals AS 47.25.320(e), which established the payment standards for AFDC Unemployed Parent cases when the AFDC-UP program was enacted in 1990. This change is necessary to conform to the change to AS 47.25.320(a)(2) made in Section 1, establishing the payment standards for two-parent AFDC families at the same level as the standards for single-parent families.

Section 8 provides transitional authority to allow DHSS to adopt implementing regulations for HB 67 before the effective date of the law. The regulations would take effect on the effective date of the legislation. This provision is intended to facilitate timely implementation on the statutory changes included in the bill.

Section 9 provides for an effective date for the bill of July 1, 1993.

DIVISION OF PUBLIC ASSISTANCE

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

AFDC PROGRAM	FY89 ACTUAL	FY90 ACTUAL	FY91 ACTUAL	FY92 ACTUAL	FY93 FULL FORMULA	FY94 FULL FORMULA
AFDC - Basic caseload	7558	7549	8299	9231	10345	11482
AFDC - UP caseload			769	1574	2140	2376
TOTAL AFDC caseload	7558	7549	9068	10805	12485	13858
Caseload rate change vs. respective prior year	-1.3%	-0.1%	20.1%	19.2%	15.5%	11.0%
Expenditure increase vs. respective prior year	\$1,659.5	\$2,655.0	\$16,228.9	\$21,435.0	\$20,092.6	\$17,199.0
<b>TOTAL EXPENDITURE</b>	<b>\$59,790.9</b>	<b>\$62,445.9</b>	<b>\$78,674.8</b>	<b>\$100,109.8</b>	<b>\$120,202.4</b>	<b>\$137,401.4</b>

**FY93 AFDC BUDGET SUMMARY**

FY93 AFDC INITIAL AUTHORIZATION	111,795.4
1. Restore the reduction for the cost of the FY93 COLA because the COLA suspension in HB 573 did not pass last year's legislative session.	1729.4
2. Add 6677.6 for the cost of AFDC caseload growth that was not planned in the FY93 budget request.	6677.6

<b>FY93 AFDC BUDGET WITH SUPPLEMENTAL</b>	<b>120,202.4</b>
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**FY94 AFDC BUDGET SUMMARY**

FY94 AFDC FULL FORMULA BUDGET	137,401.4
Legislative changes in HB 67 needed to create savings:	
1. Suspend AFDC COLA effective January 1, 1994 13858 AFDC families x \$25.34 Avg payment x 6 months =	(\$2,107.3)
2. Implement ratable reduction of AFDC payment to 1991 maximum levels. 13858 AFDC families x \$51.72 Avg payment reduction x 12 months =	(\$8,600.1)
3. Use the AFDC Basic Need Standard for AFDC - Unemployed Parent and AFDC - Incapacitated. 2483 AFDC families x \$87.01 per month x 12 months =	(\$1,944.4)
<b>TOTAL FY94 SAVINGS</b>	<b>(\$12,651.8)</b>
<b>FY94 AFDC REQUEST</b>	<b>\$124,749.6</b>

**DIVISION OF PUBLIC ASSISTANCE**

**ADULT PUBLIC ASSISTANCE (APA)**

APA PROGRAM	FY89 ACTUAL	FY90 ACTUAL	FY91 ACTUAL	FY92 ACTUAL	FY93 Full Formula	FY94 Full Formula
Average Caseload	6533	6918	7500	8083	8908	9664
Caseload growth rate vs. respective prior year	8.4%	5.8%	8.4%	7.8%	10.2%	8.5%
APA Expenditure	18,952.3	20,639.0	23,430.2	26,688.1	34,887.0	38918.6
OAA-ALB HH Expenditure	3,403.1	4,262.5	5,066.9	5,803.1	2,194.5	2456.0
TOTAL Program Expenditure	\$22,355.4	\$24,901.5	\$28,497.1	\$32,491.2	\$37,081.5	\$41,374.6
Expenditure increase vs. respective prior year	2,458.4	2,546.1	3,595.6	3,994.1	4,590.3	4293.1

**FY93 APA BUDGET SUMMARY**

FY93 APA INITIAL AUTHORIZATION	33649.9
1. Restore the reduction for the cost of the FY93 COLA because the COLA suspension in HB 573 did not pass last year's legislative session.	535.7
2. Replace 434.0 federal funding with general fund for Interim Assistance reimbursement that can not be achieved because authorizing legislation in HB 573 did not pass. (424.0) Federal + 434.0 GF	0.0
3. Add 701.4 for the cost of APA caseload growth that was not planned in the FY93 budget request.	701.4

<b>FY93 APA BUDGET WITH SUPPLEMENTAL</b>	<b>34887.0</b>
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**FY94 APA BUDGET SUMMARY**

FY94 APA FULL FORMULA BUDGET	38918.6
Legislative changes in HB 67 needed to create savings:	
1. Suspend APA COLA effective January 1, 1994 9207 APA clients(Interim Assistance cases excluded) x \$11.00 Avg pay reduction x 6 mos =	(\$607.7)
2. Implement ratable reduction of APA payment to 1990 maximum levels. 9207 APA clients(Interim Assistance cases excluded) x \$36.67 Avg pay reduction x 12 mos =	(\$4,051.9)
3. Enact Interim Assistance reimbursement & eliminate retroactive APA payments to Interim Assistance recipients after SSI application. (434.0 Federal replace GF In FY94 base)	\$0.0
Regulation change required to implement:	
4. Prorate APA initial months benefits	(\$475.2)
<b>TOTAL FY94 SAVINGS</b>	<b>(\$5,134.8)</b>

<b>FY94 ADULT PUBLIC ASSISTANCE (APA) REQUEST</b>	<b>\$33,783.8</b>
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**COST OF FOOD AT HOME FOR A WEEK**  
December 1992

For further information contact:  
Marguerite Stetson (907) 474-0660

	ANCH- ORAGE 0%	BETHEL 5%	CORDOVA 3%	DELTA 0%	DILL- INGHAM 5%	FAIR- BANKS 0%	GALENA 3%	HOMER 5.5%	JUNEAU 4%	KENAI 5%	KETCH- IKAN. 5%	KODIAK 5%
Community: Sales Tax Tr Surveyor*; Vol**	0%	1%	4%	7%	0%	6%	5%	0%	0%	0%	0%	0%
% Unavailable 12/8/92 unless:	0%	1%	4%	7%	0%	6%	5%	0%	0%	0%	0%	0%
Family of 2 (20-50 years)	59.86	87.79	84.42	69.26	99.03	51.02	94.73	65.93	59.80	64.34	56.92	70.82
Family of 2 (51 & older)	57.57	84.43	81.20	66.61	95.24	49.07	91.11	63.41	57.52	61.88	54.75	68.12
Family of 4 w/preschoolers	86.26	126.51	121.66	99.81	142.71	73.52	136.51	95.01	86.18	92.71	82.03	102.06
" w/ elementary children	101.32	148.60	142.90	117.23	167.62	86.36	160.34	111.60	101.23	108.90	96.35	119.88
% Anchorage Dec 1989	1.10	1.56	1.54	1.36	1.61	1.06		1.19	1.04	1.10	1.01	
% Anchorage Dec 1990	1.01	1.50		1.29	1.69	1.06		1.17	1.01	1.07	.97	1.21
% Anchorage Dec 1991	1.03	1.54	1.50	1.31	1.65	.93	1.67	1.12	1.03	1.10	.99	1.24
% Anchorage Sep 1992	1.01	1.42	1.39	1.29	1.66	.92	1.62	1.09	1.02	1.09	.97	1.24
% Anchorage Dec 1992	1.00	1.47	1.41	1.16	1.65	.85	1.58	1.10	1.00	1.07	.95	1.18
<b>INDIVIDUALS:</b>												
Children: 1-2 years	15.25	22.37	21.51	17.65	25.23	13.00	24.13	16.80	15.24	16.39	14.50	18.04
3-5 years	16.58	24.32	23.39	19.19	27.44	14.14	26.25	18.27	16.57	17.83	15.77	19.62
6-8 years	21.92	32.15	30.92	25.36	36.27	18.69	34.69	24.15	21.90	23.56	20.85	25.94
9-11 years	24.97	36.63	35.22	28.89	41.31	21.29	39.52	27.51	24.95	26.84	23.75	29.55
Females: 12-19 years	24.50	35.93	34.55	28.34	40.53	20.00	38.77	26.90	24.47	26.33	23.29	28.98
20-50 years	25.45	37.32	35.89	29.45	42.10	21.69	40.27	28.03	25.43	27.35	24.20	30.11
51 years	24.78	36.35	34.95	28.67	41.00	21.12	39.22	27.30	24.76	26.64	23.57	29.32
Males: 12-14 years	28.31	41.52	39.93	32.75	46.83	24.13	44.80	31.18	28.28	30.43	26.92	33.49
15-19 years	29.17	42.78	41.14	33.75	48.25	24.86	46.16	32.13	29.14	31.35	27.74	34.51
20-50 years	28.98	42.50	40.87	33.53	47.94	24.70	45.85	31.92	28.95	31.14	27.55	34.28
51 years and older	27.55	40.40	38.85	31.87	45.57	23.48	43.59	30.34	27.52	29.61	26.19	32.59
Electricity (1000 kwh)	77.77	248.98	249.03	94.05	180.53	88.80	350.00	88.29	94.02	132.29	84.50	133.40
Electricity, Paid by State		78.23	60.90		57.53							
Heating Oil (55 gal.)	57.26	77.39	80.03	93.93	89.05	54.73		60.35	77.89	58.30	68.20	63.25
Gas, auto, unleaded (55 gal)		89.00	93.50	139.00	105.34	69.71	126.50	70.95	87.78	76.95	85.53	85.80
Lumber (2 x 4 x 8')		3.56	3.63	2.80	4.06	2.70		2.47	2.85	2.73	2.29	2.76
Propane 200 gallons	472.03	1022.40	720.00		1170.29	446.40		995.07	457.97		439.65	676.80
Propane 100# (refill)		105.00	258.00	42.58	99.75	35.40	88.50	35.45	48.09	35.00	42.61	56.40
Sewer, Monthly Fee	21.05	18.08	19.00		32.50			22.74	33.80	37.58	23.00	41.20
Sewer, 1,000 gallons		80.00			50.00	3.35		5.19				
Water, Monthly Fee	24.75	60.08	18.00		26.36	2.60			19.76		21.95	35.20
Water, 1,000 gallons		94.06			16.90	2.90		2.94				
Sewer and Water, monthly		***								33.60		

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ALASKA PUBLIC ASSISTANCE PARTICIPATION

3/11/93

DIST TOWN	Persons Receiving AFDC & Food Stamps	Persons Receiving Food Stamps Only	Persons Receiving Adult Public Assistance	Persons Receiving Medicaid Only	TOTAL Persons receiving assistance	TOTAL Community Population	Percent of Total Pop receiving assistance	Unemploy Rate 1990 Census	EST. TOTAL FY 94 CUTS TO AFDC/APA FROM FULL FORMULA (HB 67 & SB 101)
1. Unduplicated Person Count by Community for OCTOBER 1992 2. AFDC= Aid to Families with Dependent Children 3. Adult Public Assistance = elderly, disabled, & blind 4. Reduction estimates based on average cut per case and expected caseload growth									
39 AKIACHAK	58	73	36	20	187	481	38.9%	12.7%	\$43,624
39 AKIAK	40	72	15	14	141	287	49.1%	16.0%	\$21,768
40 AKUTAN	0	0	3	2	5	487	1.0%	0.4%	\$1,894
38 ALAKANUK	150	94	33	45	322	559	57.6%	26.8%	\$73,057
39 ALEKNAGIK	0	1	4	0	5	200	2.5%	14.3%	\$2,526
28 ALEXANDER CREEK	9	0	0	1	10	40	25.0%		\$3,411
36 ALLAKAKET (& ALATNA)	10	45	13	11	79	203	38.9%	69.4%	\$12,950
37 AMBLER	67	32	12	10	121	301	40.2%	39.3%	\$27,846
37 ANAKTUVUK PASS	2	0	2	10	14	246	5.7%		\$1,557
9..25 ANCHORAGE	13,175	3953	3,295	2738	23161	240,258	9.6%	7.0%	\$7,223,597
9..25 EAGLE RIVER	402	102	81	91	676				\$211,675
34 ANDERSON	9	10	0	1	20	649	3.1%	11.5%	\$4,009
3 ANGOON	53	25	17	11	106	705	15.0%	35.1%	\$26,739
36 ANIAK	65	35	18	15	133	529	25.1%	9.7%	\$32,667
36 ANVIK	12	11	4	4	31	104	29.8%	13.6%	\$6,939
36 ARCTIC VILLAGE	23	19	8	3	53	96	55.2%	12.5%	\$15,420
40 ATKA	5	3	4	1	13	87	14.9%	25.7%	\$4,759
37 ATQASUK	3	0	1	2	6	217	2.8%	29.7%	\$2,255
39 ATMAUTLUAK	79	46	17	9	151	267	56.6%	25.3%	\$37,897
37 BARRON	62	25	34	61	182	3,702	4.9%	11.5%	\$46,953
36 BEAVER	17	6	5	5	33	103	32.0%	22.6%	\$8,803
39 BETHEL	287	195	118	52	652	4,868	13.4%	9.0%	\$182,595
36 BETTLES (& EVANSVILLE)	0	0	1	0	1	66	1.5%		\$631
28 BIRCH CREEK	10	1	1	5	17	42	40.5%		\$4,692
37 BREVIG MISSION	46	41	15	10	112	234	47.9%	35.3%	\$19,443
37 BUCKLAND	43	91	9	17	160	340	47.1%	12.2%	\$17,886
28 CANTWELL	0	3	2	0	5	147	3.4%	34.6%	\$1,263
36 CHALKYITSIK	25	21	4	3	53	90	58.9%	31.3%	\$9,339
39 CHEFORNAK	49	60	26	19	154	330	46.7%	6.2%	\$28,793

source of info: Dept of H&SS, Dept of C&RA, Div of Elections, Dept of Labor

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35	CHENEGA	0	4		5	9	94	9.6%	14.3%	\$0
38	CHEVAK	124	169	26	68	387	619	62.5%	17.8%	\$59,631
35	CHICKALOON	17	7	0	0	24	145	16.6%	26.7%	\$5,745
36	CHICKEN	0	0	1	0	1				\$631
40	CHIGNIK	9	0	3	2	14	177	7.9%	4.2%	\$5,570
40	CHIGNIK LAKE	14	9	2	4	29	133	21.8%	15.2%	\$6,716
	CHINIAK	1	4	0	0	5	69	7.2%	5.1%	\$258
36	CHISTOCHINA	0	2	2		4	60	6.7%	52.0%	\$1,263
36	CHITNA	9	5	4		18	49	36.7%	33.3%	\$5,838
36	CHUATHBALUK	14	22	4	7	47	129	36.4%	8.6%	\$6,914
36	CIRCLE	42	12	4	5	63	73	86.3%	36.7%	\$18,461
39	CLARK'S POINT	0	3	0	2	5	58	8.6%	18.5%	\$0
34	CLEAR	4	2	0	0	6				\$329
5	COFFMAN COVE	4	1	0	1	6	198	3.0%	14.7%	\$472
35	COPPER CENTER	95	39	28	7	169	449	37.6%	26.6%	\$57,154
35	CORDOVA	65	24	31	25	145	2,504	5.8%	3.1%	\$43,819
5	CRAIG	89	32	10	22	153	1,637	9.3%	8.4%	\$39,600
36	CROOKED CREEK	36	18	8	7	69	106	65.1%	27.3%	\$16,730
37	DEERING	22	39	2	5	68	158	43.0%		\$6,198
35	DELTA JUNCTION	155	59	44	46	304	736	41.3%	8.6%	\$83,869
39	DILLINGHAM	73	41	32	32	178	2,110	8.4%	6.7%	\$49,918
37	DIOMEDE	20	12	1	16	49	180	27.2%		\$5,366
35	DOT LAKE	8	6	8	1	23	70	32.9%	13.6%	\$10,237
24	EAGLE	6	11	7	6	30	161	18.6%	32.5%	\$6,260
5	EDNA BAY	1	0	0	1	2	86	2.3%	25.0%	\$1,763
39	EEK	46	57	20	11	134	284	47.2%	23.9%	\$24,141
40	EGEGIK	0	0	2		2	122	1.6%	24.3%	\$1,263
40	EKWOK	22	23	8	6	59	78	75.6%	23.5%	\$12,475
5	ELFIN COVE	0	0	1	0	1	57	1.8%		\$631
38	ELIM	34	33	11	7	85	267	31.8%	30.0%	\$20,292
38	EMMONAK	134	121	37	52	344	692	49.7%	34.6%	\$64,963
29..34	FAIRBANKS NORTH STAR BC	3563	1465	894	889	6811	79,730	8.5%	10.2%	\$1,971,614
34	EILESON AFB	7	38	1	6	52	5,251	1.0%	13.0%	\$3,346
29..31	FAIRBANKS	2867	972	794	680	5313	32,156	16.5%	11.6%	\$1,641,080

source of info: Dept of H&amp;SS, Dept of C&amp;RA, Div of Elections, Dept of Labor

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29	ESTER	2	3	1	2	8	147	5.4%	11.5%	\$1,752
33	FOX	2	2	2	0	6	275	2.2%	12.0%	\$2,383
32	FT WAINWRIGHT	18	203	5	8	234	7,860	3.0%		\$9,328
33..34	NORTH POLE (area)**	615	229	77	175	1096	1,671	65.6%	10.2%	\$289,420
34	SALCHA	41	17	13	15	86	354	24.3%	14.5%	\$23,673
33	TWO RIVERS	11	1	1	3	16	453	3.5%	10.5%	\$4,556
40	FALSE PASS	0	0	1	1	2	84	2.4%		\$631
35	FORT GREELY	3	34	0	1	38	1,147	3.3%	14.4%	\$1,579
36	FORT YUKON	100	75	37	21	233	718	32.5%	27.4%	\$59,986
38	FORTUNA LEDGE	44	41	13	17	115				\$23,284
35	GAKONA (AREA)**	20	11	10		41				\$13,877
36	GALENA	16	10	5	8	39	829	4.7%	9.2%	\$8,560
38	GAMBELL	35	71	33	7	146	546	26.7%	16.8%	\$35,790
35	GLENNALLEN	32	24	13	16	85	451	18.8%	4.4%	\$16,267
38	GOLOVIN	20	4	6	3	33	146	22.6%	15.3%	\$9,235
38	GOODNEWS BAY	38	30	21	23	112	236	47.5%	3.1%	\$22,686
36	GRAYLING	29	34	10	17	90	203	44.3%	29.6%	\$18,297
36	GULKANA	1	6	2	1	10	103	9.7%	27.3%	\$1,356
5	GUSTAVUS	4	0	0	4	8	258	3.1%	4.6%	\$1,415
5	HAINES BOROUGH	110	73	39	31	253	2,212	11.4%	7.8%	\$60,242
34	HEALY	5	17	4	7	33	487	6.8%	3.9%	\$4,852
5	HOLLIS	0	0	1	1	2	111	1.8%	8.3%	\$631
36	HOLY CROSS	48	42	10	10	110	273	40.3%	38.6%	\$22,327
5	HOONAH	72	34	18	10	134	793	16.9%	14.9%	\$34,882
38	HOOPER BAY	306	176	39	39	560	890	62.9%	41.7%	\$129,542
36	HUGHES	6	13	5	3	27	66	40.9%	15.4%	\$4,319
36	HUSLIA	18	33	10	5	66	224	29.5%	38.5%	\$15,534
5	HYDABURG	54	19	17	14	104	405	25.7%	21.8%	\$21,536
1	HYDER	12	6	2	0	20	99	20.2%	22.7%	\$4,193
36	IGUGIG	0	0	1	1	2	33	6.1%		\$631
36	ILLIAMNA	4	22	8	7	41	94	43.6%		\$7,183
40	IVANOFF BAY	0	3	0		3	35	8.6%		\$0
3..4	JUNEAU	1139	395	343	405	2282	29,251	7.8%	4.8%	\$628,853
5	KAKE	41	47	16	14	118	725	16.3%	10.9%	\$29,426

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37	KAKTOVIK		0	2	1	3	224	1.3%	30.7%	\$1,263
36	KALSKAG (LOWER)	82	48	22	11	163	299	54.5%		\$45,980
36	KALSKAG (UPPER)	15	30	11	8	64	173	37.0%		\$15,568
37	KALTAG	25	53	12	23	113	257	44.0%	24.1%	\$16,687
6	KARLUK	14	0	3	3	20	71	28.2%	9.1%	\$4,431
5	KASAAN	1	0	0	0	1	52	1.9%	64.5%	\$932
39	KASIGLUK	138	106	25	25	294	459	64.1%	34.8%	\$52,546
	<b>KENAI BOROUGH</b>	<b>2,858</b>	<b>1,162</b>	<b>683</b>	<b>937</b>	<b>5,640</b>	<b>42,242</b>	<b>13.4%</b>	<b>10.3%</b>	<b>\$1,044,596</b>
9	HOPE	15	3	2	4	24	161	14.9%	38.4%	\$5,710
7..9	<b>KENAI</b>	<b>610</b>	<b>244</b>	<b>139</b>	<b>201</b>	<b>1194</b>	<b>6,535</b>	<b>18.3%</b>	<b>12.1%</b>	<b>\$338,328</b>
7	ANCHOR POINT	134	51	30	34	249	866	28.8%	17.5%	\$64,186
7	CLAM GULCH	14	10	5	4	33	79	41.8%		\$8,206
8	COOPER LANDING	5	2	1	1	9	243	3.7%		\$2,963
6	ENGLISH BAY	7	4	2	6	19				\$3,053
7	HOMER	269	127	97	133	626	3,937	15.9%	7.9%	\$159,842
7	KASILOF	119	30	13	22	184	383	48.0%	18.4%	\$43,132
8	MOOSE PASS	0	1	3	3	7	81	8.6%	25.8%	\$1,894
9	NIKISKI	231	46	18	44	339	2,743	12.4%	14.5%	\$94,287
9	NIKISHKA	0	0	0	0	0				\$0
7	NINILCHIK	27	9	7	5	48	456	10.5%	24.0%	\$10,941
6	PORT GRAHAM	6	1	4	4	15	166	9.0%	38.8%	\$5,001
7	SELDOVIA	15	9	7	5	36	302	11.9%	11.8%	\$9,396
6	SEWARD	180	70	45	57	352	2,806	12.5%	9.2%	\$89,390
7	SOLDOTNA	569	208	108	197	1082	3,652	29.6%	8.7%	\$292,602
36	TYONEK	20	18	5	1	44	154	28.6%	37.7%	\$8,360
5	WHALE PASS	6	6	0	0	12	75	16.0%	35.7%	\$2,415
35	WHITTIER	15	8	4	1	28	279	10.0%	8.0%	\$7,418
	<b>KETCHIKAN BOROUGH</b>	<b>616</b>	<b>315</b>	<b>193</b>	<b>215</b>	<b>1,339</b>	<b>14,110</b>	<b>9.5%</b>	<b>7.2%</b>	<b>\$374,477</b>
1	KETCHIKAN	568	309	188	214	1279	8,478	15.1%	8.6%	\$358,481
1	SAXMAN	39	5	3	0	47	379	12.4%	25.5%	\$11,042
1	WARD COVE	9	1	2	1	13				\$4,955
37	KIANA	74	74	16	19	183	401	45.6%	27.4%	\$30,190
40	KING COVE	21	10	1	10	42	871	4.8%	1.8%	\$9,069
40	KING SALMON	3	0	0	0	3	696	0.4%		\$1,329

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39	KIPNUK	103	120	24	30	277	470	58.9%	5.8%	\$47,058
37	KIVALINA	35	76	16	13	140	327	42.8%	55.6%	\$23,494
5	KLAWOCK	51	29	9	11	100	758	13.2%	17.3%	\$20,952
5	KLUKWAN	0	0	0	1	1	129	0.8%	60.4%	\$0
37	KOBUK	19	11	1	2	33	110	30.0%	35.0%	\$4,702
6	KODIAK ISLAND BOROUGH	403	303	132	192	1,030	15,535	6.6%	5.3%	\$245,720
6	<i>KODIAK</i>	317	214	102	158	791	7,229	10.9%	4.4%	\$203,728
6	<i>AKHIOK</i>	9	13	3	3	28	81	34.6%	18.8%	\$3,996
6	<i>LARSEN BAY</i>	21	14	3	7	45	149	30.2%	40.0%	\$5,025
6	<i>OLD HARBOR</i>	36	15	7	6	64	298	21.5%	39.1%	\$13,831
6	<i>PORT LIONS</i>	7	30	6	10	53	238	22.3%	14.1%	\$8,380
6	<i>OUZINKIE</i>	13	17	11	8	49	216	22.7%	18.9%	\$10,760
36	KOKHANOK	31	13	5	7	56	152	36.8%	7.7%	\$12,409
40	KOLIGANEK	17	34	7	8	66	181	36.5%	11.0%	\$9,322
39	KONGIGANAK	57	62	12	17	148	294	50.3%	16.3%	\$27,105
38	KOTLIK	126	89	17	42	274	503	54.5%	36.6%	\$44,656
37	KOTZEBUE	176	159	55	57	447	3,075	14.5%	13.1%	\$95,298
38	KOYUK	70	37	17	11	135	277	48.7%	37.3%	\$31,012
36	KOYUKUK	7	1	7	9	24	127	18.9%	27.0%	\$6,894
39	KWETHLUK	111	125	54	34	324	559	58.0%	11.8%	\$71,015
39	KWIGILLINGOK	35	42	23	14	114	278	41.0%	9.2%	\$22,921
40	LEVELOCK	10	8	7	6	31	105	29.5%	20.9%	\$7,338
36	LIME VILLAGE	6	3	6	1	16	42	38.1%	13.6%	\$6,442
36	LIVENGOOD	3	1	2	0	6				\$2,520
36	MANLEY HOT SPRINGS	19	6	3	3	31	96	32.3%	12.5%	\$6,734
39	MANOKOTAK	71	50	8	20	149	404	36.9%	16.1%	\$25,133
	MAT-SU BOROUGH	3,910	1,247	507	535	6,199	41,797	14.8%	11.6%	\$1,767,916
28	<i>BIG LAKE</i>	288	85	18	20	411	1,477	27.8%	12.9%	\$108,923
28	<i>HOUSTON</i>	101	34	11	6	152	815	18.7%	15.4%	\$49,133
26..28	<i>PALMER</i>	1022	342	179	194	1737	3,039	57.2%	16.7%	\$495,544
28	<i>SKWENTNA</i>	37	13	0	3	53	85	62.4%		\$11,995
35	<i>SUTTON</i>	60	16	10	7	93	308	30.2%	17.2%	\$27,989
28	<i>TALKEETNA</i>	81	28	11	10	130	250	52.0%	10.1%	\$40,416
28	<i>TRAPPERS CREEK</i>	38	29	3	4	74	296	25.0%	30.3%	\$16,985

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27..28 WASILLA (area)**	2145	636	263	281	3325	4,124	80.6%	11.1%	\$960,026
28 WILLOW (area)**	138	64	12	10	224	285	78.6%		\$56,905
36 MCGRATH	20	3	6	10	39	531	7.3%	9.9%	\$9,737
38 MEKORYUK	24	40	17	6	87	206	42.2%	16.7%	\$19,371
36 MENTASTA LAKE	29	6	2	3	40	96	41.7%	18.8%	\$10,085
5 METLAKATLA	193	41	21	34	289	1,564	13.5%	20.6%	\$83,221
2 MEYERSCHUCK	0	5	0	1	6	37	16.2%		\$0
36 MINTO	42	36	26	6	110	218	50.5%	60.3%	\$35,921
38 MT VILLAGE	167	105	31	38	341	727	46.9%	36.7%	\$76,652
40 NAKNEK	11	0	2	5	18	575	3.1%	3.9%	\$5,106
39 NAPAKIAK	69	44	28	14	155	323	48.0%	33.3%	\$40,047
39 NAPASKIAK	53	73	21	21	168	362	46.4%	22.7%	\$29,162
34 NENANA	77	40	21	18	156	504	31.0%	17.5%	\$42,054
40 NEW STUYAHOK	83	23	16	8	130	396	32.8%	17.7%	\$44,464
36 NEWHALEN	6	0	0	0	6	161	3.7%	5.5%	\$1,619
38 NEWTOK	55	84	9	20	168	213	78.9%	25.9%	\$23,927
38 NIGHTMUTE	38	16	10	4	68	178	38.2%	26.9%	\$17,199
36 NIKOLAI	11	10	6	6	33	107	30.8%	35.5%	\$9,041
40 NIKOLSKI	4	0	5	1	10	35	28.6%		\$4,631
37 NOATAK	36	42	13	5	96	333	28.8%	45.1%	\$17,070
38 NOME	124	130	78	32	364	4,559	8.0%	11.0%	\$109,130
36 NONDALTON	72	13	14	3	102	212	48.1%	42.6%	\$33,887
37 NOORVIK	95	105	14	20	234	520	45.0%	17.5%	\$37,611
36 NORTHWAY	48	25	20	10	103	324	31.8%	26.0%	\$32,592
37 NUIQSUT	8	0	1	6	15	391	3.8%	33.1%	\$4,166
36 NULATO	31	57	16	26	130	364	35.7%	25.7%	\$23,044
39 NUNAPITCHUK	88	88	21	20	217	475	45.7%	12.3%	\$39,054
39 OSCARVILLE	0	3	3	0	6	57	10.5%		\$1,894
40 PEDRO BAY	9	4	0	3	16	42	38.1%		\$674
5 PELICAN	7	0	0	0	7	265	2.6%	3.4%	\$3,392
40 PERRYVILLE	11	2	1	1	15	108	13.9%	13.6%	\$5,437
2 PETERSBURG	106	34	18	50	208	3,680	5.7%	4.2%	\$49,968
40 PILOT POINT	5	5	2	4	16	97	16.5%		\$5,177
38 PILOT STATION	93	137	25	51	306	470	65.1%	35.1%	\$50,356

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38	PITKA'S POINT	14	8	6	3	31	135	23.0%	5.1%	\$9,632
32	PLATINUM	0	2	2	3	7	54	13.0%	8.0%	\$1,263
5	POINT BAKER	2	5	6	2	15	39	38.5%		\$5,714
37	POINT HOPE	12	6	14	4	36	680	5.3%	23.4%	\$15,356
37	POINT LAY	0	0	2	2	5	139	3.6%	11.5%	\$1,263
5	PORT ALEXANDER	7	3	1	2	13	119	10.9%	11.5%	\$2,277
40	PORT HEIDEN	10	7	4	3	24	126	19.0%	22.0%	\$6,037
5	PORT PROTECTION	0	2	0	0	2	62	3.2%	75.0%	\$0
39	QUINHAGAK	96	46	37	20	199	501	39.7%	5.9%	\$54,313
36	RAMPART	0	17	2	8	27	68	39.7%	78.8%	\$1,263
36	RED DEVIL	5	4	1	1	11	53	20.8%	14.3%	\$2,371
36	RUBY	33	25	6	10	74	207	35.7%	12.8%	\$16,278
39	RUSSIAN MISSION	76	41	20	18	155	266	58.3%	21.0%	\$32,554
40	SAND POINT	4	3	2	8	17	1,073	1.6%	2.9%	\$5,199
38	SAVOONGA	52	141	22	21	236	545	43.3%	14.7%	\$37,802
38	SCAMMON BAY	105	54	17	14	190	360	52.8%	18.4%	\$49,745
37	SELAWIK	152	116	29	29	326	597	54.6%	31.3%	\$62,933
36	SHAGELUK	46	23	8	12	89	144	61.8%	22.9%	\$17,713
38	SHAKTOOLIK	4	10	9	2	25	212	11.8%	31.9%	\$8,450
38	SHELDON POINT	29	22	3	14	68	103	66.0%	13.0%	\$11,368
37	SHISHMAREF	42	105	23	29	199	466	42.7%	18.0%	\$28,501
37	SHUNGNAK	38	25	8	14	85	224	37.9%	14.0%	\$19,539
2	SITKA	265	112	97	86	560	8,815	6.4%	6.7%	\$173,405
5	SKAGWAY	9	0	3	11	23	735	3.1%	10.6%	\$4,182
35	SLANA	30	22	7	0	59	63	93.7%	44.4%	\$15,270
36	SLEETMUTE	30	27	8	5	70	106	66.0%	12.9%	\$20,715
40	SOUTH NAKNEK	3	3	0	1	7	136	5.1%	27.5%	\$1,329
38	ST MARYS	60	52	21	28	161	477	33.8%	19.2%	\$33,754
38	ST MICHAEL	81	49	12	16	158	324	48.8%	22.9%	\$27,391
40	ST PAUL ISLAND	23	8	7	3	41	771	5.3%	10.8%	\$12,736
38	STEBBINS	109	106	23	25	263	442	59.5%	39.2%	\$43,395
8	STERLING	122	25	15	18	180	3,802	4.7%	7.4%	\$50,820
36	STEVENS VILLAGE	5	9	8	5	27	102	26.5%	43.3%	\$6,708
36	STONY RIVER	2	10	2	2	16	51	31.4%	26.7%	\$2,445

source of info: Dept of H&amp;SS, Dept of C&amp;RA, Div of Elections, Dept of Labor

\*\*some communities, particularly on the road system, serve as area hubs (catchment areas); % community participation may appear larger as a result of clients from out of town  
Communities in Italics are listed under borough totals

## ALASKA PUBLIC ASSISTANCE PARTICIPATION

3/11/93

DIST TOWN	Persons Receiving AFDC & Food Stamps	Persons Receiving Food Stamps Only	Persons Receiving Adult Public Assistance	Persons Receiving Medicaid Only	TOTAL Persons receiving assistance	TOTAL Community Population	Percent of Total Pop receiving assistance	Unemploy Rate 1990 Census	EST. TOTAL FY 94 CUTS TO AFDC/APA FROM FULL FORMULA (HB 67 & SB 101)
40 ST. GEORGE	3	0	1	2	6	287	2.1%	14.9%	\$2,062
36 TAKOTNA	0	4	2	5	11	38	28.9%		\$1,263
36 TANACROSS	17	1	11	1	30	106	28.3%	35.4%	\$12,550
36 TANANA	22	38	20	17	97	407	23.8%	21.8%	\$20,165
35 TATITLEK	8	7	1	3	19	119	16.0%		\$4,581
37 TELLER	18	27	17	4	66	254	26.0%	3.3%	\$16,132
5 TENAKEE	1	3	4	1	9	106	8.5%	20.0%	\$2,991
36 TETLIN	28	26	16	5	75	87	86.2%	25.0%	\$18,511
5 THORNE BAY	35	19	6	4	64	637	10.0%	18.6%	\$15,948
39 TOGIAK	107	33	42	28	210	738	28.5%	23.1%	\$58,810
35 TOK	97	50	5	18	170	935	18.2%	20.3%	\$35,961
38 TOOKSOOK BAY	60	90	20	37	207	449	46.1%	25.5%	\$35,378
36 TULUKSAK	91	81	22	22	216	333	64.9%	2.5%	\$45,573
39 TUNTUTULIAK	104	54	20	15	193	300	64.3%	6.4%	\$46,977
38 TUNUNAK	81	41	21	21	164	371	44.2%	14.0%	\$37,269
39 TWIN HILLS	2	0	4	0	6	66	9.1%	25.0%	\$3,711
38 UNALAKLEET	47	41	17	10	115	732	15.7%	19.2%	\$26,833
40 UNALASKA	6	4	10	2	22	3,825	0.5%	1.0%	\$10,229
35 VALDEZ	99	39	23	77	238	4,360	5.5%	8.8%	\$58,782
36 VENETIE	59	38	22	11	130	182	71.4%	37.5%	\$34,347
37 WAINWRIGHT	5	28	17	3	53	536	9.9%	10.2%	\$15,276
37 WALES	3	25	8	7	43	147	29.3%	19.3%	\$6,704
38 WHITE MOUNTAIN	15	15	9	7	46	182	25.3%	36.4%	\$11,758
36 WISEMAN	1	1	0	3	5	33	15.2%		\$711
2 WRANGELL	105	48	48	45	246	2,539	9.7%	9.0%	\$78,969
5 YAKUTAT	21	0	17	10	48	729	6.6%	11.8%	\$19,180

source of info: Dept of H&SS, Dept of C&RA, Div of Elections, Dept of Labor

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Communities in Italics are listed under borough totals



Representative Lyman F. Hoffman

Alaska State House
State Capitol • Juneau, Alaska 99801-1182 • (907) 465-4453

February 8, 1993

DISTRICT 39

- AKIACHAK
AKIAK
ALEKNAGIK
ATMAUTLUAK
BETHEL
CHEFORNAK
CLARKS POINT
DILLINGHAM
EEK
EKUK
GOODNEWS BAY
KASIGLUK
KIPNUK
KONGIGANAK
KWETHLUK
KWIGILLINGOK
MANOKOTAK
NAPAKIAK
NAPASKIAK
NUNAPITCHUK
OSCARVILLE
PLATINUM
PORTAGE CREEK
QUINHAGAK
TOGIAK
TUNTUTULIAK
TWIN HILLS

TO: Rep. Cynthia Toohey, Co-Chair
Rep. Con Bunde, Co-Chair
House HESS Committee

FROM: Rep. Lyman F. Hoffman

Handwritten signature of Lyman F. Hoffman

RE: HB 67: "An Act relating to eligibility for and
payments of public assistance; and
providing for an effective date."

\*\*\*\*\*

As the Representative from House District 39, I find the
provisions for "cost saving" in HB 67 entirely unacceptable.
The fact that reductions in spending must take place to
compensate for the decline of state revenues does not
entitle this administration to literally take food from the
mouths of those Alaskans that need assistance to provide
for themselves.

What form of logic dictates that in times when fiscal
sacrifice must occur to balance revenue losses, the burden
be placed on the backs of those who are living below the
poverty line? Additionally, I find this same logic flawed
in light of the fact that State of Alaska employees continue
to be the benefactors of cost of living adjustments. If
there are those who believe measures such as those provided
in HB 67 are necessary for cost cutting, perhaps in the
sense of fairness, provisions should be included in this
proposed legislation to roll back salaries to the 1990 level
and cancel COLAs for employees of the state to keep things
on a fair and equitable basis.

While a monthly reduction of \$79 to a typical AFDC household
may not sound like much to some, rest assured that for many,
that small amount represents the difference between food on
the dinner table or a child going to bed hungry the last few
nights of the month.

Within the fiscal note for HB 67 it is stated "Reductions
in AFDC benefits will also make AFDC a slightly less
attractive alternative to work." It is precisely this type
of misguided mentality that continues to perpetuate the
negative reputation attached to public assistance. When

Additional Testimony

will we, as a society, begin to realize that regardless of the few who will always abuse and manipulate a system to their advantage, many Alaskans on public assistance are simply trying to do the best they can to provide for their family in a sour economy. This is particularly true in Bush Alaska, which the current administration continues to view as insignificant when considering options of economic development and diversification which could alleviate a large portion of the public assistance financial burden.

I would only hope that in future hearings on this proposed legislation, that you would open your meeting to testimony from those Alaskans whose lives you will affect by pushing this bill forward.

One last comment, in closing. I challenge anyone to provide for themselves and a child for six months on the monthly AFDC stipend of \$871 and then believe that the consequences of HB 67 will not severely impact those families needing assistance to provide food and shelter for their families.



## TANANA CHIEFS CONFERENCE, INC.

122 FIRST AVENUE  
FAIRBANKS, ALASKA 99701-4897  
PHONE (907) 452-8251 FAX (907) 451-8936

March 15, 1993

Representative Brian Porter  
State Capitol  
Juneau, Alaska 99801-1182

Dear Representative Porter,

My name is Louise Charles and I am the Coordinator for the Job Opportunities and Basic Skills Program (JOBS) for Tanana Chiefs Conference, Inc. I am very concerned in regard to a bill that you have in your committee for consideration.

It is my understanding that you have before you a committee substitute for HB 67. This bill, as it stands, will suspend the Cost of Living Allowance and decrease public assistance amounts to 1990 levels for those who are eligible for such benefits. This bill will have a detrimental impact on all JOBS (Job Opportunity and Basic Skills) participants, and especially on rural, bush residents. As you realize, in order to participate in JOBS, one has to be receiving AFDC. I urge each of you to reject this bill and consider other areas to decrease State spending.

My primary concern is for JOBS participants, especially those who live in Bush villages. As you know, the cost of living in rural Alaska is anywhere from 2 to 6 times higher than it is in urban areas. The necessary expenditures for food, fuel oil, water and sewer often deplete an entire benefit amount without counting in costs for clothing, or other common needs. For daily maintenance items such as soap, toothpaste, toilet paper and other household necessities, many people have to do without or buy such things at staggered times. You must not penalize the Native bush residents because of where they live by cutting the only means of support that they might have. Further, it is unrealistic to think that their living situation would change for the better if their benefits are decreased. This action also makes it even more impossible to participate in the education, training or employment activities that are mandated by P.L. 100-485, the Family Support Act, whether they are in the bush or in urban areas. I can say with certainty that the majority of our clients live in low-income housing areas, which includes sub-standard housing and that all funds they receive, including food stamps, are utilized just to get by.

If you are truly committed to reforming welfare, a more appropriate option to consider might be for the State to take the lead in hiring those JOBS clients who have made it through a training or education developmental program. Too often, these clients are rejected for hire because they do not have the experience or high credentials that the more fortunate possess. This does not make them any less valuable as a potential employee. Given the chance, these JOBS participants are responsible, hard-working and just as eager to become independent wage-earners as anyone else.