

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 1993-1994

955

29

HB

67

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/23/93

FURTHER:

DATE TURNED INTO OFFICE: 4-28-93

The Finance Committee considered CS FOR HOUSE BILL NO. 67(FIN)(efd fld)

"An Act relating to eligibility for and payments of public assistance."

and recommends:

- replace with 5 CS CS HB 67 (FINANCE)
- or adopt previous _____ CS _____
- attaches amendment(s)

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

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

List of fiscal notes to follow.

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
<i>See Attachment and 9 Notes</i>			

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

Twin Kelly
Mike Thi
Ben Sharp

OTHER RECOMMENDATIONS:

Just do not pass

1. *Approved do pass*
 Co-Chair: Signature/Recommendation

2. *True Heart*
 Co-Chair: Signature/Recommendation

4-28-93

Senate Finance Committee
Fiscal notes to accompany
SOS CS HB 67 (Fix)

DHSS (AFDC)	³⁻²⁸⁻⁹³ Sec. 1, 3	(3,914.9)
DHSS (AFDC)	³⁻²⁸⁻⁹³ Sec. 1, 7	(1,944.4)
DHSS (AFDC)	³⁻²⁸⁻⁹³ Sec. 2	(2,107.3)
DHSS (APA)	³⁻²⁸⁻⁹³ Sec. 4	(607.7)
DHSS (APA)	³⁻²⁸⁻⁹³ Sec. 4, 5	(973.9)
DHSS (APA)	³⁻²⁸⁻⁹³ 0	0
DHSS PFD	3-28-93	414.0
DHSS Medicaid		
Facilities	3-30-93	(106.8)
DHSS Medicaid		
Non-Fac.	3-30-93	(106.9)

WORK DRAFT

WORK DRAFT

WORK DRAFT

8-GH1036W
Lauterbach
4/28/93

*ordered final
4-28-93 mm
Rush!*

adopted 4-28-93

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

BY THE SENATE 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;

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 and the legislature has appropriated money
16 specifically for the purpose of increasing the monetary maximums in (a) of this
17 section because of the increase in federal benefits, the department shall increase the
18 monetary maximums in (a) of this section by a percentage equal to the percentage
19 increase in the benefits under 42 U.S.C. 1381 - 1383; this increase in the monetary
20 maximums takes effect on the same day that the corresponding federal increase
21 in benefits under 42 U.S.C. 1381 - 1383 takes effect [42 U.S.C. 1381 - 1385].

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

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

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

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

1 1381 - 1385] (Title XVI, Social Security Act Supplemental Security Income Program).
2 Direct payments for medical services and remedial care may not be considered
3 in determining the maximum amount payable. When benefit amounts under 42
4 U.S.C. 1381 - 1383 [42 U.S.C. 1381 - 1385] are increased as a result of an increase
5 in the cost of living, the state shall pass along the increase to recipients and shall
6 increase the amount of the state contribution to recipients, other than those receiving
7 a personal needs allowance, by a percentage of the state contribution equal to the
8 percentage increase in the benefit amounts under 42 U.S.C. 1381 - 1383 if the
9 legislature has appropriated money specifically for the purpose of increasing the
10 state contribution because of an increase in federal benefit amounts under 42
11 U.S.C. 1381 - 1383; this increase in the state contribution takes effect on the same
12 day that the corresponding federal increase in benefits under 42 U.S.C. 1381 -
13 1383 takes effect [42 U.S.C. 1381 - 1385. DIRECT PAYMENTS FOR MEDICAL
14 SERVICES AND REMEDIAL CARE MAY NOT BE CONSIDERED IN
15 DETERMINING THE MAXIMUM AMOUNT PAYABLE].

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

17 (e) Notwithstanding (a) and (b) of this section, the department shall, in a
18 manner that complies with federal requirements, reduce the maximum state
19 contribution to recipients otherwise payable on the effective date of this bill section
20 to the maximum state contribution to recipients that was in effect on January 1, 1992.
21 On and after the effective date of this bill section, the department shall, in a manner
22 that complies with federal requirements, calculate the amount of monthly assistance
23 for a recipient based on the maximum state contribution to recipients in effect on
24 January 1, 1992, as modified by any increase under (b) of this section.

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

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

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

5 * Sec. 7. AS 47.25.320(e) is repealed.

6 * Sec. 8. TRANSITION FOR REGULATIONS. The Department of Health and Social
7 Services shall adopt regulations necessary to implement this Act, consistent with federal
8 requirements. The regulations take effect under AS 44.62 (Administrative Procedure Act), but
9 not before the effective date of secs. 1 - 7 of this Act.

10 * Sec. 9. Section 8 of this Act takes effect immediately under AS 01.10.070(c).

11 * Sec. 10. Except as provided in sec. 9 of this Act, this Act takes effect July 1, 1993.

Back up

MEMORANDUM

State of Alaska
Department of Law

TO: Jan Hansen, Director
Division of Public Assistance
Dept. of Health & Social Services

DATE: April 23, 1993

FILE NO: 773-93-0036

TEL. NO: 465-3600

SUBJECT: CSHB 67(FIN) (efd fld)

Deborah E. Behr
FROM: Deborah E. Behr
Assistant Attorney General
and Regulations Attorney
Governmental Affairs Section

You have asked for a memorandum briefly describing the language problems that we discussed with you today regarding the "transition for regulations" section (sec. 8) of CSHB 67(FIN) (efd fld).

We note that the transition section was slightly reworded during the committee process. We believe that the current wording of that section may impede your ability to readily implement the changes contemplated in secs. 1 — 7 of the bill.

To avoid legal challenges and confusion, we would recommend that sec. 8 be replaced with the following language:

* Sec. 8. TRANSITION FOR REGULATIONS. Notwithstanding sec. 10 of this Act, the Department of Health and Social Services may proceed to adopt regulations necessary to implement this Act, consistent with federal requirements. The regulations take effect under the Administrative Procedure Act, but not before July 1, 1993.

This wording should more readily allow your division to immediately proceed with adopting any necessary regulatory changes, before the remainder of the Act comes into effect.

We note that your division is planning to request that the effective dates, which failed on the House floor, be reinserted in the next committee. The reinsertion of effective dates is essential for timely implementation of the bill, including the transition section described above. The language proposed above for the transition section for regulations assumes that this will occur.

DEB:cl

April 23, 1993

FY94 Aid To Families With Dependent Children Budget
AND
FY94 Adult Public Assistance Budget (APA)

	TOTAL	FED	GFM	GF	GF/PR	I/A
FY94 AFDC Proposed CSHB67 (FIN) (efd fld) Budget (Assumes law changes effective October 1, 1993)						
FY94 AFDC FULL FORMULA	137,401.4	62,655.1	58,455.1		4,200.0	12,091.2
Proposed legislation CSHB 67 (FIN) (efd fld):						
Reduction - Suspend 1/1/94 COLA	(2,107.3)	(960.9)	(960.9)			(185.5)
Reduction - Ratable 1992 Level eff. 10/1/93	(2,936.0)	(1,295.7)	(1,295.8)			(344.5)
Reduction - AF-UP/INCAP at AF-Baic Rate effective 10/1/93	(1,944.4)	(972.2)	(972.2)			
FY94 AFDC CSHB67 (FIN) (efd fld) Law changes effective 10/1/93	130,413.7	59,426.3	55,226.2	0.0	4,200.0	11,561.2
FY94 AFDC House Budget	129,434.8	58,936.8	54,736.8		4,200.0	11,561.2
FY94 AFDC GOV and Senate Budget	124,749.6	56,800.4	52,600.4		4,200.0	11,148.8
DIFFERENCE CSHB67 (FIN) (efd fld) vs. HOUSE	978.9	489.5	489.4	0.0	0.0	0.0
DIFFERENCE CSHB67 (FIN) (efd fld) vs SENATE	5,664.1	2,625.9	2,625.8	0.0	0.0	412.4

FY94 APA Proposed CSHB67 (FIN) (efd fld) Budget (Assumes law changes effective October 1, 1993)						
FY94 APA FULL FORMULA	38,918.6			36,648.3		2,270.3
Proposed legislation CSHB 67 (FIN) (efd fld):						
Reduction - Suspend 1/1/94 COLA	(607.7)			(572.2)		(35.5)
Reduction - Ratable 1992 Level eff. 10/1/93	(730.0)			(673.2)		(56.8)
Reduction - Interim Assistance Reimbursement		434.0		(434.0)		
Regulation change required to implement:						
Reduction - Prorate APA initial months benefits	(475.2)			(475.2)		
FY94 APA CSHB67 (FIN) (efd fld) Law changes effective 10/1/93	37,105.7	434.0	0.0	34,493.7	0.0	2,178.0
FY94 APA House Budget	36,861.8	434.0		34,249.8		2,178.0
FY94 APA GOV and Senate Budget	33,783.8	434.0		31,351.3		1,998.5
DIFFERENCE CSHB67 (FIN) (efd fld) vs. HOUSE	243.9	0.0	0.0	243.9	0.0	0.0
DIFFERENCE CSHB67 (FIN) (efd fld) vs SENATE	3,321.9	0.0	0.0	3,142.4	0.0	179.5

House Bill No. 67
As introduced in House Rules
SECTIONAL OVERVIEW

Section 1: AFDC payment reductions

- * Ratably reduces AFDC payments to calendar 1991 levels.
- * Reduces AFDC payments for two-parent families to the same level as payments for single-parent families with the same number of people.
- * Restructures payment standards for AFDC families with non-needy adult caretaker to conform to federal law.

Section 2: AFDC COLA suspension

- * Suspends 3 percent AFDC COLA increase anticipated for calendar 1994.

Section 3: Higher standards of AFDC need

- * Establishes authority to set AFDC need standards above payment maximums, creating incentive to work through payment "Gap" and preserving eligibility for Medicaid and JOBS programs.

Section 4: Adult Public Assistance COLA suspension

- * Suspends 3 percent APA COLA increase anticipated for calendar 1994.

Section 5: APA payment reductions

- * Reduces Adult Public Assistance payments to calendar 1990 levels.

Section 6: Interim Assistance reimbursement

- * Requires APA disability applicants receiving \$280 per month Interim Assistance while awaiting federal decision on SSI eligibility to repay IA from retroactive entitlement to SSI.
- * Provides that Adult Public Assistance entitlement begins after SSI application approval.

Section 7: Conforming amendment

- * Repeals statutory language that established different payment standard for two-parent AFDC families, to conform with integration of standards provided in Section 1.

Section 8: Transitional regulation authority

- * Provides authority to publish proposed implementing regulations immediately upon enactment, in advance of effective date of changes in benefits.

Section 9: Effective date

- * Establishes effective date of July 1, 1993.

Comparison of CSHB 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).

TYPICAL PUBLIC ASSISTANCE BENEFIT PACKAGES

	Anchorage *	Bethel *
1 Adult/2 Children		
AFDC (50% Federal Receipts/50% GFM)	890.00	890.00
Food Stamps (100% Federal)	286.00 **	389.00 **
Energy Assistance - (100% Federal)	19.88 ***	36.75 ****
2 Adults/2 Children		
AFDC-UP (50% Federal Receipts/50% GFM)	988.00	988.00
Food Stamps (100% Federal)	357.00 **	489.00 **
Energy Assistance (100% Federal)	19.88 ***	39.92 ****

- * These payment levels are based on Governor's FY94 budget and HB67 as originally introduced.
- ** Food stamp numbers are estimates, based on maximum allowable deductions for rent and utilities. The amount paid for food stamps varies according to several factors including shelter costs.
- *** Energy Assistance is a one-time annual payment to the energy source vendor. Amount shown is averaged over 12 months.
- **** Energy assistance in Bethel is paid by a direct federal grant through the Orutsaramuit Native Council as a one-time annual payment to the energy source vendor. Amount shown is averaged over 12 months.

Housing Subsidies

Alaska State Housing Authority subsidized housing residents share of rent is 30% of the household's monthly gross income, including cash public assistance payments. Approximately 2,000 of 19,000 households receiving AFDC or Adult Public Assistance also receive housing assistance from ASHA. Based on \$600 rent for a 3-person household whose gross income is \$890.00, the ASHA monthly subsidy is approximately \$333. Based on \$700 rent for a 4-person household whose gross income is \$988, the ASHA monthly subsidy is approximately \$404.

Medicaid

All recipients of AFDC and Adult Public Assistance benefits are categorically entitled to full-coverage medical services under the Medicaid program. Medicaid services are funded 50% Federal Receipts/50% GFM.

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
TOTAL EXPENDITURE	\$59,790.9	\$62,445.9	\$78,674.8	\$100,109.8	\$120,202.4	\$137,401.4

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

FY93 AFDC BUDGET WITH SUPPLEMENTAL	120,202.4
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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)
TOTAL FY94 SAVINGS	(\$12,651.8)
FY94 AFDC REQUEST	\$124,749.6

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	6538	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

FY93 APA BUDGET WITH SUPPLEMENTAL	34887.0
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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)

TOTAL FY94 SAVINGS (\$5,134.8)

FY94 ADULT PUBLIC ASSISTANCE (APA) REQUEST	\$33,783.8
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WALTER J. HICKEL
GOVERNOR



HBC 7
2/15/93
7-10-93

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 15, 1993

/// The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Barnes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to eligibility for and payments of public assistance. The bill represents the Administration's proposal to control the growth of expenditures in formula welfare programs.

Section 1 of the bill would amend AS 47.25.320(a) to require that the maximum monthly amount of aid-to-families-with-dependent-children (AFDC) assistance for a second adult in a two-parent AFDC household be the same as for a second dependent child in a home where there is one adult. Currently, the monthly amount for a three-person household composed of two adults and one child is \$88 more than for a three-person household composed of one adult and two children; this difference increased to \$90 on January 1, 1993. Section 1 also amends the standards for families that include one or more dependent children living with a nonneedy relative, to bring the AFDC program into conformity with federal requirements that the increment for a second child be the same as the increment for any additional children.

The maximum grant amounts in AS 47.35.320(a) were last amended in 1982. However, under AS 47.35.320(d) those maximum amounts have been increased a number of times to reflect cost-of-living increases. Section 1 amends the maximum grant amounts, starting July 1, 1993, to roll back those amounts to the 1991 benefit level. Section 2 of the bill amends AS 47.25.320(d) to provide that the department may not increase those monetary maximums based on an increase in benefits that takes effect anytime during the calendar year that begins on January 1, 1994, nor on an increase in benefits that took effect on or before January 1, 1993.

Section 3 of the bill would allow DHSS to adopt regulations to establish a monthly need standard for AFDC that equals or exceeds the monthly payment standard for AFDC. In combination with the reduction of AFDC grant amounts in sec. 1 of the bill, this provision will provide an incentive for an AFDC family to augment its income within limits without automatically jeopardizing eligibility.

The Honorable Ramona L. Barnes
January 15, 1993
Page 2

Section 4 would amend AS 47.25.430(b), relating to cost-of-living increases in the adult public assistance program, to provide that the department will not increase the maximum state contribution to recipients by any cost-of-living increase that takes effect during the calendar year beginning on January 1, 1994, and to conform to the changes made by sec. 5 of the bill.

Section 5 of the bill requires DHSS to reduce the maximum state contribution to recipients in the adult public assistance program to the 1990 level and to adjust monthly grants of assistance accordingly.

Section 6 of the bill would amend AS 47.25.455 to provide for reimbursement for interim assistance and to eliminate retroactive adult public assistance payments to interim assistance recipients. The existing statute requires DHSS to pay \$280 per month to eligible individuals while the Social Security Administration (SSA) is processing their disability applications; once an individual is determined eligible, the SSA makes a retroactive payment to that person. With this change in AS 47.25.455, an applicant for interim assistance would have to agree at the time of initial application to have retroactive SSI benefits paid to DHSS to reimburse the state for the interim assistance received by the applicant.

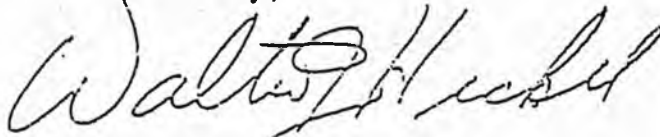
Section 7 repeals AS 47.25.320(e) to conform to the change made in sec. 1 related to reducing grant amounts for two-parent households.

Section 8 provides transitional authority to allow DHSS to adopt regulations before July 1, 1993, but the regulations cannot take effect before that date. This provision should facilitate timely implementation of the new statutory changes.

Sections 9 and 10 provide for an effective date for the bill.

I urge your serious consideration of these proposals to control the growth of the state budget.

Sincerely,



Walter J. Hickel
Governor

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 1,3 Component: Aid to Families with Dependent
House Rules Children (AFDC)
 Sponsor: _____ 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	(3,914.9)	(4,112.3)	(4,315.7)	(4,531.5)	(4,758.0)	(4,995.9)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(3,914.9)	(4,112.3)	(4,315.7)	(4,531.5)	(4,758.0)	(4,995.9)

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	(1,785.2)	(1,877.5)	(1,970.0)	(2,068.5)	(2,172.0)	(2,280.5)
1003 GF Match	(1,785.2)	(1,877.5)	(1,970.0)	(2,068.5)	(2,172.0)	(2,280.5)
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	(344.5)	(357.3)	(375.7)	(394.5)	(414.0)	(434.9)
TOTAL	(3,914.9)	(4,112.3)	(4,315.7)	(4,531.5)	(4,758.0)	(4,995.9)

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 to 1992 levels.

An FY94 reduction of 8600.1 was included in the FY94 Governor's budget. DO NOT Duplicate the above Reduction.

CSHB67 (FIN) requires an additional AFDC appropriation:	FED 2136.4	GFM 2136.4	IA Receipt 412.4	TOTAL 4685.2
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House budget reflects these amounts

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

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

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

Date: 3/28/93

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ANALYSIS (cont.):

Ratable Reduction in AFDC Payment Level

Aid to Families with Dependent Children (AFDC)

CSHB67 (FIN) (efd fld) provides for a ratable reduction of AFDC benefits to 1992 levels. 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 1992 benefit level would result in an average payment reduction per family of \$24 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 FY93, without the reduction, this household would have expected to receive \$845 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 \$24 due to imposition of a ratable reduction to the 1992 payment level. The AFDC formula reduction from this reduction is \$3.9 million (\$1.8 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 1992 levels. This effectively rolls back the January 1993 COLA increase of 3.0%.
3. The adjustment in payments is effective October 1, 1993. (9 month impact in FY94).

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.

ANALYSIS (cont.):

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.

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	\$23.54	\$23.54	\$23.54	\$23.54	\$23.54	\$23.54
TOTAL FY REDUCTION	3914.9	4112.3	4315.7	4531.5	4758.0	4995.9
Funding Source						
Federal	1785.2	1877.5	1970.0	2068.5	2172.0	2280.5
GF	1785.2	1877.5	1970.0	2068.5	2172.0	2280.5
I/A	344.5	357.3	375.7	394.5	414.0	434.9

*The \$23.54 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.

Increased need for FY94 AFDC Appropriations

The Governor's FY94 budget assumes a ratable reduction of AFDC benefits to 1991 levels. CSHB67 (FIN) reduces the amount of savings that would have been realized under the original version of HB67. Additional appropriations will be needed to cover the increased program costs that result from CSHB67 (FIN), as follows:

	<u>FED</u>	<u>CFM</u>	<u>I/A Receipts</u>
CSHB67 (FIN)	58936.8	54736.8	11561.2
FY94 AFDC Gov Budget	<u>56800.4</u>	<u>52600.4</u>	<u>11148.8</u>
Additional Appropriations Needed	2136.4	2136.4	412.4

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

9
 Bill Version: CSHB 67 (FIN)
 (H) Publish Date: 4/8/93

Revision Date: _____ Depr. Affected: Health and Social Services
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU
payments of Public Assistance, Section 1,7 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
TOTAL OPERATING	(1,944.4)	(2,713.4)	(2,849.0)	(2,992.1)	(3,141.4)	(3,299.0)

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	(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
TOTAL	(1,944.4)	(2,713.4)	(2,849.0)	(2,992.1)	(3,141.4)	(3,299.0)

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)

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: 3/27/93
 Date: 3/28/93

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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 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	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)

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)	(2,017.5)	(2,118.5)	(2,224.4)	(2,335.5)	(2,452.5)
1003 GF Match	(960.9)	(2,017.5)	(2,118.5)	(2,224.4)	(2,335.5)	(2,452.5)
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	(185.5)	(389.4)	(408.7)	(429.2)	(450.9)	(473.0)
TOTAL	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)

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)

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

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

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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

9

Bill Version: CSHB 67 (FIN)
(H) Publish Date: 4/8/93

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 1,7 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
TOTAL OPERATING	(1,944.4)	(2,713.4)	(2,849.0)	(2,992.1)	(3,141.4)	(3,299.0)
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	(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
TOTAL	(1,944.4)	(2,713.4)	(2,849.0)	(2,992.1)	(3,141.4)	(3,299.0)

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)

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

Phone: 465-2680
Date: 3/29/93
Date: 3/28/93

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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
TOTAL FY REDUCTION	1944.4	2713.4	2849.0	2992.1	3141.4	3299.0
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 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	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)

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)	(2,017.5)	(2,118.5)	(2,224.4)	(2,335.5)	(2,452.5)
1003 GF Match	(960.9)	(2,017.5)	(2,118.5)	(2,224.4)	(2,335.5)	(2,452.5)
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	(185.5)	(389.4)	(408.7)	(429.2)	(450.9)	(473.0)
TOTAL	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)

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)

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
 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.):

CSHB 67 (FIN) suspends the January 1, 1994 COLA for the AFDC program. The general fund savings by this action would be approximately \$960.9 thousand in FY94.

Suspending the COLA does not reduce individual benefit amounts; it simply does not award an increase in January 1994, leaves statutory authority in place to award COLAs in future years and reduces the base on which future COLAs will be awarded.

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%.
2. AFDC program caseloads increase at an average annual rate of 5%.
3. Proposed legislation provides for suspension of the January 1, 1994 COLA.

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.

The FY94-FY99 formula impact of the COLA assumes the suspension of the January 1994 increase is not restored retroactively, therefore the maximum AFDC payment base is lower in subsequent fiscal years. FY95 is the first full year of impact of suspension of the January 1994 COLA. The impact in FY94 occurs only during the second six months of the fiscal year.

AFDC	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
AFDC Caseload Average Caseload	13858	14550	15278	16042	16844	17686
* Average Payment reduction for the ratable reduction that is not restored retroactively	\$23.54	\$23.54	\$23.54	\$23.54	\$23.54	\$23.54
TOTAL FY REDUCTION	2107.3	4424.4	4645.7	4878.0	5121.9	5378.0

ANALYSIS (cont.):

Funding Source							
Federal	960.9	2017.5	2118.5	2224.4	2335.5	2452.5	
GFM	960.9	2017.5	2118.5	2224.4	2335.5	2452.5	
I/A	185.5	389.4	408.7	429.2	450.9	473.0	

*The \$23.54 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 (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 4 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)	(1,274.2)	(1,338.0)	(1,404.8)	(1,475.1)	(1,548.8)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(607.7)	(1,274.2)	(1,338.0)	(1,404.8)	(1,475.1)	(1,548.8)

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)	(1,200.2)	(1,260.4)	(1,323.3)	(1,389.5)	(1,459.0)
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 IA Receipts	(35.5)	(74.0)	(77.6)	(81.5)	(85.6)	(89.8)
TOTAL	(607.7)	(1,274.2)	(1,338.0)	(1,404.8)	(1,475.1)	(1,548.8)

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: 3/28/93
 Date: 3/28/93

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ANALYSIS (cont.):

CSHB 67 (FIN) suspends the January 1, 1994 COLA for APA benefits. The general funds savings by this action would be approximately \$572.2 thousand in FY94.

Suspending the COLA does not reduce individual benefit amounts; it simply does not award an increase in January, leaves statutory authority in place to award COLA in future years, and reduces the base on which future COLAs will be awarded. 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%
3. Proposed legislation provides for suspension of the January 1, 1994 COLA.

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 suspension of the 1994 APA COLA.

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.

ANALYSIS (cont.):

The FY94-FY99 formula impact of the COLA assumes the prior suspension of the January 1994 increase is not restored retroactively, therefore the maximum APA payment base is lower in subsequent fiscal years. FY95 is the first full year of impact of suspension of the January 1994 COLA. The impact in FY94 occurs only during the second six months of the fiscal year.

APA	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
APA Caseload Average Caseload (less Interim Assistance)	9207	9653	10136	10643	11175	11734
* Average Payment reduction for the 1/1/94 COLA suspension that is not restored retroactively	\$11	\$11	\$11	\$11	\$11	\$11
TOTAL FY REDUCTION	(607.7)	(1274.2)	(1338.0)	(1404.8)	(1475.1)	(1548.8)
GF	(572.2)	(1200.2)	(1250.4)	(1323.3)	(1389.5)	(1459.0)
I/A	(35.5)	(74.0)	(77.6)	(81.5)	(85.6)	(89.8)

*The \$11 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 (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 4,5 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	(973.9)	(1,020.5)	(1,071.6)	(1,125.2)	(1,181.4)	(1,240.5)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(973.9)	(1,020.5)	(1,071.6)	(1,125.2)	(1,181.4)	(1,240.5)

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	(917.1)	(961.0)	(1,009.0)	(1,060.0)	(1,113.0)	(1,169.0)
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	(56.8)	(59.5)	(62.6)	(65.2)	(68.4)	(71.5)
TOTAL	(973.9)	(1,020.5)	(1,071.6)	(1,125.2)	(1,181.4)	(1,240.5)

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 payments to 1992 level.

An FY94 reduction of 4051.9 was included in the FY94 Governor's budget. DO NOT Duplicate the above Reduction.

	GF	IA Receipts	TOTAL
CSHB67 (FIN) requires an additional APA appropriation:	2898.5	179.5	3078.0

These nos. reflected in H. Budget

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

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

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

Date: 3/28/93

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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 1992 APA maximum payment level would result in an average payment reduction per client of approximately \$9 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.

In 1993, the maximum state supplemental payment for an APA individual living independently is \$374. A ratable reduction to the 1992 payment level would reduce the state payment to an individual APA client by \$12 each month. The APA payment is currently 111% of poverty and would be reduced to 109% of poverty. The APA formula reduction from the ratable is 1.5 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 1992 levels. This rolls back the January 1994 COLA increase of 3.0%.
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	\$8.81	\$8.81	\$8.81	\$8.81	\$8.81	\$36.67
TOTAL FY REDUCTION	973.9	1020.5	1071.6	1125.2	1181.4	1240.5
GF	917.1	961.0	1009.0	1060.0	1113.0	1169.0
I/A	56.8	59.5	62.6	65.2	68.4	71.5

*The \$8.81 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.

Increased need for FY94 APA Appropriations

The Governor's FY94 budget assumes a reduction of APA benefits to 1990 levels. CSHB67 (FIN) reduces the amount of savings that would have been realized under the original version of HB67. Additional appropriations will be needed to cover the increased program costs that result from CSHB67 (FIN), as follows:

	<u>GF</u>	<u>I/A Receipts</u>
CSHB67 (FIN)	34249.8	2178.0
FY94 APA Gov Budget	<u>31351.3</u>	<u>1998.5</u>
Additional Appropriations Needed	2898.5	179.5

FISCAL NOTE

No. 14

Bill Version: CSHB 67 (FIN)

(H) Publish Date: 4/8/93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

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	
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: 3/28/93
 Date: 3/28/93

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FISCAL NOTE

0.15
 Bill Version: CSHB 67 (FIN)
 (H) Publish Date: 4/8/93

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to eligibility for and BRU: PFD Hold Harmless
payments of Public Assistance. Component: PFD Hold Harmless
 Sponsor: House Rules
 Requestor: Governor COMPONENT SERIAL NO. 0225

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	414.0	438.0	457.8	481.6	506.1	531.1
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	414.0	438.0	457.8	481.6	506.1	531.1
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1050 PFD Fund	414.0	438.0	457.8	481.6	506.1	531.1
TOTAL	414.0	438.0	457.8	481.6	506.1	531.1

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)

PFD Hold Harmless payments are made to replace benefits in AFDC, Adult Public Assistance, Food Stamps and Medicaid when receiving dividend causes individual to lose eligibility or to have benefits reduced. CSHB67(FIN) changes the level of the ratable reduction to AFDC and APA recipients.

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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STATE OF ALASKA
1993 LEGISLATIVE SESSION

FISCAL NOTE

No. 14
Bill Version: CSHB 67 (FIN)
(H) Publish Date: 4/8/93

Revision Date: _____ Dept. Affecter: 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
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: 3/28/93
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
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

Bill Version: CSHB 67 (FIN)
 (H) Publish Date: 4/8/93

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to eligibility for and BRU: PFD Hold Harmless
payments of Public Assistance. Component: PFD Hold Harmless
 Sponsor: House Rules
 Requestor: Governor COMPONENT SERIAL NO. 0225

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	414.0	438.0	457.8	481.6	506.1	531.1
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	414.0	438.0	457.8	481.6	506.1	531.1
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1050 PFD Fund	414.0	438.0	457.8	481.6	506.1	531.1
TOTAL	414.0	438.0	457.8	481.6	506.1	531.1

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)

PFD Hold Harmless payments are made to replace benefits in AFDC, Adult Public Assistance, Food Stamps and Medicaid when receiving dividend causes individual to lose eligibility or to have benefits reduced. CSHB67(FIN) changes the level of the ratable reduction to AFDC and APA recipients.

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: 3/27/93
 Date: 3/28/93

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ANALYSIS (cont.):

PFD Hold Harmless benefit payments increase in direct proportion to the benefit levels of the program held harmless. CSHB 67 (FIN) increases the average payment levels in the AFDC and Adult Public Assistance programs, and PFD Hold Harmless benefits to replace these payments increase. Food Stamp program benefits to households receiving AFDC or APA decrease by a factor of about 30 percent as their cash assistance benefits increase; PFD Hold Harmless payments to replace food stamps decrease proportionally.

PFD Hold Harmless Formula Impact

<u>Program</u>	<u>FY94 Gov</u>	<u>FY94 CSHB67 (FIN)</u>	<u>FY94 DIFF</u>
AFDC	11148.8	11561.2	412.4
APA	1998.5	2178.0	179.5
Food Stamps	3136.0	2958.1	<u>(177.9)</u>
FY94 PFDHH Increase Under CSHB67 (FIN)			<u>414.0</u>

The following is the FY94-FY99 formula impact of the ratable reduction change on the cost of PFD Hold Harmless:

	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
AFDC	412.4	438.0	458.4	481.8	506.0	530.7
APA	179.5	187.2	195.6	206.1	217.0	227.3
Food Stamps	<u>(177.9)</u>	<u>(187.2)</u>	<u>(196.2)</u>	<u>(206.3)</u>	<u>(216.9)</u>	<u>(227.5)</u>
FY PFDHH Increase	414.0	438.0	457.8	481.6	506.1	531.1

FISCAL NOTE

No. 16
 Bill Version: CSHB 67 (FIN)
 (H) Publish Date: 4/8/93

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

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 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						
TOTAL OPERATING	(106.9)	(119.2)	(132.9)	(148.2)	(165.2)	(184.2)

CAPITAL						
---------	--	--	--	--	--	--

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						
TOTAL	(106.9)	(119.2)	(132.9)	(148.2)	(165.2)	(184.2)

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: 3/31/93

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.

STATE OF ALASKA
1993 LEGISLATIVE SESSION

FISCAL NOTE

No. 17
Bill Version: CSHB 67 (FIN)
(H) Publish Date: 4/8/93

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						
TOTAL OPERATING	(106.8)	(119.1)	(132.8)	(148.1)	(165.1)	(184.1)

CAPITAL						
REVENUE FUND SOURCE						

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						
TOTAL	(106.8)	(119.1)	(132.8)	(148.1)	(165.1)	(184.1)

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)

See Attached Analysis

Prepared by: Randy Super Phone: 465-3355
Division: Division of Medical Assistance Date: 3/31/93

Approved by Commissioner: Theodore A. Mala, MD, MPH Date: 3/30/93
Agency: Department of Health & Social Services

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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 (FIN) (cfd fld)

Revision Date: 4/23/93 Dept. Affected: Health and Social Services
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU
payments of Public Assistance. Section 4,5 Component: Adult Public Assistance (APA)
 Sponsor: Governor
 Requestor: _____ 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	(730.0)	(1,020.5)	(1,071.6)	(1,125.2)	(1,181.4)	(1,240.5)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(730.0)	(1,020.5)	(1,071.6)	(1,125.2)	(1,181.4)	(1,240.5)

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	(673.2)	(961.0)	(1,009.0)	(1,060.0)	(1,113.0)	(1,169.0)
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	(56.8)	(59.5)	(62.6)	(65.2)	(68.4)	(71.5)
TOTAL	(730.0)	(1,020.5)	(1,071.6)	(1,125.2)	(1,181.4)	(1,240.5)

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 payments to 1992 level.

An FY94 reduction of 4051.9 was included in the FY94 Governor's budget. **DO NOT Duplicate the above Reduction.** This analysis presumes an effective date for the reductions of October, 1993. The delayed implementation of ratable reductions resulting from failure of effective date means CSHB67 (FIN) (cfd fld) requires an additional APA appropriation to cover unrealized savings. **ADDITIONAL APPROPRIATIONS NEEDED:**

<u>GF</u>	<u>I/A Receipts</u>	<u>TOTAL</u>	
3132.4	179.5	3321.9	(Compared to FY94 Governor's Budget)

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

Phone: 465-2680
 Date: 4/23/93

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

Date: 4/15/93

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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 1992 APA maximum payment level would result in an average payment reduction per client of approximately \$9 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.

In 1993, the maximum state supplemental payment for an APA individual living independently is \$374. A ratable reduction to the 1992 payment level would reduce the state payment to an individual APA client by \$12 each month. The APA payment is currently 111% of poverty and would be reduced to 109% of poverty. The APA formula reduction from the ratable is 1.5 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 1992 levels. This rolls back the January 1994 COLA increase of 3.0%.
3. The adjustment in payments is effective October 1, 1993. (9 month impact in FY94).

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	\$8.81	\$8.81	\$8.81	\$8.81	\$8.81	\$36.67
TOTAL FY REDUCTION	730.0	1020.5	1071.6	1125.2	1181.4	1240.5
GF	673.2	961.0	1009.0	1060.0	1113.0	1169.0
I/A	56.8	59.5	62.6	65.2	68.4	71.5

*The \$8.81 per year represents the minimum savings as the actual savings would be compounded annually by ϵ / subsequent COLAS.

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

Increased need for FY94 APA Appropriations

The Governor's FY94 budget assumes a reduction of APA benefits to 1990 levels. CSHB67 (FIN) (efd fld) reduces the amount of savings that would have been realized under the original version of HB67 and does not include an effective date. We assume the change in law will take effect on October 1, 1993. Additional appropriations will be needed to cover the increased program costs that result from CSHB67 (FIN) (efd fld), as follows:

	<u>GF</u>	<u>I/A Receipts</u>
CSHB67 (FIN)(efd fld)	34493.7	2178.0
FY94 APA Gov Budget	<u>31351.3</u>	<u>1998.5</u>
Additional Appropriations Needed	3142.4	179.5

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. CSHB67 (FIN) (efd fld)

Revision Date: 4/23/93 Dept. Affected: Health and Social Services
 Title: An Act relating to eligibility for and BRU: Assistance Payments BRU
payments of Public Assistance. Section 1,3 Component: Aid to Families with Dependent
 Sponsor: Governor 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	(2,936.0)	(4,112.3)	(4,315.7)	(4,531.5)	(4,758.0)	(4,995.9)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(2,936.0)	(4,112.3)	(4,315.7)	(4,531.5)	(4,758.0)	(4,995.9)

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	(1,295.7)	(1,877.5)	(1,970.0)	(2,068.5)	(2,172.0)	(2,280.5)
1003 GF Match	(1,295.8)	(1,877.5)	(1,970.0)	(2,068.5)	(2,172.0)	(2,280.5)
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	(344.5)	(357.3)	(375.7)	(394.5)	(414.0)	(434.9)
TOTAL	(2,936.0)	(4,112.3)	(4,315.7)	(4,531.5)	(4,758.0)	(4,995.9)

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 to 1992 levels.

An FY94 reduction of 8600.1 was included in the F94 Governor's budget. DO NOT Duplicate the above Reduction. This analysis presumes an effective date for the reductions of October 1, 1993.

The delayed implementation of ratable reductions resulting from failure of effective date means CSHB67 (FIN) (efd fld) requires an additional AFDC appropriation to cover unrealized savings:

<u>FED</u>	<u>GFM</u>	<u>I/A Receipts</u>	<u>TOTAL</u>	
2625.9	2625.8	412.4	5664.1	(Compared to FY94 Governor's Budget)

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

Phone: 465-2680
 Date: 4/23/93

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

Date: 4/25/93

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ANALYSIS (cont.):Ratable Reduction in AFDC Payment Level**Aid to Families with Dependent Children (AFDC)**

CSHB67 (FIN) (efd fld) provides for a ratable reduction of AFDC benefits to 1992 levels. 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 1992 benefit level would result in an average payment reduction per family of \$24 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 FY93, without the reduction, this household would have expected to receive \$845 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 \$24 due to imposition of a ratable reduction to the 1992 payment level. The AFDC formula reduction from this reduction is \$3.9 million (\$1.8 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 1992 levels. This effectively rolls back the January 1993 COLA increase of 3.0%.
3. The adjustment in payments is effective October 1, 1993. (9 month impact in FY94).

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.

ANALYSIS (cont.):

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.

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	\$23.54	\$23.54	\$23.54	\$23.54	\$23.54	\$23.54
TOTAL FY REDUCTION	2936.0	4112.3	4315.7	4531.5	4758.0	4995.9
Funding Source						
Federal	1295.7	1877.5	1970.0	2068.5	2172.0	2280.5
GF	1295.8	1877.5	1970.0	2068.5	2172.0	2280.5
I/A	344.5	357.3	375.7	394.5	414.0	434.9

*The \$23.54 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.

Increased need for FY94 AFDC Appropriations

The Governor's FY94 budget assumes a ratable reduction of AFDC benefits to 1991 levels. CSHB67 (FIN) (efd fld) reduces the amount of savings that would have been realized under the original version of HB67 and does not include an effective date. We assume the change in law will take effect on October, 1993. Additional appropriations will be needed to cover the increased program costs that result from CSHB67 (FIN) (efd fld), as follows:

	<u>FED</u>	<u>GFM/GFPR</u>	<u>I/A Receipts</u>
CSHB67 (FIN) (efd fld)	59426.3	59426.2	11561.2
FY94 AFDC Gov Budget	<u>56800.4</u>	<u>56800.4</u>	<u>11148.8</u>
Additional Appropriations Needed	2625.9	2625.8	412.4

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. CS HB 67 (FIN)(cfd)nd

Revision Date: 04/23/93 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	(80.2)	(119.2)	(132.9)	(148.2)	(165.2)	(184.2)
MISCELLANEOUS						
TOTAL OPERATING	(80.2)	(119.2)	(132.9)	(148.2)	(165.2)	(184.2)

CAPITAL						
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REVENUE FUND SOURCE						
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	(40.1)	(59.6)	(66.5)	(74.1)	(82.6)	(92.1)
1003 GF Match	(40.1)	(59.6)	(66.4)	(74.1)	(82.6)	(92.1)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	(80.2)	(119.2)	(132.9)	(148.2)	(165.2)	(184.2)

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: 4/23/93

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

Date: 4/25/93

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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. This fiscal note was last revised on 3/30/93, previous to passage of CSHB67(Fin) by the House. Since the proposed effective failed passage, it is assumed that the earliest date these changes can become effective is October 1, 1994. This fiscal note reflects this delay by decreasing the estimated savings for FY 94 by 25%.

Adjusted FY 94 savings, Medicaid facility	= 80.1 (40.05 Fed, 40.05 SGFM)
Adjusted Medicaid Non-Facility	= 80.2 (40.1 Fed, 40.1 SGFM)

For FY 95 and following, the full-year FY 94 savings (106.8) 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)(cfd/ld)

Revision Date: 04/23/23 Dept. Affected: Health and Social Services
 Title: An act relating to eligibility for payments of Public Assistance..... BRU: Medical Assistance
 Sponsor: Rules, by request Component: Medicaid Facilities
 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	(80.1)	(119.1)	(132.8)	(148.1)	(165.1)	(184.1)
MISCELLANEOUS						
TOTAL OPERATING	(80.1)	(119.1)	(132.8)	(148.1)	(165.1)	(184.1)

CAPITAL						
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REVENUE FUND SOURCE						
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	(40.1)	(59.6)	(66.4)	(74.1)	(82.6)	(92.1)
1003 GF Match	(40.0)	(59.5)	(66.4)	(74.0)	(82.5)	(92.0)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	(80.1)	(119.1)	(132.8)	(148.1)	(165.1)	(184.1)

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)

See Attached Analysis

Prepared by: Randy Super
 Division: Division of Medical Assistance

Phone: 465-3355
 Date: 4/23/93

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

Date: 4/25/93

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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. This fiscal note was last revised on 3/30/93, previous to passage of CSHB67(Fin) by the House. Since the proposed effective failed passage, it is assumed that the earliest date these changes can become effective is October 1, 1994. This fiscal note reflects this delay by decreasing the estimated savings for FY 94 by 25%.

Adjusted FY 94 savings, Medicaid facility	= 80.1 (40.05 Fed, 40.05 SGFM)
Adjusted Medicaid Non-Facility	= 80.1 (40.05 Fed, 40.05 SGFM)

For FY 95 and following, the full-year FY 94 savings (106.8) are increased annually by 11.5%, the budgeted rate of growth of the Medicaid program proposed in the Governor's FY 94 budget request.

STATE OF ALASKA
1993 LEGISLATIVE SESSION

FISCAL NOTE

No. 12
Bill Version: CSHB 67 (FIN)
(H) Publish Date: 4/8/93

Revision Date: April 5, 1993 Dept. Affected: Health and Social Services
Title: An Act relating to eligibility for and BRU: Assistance Payments BRU
payments of Public Assistance. Section 4 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)	(1,274.2)	(1,338.0)	(1,404.8)	(1,475.1)	(1,548.8)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(607.7)	(1,274.2)	(1,338.0)	(1,404.8)	(1,475.1)	(1,548.8)
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(572.2)	(1,200.2)	(1,260.4)	(1,323.3)	(1,389.5)	(1,459.0)
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 IA Receipts	(35.5)	(74.0)	(77.6)	(81.5)	(85.6)	(89.8)
TOTAL	(607.7)	(1,274.2)	(1,338.0)	(1,404.8)	(1,475.1)	(1,548.8)

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)

Adult Public Assistance COLA Changes.

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. Mula, MD, MPH
Agency: Department of Health & Social Services

Phone: 465-2680
Date: 4/5/93
Date: 4/6/93

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ANALYSIS (cont.):

CSHB67 (FIN) provides for automatic COLA increases at the same percentage as the SSI program for any calendar year if benefits to an independent-living individual APA recipient would, without the increase, fall below 100 percent of the federal poverty level for the prior year. CSHB67 (FIN) also provides an option to award the COLA increase at the SSI percentage in any year through the appropriation process.

This fiscal analysis assumes that COLAs are awarded by one of these mechanisms each year from January 1995 onward, and that no COLA is awarded for calendar 1994 because no appropriation is made to support it and the payment level proposed in CSHB67 (FIN) for an independent-living individual is 108.1 percent of the 1993 federal poverty guideline for a household of one:

$$\frac{\$784 \text{ monthly payment}}{\$725 \text{ monthly poverty guideline}} = 108.1\%$$

Suspending the 1994 COLA does not reduce benefits. The suspension does reduce the base on which COLAs will be awarded after 1994. Increased Food Stamp benefits will partially offset the loss of the COLA in households which receive both APA and food stamps.

The general funds savings by suspending appropriations for the calendar 1994 COLA would be approximately \$572.2 thousand in FY94.

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%
3. The January 1, 1994 COLA is not funded and therefore not awarded.
4. COLAs are awarded each year from January, 1995 onward.

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.

FISCAL NOTE

N^o 10

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: CSHh 67 (FTM)

(H) Publish Date: 4/8/93

Revision Date: April 5, 1993 Dept. Affected: Health and Social Services
 Title: An Act relating to eligibility for and payments of Public Assistance. Section 2 BRU: Assistance Payments BRU
 Sponsor: House Rules Component: Aid to Families with Dependent 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)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)
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	(960.9)	(2,017.5)	(2,118.5)	(2,224.4)	(2,335.5)	(2,452.5)
1003 GF Match	(960.9)	(2,017.5)	(2,118.5)	(2,224.4)	(2,335.5)	(2,452.5)
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	(185.5)	(389.4)	(408.7)	(429.2)	(450.9)	(473.0)
TOTAL	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)

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)

AFDC COLA Changes.

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

Phone: 465-2680
 Date: 4/5/93
 Date: 4/6/93

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ANALYSIS (cont.):

CSHB67 (FIN) provides for automatic COLA increases at the same percentage as the SSI program for any calendar year if benefits to an independent-living individual APA recipient would, without the increase, fall below 100 percent of the federal poverty level for the prior year. CSHB67 (FIN) also provides an option to award the COLA increase at the SSI percentage in any year through the appropriation process.

This fiscal analysis assumes that COLAs are awarded by one of these mechanisms each year from January 1995 onward, and that no COLA is awarded for calendar 1994 because no appropriation is made to support it and the payment level proposed in CSHB67 (FIN) for an independent-living individual is 108.1 percent of the 1993 federal poverty guideline for a household of one:

$$\frac{\$784 \text{ monthly payment}}{\$725 \text{ monthly poverty guideline}} = 108.1\%$$

Suspending the 1994 COLA does not reduce benefits. The suspension does reduce the base on which COLAs will be awarded after 1994. Increased Food Stamp benefits will partially offset the loss of the COLA in households which receive both APA and food stamps.

The general funds savings by suspending appropriations for the calendar 1994 COLA would be approximately \$572.2 thousand in FY94.

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%
3. The January 1, 1994 COLA is not funded and therefore not awarded.
4. COLAs are awarded each year from January, 1995 onward.

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.

19.3

ANALYSIS (cont.):

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 suspension of the 1994 APA COLA.

Under this proposed change in the law and the FY94 Governor's budget, 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.

The FY94-FY99 formula impact of the COLA assumes the prior suspension of the January 1994 increase is not restored retroactively, therefore the maximum APA payment base is lower in subsequent fiscal years. FY95 is the first full year of impact of suspension of the January 1994 COLA. The impact in FY94 occurs only during the second six months of the fiscal year.

APA	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
APA Caseload Average Caseload(less Interim Assistance)	9207	9653	10136	10643	11175	11734
* Average Payment reduction for the 1/1/94 COLA suspension that is not restored retroactively	\$11	\$11	\$11	\$11	\$11	\$11
TOTAL FY REDUCTION	(607.7)	(1274.2)	(1338.0)	(1404.8)	(1475.1)	(1548.8)
GF	(572.2)	(1200.2)	(1260.4)	(1323.3)	(1389.5)	(1459.0)
I/A	(35.5)	(74.0)	(77.6)	(81.5)	(85.6)	(89.8)

*The \$11 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

N 10

Bill Version: CSHb 67 (FIN)

(H) Publish Date: 4/8/93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: April 5, 1993 Dept. Affected: Health and Social Services
 Title: An Act relating to eligibility for and payments of Public Assistance. Section 2 BRU: Assistance Payments BRU
 Sponsor: House Rules Component: Aid to Families with Dependent 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)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)
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	(960.9)	(2,017.5)	(2,118.5)	(2,224.4)	(2,335.5)	(2,452.5)
1003 GF Match	(960.9)	(2,017.5)	(2,118.5)	(2,224.4)	(2,335.5)	(2,452.5)
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	(185.5)	(389.4)	(408.7)	(429.2)	(450.9)	(473.0)
TOTAL	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)

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)

AFDC COLA Changes.

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

Phone: 465-2680
 Date: 4/5/93
 Date: 4/6/93

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ANALYSIS (cont.):

CSHB67 (FIN) provides for automatic COLA increases at the same percentage as the SSI program for any calendar year if the AFDC benefits of a family for a family of two would, without the increase, fall below 75 percent of the federal poverty level for the prior year. CSHB67 (FIN) also provides an option to award the COLA increase at the SSI percentage for any year through the appropriation process.

This fiscal analysis assumes that COLAs are awarded by one of these mechanisms each year from January 1995 onward, and that no COLA is awarded for calendar 1994 because no appropriation is made to support it and the AFDC payment level proposed in CSHB67 (FIN) for a family of two is 83.6 percent of the 1993 federal poverty guideline for a household of two:

$$\frac{\$ 821 \text{ monthly payment}}{\$ 982 \text{ monthly poverty line}} = 83.6\%$$

Suspending the 1994 COLA does not reduce individual benefit amounts. The suspension does reduce the base on which future COLAs will be awarded.

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 and 86% for a family of two.

Assumptions used in fiscal note calculation:

1. The federal SSI COLA will be 3.0% per year.
2. AFDC program caseloads increase at an average annual rate of 5%.
3. The January 1, 1994 COLA is not funded and therefore not awarded.

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.

The FY94-FY99 formula impact of the COLA assumes the suspension of the January 1994 increase is not restored retroactively, therefore the maximum AFDC payment base is lower in subsequent fiscal years. FY95 is the first full year of impact of suspension of the January 1994 COLA. The impact in FY94 occurs only during the second six months of the fiscal year.

ANALYSIS (cont.):

AFDC	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
AFDC Caseload Average Caseload	13858	14550	15278	16042	16844	17686
* Average Payment reduction for the ratable reduction that is not restored retroactively	\$23.54	\$23.54	\$23.54	\$23.54	\$23.54	\$23.54
TOTAL FY REDUCTION	2107.3	4424.4	4645.7	4878.0	5121.9	5378.0

Funding Source

Federal	960.9	2017.5	2118.5	2224.4	2335.5	2452.5
GFM	960.9	2017.5	2118.5	2224.4	2335.5	2452.5
I/A	185.5	389.4	408.7	429.2	450.9	473.0

*The \$23.54 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.

HB

68

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: January 15, 1993

FURTHER REFERRALS:

Date of Committee Action: 1/29/93

The FINANCE Committee considered:

HB 68

HOUSE BILL NO. 68

APPROP: SUPPLEMENTAL FOR ELECTIONS

"An Act making a supplemental appropriation for certain elections for regional educational attendance area school boards and coastal resource service area boards; and providing for an effective date."

- RECOMMENDATIONS: the same title
 be replaced with "S HB 68 (F.O.)" a new title
 have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen P. McKeen</i>	✓	<i>Larry Martin</i>		+	
<i>Ronald J. ...</i>	X				
<i>Paul ...</i>	✓				
<i>Sam ...</i>	X				
<i>Ben ...</i>	X				
<i>Larry Brown</i>	✓				
<i>Ed ...</i>	✓				
<i>Jim ...</i>	✓				
<i>Richard ...</i>	X				
<i>Mike ...</i>	✓				

E.P. McKeen

 CHAIRMAN'S SIGNATURE

Back-up

STATE OF ALASKA

OFFICE OF THE GOVERNOR

DIVISION OF ELECTIONS
P.O. BOX AF
JUNEAU, ALASKA 99811-0105
PHONE (907) 465-4611

TO: HOUSE OF REPRESENTATIVES
STATE OF ALASKA
STANDING COMMITTEE - FINANCE

FROM: CHARLOT E. THICKSTUN
DIRECTOR
DIVISION OF ELECTIONS

DATE: JANUARY 29, 1993

SUBJECT: HB 68 - " AN ACT MAKING A SUPPLEMENTAL APPROPRIATION
FOR CERTAIN ELECTIONS FOR REGIONAL EDUCATION
ATTENDANCE AREA SCHOOL BOARDS AND COASTAL
RESOURCE SERVICE AREA BOARDS; AND PROVIDING FOR
AN EFFECTIVE DATE."

Co-Chairman Larson, Co-Chairman MacLean, and Members of the Committee, thank you for this opportunity to appear before you to discuss HB68. For the sake of some of the newer members of your Committee, I would like to supply some background information, as follows:

THE STATE CONDUCTS THE ELECTIONS IN THE POLITICALLY UNORGANIZED AREAS OF THE STATE THAT DON'T HAVE CITIES OR BOROUGHES TO CONDUCT THE BOARD ELECTIONS.

R E A A = REGIONAL EDUCATION ATTENDANCE AREA

These members are elected to vacant or expiring School Board seats and are policy makers with regard to issues involving education in the schools in rural Alaska.

C R S A = COASTAL RESOURCE SERVICE AREA.

These members are elected to vacant or expiring Service Area seats and are policy makers on issues involving all facets of rural community life and act as an "Assembly" might in a politically organized area.

HOUSE OF REPRESENTATIVES
STATE OF ALASKA
STANDING COMMITTEE - FINANCE - RE: HB68

THERE ARE 20 REAAs and 4 CRSAs. THERE WILL BE 126 PRECINCTS INVOLVED IN THE UPCOMING REAA/CRSA ELECTION. 43 PRECINCTS HAVE BOTH REAA AND CRSA SEATS TO BE ELECTED. 65 PRECINCTS HAVE ONLY REAA SEATS TO BE ELECTED AND 18 PRECINCTS HAVE ONLY CRSA SEATS TO BE ELECTED. THERE WILL ALSO BE 33 ABSENTEE SITES AVAILABLE TO VOTERS WISHING TO VOTE ABSENTEE BALLOTS IN PERSON.

THESE ELECTIONS NORMALLY TAKE PLACE IN OCTOBER EACH YEAR, BUT DURING THE LITIGATION OVER REAPPORTIONMENT THE COURT CHANGED THE DATE FROM OCTOBER TO MARCH 2, 1993.

EVERY TEN YEARS AFTER THE CENSUS, THE DEPARTMENT OF EDUCATION REVIEWS THE POPULATION IN THE REAAs AND THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS REVIEWS THE POPULATION OF THE CRSAs TO MAKE SURE THAT THE SECTIONS ARE STILL IN LINE WITH THE POPULATION.

THE DEPARTMENT OF EDUCATION RE-SECTIONED THREE REAAs AND THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS RE-SECTIONED TWO CRSAs.

Unfortunately, unfunded reapportionment costs have contributed greatly to a shortfall in the Division of Election's operating budget; therefore we are requesting supplemental funding of 90.0. This amount will enable us to accomplish these elections that are necessary to ensure the continuity of electing policy making board members to expired or vacant seats on regional education attendance area school and coastal resource service area boards.

I would be glad to answer questions and would like to also let you know our Region I Supervisor, Louise Howerter, is here and available for questions.

ENCLOSURES: (6)

MEMORANDUM TO OMB FY93, BUDGET SUPPLEMENTAL REQUEST
REAA/CRSA ELECTION CALENDAR
MEMORANDUM FROM AG RE: 1993 REAA/CRSA 12/8/92
MEMORANDUM TO AG FROM DOE RE: 1993 REAA/CRSA 12/7/92
LETTER FROM DOE TO OMB RE: SHORTFALL EXPECTATION 6/21/92
MEMORANDUM FROM DEPUTY AG RE: FUNDING DOE 6/21/92
MEMORANDUM AND ORDER, JUDGE WEEKS 6/3/92

WALTER J. HICKEL
GOVERNOR



P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

MEMORANDUM

TO: Cheryl Frasca, Director
Division of Budget Review
Office of Management
and Budget
Office of the Governor

DATE: January 11, 1993

PHONE: 465-3616

FROM: Michael A. Nizich *M. Nizich*
Administrative Director
Office of the Governor

SUBJECT: FY93 Budget
Supplemental
Request

I am requesting a FY93 supplemental for the Division of Elections. The Division incurred extraordinary costs during the 1992 General and Primary elections and have insufficient balances available within their BRU to conduct the Rural Education Attendance Area (REAA) elections in March 1993.

The Division is requesting supplemental funding of 90.0 in the Elections/Elections component -- \$87,150 in the Contractual line and \$2,850 in the Supplies line to fund the following:

REAA elections projected costs:

Election Workers	\$52,300
Freight & Express	150
Advertising	23,500
Printing & Binding	7,900
Polling Place Rental	3,300
Supplies	<u>2,850</u>
Total	\$90,000

Due to the timing of the REAA elections, I am requesting your assistance in preparing a separate, fast-track supplemental request which can be expedited through the Legislature. I understand that Neil Slotnick in the Department of Law is already working on the supplemental language for this request. Please call me if you need any additional information.

cc: Lieutenant Governor Coghill
Shelby Stastny
Charlot Thickstun
Kris Lethin
Dan Spencer

ACTUAL EXPENDITURES
 LEDGER CODE EXPENDITURES BY ACCOUNT
 1290005 REAA ELECTION
 COA:1993

RRN:0031389 RSN:02595 12/04/92

ENTITY NUMBER - DESCRIPTION	ACTUAL EXPENDITUR
S** 70000 TOTAL EXPENDITURES	88,372
S** 70008 OPERATING ACCT TOTAL	88,372
S** 70200 GROUP CTRL - OTHER	88,372
S** 70201 GC-OTHER-NONGRANT	88,372
S** 73000 OTHER SRVCS & CHARGE	87,933
S** 73100 PROFESSIONAL SRVCS	52,631
S** 73270 OTHER PROF SERVICES	52,631
S** 73272 POLLING PLACE WORKER	48,857
S** 73273 ELECTION NIGHT WORKE	30
S** 73275 DISTRICT Q/A BRD	1,432
S** 73276 ABSENTEE VOTING OFFI	650
S** 73284 STATEWIDE CANVAS BRD	1,663
S** 73400 TRANSPORTATION	94
S** 73460 FRGHT & EXPRESS CHRG	94
S** 73500 ADV PRINT & BIND	31,872

FOR NEXT SECTION ENTER==> NUMBER _____ YEAR _____ LEVEL LIMIT _____
 PF1=MENU PF3=PAGE FORWARD PF6=RPT REQUEST MAINTENANCE

ACTUAL EXPENDITURES
 LEDGER CODE EXPENDITURES BY ACCOUNT
 1290005 REAA ELECTION
 COA:1993

RRN:0031389 RSN:02595 12/04/92

ENTITY NUMBER - DESCRIPTION	ACTUAL EXPENDITUR
S** 73540 ADVERTISING	23,915
S** 73560 PRINTING & BINDING	7,957
S** 73565 BALLOTS	5,876
S** 73566 ELECTION NOTICES/POS	273
S** 73574 CENTRL DUP/QUIK COPY	56
S** 73800 RENTALS/LEASES	3,335
S** 73850 SPACE EXPENSE	3,335
S** 73858 POLLING PLACE RENT	3,335
S** 74000 SUPPLIES	439
S** 74200 OFFICE SUPPLIES	25
S** 74220 OFFCE/LIBRARY SUPPLY	25
S** 74229 OFFICE SUPPLIES	25
S** 74400 OPERATING SUPPLIES	414
S** 74600 OTH OPERATING SUPPLS	414
S** 74613 ELECTION SUPPLIES	414

FOR NEXT SECTION ENTER==> NUMBER _____ YEAR _____ LEVEL LIMIT _____
 PF1=MENU PF2=PAGE BACKWARD PF3=PAGE FORWARD PF6=RPT REQUEST MAINTENANCE

1992 REAA Election --	Election Workers	\$52,361
	Freight & Express	94
	Advertising	23,915
	Printing & Binding	7,957
	Polling place rent	3,335
	Supplies	439
	Total	<u>\$88,372</u>

1991 REAA Elections-- Election Workers	\$48,491
Telephone	84
Freight & Express	286
Advertising	16,687
Printing & Binding	7,575
Polling place rent	2,920
Total	<u>\$80,787</u>

ACTUAL EXPENDITURES
 LEDGER CODE EXPENDITURES BY ACCOUNT
 1190005 REAA ELECTION
 COA:1992

RRN:0031389 RSN:02595 12/04/92

ENTITY NUMBER - DESCRIPTION	ACTUAL EXPENDITUR
S** 70000 TOTAL EXPENDITURES	80,787
S** 70008 OPERATING ACCT TOTAL	80,787
S** 70200 GROUP CTRL - OTHER	80,787
S** 70201 GC-OTHER-NONGRANT	80,787
S** 73000 OTHER SRVCS & CHARGE	80,787
S** 73100 PROFESSIONAL SRVCS	53,235
S** 73270 OTHER PROF SERVICES	53,235
S** 73272 POLLING PLACE WORKER	48,491
S** 73273 ELECTION NIGHT WORKE	41
S** 73275 DISTRICT Q/A BRD	2,840
S** 73276 ABSENTEE VOTING OFFI	500
S** 73284 STATEWIDE CANVAS BRD	1,363
S** 73300 COMMUNICATIONS	84
S** 73320 TELEPHONE	84
S** 73321 TOLL COSTS	79

FOR NEXT SECTION ENTER==> NUMBER _____ YEAR _____ LEVEL LIMIT _____
 PF1=MENU PF2=PAGE FORWARD PF6=RPT REQUEST MAINTENANCE

ACTUAL EXPENDITURES
 LEDGER CODE EXPENDITURES BY ACCOUNT
 1190005 REAA ELECTION
 COA:1992

RRN:0031389 RSN:02595 12/04/92

ENTITY NUMBER - DESCRIPTION	ACTUAL EXPENDITUR
S** 73322 BASE/LOCAL-FIX COST	6
S** 73400 TRANSPORTATION	286
S** 73460 FRGHT & EXPRESS CHRG	286
S** 73500 ADV PRINT & BIND	24,261
S** 73540 ADVERTISING	16,687
S** 73560 PRINTING & BINDING	7,575
S** 73565 BALLOTS	5,626
S** 73574 CENTRL DUP/QUIK COPY	37
S** 73800 RENTALS/LEASES	2,920
S** 73850 SPACE EXPENSE	2,920
S** 73858 POLLING PLACE RENT	2,920

FOR NEXT SECTION ENTER==> NUMBER _____ YEAR _____ LEVEL LIMIT _____
 PF1=MENU PF2=PAGE BACKWARD PF6=RPT REQUEST MAINTENANCE

REAA/CRSA ELECTION CALENDAR

Mon., Oct. 12	Barb	Set up election ID - 92RC32
Mon., Oct. 12	Barb	Confirm REAA resectioning plans with Dept. of Education
Mon., Oct. 26	Barb	Send letters to REAAs and CRSAs confirming expiring terms of REAA/CRSA board members
Wed., Nov. 4	Barb	Prepare Order and Notice for each REAA and CRSA for Director's signature
Fri., Nov. 6	Sean	Prepare REAA/CRSA Declaration of Candidacy forms
Mon., Nov. 30	Sups	Make arrangements for polling places, recruit precinct election workers, AVOS, counting teams, district absentee and questioned boards
Mon., Dec. 7	Sean	Mailed Declaration of Candidacy forms to regional offices
Fri., Dec. 11	Sups	Mailed Declaration of Candidacy forms to city clerks, registrars, superintendents and CRSA coordinators
Mon., Dec. 14	Sean	Worked with Shannon Shields on ads/PSAs to run re: REAA/CRSA candidacy filing forms being available, which seats are up, and filing deadline
Wed., Dec. 16	Shannon	Faxed PSAs to superintendents and CRSA Coordinators with memo from Jack
Wed., Dec. 30	ALL	Filing deadline for REAA/CRSA candidates 6 AAC 27.035(b) - Date changed by emergency regulation

REAA/CRSA CALENDAR
MARCH 2, 1993

Mon., Jan. 4	Sups	Send letters and absentee applications to voters in permanent absentee GIFs
Mon., Jan. 4	ALL	Last day to receive REAA/CRSA declaration of candidacy filings that were postmarked 12/30/92. 6 AAC 27.035(b)
Mon., Jan. 4	Sups	List of polling places and AVOs with locations and hours available to Sean for REAA/CRSA 40/10 poster inserts and ads
Mon., Jan. 4	Barb	Seats up and areas that can vote in each REAA/CRSA election to Sean for 40/10 poster inserts and ads
Tues., Jan. 5	Sean	Poster layout to printer for REAA/CRSA 40/10 posters and ads prepared.
Tues., Jan. 5	Sean	40/10 inserts prepared, proofed and printed in-house
Wed., Jan. 6	Sups	Order 40/10 lists for 40/10 posters
Thur., Jan. 7	Sean	40/10 poster proof back from printer, proofed and sent back to printer for printing
Fri., Jan. 8	Barb	Ballot layout to printer
Fri., Jan. 8	Sean	Tally Book layout to printer
Fri., Jan. 8	Sups	Advise Barb of quantity of REAA/CRSA ballots
Mon., Jan. 11	Sean	Last day to send 40/10 poster inserts to regional offices via overnight mail. Will try to get them out sooner.
Wed.-Fri., 1/13-15	Sups	Mail 40/10 posters to chairpersons

REAA/CRSA CALENDAR
MARCH 2, 1993

Fri., Jan 15	Barb	Ballots and tally books proofed and returned to printer
Mon.-Fri., 1/18-29	Shannon	Ads running re: last day to register, where to vote
Thurs., Jan. 21	Chairs	Last day to post 40/10 posters AS 15.07.140
Thurs., Jan. 21	Sups	Last day to establish precinct boundaries
Fri., Jan. 22	Sean	Send polling place ID cards to voters in precincts that have changed, if necessary
Sun., Jan. 31	Sups	Last day to register for REAA/CRSA election AS 15.05.010(4)
Mon., Feb. 1	Printer	Preferred date for ballots to be delivered to Sups
Mon., Feb. 1	Sean	Preferred date for tally books to be delivered to Sups
Wed., Feb. 3	Sups	Mail supplies and sample ballots to AVOS
Thurs., Feb. 4	Sups	Mail ballots to AVOS
Fri., Feb. 5	Sean	Last day to have supplies (forms, ballots, sample ballots, etc.) in regional offices AS 15.15.050
Mon.-Mon., 2/8-3/1	Shannon	Ads running advising of polling places and absentee voting locations
Mon., Feb. 8	Barb	Create precinct registers AS 15.07.125
Tues., Feb. 9	Sups	Order precinct registers
Mon., Feb. 15	Sups	Mail supplies and sample ballots to precinct chairs

REAA/CRSA CALENDAR
MARCH 2, 1993

Tues., Feb. 16	Sups	Mail ballots to precinct chairs
Mon., Feb. 15	ALL	Absentee in-person begins
Mon., Feb. 15	Sups	Last day to appoint District Absentee and Questioned boards 6 AAC 27.060
Mon., Feb. 15	Barb	Last day to appoint State Review Board C AAC 27.070
Fri., Feb. 26	Alice	Last day to receive absentee applications AS 15.20.081(b) and 6 AAC 27.050
Sat., Feb. 27	Alice	Last day to mail absentee ballots
Tues., Mar. 2	ALL	ELECTION DAY - polling places open 8 a.m. - 8 p.m. AS 14.08.071(b) and AS 15.15.080(b)
Tues., Mar. 2	Chairs/ Sups	Ballots may be counted after 8 p.m. AS 15.15.350
Tues., Mar. 2	Chairs/ Sups	Chairs call Sups with results; Sups fax results to Barb as received
Wed., Mar. 3	Chairs	Mail counted ballots and election materials to director's office and regional offices. AS 15.15.370 and 6 AAC 25.050
Fri., Mar. 5	Sups	District Absentee Review Board may begin counting absentee ballots if an election race is close 6 AAC 27.060(c)
Wed., Mar. 10	Sups	District Absentee and Questioned Boards count and certify their ballot count 6 AAC 27.060(b)

REAA/CRSA CALENDAR
MARCH 2, 1993

Thurs., Mar. 11	Sups	Send Absentee and Questioned materials via overnight mail to Barb for State Review Board
Fri., Mar. 12	Barb	Last day to receive and count absentee by-mail ballots that are postmarked 3/2 and mailed from within the U.S. AS 15.20.081(e)
Fri., Mar. 12	Barb	State Review Board begins
Wed., Mar. 17	Barb	Last day to receive and count absentee by-mail ballots that are postmarked 3/2 and mailed from overseas or military APO or FPO addresses AS 15.20.081(h)
Wed., Mar. 17	Barb	Last day to await receipt of election materials from precincts for inclusion in the State Review Board's review of election materials AS 15.15.440
Approx. Mon., 3/22	Barb	Prepare certificates for Director's signature upon completion of State Review Board's certification 6 AAC 27.080
Approx. Thurs., 3/25	Barb	Prepare order and notice of runoff election if necessary to be held within 30 days of certification 6 AAC 27.090
Approx. Mon., 3/29	Barb	Approx. last day to request recount AS 15.20.430
Approx. Wed., 4/21	Barb	Approx. last day to hold runoff election 6 AAC 27.090

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
FIRST JUDICIAL DISTRICT

SOUTHEAST CONFERENCE, a non-profit
Alaska corporation, et al.,

Plaintiff,

vs.

WALTER J. HICKEL, Governor of
the State of Alaska, et al.,

Defendant.

Case No. 1JU-91-1608 CI (Consolidated)

MEMORANDUM AND ORDER

1. As provided by Civil Rule 53 and the Alaska Supreme Court Order of May 28, 1992, the court appoints the following persons to serve as Special Masters: Wilson Condon, Harold Gillam, and Brian Rogers. Mr. Condon is to serve as Chair.

2. The court will issue a separate order with instructions to the masters.

3. The Department of Law is ordered to submit a request to the U.S. Department of Justice for preclearance of election law changes as necessitated by this and other court orders. The submission is to include this court's order of May 11, the supreme court order of May 28, this court's order of May 29, any supreme court opinion issued, the order extending other deadlines, and other materials as appropriate. The Department is to request expedited consideration of the interim plan. The state's submission is to be filed with the court and served on all parties. The state shall file and serve on the parties all communications.

with the Department of Justice.

4. There shall be a status conference each Tuesday and Friday at 1:30 p.m., beginning this Friday in Anchorage. Counsel may participate telephonically if they notify the court secretary three hours in advance.

5. The parties may provide materials for consideration by the masters by the close of business Thursday, June 4. The parties are to provide three copies for the masters, file a copy with the court, and serve all other parties. Parties may not submit anything inconsistent with this court's instructions or the order of May 11 as modified by the supreme court order of May 28. All communication between the parties and the masters is to be in writing and filed with the court.

6. Proposed plans are to be submitted to masters by noon on Monday, June 8.

7. Members of the public may submit proposed plans on the same schedule with the parties, by noon on June 8, 1992. All plans may be in the form of maps, narrative, statistics, or on electronic media.

8. The masters are to have a plan to the parties and the court by 4:30 p.m. on Saturday, June 13, 1992.

9. Parties may file any objections to the masters' plan, and must detail how to remedy any identified problems, by the close of business June 16.

10. The court will have completed an interim plan by the close of business June 18.

11. The masters may use the professional services of Ms. Kathryn Lizik and Mr. Jerry Smetzer as the masters choose.

12. The court shall issue a further order on extensions and waivers of deadlines.

13. The state shall provide the masters within 24 hours such statewide and precinct maps as are available of both the existing districting and the plan voided by the court.

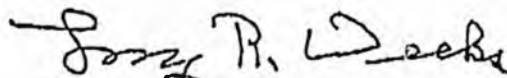
14. The court will convene at 1:30 p.m. Monday, June 8, for the parties to provide the masters with further information on proposed plans. Questions of law and issues relating to the impact on the Division of Elections are matters for the court.

15. At the status conference on Friday, June 5, the parties may propose experts for the court to employ under Evidence Rule 706 with respect to the Voting Rights Act.

16. In light of the circumstances, the court is concerned about the Division of Elections' ability to provide for elections in a timely, orderly manner with its current funding. The state is ordered to request supplemental funding to ensure that elections are properly prepared and held on time.

17. Cost of the masters is to be split between the parties, half to the plaintiffs, half to the defendants.

DONE this 3rd day of June, 1992, at Anchorage, Alaska.



Larry R. Weeks
Superior Court Judge