

ALABAMA LEGISLATURE

1292

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

HB

78

HFIN

FILE



Representative Mark Hanley
Alaska State Legislature

SUMMARY OF CHANGES

CS FOR HOUSE BILL 78
1 May 1995

*Sec. 1. Adopts CSSB 109(L&C) - Child Support Nonpayment Licensing Restriction and Revocation - sponsored by Senator Ellis. This bill is identical to HB62 sponsored by Representative Davies, with amendments supported by the sponsor.

*Sec. 6. WAIVER APPLICATION (a) changes the date the Department of Health and Social Services shall seek appropriate waivers from the federal government from December 31, 1995 to February 15, 1996 to allow for more time to respond to federal welfare reform measures before Congress.

*Sec. 8. WORKFARE. Adds (c)(3), an exemption from the requirement to participate for persons who are enrolled as full-time students in good standing in a career education program, college or university, as defined in regulations adopted by the Alaska Commission on Postsecondary Education.

*Sec. 15. AFDC PAYMENT LEVELS. (3) returns language to statute for a single-person household that does not consist of a dependent child; deleting the language did not restrict the department from paying benefits for this category, but would have allowed them to pay at the higher level of \$514 instead of the reduced amount of \$505. The category covers pregnant women and single parents whose children qualify for SSI payments; single people without children are not receiving AFDC.

5/1/95
Attachment 1

Adopted
5/11

9-LS0392\G
Lauterbach
4/28/95

CS FOR HOUSE BILL NO. 78()

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES HANLEY, Rokeberg, Porter, Bunde, Toohey

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to certain licenses and applications for licenses for persons who
 2 are not in substantial compliance with orders, judgments, or payment schedules
 3 for child support; relating to the program of aid to families with dependent
 4 children, including the payment of aid in the case of pregnant minors and minors
 5 who are parents and the maximum amount of assistance that may be granted;
 6 proposing special demonstration projects within the program of aid to families
 7 with dependent children and directing the Department of Health and Social
 8 Services to seek waivers from the federal government to implement the projects;
 9 and providing for an effective date."

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

11 * Section 1. AS 25.27 is amended by adding new sections to read:

12 Sec. 25.27.244. ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S

1 OCCUPATIONAL LICENSE. (a) The agency shall compile and maintain a list of
2 obligors who are not in substantial compliance with a support order or payment
3 schedule negotiated under (g)(1) of this section. The list must include the names,
4 social security numbers, dates of birth, and last known addresses of the obligors. The
5 list shall be updated by the agency on a monthly basis.

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

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

19 (d) A licensing entity shall issue a temporary license valid for a period of 150
20 days to an applicant whose name is on the list if the applicant is otherwise eligible for
21 a license. The temporary license may not be extended. Only one temporary license
22 may be issued during a regular license term and its validity shall coincide with the first
23 150 days of that license term. A license for the full or remainder of the license term
24 may be issued or renewed only upon compliance with this section. If a license or
25 application is denied under this section, funds paid by the applicant or licensee shall
26 be refunded by the licensing entity after retention of the temporary license fee, if any.

27 (e) Notices for use under (c) of this section shall be developed by each
28 licensing entity under guidelines provided by the agency and are subject to approval
29 by the agency. The notice must include the address and telephone number of the
30 agency and shall emphasize the necessity of obtaining a release from the agency as a
31 condition for the issuance or renewal of a license. The notice must inform an

1 applicant whose license is governed by (d) of this section that the licensing entity shall
2 issue a temporary license for 150 calendar days under (d) of this section if the
3 applicant is otherwise eligible and that, upon expiration of that time period, the license
4 will be denied unless the licensing entity has received a release from the agency. The
5 agency shall also develop a form that the applicant may use to request a review by the
6 agency. A copy of this form shall be included with each notice sent under (c) of this
7 section.

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

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

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

27 (2) the applicant has submitted a timely request for review to the
28 agency, but the agency will be unable to complete the review and send notice of
29 findings to the applicant in sufficient time for the applicant to file a timely request for
30 judicial relief within the 150-day period during which the applicant's temporary license
31 is valid under (d) of this section; this paragraph applies only if the delay in completing

1 the review process is not the result of the applicant's failure to act in a reasonable,
2 timely, and diligent manner upon receiving notice from the licensing entity that the
3 applicant's name is on the list;

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

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

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

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

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

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

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

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

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

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

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

29 (m) The agency may enter into interagency agreements with the state agencies
30 that have responsibility for the administration of licensing entities as necessary to
31 implement this section to the extent that it is cost effective to implement the

1 interagency agreements. The agreements shall provide for the receipt by the other
2 state agencies and licensing entities of federal funds to cover that portion of costs
3 allowable in federal law and regulation and incurred by the state agencies and licensing
4 entities in implementing this section.

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

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

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

16 (q) In this section,

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

19 (2) "license"

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

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

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

28 (iii) teacher certificate under AS 14.20;

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

31 (v) asbestos worker certification under AS 18.31;

- 1 (vi) boiler operator's license under AS 18.60.395;
2 (vii) certificate of fitness under AS 18.62;
3 (viii) hazardous painting certification under AS 18.63;
4 (ix) security guard license under AS 18.65.400 -
5 18.65.490;
6 (x) license relating to insurance under AS 21.27;
7 (xi) employment agency permit under AS 23.15.330 -
8 23.15.520;
9 (xii) registration as a broker-dealer, agent, or investment
10 adviser under AS 45.55.030;
11 (xiii) certification as a pesticide applicator under
12 AS 46.03.320;
13 (xiv) certification as a storage tank worker or contractor
14 under AS 46.03.375; and
15 (xv) certification as a water and wastewater works
16 operator under AS 46.30;
17 (B) does not include
18 (i) a vessel license issued under AS 16.05.490 or
19 16.05.530;
20 (ii) a commercial fishing license under AS 16.05.480,
21 including a crewmember fishing license;
22 (iii) an entry permit or interim-use permit issued under
23 AS 16.43;
24 (iv) a license issued under AS 47.35;
25 (v) a business license issued under AS 43.70; or
26 (vi) a driver's license issued under AS 28.15;
27 (3) "licensee" means a person holding a license or applying to renew
28 a license;
29 (4) "licensing entity" means the state agency that issues or renews a
30 license; in the case of a license issued or renewed by the Department of Commerce
31 and Economic Development after an applicant's qualifications are determined by

1 another agency, "licensing entity" means the department;

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

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

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

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

26 (c) If the licensee fails to obtain a release during the 150-day period following
27 notice under (b) and (d) of this section, the agency shall notify the department that the
28 licensee's driver's license should be suspended and further renewals or applications
29 should be denied until the agency sends the department a release for the licensee.
30 Upon receiving the agency's notice under this subsection, the department shall suspend
31 the licensee's driver's license and may not issue or renew a driver's license for the

1 licensee until the department receives a release to do so from the agency. If a license
2 or application is suspended or denied under this section, funds paid by the applicant
3 or licensee may not be refunded by the department.

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

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

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

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

30 (2) the licensee has submitted a timely request for review to the
31 agency, but the agency will be unable to complete the review and send notice of

1 findings to the licensee in sufficient time for the licensee to file a timely request for
2 judicial relief within the 150-day period before the licensee's license will be suspended
3 under (c) of this section; this paragraph applies only if the delay in completing the
4 review process is not the result of the licensee's failure to act in a reasonable, timely,
5 and diligent manner upon receiving notice from the agency that the licensee's driver's
6 license will be suspended in 150 days;

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

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

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

25 (h) Except as otherwise provided in this section, the agency may not issue a
26 release if the applicant is not in substantial compliance with the order for support or
27 is not in substantial compliance with an agreement negotiated under (f)(1) of this
28 section. The agency shall notify the licensee in writing that the licensee may request
29 any or all of the following: (1) judicial relief from the agency's decision not to issue
30 a release or the agency's decision to revoke a release under (f)(1) of this section; (2)
31 a judicial determination of substantial compliance; (3) a modification of the support

1 order. The notice must also contain the name and address of the court in which the
2 licensee may file the request for relief and inform the licensee that the licensee's name
3 shall remain on the list if the licensee does not request judicial relief within 30 days
4 after receiving the notice. The licensee shall comply with all statutes and rules of
5 court implementing this section. This section does not limit a licensee's authority
6 under other law to request an order to show cause or notice of motion to modify a
7 support order or to fix a payment schedule on arrearages accruing under a support
8 order or to obtain a court finding of substantial compliance with a support order.

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

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

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

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

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

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

1 order or payment schedule.

2 (l) The process described in (f) of this section is the sole administrative
3 remedy for contesting the suspension or the denial of a driver's license under this
4 section. The procedures specified in AS 28 or AS 44.62.330 - 44.62.630
5 (Administrative Procedure Act) do not apply to the suspension or failure to issue or
6 renew a license under this section.

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

9 (n) In this section,

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

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

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

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

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

25 * Sec. 2. AS 47.25.360 is amended to read:

26 Sec. 47.25.360. GRANTING OF ASSISTANCE. Upon the completion of the
27 investigation, the department shall decide whether the child is eligible for assistance
28 under AS 47.25.310 - 47.25.420, the amount of assistance, and the date on which it
29 starts. The department shall notify the person having custody of the child of its
30 decision. Except as provided in AS 47.25.362(b), the [THE] assistance shall be paid
31 monthly to the person having custody of the child upon order of the department.

1 * Sec. 3. AS 47.25 is amended by adding a new section to read:

2 Sec. 47.25.362. ASSISTANCE TO MINORS WITH CHILDREN. (a) Except
3 as provided in (c) of this section, the department shall require, as a condition of
4 eligibility for assistance, that a minor parent must reside in a

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

8 (2) foster home, maternity home, or other adult-supervised supportive
9 living arrangement.

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

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

16 (1) the minor parent does not have a parent or legal guardian who is
17 living and whose whereabouts is known;

18 (2) a living parent or legal guardian of the minor parent will not allow
19 the minor to live in the home of the parent or guardian;

20 (3) the department determines that the physical or emotional health or
21 safety of the minor parent or the minor's child would be jeopardized if the minor and
22 the minor's child lived in the same residence with the minor's parent or guardian;

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

26 (5) the department otherwise determines under regulations that are
27 consistent with corresponding federal regulations that there is good cause for waiving
28 the requirements of (a) of this section in the case of a particular minor parent.

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

31 (1) the natural parent of a dependent child living in the same

1 household; or

2 (2) eligible for assistance as a pregnant woman.

3 * Sec. 4. AS 47.25.310(c) is repealed.

4 * Sec. 5. REPORT. (a) In furtherance of the public policy of increasing child support
5 enforcement and collections, on or before January 1, 1998, the child support enforcement
6 agency shall make a report to the legislature and the governor based on data collected by the
7 licensing entities and the agency in a format prescribed by the agency. The report must
8 contain

9 (1) the number of delinquent obligors on the lists maintained by the agency
10 under AS 25.27.244 - 25.27.246, enacted by sec. 1 of this Act;

11 (2) the number of delinquent obligors who also were applicants or licensees
12 subject to AS 25.27.244 - 25.27.246, enacted by sec. 1 of this Act;

13 (3) the number of new licenses and renewals that were delayed or denied and
14 temporary licenses issued subject to AS 25.27.244 and the number of new licenses and
15 renewals granted following receipt by licensing entities of releases under AS 25.27.244 by
16 July 1, 1997;

17 (4) the number of licenses under AS 28.15 that were suspended under
18 AS 25.27.246 and the number of licenses under AS 28.15 that were reinstated following
19 receipt by the Department of Public Safety of releases under AS 25.27.246 by July 1, 1997;
20 and

21 (5) the costs incurred in the implementation and enforcement of AS 25.27.244
22 - 25.27.246, enacted by sec. 1 of this Act.

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

28 * Sec. 6. WAIVER APPLICATION. (a) The Department of Health and Social Services
29 shall, by February 15, 1996, seek appropriate waivers from the federal government to
30 implement the AFDC demonstration projects described in secs. 7 - 11 of this Act. To the
31 extent that the federal government approves the necessary waivers, the department shall

1 implement the projects. The purposes of the projects are to promote personal responsibility
2 and self-sufficiency.

3 (b) At a minimum, the department shall implement secs. 8 - 11 of this Act as four
4 separate projects in four different areas of the state, with at least one project in a municipality
5 with a population over 25,000, one in a municipality with a population between 5,000 and
6 25,000, and one in a municipality or community with a population under 5,000. If the
7 department determines that more than one project can be efficiently and usefully operated in
8 the same area at the same time the department may operate more than one project in the same
9 area as a fifth project, subject to federal approval of the appropriate waivers.

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

13 (1) apply for and implement only the waivers that relate to the parts of the
14 project that are not substantially affected by the changes in federal statutes or regulations; if
15 the department determines that the parts of the project that are not substantially affected by
16 the federal changes do not comprise a fiscally responsible project, the department is not
17 required to apply for or implement waivers under this Act and may discontinue operation of
18 the project under waivers that were implemented before the federal changes occurred;

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

22 * Sec. 7. EARNED INCOME DISREGARD; WAIVER OF "100-HOUR" RULE; AUTO
23 ALLOWANCE. When determining the AFDC eligibility of a family that is participating in
24 a project under secs. 8 - 10 of this Act and when determining the amount of assistance to
25 which the family is entitled, the department shall

26 (1) disregard, for 24 months, \$200 plus one-third of the remainder of the
27 earned income of each person in the family unless federal regulations require that more earned
28 income of a person must be disregarded; for a family that applies for AFDC after this
29 paragraph has been implemented, this 24 months begins with the month for which the family
30 is first granted AFDC; for a family that is already receiving assistance when this paragraph
31 is implemented, this 24 months begins with the first month during which this paragraph is

1 implemented:

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

5 (3) allow the exclusion of \$5,000 of the combined equity of motor vehicles
6 used by the family for basic family transportation, transportation of a disabled child in the
7 household, or transportation of a member of the family to or from employment, training, or
8 participation in an activity required under secs. 8 - 9 of this Act; if the combined equity of
9 vehicles described in this paragraph exceeds \$5,000, the department shall apply the excess
10 equity amount toward the asset limit otherwise applicable to the family.

11 * Sec. 8. WORKFARE. (a) The department shall operate a workfare project. Each
12 member of a family in the workfare project area who is 18 years of age or older shall
13 participate for 21 hours a week in an uncompensated activity if assigned to the activity by the
14 department. The department shall assess the availability of activities that satisfy the purposes
15 of this subsection in the project area and attempt to develop additional activities where
16 necessary. When assessing the availability of activities that are suitable as uncompensated
17 activities under this section and in assigning persons to those activities, the department shall
18 consider activities recommended by governmental representatives of boroughs, cities, and
19 communities and others in the project area. The activities may include provision of child care
20 for other project participants, community work experience, work-related training programs,
21 high school completion, GED programs, or culturally relevant subsistence activities. The
22 department shall penalize the family for failure of a person to comply with this subsection by
23 disregarding that person as a member of the family for purposes of determining the amount
24 of AFDC assistance given to the family.

25 (b) If organizations exist in the project area that have had successful experience in
26 conducting employment placement services, community services, and job training programs,
27 the department shall offer on a competitive basis contracts to those organizations to administer
28 (a) of this section. A contract under this subsection must provide that the department shall
29 make the determinations required under (c) and (d) of this section and the contractor shall
30 perform the duties assigned to the department under (a) of this section with respect to
31 uncompensated activities, including assessment of their availability, development of additional

1 activities, consideration of activities recommended by governmental representatives, and
2 assignment of persons to specific activities after referral of those persons to the contractor by
3 the department. The department may authorize a contractor under this subsection to

4 (1) provide AFDC benefits to participant families in amounts and forms the
5 contractor determines are appropriate to the circumstances of the family and appropriate under
6 the terms of the contract with the department;

7 (2) use AFDC benefits to subsidize payments or provide services to
8 participants in community work projects or work training projects; an amount distributed as
9 a subsidy under this paragraph is not considered to be wages; and

10 (3) deny AFDC benefits to a family that fails to cooperate with services
11 offered and activities required under the pilot project administered by the contractor; a family
12 denied benefits under this paragraph may appeal that determination to the department under
13 AS 47.25.370 for review of whether the denial was appropriate under department regulations
14 governing administration of the project.

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

17 (1) has paid employment of at least 15 hours a week; a person who has paid
18 employment of less than 15 hours a week shall participate in an uncompensated activity
19 assigned under (a) of this section for the number of hours that, when added to the hours of
20 paid employment, equals 21;

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

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

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

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

30 (6) is a parent who is providing care for a child with a developmental disability
31 as defined by AS 47.80.900.

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

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

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

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

10 * Sec. 9. AFDC UNEMPLOYED PARENT PROJECT. (a) The Department of Health and
11 Social Services shall operate a transition-to-work project that is designed to assist two-parent
12 families receiving assistance under the Aid to Families with Dependent Children (AFDC)
13 program to achieve economic self-sufficiency within three years after the date of entry into
14 the project. To this end, the department shall develop, with each participating family, an
15 individual family plan for achieving self-support and shall enter into a contract with that
16 family that identifies

17 (1) the services that the department will provide to enable the family to achieve
18 self-support;

19 (2) the activities that the family will participate in to prepare for self-
20 sufficiency;

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

23 (4) an agreement that cash assistance benefits under the AFDC program will
24 be available to the family for no more than 36 months during the period from the effective
25 date of this section to June 30, 2001;

26 (5) an acknowledgment that medical assistance benefits under AS 47.07 may
27 be available as long as the family is otherwise eligible under the AFDC program; and

28 (6) an acknowledgement that failure to comply with the terms of a family plan
29 developed under this section or failure to meet a benchmark of the plan may result in a
30 finding of noncooperation and a modification or denial of AFDC benefits to the family.

31 (b) The services and referrals to be provided by the department and the activities to

1 be included in a family plan may include

2 (1) child care services;

3 (2) uncompensated community work experience;

4 (3) work-related training programs;

5 (4) high school completion or GED programs;

6 (5) provision of child care for other project participants;

7 (6) culturally relevant subsistence activities;

8 (7) placement in paid employment; and

9 (8) referral to other services and programs that may improve the family's

10 employability or self-sufficiency.

11 (c) The department shall deny AFDC benefits to a family that is assigned to
12 participate in the project under this section if the family fails to cooperate in the development
13 of a family plan or fails to sign a family contract as required by (a) of this section. A family
14 assigned to participate in the project under this section that is denied AFDC benefits under
15 this subsection shall be provided the opportunity for a fair hearing under AS 47.25.370 to
16 determine whether benefits were properly denied under the statutes and regulations governing
17 the project.

18 (d) To the extent that a provision of this section is inconsistent with a provision of
19 AS 47.25.310 - 47.25.429, the provision of this section governs.

20 * Sec. 10. SELF-EMPLOYMENT PROJECT. (a) The Department of Health and Social
21 Services shall operate a self-employment demonstration project for the purpose of allowing
22 individual recipients of Aid to Families with Dependent Children (AFDC) assistance under
23 AS 47.25.310 - AS 47.25.429 to reduce their need for public assistance by establishing and
24 operating a microenterprise. Under the self-employment demonstration project, a recipient
25 may accumulate certain resources needed to acquire business skills or to establish and operate
26 a microenterprise without becoming ineligible for AFDC assistance.

27 (b) An AFDC recipient who wishes to participate in the self-employment
28 demonstration project under this section shall request from the department a referral to a
29 nonprofit business development organization for an assessment of the recipient's capacity for
30 self-employment and the economic viability of the microenterprise contemplated by the
31 recipient. After review of the request, the department may provide the referral.

1 (c) An AFDC recipient who wishes to participate in the self-employment
2 demonstration project and has been referred for an assessment under (b) of this section shall
3 formulate a business plan for the microenterprise. The recipient shall submit the business plan
4 to the nonprofit business development organization for review and then submit the reviewed
5 business plan to the department for approval.

6 (d) For purposes of determining a recipient's eligibility for AFDC assistance, for the
7 first 36 months after the initial approval by the department of the recipient's business plan for
8 a microenterprise, the department shall

9 (1) disregard up to \$10,000 in microenterprise assets set aside for the
10 development or operation of the microenterprise in accordance with the approved plan;

11 (2) disregard up to \$500 each month in nonbusiness income set aside for the
12 development or operation of the microenterprise; and

13 (3) determine the recipient's income based on the net business income received
14 from the recipient's microenterprise.

15 (e) At 12-month intervals, a recipient whose business plan for a microenterprise has
16 been approved shall submit to the department a review of the financial records of the
17 microenterprise, signed by an accountant or bookkeeper, and verified by the nonprofit business
18 development organization that conducted the recipient's assessment under (b) of this section.
19 The cost of record review shall be considered a business expense of the recipient's
20 microenterprise.

21 (f) To the extent that a provision of this section is inconsistent with a provision of
22 AS 47.25.310 - 47.25.429, the provision of this section governs.

23 (g) In this section,

24 (1) "business income" means all income derived from the use of
25 microenterprise assets in a microenterprise;

26 (2) "employees" means the operator of a microenterprise and any persons
27 employed in the operation of the business;

28 (3) "microenterprise" means a business enterprise that has fewer than five
29 employees;

30 (4) "microenterprise assets" means all of the following:

31 (A) business loans;

- 1 (B) capital equipment;
2 (C) inventory; and
3 (D) all other assets required for the operation of the microenterprise;
4 (5) "net business income" means all business income minus all of the
5 following:
6 (A) business loan payments;
7 (B) business taxes;
8 (C) expenditures for vehicles vital to the business operations;
9 (D) cash retained in the microenterprise;
10 (E) insurance expenditures;
11 (F) inventory raw material expense;
12 (G) transportation expenditures;
13 (H) office supplies;
14 (I) professional services, including accounting, legal, or other consulting
15 services;
16 (J) delivery charges and supplies;
17 (K) commissions, salaries, wages, and other employment benefits,
18 including dental and vision care;
19 (L) postage;
20 (M) rent;
21 (N) utilities;
22 (O) telephone expenses;
23 (P) advertising and other marketing and promotional costs; and
24 (Q) training and professional development expenses.

25 * Sec. 11. DIVERSION PROJECT. (a) The Department of Health and Social Services
26 shall operate a diversion project that is designed to increase family income through
27 employment and child support payments by offering lump-sum diversion payments in place
28 of ongoing financial assistance under the Aid to Families with Dependent Children (AFDC)
29 program. A diversion payment may be offered to an applicant for AFDC who is job-ready
30 and who needs short-term financial assistance to meet critical needs in order to secure
31 employment and support for the applicant's family.

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

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

7 (2) having the AFDC application denied and applying for diversion project
8 benefits under this section.

9 (c) The amount of the diversion payment must be sufficient to meet the family's
10 immediate needs as determined by the department and the participant. A diversion payment
11 may not exceed

12 (1) \$1,000 for a family that includes one AFDC-eligible individual;

13 (2) \$1,500 for a family that includes two AFDC-eligible individuals;

14 (3) \$2,000 for a family that includes three AFDC-eligible individuals;

15 (4) \$2,500 for a family that includes four or more AFDC-eligible individuals.

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

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

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

23 (3) provides that if the family reapplies for AFDC assistance under
24 AS 47.25.310 - 47.25.429 during the three months beginning with the month in which the
25 family received a diversion payment the diversion payment shall be treated as unearned
26 income, prorated over the three-month period, and deducted from any AFDC benefit the
27 family may be eligible for under the new application.

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

31 (f) To the extent that a provision of this section is inconsistent with AS 25.27.120 or

1 25.27.130, or with a provision of AS 47.25.310 - 47.25.429, the provision of this section
2 governs.

3 * Sec. 12. COOPERATION. State agencies shall cooperate with the department to the
4 extent necessary to implement secs. 6 - 13 of this Act.

5 * Sec. 13. DEFINITIONS. In secs. 6 - 13 of this Act,

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

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

9 * Sec. 14. IMMUNITY FROM LIABILITY. (a) The Department of Health and Social
10 Services, and its employees, agents, and grantees, are not liable for civil damages as a result
11 of an act or omission in the implementation, operation, or administration of an authorized
12 project under secs. 6 - 13 of this Act.

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

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

17 * Sec. 15. AFDC PAYMENT LEVELS. Notwithstanding AS 47.25.320(a)(1) - (3), the
18 maximum amounts of assistance under AS 47.25.320(a) may not exceed the following, subject
19 to adjustments under other laws:

20 (1) dependent child living with nonneedy relative: \$451 a month, plus \$100
21 a month for each additional child;

22 (2) dependent child living with parent:

23 (A) for a parent and one dependent child, a maximum of \$806 a month;

24 (B) for each additional child, or for a second parent, \$100 a month per

25 individual;

26 (3) pregnant woman who is otherwise eligible for assistance under
27 AS 47.25.320 or a single-person household that does not consist of a dependent child: \$505
28 a month.

29 * Sec. 16. REGULATIONS. (a) The Department of Health and Social Services shall
30 adopt regulations necessary to implement secs. 6 - 15 of this Act. The regulations adopted
31 by the department may include

1 (1) eligibility criteria for the projects described in secs. 7 - 11 of this Act that
2 differ from eligibility requirements in AS 47.25.310 - AS 47.25.429 and the regulations
3 adopted under those statutes;

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

6 (3) exemptions from requiring participation in the projects because of
7 exceptional circumstances; and

8 (4) provisions for financial or non-financial sanctions for applicants who fail
9 to cooperate with project requirements or a provision of a plan.

10 (b) The Department of Revenue, child support enforcement agency, may adopt
11 regulations necessary to implement sec. 11 of this Act.

12 * Sec. 17. TRANSITION. The Department of Health and Social Services and the
13 Department of Revenue, child support enforcement agency, may proceed to adopt regulations
14 necessary to implement this Act. The regulations to implement a section of this Act take
15 effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the
16 relevant section of this Act.

17 * Sec. 18. Sections 2 - 4, 6, and 12 - 17 of this Act take effect immediately under
18 AS 01.10.070(c).

19 * Sec. 19. (a) Sections 7 - 11 of this Act take effect on the effective date of the federal
20 government's approval of the relevant waiver application made under sec. 6 of this Act.

21 (b) If the Department of Health and Social Services determines that federal statutes
22 do not require waivers for one or more of the projects outlined in secs. 7 - 11 of this Act, the
23 effective date of the relevant section is January 1, 1996, or the effective date of the federal
24 law, whichever is later.

25 (c) The commissioner of health and social services shall notify the revisor of statutes
26 and the lieutenant governor of the effective date of each of secs. 7 - 11 of this Act and of
27 whether the effective date was determined by a waiver approval or a determination that a
28 waiver is not necessary.

29 * Sec. 20. Section 1 of this Act takes effect January 1, 1996.

30 * Sec. 21. Sections 6 - 19 of this Act are repealed July 1, 2001.

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 5, 1995

FURTHER REFERRALS:

Date of Committee Action: 5/1/95

The FINANCE Committee considered:

HB 78

HOUSE BILL NO. 78

PUBLIC ASSIST. DEMO PROJECT & DECREASE

"An Act relating to the maximum amount of assistance that may be granted under the adult public assistance program and the program of aid to families with dependent children; proposing a special demonstration project within the program of aid to families with dependent children and directing the Department of Health and Social Services to seek waivers from the federal government to implement the project."

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

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

(1) fiscal note(s) DOE (1) REV (2) HESS (3) DCED (2) LABOR (2) fiscal note(s) HESS #1 - #12 4/5/95

(1) DEC zero fiscal note(s) zero fiscal note(s)

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Richard Foster</i>	FOSTER	X			
<i>Mark Hanley</i>	HANLEY	X			
<i>Alan Mulder</i>	MULDER	X			
<i>Terry Martin</i>	MARTIN			X	
<i>Leah Parnell</i>	PARNELL				X
<i>Kim Kohring</i>	KOHRING	X			
<i>Ben Grussendorf</i>	GRUSSENDORF				X
<i>Tom Brown</i>	BROWN				✓
<i>Willy Navarre</i>	NAVARRE			X	
<i>Craig Theriault</i>	THERIAULT				X

CO CHAIR'S SIGNATURE

Mark Hanley
Hanley

Richard Foster
Foster

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS HB 78 (FIN)

Revision Date: March 17, 1995 Department: Commerce and Economic Development
 Title: An Act relating to certain licenses.... for persons BRU: Occupational Licensing
who are not in substantial compliance...with child support... Component: Operations
 Sponsor: Senator Ellis
 Requestor: Senator Ellis COMPONENT SERIAL #: 1844

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	41.5	41.5	41.5	41.5	41.5	41.5
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	29.7	29.7	29.7	29.7	29.7	29.7
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	8.3					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	83.5	77.2	77.2	77.2	77.2	77.2

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

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

Estimate of any current year (FY 95) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

SB 109 prohibits the division of occupational licensing from issuing or renewing a license for a person who is not in compliance with orders, judgments, or payment schedules for child support. To comply with this bill, the division will be responsible for adapting the division's computerized licensing records to compare with the records provided by the child support enforcement division, coordinating the notification of applicants who are not in compliance, issuing the temporary licenses provided for in the bill, and responding to inquiries and complaints made to the division for refusing to issue or renew a license. (Continued on attached pages.)

Prepared by: Jennifer Strickler, Admin. Officer Phone: 465-2144
 Division: Occupational Licensing Date: 3/17/95
 Approved by Commissioner: William L. Hensley Date: 3/24/95
 Agency: Commerce and Economic Development

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS HB 78 (FIN)

Revision Date: _____
Title: Child Support Nonpayment/Licensing Ban
Sponsor: Senator Ellis
Requestor: _____

Department: Commerce and Economic Development
BRU: Insurance
Component: Operations
COMPONENT SERIAL NO. _____ #354

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	26.0	21.2	21.2	21.2	21.2	21.2
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	26.0	21.2	21.2	21.2	21.2	21.2

CAPITAL EXPENDITURES

CHANGE IN REVENUES

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1007 Interagency Receipts	26.0	21.2	21.2	21.2	21.2	21.2
TOTAL	26.0	21.2	21.2	21.2	21.2	21.2

Estimate of any current year (FY 95) cost: \$ 0.0

POSITIONS	
FULL-TIME	
PART-TIME	
TEMPORARY	

ANALYSIS: (Attach a separate page if necessary)

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

Prepared by: Joan Brown, Administrative Officer *[Signature]* Phone: 465-2597
 Division: Insurance Date: 3/13/95
 Approved by Commissioner: William L. Hensley *[Signature]* Date: 3/24/95
 Agency: Commerce and Economic Development

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CS HB 78 (FIN)

Revision Date: _____
Title: Child Support Nonpayment/Licensing Ban
Sponsor: Senator Ellis
Requestor: _____

Department Affected: Commerce and Economic Development
BRU: Banking, Securities and Corporations
Component: Banking, Securities and Corporations
COMPONENT SERIAL NO. 1233

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	29.1	24.3	24.3	24.3	24.3	24.3
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	29.1	24.3	24.3	24.3	24.3	24.3
CAPITAL EXPENDITURES	0	0	0	0	0	0
CHANGE IN REVENUES ()	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1007 Interagency Receipts	29.1	24.3	24.3	24.3	24.3	24.3
TOTAL	29.1	24.3	24.3	24.3	24.3	24.3

Estimate of current year (FY 95) cost: \$ 0

POSITIONS

FULL-TIME	.33	.33	.33	.33	.33	.33
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

- \$26.0 for FY 96 and \$21.2 for the remaining years will be used to fund one-third of an analyst/programmer for the Department of Commerce and Economic Development. This person will be shared by the Division of Banking, Securities and Corporations, Division of Insurance, and the Division of Occupational Licensing. This position is necessary to program and maintain the programs for matching records.
- \$3.1 is the cost of receiving a 9-track ASCII tape, bimonthly, from the Central Registration Depository (CRD). The CRD is the central national agency for licensing security agents and broker dealers. The cost is \$510 per tape x 6 tapes per year.

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

Phone: 465-2521
Date: 3-10-95

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

Date: 3-24-95

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STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. 89 HB 78 (FIN)

Revision Date: _____
 Title: Certain licenses for persons who are not
in compliance with child support orders/payments
 Sponsor: Ellis
 Requestor: House STA

Dept. Affected: Health and Social Services
 BRU: State Health Services
 Component: EMS Training & Licensing
 COMPONENT SERIAL NO. 297
 See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	1.0	1.0	1.0	1.0	1.0	1.0
TRAVEL						
CONTRACTUAL	0.5	0.2	0.2	0.2	0.2	0.2
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1.5	1.2	1.2	1.2	1.2	1.2

CAPITAL EXPENDITURES

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CHANGES IN REVENUES ()

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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify) 1007 I/A	1.5	1.2	1.2	1.2	1.2	1.2
TOTAL	1.5	1.2	1.2	1.2	1.2	1.2

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

Most of the reviewing of licensing will be done during the renewal period of November through February. During this time, it is estimated that 40 hours of overtime will be required @ \$24.42/hour or \$976.80.

In addition, \$0.2 will be needed for the extra postage and printing of temporary licenses. During the first year \$0.3 will be needed for modifying the data base which will allow for electronic check of records against the list of debtors.

The funds will be transferred from the Department of Revenue, Child Support Enforcement Division for these activities.

There is no impact on FY95.

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

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

Phone: (907) 465-3090
 Date: 03/09/95

Date: 3/10/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO.:

ANALYSIS: (Continued)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT FISCAL NOTE CALCULATIONS FOR SB 109

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

The estimated costs to the division of occupational licensing to implement SB 109 are as follows:

PERSONAL SERVICES:

\$ 41.5

The request of one position identified below is contingent upon approval of a Paralegal position requested in the division's FY 96 Operating Budget. Although the Paralegal position was requested to implement the student loan default program (a program with similar responsibilities to those established in this bill), the division anticipates utilizing part of that position to provide support to the child enforcement program as well. If the position is not authorized, this fiscal note will be revised to add staff since the one position shown below is not sufficient to fully implement the provisions of this bill alone and the division is unable to absorb further responsibilities without additional staff resources.

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

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

TRAVEL:

\$ 5.0

The travel associated with SB 109 is for the purpose of checking on licensees who continue to practice without a license after expiration of the 150 day temporary permit. The cost identified is based on four two-day trips between Anchorage and Juneau, three two-day trips between Anchorage and Fairbanks; and trips to other areas of the state as necessary.

CONTRACTUAL:

\$ 29.7

Costs for contractual services covers:

Printing of temporary permits and licenses, \$1.0

Telephone and fax costs, \$3.5

Certified mail and other postage costs, \$4.5

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

SUPPLIES:

\$1.0

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

EQUIPMENT: (One-time costs)

\$ 6.3

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

TOTAL:

\$83.5

REVENUE: Inter-Agency Receipts to cover program costs.

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

Fees collected by licensees affected by SB 109 can be used to offset the amount of inter-agency receipts from the Department of Revenue. Unlike the general fund program receipts from other licensing programs, the requirements of this bill do not relate to "regulation of the profession", therefore, licensing fees of an occupation will not be increased to pay for compliance with the requirements of this bill.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS HB 78 (FIN)

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to certain licenses and child support SFU: Assistance Payments
 Component: AFDC
 Sponsor: Ellis
 Requestor: Senate Finance COMPONENT SERIAL NO. 120

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(180.0)	(396.0)	(435.6)	(479.2)	(527.1)	(579.8)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(180.0)	(396.0)	(435.6)	(479.2)	(527.1)	(579.8)
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

'002 Federal Receipts	(90.0)	198.0	(217.9)	(239.6)	(263.5)	(289.9)
'003 GF Match	(1,152.5)	(2,535.5)	(2,389.1)	(3,068.0)	(3,374.3)	(3,712.2)
'004 GF	0.0	0.0	0.0	0.0	0.0	0.0
'005 GF Program Receipts	1,562.5	2,337.5	2,571.3	2,928.4	3,111.2	3,422.3
'006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other '007 VA Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	(180.0)	(396.0)	(435.6)	(479.2)	(527.1)	(579.8)

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

The Department of Revenue projects increased child support collections as a result of this legislation.

When child support collections cause the total income of an AFDC family to exceed the AFDC program income limit, the family is ineligible for AFDC. In such cases, the child support is paid directly to the family and no AFDC payment is made. Thus, the increased child support collections anticipated as a result of this legislation reduce the cost of the AFDC program.

Prepared by: Jim Nordlund, Director Phone: 465-2680
 Division: Division of Public Assistance Date: 4/21/95
 Approved by Com: Karen Perdue Date: 4/21/95
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):

When they apply, all AFDC applicants assign to the State the right to child support collected on behalf of the AFDC child(ren) as long as the child(re) remain on AFDC. Fifty percent of the amount of child support collected on behalf of AFDC recipient families is transferred to the AFDC component as GF Program Receipts. These funds replace AFDC GF Match funds. Collections made on behalf of children whose families are eligible for AFDC do not reduce the total cost of the AFDC; they shift AFDC program funding from GF Match to GF Program Receipts.

Assumptions:

Calculations are based on the Department of Revenue projection of the increase in child support collections produced by this legislation.

The overall decrease in AFDC program costs is based on the following assumptions:

The monthly AFDC caseload is decreased by an average of 100 cases beginning in January, 1996.

The caseload reduction increases by 10 percent each fiscal year after FY 90.

Average monthly AFDC grant of cases that leave the caseload because of this legislation is \$300.

The shift in funding source calculation is based on the Department of Revenue projection of increased revenues resulting from this legislation.

Calculations

AFDC benefit cost avoidance: AFDC caseload reductions

	<u>Total</u>	<u>GF Match</u>	<u>Fed Recipients</u>
FY 96:	(180.0)	(90.0)	(90.0)
FY 97:	(396.0)	(198.0)	(198.0)
FY 98:	(435.6)	(217.8)	(217.8)
FY 99:	(479.2)	(239.6)	(239.6)
FY 00:	(527.1)	(263.6)	(263.5)
FY 01:	(579.8)	(289.9)	(289.9)

ANALYSIS (cont.):

Shift in funding source: Collections on behalf of AFDC recipient children

	<u>GF Match</u>	<u>GF/ Prog Receipts</u>
FY 96:	(1,062.5)	1,062.5
FY 97:	(2,337.5)	2,337.5
FY 98:	(2,571.3)	2,571.3
FY 99:	(2,328.4)	2,328.4
FY 00:	(3,111.2)	3,111.2
FY 01:	(3,422.3)	3,422.3

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO: CS HB 78 (FIN)

Revision Date: _____ Dept. Affected: Public Safety
 Title: An Act relating to child support enforcement... ERU: Motor Vehicles
suspending driver's license... Component: Driver Services/Field Services
 Sponsor: Senator Ellis
 Requestor: S L & C COMPONENT SERIAL NO. 0500 & 0502

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

	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
OPERATING						
PERSONAL SERVICES	155.5	22.7	22.2	22.2	22.2	22.2
TRAVEL	1.5	1.5	1.5	1.5	1.5	1.5
CONTRACTUAL	22.9	11.2	11.2	11.2	11.2	11.2
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	10.0					
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	222.8	47.7	47.7	47.7	47.7	47.7
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES (1004 Revenue Code)	582.8	183.2	183.2	183.2	183.2	183.2

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	222.8	47.7	47.7	47.7	47.7	47.7
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	222.8	47.7	47.7	47.7	47.7	47.7

Estimate of current year (FY 95) impact: \$ _____

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Juanita Hensley Phone: 465-2650
 Division: Motor Vehicles Date: 3/30/95
 Approved by Commissioner: *Ronald L. Otte* Date: 4-3-95
 Agency: Ronald L. Otte, Dept. of Public Safety

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Fiscal Note Analysis
CSSB 109 (L&C)

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

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

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

The impacts from this bill will result in 7,000 updates to the driving record of the persons whose license is being suspended. One computer entry to add the suspension to the driving record; and another entry to end the suspension once the person has complied. Reinstating the driver's license will also impact the DMV field offices. The Motor Vehicle Representative will be required to see proof from CSED that the person is in compliance with their child support order before reinstating the driver's license. It is estimated 90 percent of all persons whose license is suspended will reinstate their driver's license. A \$100.00 reinstatement fee is charged anytime a person has had their license suspended or revoked within a 10 year period preceding application for a driver's license. It is estimated 1,575 individuals will pay the \$100. If the license is suspended or revoked more than one time within a 10 year period preceding application, a \$250 restatement fee is required. It is estimated 1,575 individuals will be required to pay the \$250. It is estimated the amount of additional new general fund program receipt revenue generated by this bill is approximately \$582.8 for FY96 and \$183.2 in the following years.

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

<u>OPERATING</u>	<u>FY96</u>	<u>FY97</u>
<u>Personal Services</u>	Salary and Benefits	
Driver Services Supervisor R14 (Juneau)	\$47.2	\$47.2
Motor Vehicle Representative II (Juneau)	\$35.1	
2 Motor Vehicle Representative II(Anch) (2 FY96 @ \$36.1)	<u>\$72.2</u>	<u>\$36.1</u>
TOTAL PERSONAL SERVICES	\$155.5	\$83.3
<u>Travel</u>		
Administrative Travel for mainline supervisor	\$1.5	\$1.5
<u>Contractual</u>		
Computer line charges (Mainframe connection) \$0.5 per workstation	\$2.0	\$1.0
Telephone lease and line charges	\$2.2	\$1.1
Office lease space allocation 880 sq ft @\$1.85 per sq ft	<u>\$19.6</u>	<u>\$9.8</u>
TOTAL CONTRACTUAL	\$23.8	\$11.9
<u>Supplies</u>		
Routine office supplies	\$2.0	\$1.0
<u>Equipment</u>		
4 Computer workstations @ \$10.0 each (One time costs)	\$40.0	
TOTAL OPERATING	\$222.8	\$97.7

Fiscal Note Analysis
CSSB 109 (L&C)

<u>REVENUE</u>	<u>FY96</u>	<u>FY97</u>
3,150 Reinstatements: 1,575 @ \$100; 1,575 @ \$250	\$551.3	
3,150 Duplicate license fees @ \$10	\$31.5	
390 Reinstatements: 195 @ \$100; 195 @ \$250		\$173.3
390 Duplicate license fees @ \$10		\$9.9
TOTAL REVENUE	\$582.8	\$183.2

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS HB 78 (ETM)

Revision Date: _____
Title: An act relating to certain licenses and applications for licenses.
Sponsor: Senator Ellis
Requester: Senator Ellis

Department Affected: Education
BRU: Executive Administration
Component: Teacher Certification

COMPONENT SERIAL NO. 1240

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	17.8	17.8	17.8	17.8	17.8	17.8
TRAVEL	2.0					
CONTRACTUAL	1.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	20.8	17.8	17.8	17.8	17.8	17.8
CAPITAL						

REVENUE FUND SOURCE:

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other: 1007 I/A Receipts	20.8	17.8	17.8	17.8	17.8	17.8
TOTAL	20.8	17.8	17.8	17.8	17.8	17.8

POSITIONS:

FULL-TIME	1.0					
PART-TIME	-1					
TEMPORARY						

Estimate of current year (FY95) Impact: \$ _____

ANALYSIS: (Attach a separate page if necessary.) SB 109 would require the Department of Education, Teacher Certification Office, to compare each initial and renewal certificate applicant received daily against a consolidated list of persons in noncompliance provided by the Department of Revenue. The department would need to reclassify and fill an existing vacant part-time Clerk I to an Administrative Clerk II position to assist with the additional processing required in this legislation. SB 109 would also require the State Board to adopt regulations and there would be related travel and advertising costs. Teacher Certification staff would be involved in developing department regulations. Funding would come through a RSA with the Department of Revenue, Child Support Enforcement Agency (CSED) contingent upon approval of the fiscal note for CSED.

Prepared by: Christine Niemi, Teacher Certification Administrator Phone: 465-2857
Division: Administrative Services Date: 3/24/95
Approved by Commissioner: Shirley Holloway
Agency: Education Date: 3/24/95

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ANALYSIS, CONTINUED:

This analysis assumes an effective date of 1/1/96 and annual cost increases of 4%. Implementation is expected to require 8 Child Support Enforcement Officer I's which will ensure prompt review of proposed license denials. Contractual costs include interdepartmental expenditures as obtained from various affected agencies. Internal operating expenditures are based on estimates used in CSED FY 96 operating budget. (See attached worksheets.) Equipment costs are reflected in FY 98 only. No State general fund contributions are anticipated as program expenditures will be offset by the increase in federal incentives provided from related AFDC collections.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS HB 78 (FIN)

Revision Date: 3/30/95
 Title: Child Support Nonpayment/
Licensing Ban
 Sponsor: Representative Davies
 Requestor: House State Affairs

Department Affected: Labor
 BRU: Labor Standards & Safety
 Component: Occupational Safety &
Health
 COMPONENT SERIAL NO. 970

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	24.3	25.4	25.6	27.9	29.2	30.7
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	11.6	7.2	7.5	7.9	8.3	8.7
SUPPLIES	0.2	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	36.1	32.8	34.3	36.0	37.7	39.6

CAPITAL						
CHANGE IN REVENUE FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTA						
1007 I/A Receipts	36.1	32.8	34.3	36.0	37.7	39.6
TOTAL	36.1	32.8	34.3	36.0	37.7	39.6

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This fiscal analysis assumes inflation at 4.83% and an effective date of 1/1/96. We will need to increase staffing six months before effective date in order to implement program as soon as possible after effective date.
 Interagency Receipts: RSA with Department of Revenue, Child Support Enforcement Division (CSED). Please see additional analysis attached.

Prepared by: John A. Abshire, Director Phone: 269-4914
 Division: Labor Standards and Safety Date: 3/30/95

Approved by Commissioner: Tom Cashen, Commissioner
 Agency: Department of Labor Date: 3/30/95

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Analysis:

SSHB 62 will require additional administrative and clerical time and costs for the Occupational Safety and Health component as follows:

- (1) When individuals apply in person for new or renewal certificates of fitness at any of five offices (Anchorage, Juneau, Fairbanks, Ketchikan, and Kenai) or at approved asbestos abatement worker training courses state-wide, the estimated increase in processing time will be 15 minutes per individual who is in substantial non-compliance with a support order. This does not include testing, proctoring, scoring or discussion of tests. Additional time will be required of program managers, when needed to assist applicants who have special concerns.
- (2) New programming, different procedures, forms, and additional mailing and reporting costs will be incurred to provide the "temporary license" renewal letters and to answer phones calls regarding the change.
- (3) Additional time will be required to process the releases and the permanent certificates, as individuals submit those to our office.
- (4) Additional time/programming to respond to the requirements of SSHB 62 at the 150 day mark.

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

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

Line 100 - Personal Services	FY96	FY97
Annual overtime for 1 PFT Admin Clerk III (10F) at 5 hrs per week		
Reclass Admin Clerk II (08) to Admin Clerk III (10)		
Salary	8.8	9.2
Benefits	2.4	2.5
Annual overtime for 1 PFT OSH IH Consultant (19E/F) at 5 hours per week		
Salary	10.4	10.9
Benefits	2.7	2.8
TOTAL	24.3	25.4
Line 200 - Travel	0.0	0.0
Line 300 - Contractual Services		
Professional Services-DP Programming (FY96 one-time)	6.0	0.0
Postage @ 2.52 x 2 x 2,350 x 10% (6 months in FY96)	0.6	1.1
Long Distance, including additional incoming toll free calls	1.0	2.0
Printing - Forms, Notices, and Letterhead	0.5	0.5
DP Operations Overhead	1.2	1.2
Indirect Costs @ 12% of Salaries	2.3	2.4
	11.6	7.2
Line 400 - Commodities		
Office and DP Supplies-Year 1	0.2	0.2
	0.2	0.2
Line 500 - Equipment	0.0	0.0
TOTAL	36.1	32.8

PRESS ENTER TO CONTINUE

02/15/95

Personal Services Cost Calculations Detail

10:55:00

Position: 07-072013	Project: 0	Salary Costs:	25,364.00
Component: 07-06-07-20-16-00	Region:	Benefits Costs:	11,993.65
Scenario: 4 FY: 96	COLA %: 0.000	C.O.L.A. Costs:	0.00
		Total Costs:	37,357.65

Schedule: 2A Range: 3 Step: E & Extra Step: F
 Monthly Base Rate: 2063.00 & Extra Rate: 2127.00 (FROM SALARY SCHEDULE)
 Base Hourly Rate @ 162.50 Hours Per Month: 12.70 (FROM SALARY SCHEDULE)

Salary: for 2.5 months	- COLA	& for 9.5 months	+ COLA	Total
Annual Pay= 5,157.50	0.00	20,206.50	0.00	25,364.00
Premium Pay= 0.00	0.00			0.00
Totals= 5,157.50	0.00	20,206.50	0.00	25,364.00

Benefits:	Est. cost	+ COLA	Seas. Ind.= F	Barg. Unit= GG	Ret. Code= A
SBS=	1,554.81	0.00	SBS rate= 0.06130 * salary;	max= 3861.90	
Medicare=	253.64	0.00	Med rate= 0.01000 * salary;	max= 99999.99	
Retirement=	1,571.25	0.00	Retirement rate	0.14080 * salary	
Variable=	1,415.31	0.00	Variable benefits rate	0.055800 * salary	
Short-term=	0.00	0.00	Nonperm benefits rate	0.000000 * salary	
Fixed Ben.=	5,198.64	N/A	12.0 months @ 433.220 &	0.0 @	0.000

Before OT + Reclass SS HBGE /g

RESS ENTER TO CONTINUE

02/15/95

Personal Services Cost Calculations Detail

16:24:46

Position: 07-072018	Project: 0	Salary Costs:	34,189.70
Component: 07-06-07-20-16-00	Region:	Benefits Costs:	14,358.03
Scenario: 4 FY: 96	COLA %: 0.000	C.O.D.A. Costs:	0.00
		Total Costs:	48,547.73

Schedule: 2A Range: 10 Step: E & Extra Step: F
 Monthly Base Rate: 2328.00 & Extra Rate: 2398.00 (FROM SALARY SCHEDULE)
 Base Hourly Rate @ 162.50 Hours Per Month: 14.33 (FROM SALARY SCHEDULE)

Salary: for 2.5 months	- COLA	& for 9.5 months	+ COLA	Total
Annual Pay= 5,820.00	0.00	22,781.00	0.00	28,601.00
Premium Pay= 5,588.70	0.00			5,588.70
Totals= 11,408.70	0.00	22,781.00	0.00	34,189.70

Benefits:	Est. cost	- COLA	Seas. Ind.= F	Barg. Unit= GG	Ret. Code= A
SBS=	2,095.82	0.00	SBS rate= 0.06130 * salary;	max= 3861.90	
Medicare=	341.89	0.00	Med rate= 0.01000 * salary;	max= 99999.99	
Retirement=	4,813.90	0.00	Retirement rate	0.14080 * salary	
Variable=	1,907.78	0.00	Variable benefits rate	0.055800 * salary	
Short-term=	0.00	0.00	Nonperm benefits rate	0.000000 * salary	
Fixed Ben.=	5,198.64	N/A	12.0 months @ 433.220 &	0.0 @	0.000

After OT + ReClass SS+B62/g

12/15/95

Position Information Inquiry/Update

10:49:22

Position: 07-072062	Project: 0	Salary Costs: 53,739.50
Component: 07-06-07-20-15-00	Region: -	Benefits Costs: 19,595.44
Scenario: 4 FY: 96	COLA % = 0.000	Total Costs: 73,334.94

 Actuals from Payroll (Status: FILLED) | Retirement Code: A

 Step: E for 3.5 months & Step: F for 8.5 months (total: 12.00)
 05/10/16 Merit Date; use merit defaults? N (3.5 @ E & 8.5 @ F)
 Class/Sched Prefix: 2 Schedule: 2A (actual: 2A)
 GG Bargaining Unit: GG Range: 19 (actual: 19)
 EBA Location Code: EBA Place: ANCHORAGE
 P2425 Job Class Code: P2425 Title: INDUSTRIAL HYGIENIST
 Seasonal Indic.: F Type: FACL - FULL TIME / OMB AUTH

 Optional Override Salary Rates:
 Monthly Rate: 0.00 for 0.0 months & rate of 0.00 for 0.0 months
 Hourly Rate: 0.00 for 0.0 months Frozen at this rate? (Y/N): N

Press ENTER to update record; enter # or use PF key to go to another screen:
 1=Premium pay info 2=Funding info 4=Code Translations 6=Calculations
 8=Detail Report 12=Exit w/o update Selection: 0_

before OT SSHB62

7

PRESS ENTER TO CONTINUE

02/15/95

Personal Services Cost Calculations Detail

10:53:41

Position: 07-072062	Project: 0	Salary Costs:	64,019.90
Component: 07-06-07-20-16-00	Region:	Benefits Costs:	22,287.04
Scenario: 4 FY: 96	COLA %: 0.000	C.O.L.A. Costs:	0.00
		Total Costs:	86,306.94

Schedule: 2A Range: 19 Step: E & Extra Step: F
 Monthly Base Rate: 4284.00 & Extra Rate: 4442.00 (FROM SALARY SCHEDULE)
 Base Hourly Rate @ 162.50 Hours Per Month: 26.36 (FROM SALARY SCHEDULE)

Salary: for 3.5 months	+ COLA	&	for 8.5 months	+ COLA	Total
Annual Pay= 14,994.00	0.00		37,757.00	0.00	52,751.00
Premium Pay= 11,268.90	0.00				11,268.90
Totals= 26,262.90	0.00		37,757.00	0.00	64,019.90

Benefits:	Est. cost	+ COLA	Seas. Ind.= F	Barg. Unit= GG	Ret. Code= A
SBC=	3,861.90	0.00	SBS rate= 0.06130 * salary;	max= 3861.90	
Medicare=	640.19	0.00	Med rate= 0.01000 * salary;	max= 99999.99	
Retirement=	9,014.00	0.00	Retirement rate	0.14080 * salary	
Variable=	3,572.31	0.00	Variable benefits rate	0.055800 * salary	
Short-term=	0.00	0.00	Nonperm benefits rate	0.000000 * salary	
Fixed Ben.=	5,198.64	N/A	12.0 months @ 433.220 &	0.0 @	0.000

After OT SSHB62

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS HB 78 (FIN)

Revision Date: 3/30/95
 Title: Child Support Nonpayment/
Licensing Ban
 Sponsor: Representative Davies
 Requestor: House State Affairs

Department Affected: Labor
 BRU: Labor Standards & Safety
 Component: Mechanical Inspection

COMPONENT SERIAL NO. 346

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	37.1	38.8	40.1	41.3	42.5	43.8
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	11.9	6.7	7.0	7.4	7.7	8.1
SUPPLIES	0.2	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	4.5					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	53.7	45.7	47.3	48.9	50.4	52.1

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
1007 I/A	53.7	45.7	47.3	48.9	50.4	52.1
TOTAL	53.7	45.7	47.3	48.9	50.4	52.1

POSITIONS:

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

Estimate of current year (FY95) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This fiscal analysis assumes inflation at 4.83% and an effective date of 1/1/96. We will need to increase staffing six months before effective date in order to implement program as soon as possible after the effective date. Interagency Receipts: RSA with Department of Revenue, Child Support Enforcement Division (CSED). Please see additional analysis attached.

Prepared by: John A. Abshire, Director Phone: 269-4914
 Division: Labor Standards and Safety Date: 3/30/95

Approved by Commissioner: Tom Cashen, Commissioner
 Agency: Department of Labor Date: 3/30/95

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Analysis:

SSHB 62 will require additional administrative and clerical time and costs for the Mechanical Inspection component as follows:

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

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

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

(4) Additional time/programming to respond to the requirements of SSHB 62 at the 150 day mark.

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

Costs for this section to implement SSHB 62 include:

	FY96	FY97
Line 100 - Personal Services		
1 PFT Admin Clerk III (10 A/B) Anchorage		
Salary	25.2	26.3
Benefits	11.9	12.5
TOTAL	37.1	38.8
 Line 200 - Travel	 0.0	 0.0
 Line 300 - Contractual Services		
Professional Services-DP Programming (FY96 one-time)	6.0	0.0
Postage @ 2.52 x 2 x 3,300 x 10% (6 months FY96)	0.8	1.7
Printing - Forms, Notices, and Letterhead	0.3	0.3
DP Operations Overhead	1.2	1.2
Telephone Installation (FY96 one-time)	0.3	0.0
Telephone Base Cost	0.3	0.3
Indirect Costs @ 12% of Salaries	3.0	3.2
	11.9	6.7
 Line 400 - Commodities		
Office and DP Supplies-Year 1	0.2	0.2
 Line 500 - Equipment		
Workstation, chair, and computer with software (FY96 one-time)	4.5	0.0
	53.7	45.7
TOTAL		

10/17/95

Position Information Inquiry/Update

12:09:52

Position: 07-07#022	Project: 0_____	Salary Costs: 25,140.00
Component: 07-06-07-20-05-00	Region: _____	Benefits Costs: 11,933.64
Scenario: 4 FY: 96	COLA % = 0.000	Total Costs: 37,073.64

 Actuals not available (Status: UNKNOWN) | Retirement Code: A

10/30/00 Step: A for _5.0 months & Step: B for _5.0 months (total: 12.00)
 Merit Data; use merit defaults? N (0.0 % & 0.0 %)
 Class/Sched Prefix: 2 Schedule: 2A (actual:)
 Bargaining Unit: GG Range: 10 (actual:)
 Location Code: EBA Place: ANCHORAGE
 Job Class Code: P1135 Title: ADMINISTRATIVE CLERK III _____
 Seasonal Indic.: F Type: -

 Optional Override Salary Rates:
 Monthly Rate: 0.00_____ for _0.0 months & rate of 0.00_____ for _0.0 months
 Hourly Rate: 0.00_____ for _0.0 months Frozen at this rate? (Y/N): N

Press ENTER to update record; enter # or use PF key to go to another screen:
 1=Premium pay info 2=Funding info 4=Code Translations 6=Calculations
 7=MISC NEW POS DATA 8=Detail Report 12=Exit w/o update Selection: 0_

Position: 07-07#022	Project: 0	Salary Costs:	25,140.00
Component: 07-06-07-20-05-00	Region:	Benefits Costs:	11,933.64
Scenario: 4 FY: 96	COLA %: 0.000	C.O.L.A. Costs:	0.00
		Total Costs:	37,073.64

Schedule: 2A Range: 10 Step: A & Extra Step: B
 Monthly Base Rate: 2063.00 & Extra Rate: 2127.00 (FROM SALARY SCHEDULE)
 Base Hourly Rate @ 162.50 Hours Per Month: 12.70 (FROM SALARY SCHEDULE)

Salary: for 6.0 months	+ COLA	& for 6.0 months	+ COLA	Total
Annual Pay= 12,378.00	0.00	12,762.00	0.00	25,140.00
Premium Pay= 0.00	0.00			0.00
Totals= 12,378.00	0.00	12,762.00	0.00	25,140.00

Benefits:	Est. cost	+ COLA	Seas. Ind.= F	Barg. Unit= GG	Ret. Code= A
SBS=	1,541.03	0.00	SBS rate= 0.06130	* salary;	max= 3861.90
Medicare=	251.40	0.00	Med rate= 0.01000	* salary;	max= 99999.99
Retirement=	3,539.71	0.00	Retirement rate	0.14080	* salary
Variable=	1,402.81	0.00	Variable benefits rate	0.055800	* salary
Short-term=	0.00	0.00	Nonperm benefits rate	0.000000	* salary
Fixed Ben.=	5,198.64	N/A	12.0 months @	433.220 &	0.0 @ 0.000

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS HB 78 (FIN)

Revision Date: _____
 Title: An Act relating to certain licenses and applications
for licenses for persons not in compliance w/ orders
 Sponsor: Representative Davies, B. Davis, Elton
 Requestor: State Affairs, Labor & Commerce, Judiciary, Finance

Department Affected: Environmental
Conservation
 BRU: Environmental Health
 Component: Palmer Laboratory

COMPONENT SERIAL NO. #651

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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 EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

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 Receipt	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

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

No costs to department would be incurred if list is provided which is compatible with department's electronic capabilities.

Prepared by: Larry Jones
 Division: Director, Information and Administrative Services

Phone: 465-5010
 Date: 2/17/95

Approved by Commissioner: Lawrence Jones
 Agency: Department of Environmental Conservation

Date: _____

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FISCAL NOTE

N- 1
 Bill. Version: CSHB 78 (HES)
 (H) Publish Date: 4/5/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

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

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(137.9)	(875.1)	(1,782.4)	(1,882.1)	(1,998.6)	(2,111.1)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(137.9)	(875.1)	(1,782.4)	(1,882.1)	(1,998.6)	(2,111.1)

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(62.6)	(398.1)	(811.0)	(856.3)	(909.3)	(960.5)
1003 GF Match	(62.6)	(398.2)	(811.0)	(856.4)	(909.4)	(960.6)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	(12.7)	(78.8)	(160.4)	(169.4)	(179.9)	(190.0)
TOTAL	(137.9)	(875.1)	(1,782.4)	(1,882.1)	(1,998.6)	(2,111.1)

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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

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ANALYSIS (cont.):

UNMARRIED MINOR PARENTS

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

Assumptions:

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

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

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

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

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

Regulations take effect January 1, 1996.

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

Savings Calculation:

FY 96: (137.9)

FY 97 through FY 01: (275.9) per year

ANALYSIS (cont.):

DEMONSTRATION PROJECTS

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

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

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

ANALYSIS (cont.):

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

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

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

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

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

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

Workfare Project:**General Assumptions:**

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

Savings Assumptions:

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

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

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

ANALYSIS (cont.):

Annual Workfare Savings:

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

Cost Assumptions:

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

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

Annual Workfare Costs:

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

Workfare Project: Cost/Savings Summary

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

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

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

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

Savings Assumptions:

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

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

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

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

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

Cost Assumptions:

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

Calculations:

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

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

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

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

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

Savings Assumptions:

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

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

Cost Assumptions:

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

Calculations:

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

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

The Diversion Project operates in two areas of the state.

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

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

Savings Assumptions:

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

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

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

Cost Assumptions:

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

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

Calculations:

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

ANALYSIS (cont.):

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

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

FISCAL NOTE

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

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

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	91.5	182.8	182.8	182.8	182.8	182.8
TRAVEL	1.5	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	2.5	4.0	4.0	4.0	4.0	4.0
SUPPLIES	1.3	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	40.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	136.8	188.8	188.8	188.8	188.8	188.8
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	68.4	94.4	94.4	94.4	94.4	94.4
1003 GF Match	68.4	94.4	94.4	94.4	94.4	94.4
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	136.8	188.8	188.8	188.8	188.8	188.8

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

Prepared by: Jim Nordlund, Director Phone: 465-2580
 Division: Division of Public Assistance Date: 4/4/95
 Approved by: Karen Perdue Date: 4/4/95
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):Assumptions:

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

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

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

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

Calculations:**FY 96:**

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

FY 97 through FY01:

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

FISCAL NOTE

Nr 3
 Bill Version: CSHB 78 (HES)
 (H) Publish Date: 4/5/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

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

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	114.5	114.5	114.5	114.5	114.5	114.5
TRAVEL	16.0	16.0	16.0	16.0	16.0	16.0
CONTRACTUAL	62.0	27.0	27.0	27.0	27.0	27.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	20.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	213.5	158.5	158.5	158.5	158.5	158.5
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	106.7	79.2	79.2	79.2	79.2	79.2
1003 GF Match	106.8	79.3	79.3	79.3	79.3	79.3
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	213.5	158.5	158.5	158.5	158.5	158.5

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

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

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

Prepared by: Jim Nordlund, Director Phone: 465-2680
 Division: Division of Public Assistance Date: 4/4/95
 Approved by Com: Karen Terese, Commissioner Date: 4/4/95
 Agency: Department of Health & Social Services

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

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

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

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

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

Calculations:**FY 96:**

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

FY 97 through FY01

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

FISCAL NOTE

Bill Version: CSHB 78 (HES)
 (H) Publish Date: 4/5/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

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

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	166.5	114.5	62.5	62.5	62.5	62.5
TRAVEL	16.0	16.0	0.0	0.0	0.0	0.0
CONTRACTUAL	776.4	145.5	3.5	3.5	3.5	3.5
SUPPLIES	1.5	1.0	0.0	0.0	0.0	0.0
EQUIPMENT	12.0	0.0	0.5	0.5	0.5	0.5
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	972.4	277.0	66.5	66.5	66.5	66.5
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	486.2	138.5	33.2	33.2	33.2	33.2
1003 GF Match	486.2	138.5	33.3	33.3	33.3	33.3
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	972.4	277.0	66.5	66.5	66.5	66.5

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

Continued on page 2

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

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

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ANALYSIS (cont.):

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

Assumptions:

The EIS modification project begins when the bill is enacted.

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

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

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

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

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

Calculations:**FY 96**

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

ANALYSIS (cont.):

FY 97

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

FY 98 thru FY 01:

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

FISCAL NOTE

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STATE OF ALASKA
1995 LEGISLATIVE SESSION

Bill Version: CSHB 78 (HES)
(H) Publish Date: 4/5/95

Revision Date: _____ Dept. Affected: Health and Social Services
Title: An Act relating to the AFDC program BRU: PA Administration
demonstration projects and payment reductions Component: Alaska Work Program
Sponsor: Hauley
Requestor: House HES COMPONENT SERIAL NO. 138

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	300.0	300.0	300.0	300.0	300.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	94.5	136.1	146.0	157.0	170.4
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	394.5	436.1	446.0	457.0	470.4
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	197.2	218.0	223.0	228.5	235.2
1003 GF Match	0.0	197.3	218.1	223.0	228.5	235.2
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1008 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 IIA Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	394.5	436.1	446.0	457.0	470.4

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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

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

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

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

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

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

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

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

ANALYSIS (cont.):

\$37/month average transportation cost for FY97.

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

2.5% inflation rate for each year.

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

Unemployed Parent Project - Supportive Service Calculations:

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

FISCAL NOTE

Bill Version: CSHB 78 (HES)
 (H) Publish Date: 4/5/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

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

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	152.0	272.3	289.3	300.0	308.7
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	152.0	272.3	289.3	300.0	308.7
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	76.0	136.1	144.6	150.0	154.3
1003 GF Match	0.0	76.0	136.2	144.7	150.0	154.4
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	152.0	272.3	289.3	300.0	308.7

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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

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ANALYSIS (cont.):Assumptions:

FY96 is a planning year, with no participants.

Project is operational July 1, 1996.

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

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

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

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

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

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

Child Care Calculations:

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

FISCAL NOTE

N 7

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Bill Version: CSHB 78 (HES)
(H) Publish Date: 4/5/95

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

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(1,610.7)	(2,255.1)	(2,367.9)	(2,486.3)	(2,610.7)	(2,741.2)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(1,610.7)	(2,255.1)	(2,367.9)	(2,486.3)	(2,610.7)	(2,741.2)
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	(1,244.5)
1003 GF Match	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	(1,244.5)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1008 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	(197.7)	(207.5)	(217.7)	(228.7)	(240.1)	(252.2)
TOTAL	(1,610.7)	(2,255.1)	(2,367.9)	(2,486.3)	(2,610.7)	(2,741.2)

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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ANALYSIS (cont.):Assumptions:

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

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

Ratable reductions are imposed statewide.

AFDC caseload size will increase by 5 percent each year.

The average amount of monthly AFDC benefit decrease as a result of ratable reductions will be \$13.00.

Calculations:

	<u>Average AFDC Caseload</u>	<u>Average monthly payment reduction</u>	<u>Total FY Reduction</u>
FY96	13,767	\$13	* \$1,610.7
FY97	14,456	\$13	\$2,255.1
FY98	15,179	\$13	\$2,367.9
FY99	15,938	\$13	\$2,486.3
FY00	16,735	\$13	\$2,610.7
FY01	17,572	\$13	\$2,741.2

* FY96 Total reduction is for 9 months

FISCAL NOTE

NC 8

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Bill Version: CSHB 78 (HES)

(H) Publish Date: 4/5/95

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

Expenditures/Revenues:

	(Thousands of Dollars)					
OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE

	(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1008 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1050 PFD Funds	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)
TOTAL	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)

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 any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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

The benefit reductions take effect on October 1, 1995.

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

Calculations:**PFD HOLD HARMLESS SAVINGS**

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

STATE OF ALASKA
1995 LEGISLATIVE SESSION

lo. 9
Bill Version: CSHB 78 (HES)
(H) Publish Date: 4/5/95

Revision Date: _____
Title: An Act relating to the AFDC program
demonstration projects and payment reductions
Sponsor: Representative Hanley
Requestor: House (HES)

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

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

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

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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

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ANALYSIS (cont.):

also be necessary.

Contract Clinical Social Worker (12 months)

Intake Assessment/Evaluation

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

Re-evaluations for maintenance caseload

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

Social Worker IV Range 18 Juneau State Office \$58.9

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

TOTAL \$113.9

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 10
Bill Version: CSHB 78 (HES)
(H) Publish Date: 4/5/95

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

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

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	20.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	20.0	0.0	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other (please specify)						
TOTAL	40.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

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

Prepared by: Jon Sherwood
Division: Medical Assistance

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

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

Date: 4/4/95

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FISCAL NOTE

No. 11

Bill Version: CSHB 78 (HES)

(H) Publish Date: 4/5/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

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

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

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	(103.6)	(196.5)	(219.5)	(234.7)	(248.4)
1003 GF Match	0.0	(103.7)	(196.6)	(219.6)	(234.8)	(248.4)
1004 GF						
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other (please specify)						
TOTAL	0.0	(207.3)	(393.1)	(439.1)	(469.5)	(496.8)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: 30.0

ANALYSIS: (Attach a separate page if necessary)

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

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

See analysis on the attached pages.

Prepared by: Jon Sherwood
Division: Medical Assistance

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

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

Date: 4/4/95

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ANALYSIS (cont.):

GENERAL ASSUMPTIONS

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

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

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

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

MINOR PARENT ASSISTANCE

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

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

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

Case load will increase 1% per year.

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

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

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

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

ANALYSIS (cont.):

WORKFARE

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

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	9	9	9	9	9
Adult Denials (1 adult)	0	9	9	9	9	9
Adult Closures (1 adult)	0	42	42	42	42	42
Child Denials (1 child)	0	9	9	9	9	9
Child Closures (1 child)	0	42	42	42	42	42
Adults Going Off Caseload for 6.5 mo.	\$0	(\$96,330)	(\$100,620)	(\$104,910)	(\$109,590)	(\$114,270)
Children Going of Caseload for 6.5 mo.	\$0	(\$47,405)	(\$49,394)	(\$61,714)	(\$54,035)	(\$56,355)
WORKFARE SAVINGS	\$0	(\$143,735)	(\$150,014)	(\$156,624)	(\$163,625)	(\$170,625)

AFDC UNEMPLOYED PARENT PROJECT

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

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

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

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	22	24	33	34	36
Adult Denials (2 adults)	0	44	46	48	52	54
Adult Closures (2 adults)	0	14	16	16	18	18
Child Denials (1.3 children)	0	29	30	31	34	35
Child Closures (1.3 children)	0	9	10	10	12	12
Adults Going Off Caseload for 6.5 mo.	\$0	(\$128,440)	(\$144,222)	(\$169,606)	(\$189,956)	(\$206,686)
Children Going of Caseload for 6.5 mo.	\$0	(\$36,321)	(\$38,740)	(\$41,574)	(\$48,737)	(\$51,935)
UP PROJECT SAVINGS	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,621)

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

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

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Closures (1 adult)	0	3	3	10	10	10
Child Closures (1 child)	0	3	3	10	10	10
Adult Medicaid Savings	\$0	(\$8,892)	(\$9,288)	(\$32,280)	(\$33,720)	(\$35,160)
Children Medicaid Savings	\$0	(\$6,148)	(\$6,364)	(\$18,720)	(\$19,560)	(\$20,400)
SELF-EMPLOYMENT SAVINGS	\$0	(\$14,040)	(\$14,652)	(\$51,000)	(\$53,280)	(\$55,560)

DIVERSION PROGRAM:

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

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

SUMMARY OF DIVISION SAVINGS

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Mino: Parent Assistance	\$0	(\$8,580)	(\$9,089)	(\$9,872)	(\$10,269)	(\$10,880)
Disregards/Waiver/Auto provisions	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224
Workfare Project	\$0	(\$143,735)	(\$150,014)	(\$166,624)	(\$163,625)	(\$170,625)
AFDC Unemployed Parent Project	\$0	(\$183,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,621)
Self-Employment Project	\$0	(\$14,040)	(\$14,852)	(\$51,000)	(\$53,280)	(\$55,560)
Diversion Program	\$0	(\$115,830)	(\$481,685)	(\$506,813)	(\$533,467)	(\$562,545)
TOTAL SAVINGS	\$0	(\$431,906)	(\$818,866)	(\$914,888)	(\$978,022)	(\$1,035,007)
MEDICAID FACILITIES (52%)	\$0	(\$224,591)	(\$425,810)	(\$475,742)	(\$508,571)	(\$538,204)
MEDICAID NON-FACILITIES (48%)	\$0	(\$207,315)	(\$393,056)	(\$439,146)	(\$469,451)	(\$496,803)

FISCAL NOTE

No. 12

Bill Version: CSHB 78 (HES)

(H) Publish Date: 4/5/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

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

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

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	(112.3)	(212.9)	(237.8)	(254.3)	(269.1)
1003 GF Match	0.0	(112.3)	(212.9)	(237.9)	(254.3)	(269.1)
1004 GF						
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other (please specify)						
TOTAL	0.0	(224.6)	(425.8)	(475.7)	(508.6)	(538.2)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY96) cost: 50.0

ANALYSIS: (Attach a separate page if necessary)

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

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

See analysis on the attached pages.

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Date: 03/31/95

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

Date: 4/4/95

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ANALYSIS (cont.):

GENERAL ASSUMPTIONS

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

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

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

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

MINOR PARENT ASSISTANCE

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

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

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

Case load will increase 1% per year.

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

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

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

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

ANALYSIS (cont.):

WORKFARE

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

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

AFDC UNEMPLOYED PARENT PROJECT

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

This program also waives the 100 hour employment limit and raises the vehicle exemption to \$6000. This will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 8 cases per month will become eligible for AFDC-UP due to these provisions. A UP case (household) includes 2 adults and an average of 2.6 children.

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

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	22	24	33	34	36
Adult Denials (2 adults)	0	44	46	48	52	54
Adult Closures (2 adults)	0	14	16	16	18	18
Child Denials (1.3 children)	0	29	30	31	34	35
Child Closures (1.3 children)	0	9	10	10	12	12
Adults Going Off Caseload for 6.5 mo.	\$0	(\$128,440)	(\$144,222)	(\$168,605)	(\$189,956)	(\$205,686)
Children Going of Caseload for 6.5 mo.	\$0	(\$35,321)	(\$38,740)	(\$41,574)	(\$48,737)	(\$51,935)
UP PROJECT SAVINGS	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,621)