

ALASKA LEGISLATURE

1294

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

Position Title Project Assistant		No. of Positions 1	Range/Step 16A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Juneau		Election District
TYPE of EXPENDITURE		AMOUNT	Justification Project development and management include planning, negotiating, and preparing the demonstration project application(s). Including requesting waiver of the pertinent federal law provisions. Development also includes coordinating the necessary program and system changes and dealing with requests for information about the project as well as negotiation and administration of the evaluation contract and monitoring of the project. Project management staff would also be responsible to oversee the operation and monitoring of the project and maintain the necessary relationships with federal officials throughout its duration. This request is for the project assistant.	
Salary		52.0		
Benefits				
Premium Pay				
Other				
Total Personal Services		52.0		
Travel		8.0		
Contractual		3.5		
Commodities		0.5		
Equipment		10.0		
Other				
Total Cost		74.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	37.0		
1003	GF Match	37.0		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
BRU: Public Assistance Administration
COMPONENT: Public Assistance Administration (0233)

Page 1 of 1

Revised Date:

FY96

Position Title Public Assistance Analyst I		No. of Positions 1	Range/Step 16A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Juneau		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		52.0		
Benefits				
Premium Pay				
Other				
Total Personal Services		52.0		
Travel		6.0		
Contractual		1.0		
Commodities		0.5		
Equipment		10.0		
Other				
Total Cost		69.5		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	34.7		
1003	GF Match	34.8		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>Timely implementation of the many new program provisions require project staff to coordinate regulation development, inter agency cooperation, and dissemination of information and instructions to eligibility staff and the recipient population.</p> <p>After assisting with implementation, this position continues as a member of the AFDC policy support unit.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration (0233)

Page 1 of 1

Revised Date:

FY96

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS for CSHB 78 (FIN)
DPA #4

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: PA Data Processing
Sponsor: Hanley
Requestor: Senate Finance 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
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CHANGES IN REVENUES	0	0	0	0	0	0
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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: 5/7/95
Date: 5/7/95

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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		<u>972.4</u>

Revision Date: _____

BILL NO. SCS for CSHB 78 (FIN)

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

Position Title Project Coordinator		No. of Positions 1	Range/Step 19A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		62.5		
Benefits				
Premium Pay				
Other				
Total Personal Services		62.5		
Travel		8.0		
Contractual		3.5		
Commodities		0.5		
Equipment		4.0		
Other				
Total Cost		78.5		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	39.2		
1003	GF Match	39.3		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>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.</p> <p>This position is the project coordinator is necessary to coordinate project management and act as a liaison between contractor, waiver project staff, policy experts, and system staff. This position is necessary for initiation through the final evaluation in FY01.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Data Processing (0240)

Page 1 of 1
 Revised Date:

FY96

Position Title Public Assistance Analyst		No. of Positions 2	Range/Step 16A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		104.0		
Benefits				
Premium Pay				
Other				
Total Personal Services		104.0		
Travel		8.0		
Contractual		7.0		
Commodities		1.0		
Equipment		8.0		
Other				
Total Cost		128.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	64.0		
1003	GF Match	64.0		
1004	General Fund			
1005	GI/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>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.</p> <p>These positions are public assistance analysts necessary to ensure accuracy of contractor design and development efforts.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

BRU: Public Assistance Administration

COMPONENT: Public Assistance Data Processing (0240)

FY96

Page 1 of 1

Revised Date: 3/28/95

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS for CSHB 78 (213)
DPA #5

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to the AFDC program BPU: PA Administration
demonstration projects and payment reductions Component: Alaska Work Program
 Sponsor: Hadley
 Requestor: Senate Finance COMPONENT SERIAL NO. 238

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
MISCELLANECUS	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
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CHANGES IN REVENUES	0	0	0	0	0	0
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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
1006 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 *Jim Nordlund*
 Division: Division of Public Assistance
 Approved by Com: Karen Perode *Karen Perode*
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 5/7/95
 Date: 5/7/95

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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.

\$7.5/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

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS for CSHB 78 (PIN)
OPA #6

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: Hanley
Requestor: Senate Finance 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	154.3
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 WA 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 *Jim Nordlund* Phone: 465-2680
Division: Division of Public Assistance Date: 5/7/95
Approved by Com: Karen Perdue *Karen Perdue* Date: 5/12/95
Agency: Department of Health & Social Services

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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	40.3	170.4
Diversion	0.0	21.0	41.3	42.3	43.3	45.4	193.3
Workfare	0.0	100.3	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

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS for CSHB 78 (PIN)
DPA #7

Revision Date: _____ Dept. Affected: Health and Social Services
Title: An Act relating to the AFDC program demonstration projects, and payment reductions BRU: PFD Hold Harmless
Sponsor: Hanley Component: PFD Hold Harmless
Requestor: Seuate Finance 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	(226.9)	(333.8)	(485.0)	(614.3)	(759.8)	(907.7)	
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL OPERATING	(226.9)	(333.8)	(485.0)	(614.3)	(759.8)	(907.7)	
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	0.0	0.0	0.0	0.0	0.0	
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0	
Other 1050 PFD Funds	(226.9)	(333.8)	(485.0)	(614.3)	(759.8)	(907.7)	
TOTAL	(226.9)	(333.8)	(485.0)	(614.3)	(759.8)	(907.7)	

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)

PFD 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. PFD 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 Perdue
Agency: Department of Health & Social Services

Phone: 465-2680
Date: 5/7/95
Date: 5/2/95

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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	\$ 29.2	\$226.9
FY97	\$207.5	\$126.3	\$333.8
FY98	\$217.7	\$267.3	\$485.0
FY99	\$228.7	\$385.6	\$614.3
FY00	\$240.1	\$519.7	\$759.8
FY01	\$252.2	\$655.5	\$907.7

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS for CSHB 78 (FIN)
DPA #8

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: Hanley
 Requestor: Senate Finance 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
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CHANGES IN REVENUES	0	0	0	0	0	0
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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
1006 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 by approximately 1.7 percent below the current payment levels.

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: 5/7/95
 Date: 5/1/95

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ANALYSIS (cont.):Assumptions:

The ratable reduction takes effect on October 1, 1995.

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

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS CSHB 78 (FIN)

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to the payment of BRU: Medical Assistance
aid to families with dependent children ... Component: Medicaid-Facilities
 Sponsor: HANLEY COMPONENT SERIAL NO. 230
 Requestor: Senate FIN See also (SN#): 230, 243, 1434

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(116.7)	(495.2)	(745.6)	(1,110.3)	(1,773.1)	(2,029.3)
MISCELLANEOUS						
TOTAL OPERATING	(116.7)	(495.2)	(745.6)	(1,110.8)	(1,778.1)	(2,029.3)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(58.4)	(247.6)	(372.3)	(555.4)	(889.0)	(1,014.1)
1003 GF Match	(58.3)	(247.5)	(372.3)	(555.4)	(889.1)	(1,014.2)
1004 GF						
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other (please specify)						
TOTAL	(116.7)	(495.2)	(745.6)	(1,110.8)	(1,779.1)	(2,029.3)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: 50.0

ANALYSIS: (Attach a separate page if necessary)

SCS CSHB 78 (FIN) makes several changes to the Aid to Families with Dependent Children (AFDC) program. AFDC recipients are eligible for Medicaid. Medicaid spending will decrease as people lose Medicaid eligibility when they lose AFDC due to increased child support collections, renewed self sufficiency as a result of the diversion program, failure to cooperate with the requirements of a workfare and AFDC unemployed parent projects, time limits to AFDC, or successful entrepreneurship that increases their net income. Recipients may also lose Medicaid if they are convicted of welfare fraud. 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 Phone: 465-3355
 Division: Medical Assistance Date: 05/06/95
 Approved by Commissioner: Karen Perdue Date: 5/7/95
 Agency: Department of Health & Social Services

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.

DELINQUENT CHILD SUPPORT COLLECTIONS

The prospect of losing occupational licenses and driver's licenses will encourage more delinquent obligor's to comply with child support orders. The increased child support collections will result in some AFDC households losing eligibility because that household will have child support income in excess of the AFDC need standard. DPA estimates that the monthly AFDC caseload will decrease by an average of 100 cases, beginning January, 1996, with the caseload reduction increasing by 10 percent each fiscal year after FY 96. Approximately one-half of the children of these families will continue to be eligible for Medicaid under a poverty level Medicaid only eligibility category. Therefore, when a family loses AFDC because of increased child support payments, on average one adult and only 1 child lose Medicaid. Because of the January 1, 1996 effective date, FY 96 shows only six months of Medicaid savings.

	<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 Closures (1 adult)	100	110	121	133	146	161
Average Monthly Closures (1 child)	100	110	121	133	146	161
Adult Medicaid Savings	(\$142,200)	(\$325,040)	(\$374,516)	(\$429,324)	(\$492,312)	(\$566,076)
Children Medicaid Savings	(\$82,200)	(\$188,750)	(\$216,348)	(\$248,976)	(\$285,575)	(\$328,440)
CHILD SUPPORT SAVINGS	(\$224,400)	(\$514,300)	(\$590,864)	(\$678,300)	(\$777,888)	(\$894,516)

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)	(10,259)	(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.

ANALYSIS (cont.):

INCOME DISREGARD . . . (cont.)

	<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	\$8,392	\$12,384	\$12,912	\$13,438	\$14,064
Child Expenditures (9 mo. only FY 97)	\$0	\$5,148	\$7,152	\$7,488	\$7,324	\$8,160
NEW EXPENCITURES	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224

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, and because of the two year time limit on benefits. 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)	(\$100,520)	(\$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, including those resulting from the 24 month time limit.. 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. CPA estimates that 3 cases per month will become eligible for AFDC-UP due to these provisions. A UP case (household) includes 2 adults and an average of 2.5 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)	(\$169,605)	(\$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)

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	(\$8,392)	(\$9,288)	(\$32,280)	(\$33,720)	(\$35,160)
Children Medicaid Savings	\$0	(\$5,148)	(\$5,364)	(\$19,720)	(\$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 46% 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 months 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)	(\$337,522)	(\$355,995)
Child Medicaid Savings	\$0	(\$42,471)	(\$176,342)	(\$136,030)	(\$195,345)	(\$206,550)
DIVERSION PROGRAM SAVINGS	\$0	(\$115,830)	(\$481,685)	(\$506,813)	(\$533,467)	(\$562,545)

WELFARE FRAUD

This legislation provides for permanent ineligibility of an individual convicted of welfare fraud in Alaska or any other jurisdiction. We estimate the same individuals likely to lose Medicaid are those adults who lose cash assistance. DPA estimates 5 convictions per year. At the time of conviction, we estimate that a person will lose, on average, a total of 24 months of eligibility. Since this provision is assumed not to be effective until October 1, 1996, we estimate that only 4.5 people be convicted in FY 97. In subsequent years, 5 individuals will lose eligibility because of a fraud conviction. In FY 97 a conviction will mean 5 months of lost eligibility. In subsequent years 6.5 months of eligibility will be lost. There will be no impact in FY 96.

	<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)	0.0	4.5	5.0	6.0	6.0	6.0
Initial Months of Lost Eligibility	0.0	5.0	6.5	6.5	6.5	6.5
First Fiscal Year Savings (5 months in FY 97, 6.5 mo. in FY 98 - 01)	\$0	(\$5,558)	(\$10,062)	(\$10,491)	(\$10,959)	(\$11,427)
Second Year Savings (12 months x prior year closures)			(\$13,932)	(\$19,368)	(\$20,232)	(\$21,096)
Third Fiscal Year Savings (7 or 5.5 months) (7months or 5.5 for closures 2 years prior)				(\$8,474)	(\$9,273)	(\$9,669)
ELIGIBILITY CLOSURE SAVINGS	\$0	(\$5,558)	(\$23,994)	(\$38,333)	(\$40,464)	(\$42,192)

TIME LIMITS

This bill imposes 24 month time limits for AFDC for participants in the JOBS program, Workfare, and the Unemployed Parents Project. People will lose eligibility as they move off the AFDC caseload. It is assumed that time limits will begin affecting AFDC caseloads in the second half of FY 99. It is estimated that one-half of the children will remain eligible under poverty level Medicaid only. A UP case consists of 2 adults and 2.5 children. JOBS and Workfare families consist of one adult and two children.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
JOBS Adults	0	0	0	80	90	120
Workfare Adults	0	0	0	3	14	18
UP Adults	0	0	0	148	230	240
JOBS Children	0	0	0	80	90	120
Workfare Children	0	0	0	3	14	18
UP Children	0	0	0	36	150	156
Adults Going Off Caseload (FY 99, 3 m)	\$0	\$0	\$0	(\$350,238)	(\$1,128,248)	(\$1,329,048)
Children Going Off Caseload (FY 99, 3 m)	\$0	\$0	\$0	(\$154,440)	(\$498,824)	(\$599,780)
TIME LIMIT SAVINGS	\$0	\$0	\$0	(\$504,678)	(\$1,323,072)	(\$1,928,808)

SUMMARY OF DIVISION SAVINGS

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Child Support Collections	(\$224,400)	(\$514,800)	(\$590,384)	(\$678,300)	(\$777,388)	(\$894,518)
Minor Parent Assistance	\$0	(\$8,580)	(\$9,089)	(\$9,872)	(\$10,289)	(\$10,880)
Disregards/Waiver/Auto provisions	\$0	\$14,040	\$19,538	\$20,400	\$21,312	\$22,224
Workfare Project	\$0	(\$143,735)	(\$150,014)	(\$158,824)	(\$183,825)	(\$170,825)
AFDC Unemployed Parent Project	\$0	(\$183,781)	(\$182,982)	(\$211,179)	(\$238,593)	(\$257,821)
Self-Employment Project	\$0	(\$14,040)	(\$14,852)	(\$51,000)	(\$53,280)	(\$55,580)
Diversion Program	\$0	(\$115,830)	(\$481,885)	(\$508,813)	(\$533,487)	(\$582,545)
Welfare Fraud	\$0	(\$5,558)	(\$23,394)	(\$38,333)	(\$40,484)	(\$42,192)
Time Limits	\$0	\$0	\$0	(\$504,678)	(\$1,323,072)	(\$1,928,808)
TOTAL SAVINGS	(\$224,400)	(\$952,284)	(\$1,433,924)	(\$2,136,199)	(\$3,419,448)	(\$3,900,523)
MEDICAID FACILITIES (52%)	(\$118,888)	(\$495,177)	(\$745,588)	(\$1,110,823)	(\$1,778,112)	(\$2,028,272)
MEDICAID NON-FACILITIES (48%)	(\$107,712)	(\$457,087)	(\$688,238)	(\$1,025,378)	(\$1,841,334)	(\$1,872,251)

FISCAL NOTE

No. 42

Bill Version: SCS CSHB 78 F

(S) Publish Date: 5-7-95

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: Senate FIN

Dept. Affected: Health and Social Service
BRU: Medical Assistance
Component: Medicaid Non-Facility
COMPONENT SERIAL NO. 229
See also (SN#): 230, 243, 1434

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(107.7)	(457.1)	(688.2)	(1,025.4)	(1,641.3)	(1,872.3)
MISCELLANEOUS						
TOTAL OPERATING	(107.7)	(457.1)	(688.2)	(1,025.4)	(1,641.3)	(1,872.3)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	(53.9)	(228.5)	(344.1)	(512.7)	(820.6)	(936.1)
1003 GF Match	(53.8)	(228.6)	(344.1)	(512.7)	(820.7)	(936.2)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	(107.7)	(457.1)	(688.2)	(1,025.4)	(1,641.3)	(1,872.3)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

SCS CSHB 78 (FIN) makes several changes to the Aid to Families with Dependent Children (AFDC) program. AFDC recipients are eligible for Medicaid. Medicaid spending will decrease as people lose Medicaid eligibility when they lose AFDC due to increased child support collections, renewed self sufficiency as a result of the diversion program, failure to cooperate with the requirements of a workfare and AFDC unemployed parent projects, time limits to AFDC, or successful entrepreneurship that increases their net income. Recipients may also lose Medicaid if they are convicted of welfare fraud. 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: 05/06/95

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

Date: 5/7/95

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.

DELINQUENT CHILD SUPPORT COLLECTIONS

The prospect of losing occupational licenses and driver's licenses will encourage more delinquent obligor's to comply with child support orders. The increased child support collections will result in some AFDC households losing eligibility because that household will have child support income in excess of the AFDC need standard. DPA estimates that the monthly AFDC caseload will decrease by an average of 100 cases, beginning January, 1996, with the caseload reduction increasing by 10 percent each fiscal year after FY 96. Approximately one-half of the children of these families will continue to be eligible for Medicaid under a poverty level Medicaid only eligibility category. Therefore, when a family loses AFDC because of increased child support payments, on average one adult and only 1 child lose Medicaid. Because of the January 1, 1996 effective date, FY 96 shows only six months of Medicaid savings.

	<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 Closures (1 adult)	100	110	121	133	146	161
Average Monthly Closures (1 child)	100	110	121	133	146	161
Adult Medicaid Savings	(\$142,200)	(\$326,040)	(\$374,616)	(\$429,324)	(\$492,312)	(\$566,076)
Children Medicaid Savings	(\$82,200)	(\$188,760)	(\$216,348)	(\$248,976)	(\$285,576)	(\$328,440)
CHILD SUPPORT SAVINGS	(\$224,400)	(\$514,800)	(\$590,964)	(\$678,300)	(\$777,888)	(\$894,516)

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.

ANALYSIS (cont.):

INCOME DISREGARD . . . (cont.)

	<u>FY 98</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

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, and because of the two year time limit on benefits. 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 98</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, including those resulting from the 24 month time limit.. 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 3 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 98</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)	(\$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)

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	1
Child Closures (1 child)	0	3	3	10	10	1
Adult Medicaid Savings	\$0	(\$8,892)	(\$9,288)	(\$32,280)	(\$33,720)	(\$35,160)
Children Medicaid Savings	\$0	(\$5,148)	(\$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 months 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	248
Children in Diversion Program	0	120	239	241	243	248
Total Diversion Participants	0	240	478	482	486	496
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)

WELFARE FRAUD

This legislation provides for permanent ineligibility of an individual convicted of welfare fraud in Alaska or any other jurisdiction. We estimate the same individuals likely to lose Medicaid are those adults who lose cash assistance. DPA estimates 6 convictions per year. At the time of conviction, we estimate that a person will lose, on average, a total of 24 months of eligibility. Since this provision is assumed not to be effective until October 1, 1996, we estimate that only 4.5 people be convicted in FY 97. In subsequent years, 6 individuals will lose eligibility because of a fraud conviction. In FY 97 a conviction will mean 6 months of lost eligibility. In subsequent years 6.5 months of eligibility will be lost. There will be no impact in FY 96.

	<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)	0.0	4.5	6.0	6.0	6.0	6.0
Initial Months of Lost Eligibility	0.0	6.0	6.5	6.5	6.5	6.5
First Fiscal Year Savings (5 months in FY 97, 6.5 mo. in FY 98 - 01)	\$0	(\$5,558)	(\$10,062)	(\$10,491)	(\$10,955)	(\$11,427)
Second Year Savings (12 months x prior year closures)			(\$13,932)	(\$19,368)	(\$20,232)	(\$21,096)
Third Fiscal Year Savings (7 or 5.5 months) (7 months or 5.5 for closures 2 years prior)				(\$8,474)	(\$9,273)	(\$9,669)
ELIGIBILITY CLOSURE SAVINGS	\$0	(\$5,558)	(\$23,994)	(\$38,333)	(\$40,464)	(\$42,192)

TIME LIMITS

This bill imposes 24 month time limits for AFDC for participants in the JOBS program, Workfare, and the Unemployed Parents Project. People will lose eligibility as they move off the AFDC caseload. It is assumed that time limits will begin affecting AFDC caseloads in the second half of FY 99. It is estimated that one-half of the children will remain eligible under poverty level Medicaid only. A UP case consists of 2 adults and 2.6 children. JOBS and Workfare families consist of one adult and two children.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
JOBS Adults	0	0	0	60	90	120
Workfare Adults	0	0	0	9	14	18
UP Adults	0	0	0	148	230	300
JOBS Children	0	0	0	60	90	120
Workfare Children	0	0	0	9	14	18
UP Children	0	0	0	96	150	198
Adults Going Off Caseload (FY 99, 6 m)	\$0	\$0	\$0	(\$350,238)	(\$1,126,248)	(\$1,329,040)
Children Going Off Caseload (FY 99, 6 m)	\$0	\$0	\$0	(\$154,440)	(\$498,824)	(\$599,780)
TIME LIMIT SAVINGS	\$0	\$0	\$0	(\$504,678)	(\$1,623,072)	(\$1,928,800)

SUMMARY OF DIVISION SAVINGS

	<u>FY98</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Child Support Collections	(\$224,400)	(\$514,800)	(\$590,964)	(\$678,300)	(\$777,888)	(\$894,516)
Minor Parent Assistance	\$0	(\$8,580)	(\$9,089)	(\$9,672)	(\$10,269)	(\$10,857)
Disregards/Waiver/Auto provisions	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224
Workfare Project	\$0	(\$143,735)	(\$150,014)	(\$156,624)	(\$163,625)	(\$170,625)
AFDC Unemployed Parent Project	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,625)
Self-Employment Project	\$0	(\$14,040)	(\$14,652)	(\$51,000)	(\$53,280)	(\$55,584)
Diversion Program	\$0	(\$115,830)	(\$481,885)	(\$506,813)	(\$533,467)	(\$562,544)
Welfare Fraud	\$0	(\$5,558)	(\$23,994)	(\$38,333)	(\$40,484)	(\$42,192)
Time Limits	\$0	\$0	\$0	(\$504,678)	(\$1,623,072)	(\$1,928,800)
TOTAL SAVINGS	(\$224,400)	(\$952,284)	(\$1,433,824)	(\$2,136,199)	(\$3,419,440)	(\$3,900,527)
MEDICAID FACILITIES (52%)	(\$118,688)	(\$495,177)	(\$745,588)	(\$1,110,823)	(\$1,778,112)	(\$2,028,272)
MEDICAID NON-FACILITIES (48%)	(\$107,712)	(\$457,087)	(\$688,236)	(\$1,025,376)	(\$1,641,334)	(\$1,872,255)

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS CSHB 78 (FIN)

Revision Date: _____
 Title: An Act relating to the payment of
aid to families with dependent children . . .
 Sponsor: HANLEY
 Revisor: Senate Finance

Dept. Affected: Health and Social Services
 BRU: Medical Assistance Admin
 Component: Claims Processing
 COMPONENT SERIAL NO. 243
 See also (SN#): 229, 230, 1434

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)

FUND SOURCE	FY96	FY97	FY98	FY99	FY00	FY01
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						
1006 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)

SCS CSHB 78 (FIN) 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. This 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: 05/06/95

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

Date: 5/7/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS CSHB 78 (FIN)

Revision Date: _____
 Title: An Act making changes related to
aid to families with dependent children program
 Sponsor: HANLEY
 Requestor: Senate FIN

Dept. Affected: Health and Social Services
 BRU: Medical Assistance Admin
 Component: Hearings and Appeals
 COMPONENT SERIAL NO. 1434
 See also (SN#): 229, 230, 243

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES		51.6	103.4	103.4	103.4	103.4
TRAVEL						
CONTRACTUAL		1.0	1.0	1.0	1.0	1.0
SUPPLIES		1.0	1.0	1.0	1.0	1.0
EQUIPMENT		12.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	65.6	105.4	105.4	105.4	105.4

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	32.8	52.7	52.7	52.7	52.7
1003 GF Match	0.0	32.8	52.7	52.7	52.7	52.7
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	0.0	65.6	105.4	105.4	105.4	105.4

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

SCS CSHB 78 (FIN) will result in a substantial increase in the number of individuals denied public assistance and in the number of individuals who receive sanctions. Every person denied eligibility or sanctioned has the right under state and federal law to appeal the decision or action of the department through the fair hearing process. One Public Assistance Program Officer and one Administrative Clerk II will be need to process and adjudicate these additional cases.

Prepared by: Jon Sherwood
 Division: Medical Assistance

Phone: 465-3355
 Date: 05/06/95

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

Date: 5/7/95

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ANALYSIS (cont.):

COST OF ADDITIONAL POSITIONS

FY 97 (6 months):

Personal Services: 1 Public Assistance Program Officer, R-21	35.0
Personal Services: 1 Admin. Clerk II, R-8	16.6
Contractual (2 positions)	1.0
Supplies (2 positions)	1.0
Equipment (2 positions)	<u>12.0</u>
TOTAL FOR FY 97	65.6

FY 98 - 01 (12 months)

Personal Services: 1 Public Assistance Program Officer, R-21	70.1
Personal Services: 1 Admin. Clerk II, R-8	33.3
Contractual (2 positions)	1.0
Supplies (2 positions)	<u>1.0</u>
TOTAL FOR FY 98 - 01	105.4

These estimates are based on current costs and do not anticipate increases for inflation or employee compensation.

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSFB 78 (FIN) AM

Revision Date: _____ Dept. Affected: Alaska Court System
 Title: relating to certain licenses and BRU: Trial Courts
applications for licenses ... child support Components: _____
 Sponsor: REP. HANCOCK
 Requestor: _____ COMPONENT SERIAL NO. 768

EXPENDITURES/REVENUES (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	68.9	68.9	68.9	68.9	68.9	68.9
TRAVEL						
CONTRACTUAL	6.2	1.2	1.2	1.2	1.2	1.2
SUPPLIES	3.0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	2.7					
LAND & STRUCTURES						
GRANTS & CLAIMS						
TOTAL OPERATING	80.3	73.1	73.1	73.1	73.1	73.1

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	80.8	73.1	73.1	73.1	73.1	73.1
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	80.8	73.1	73.1	73.1	73.1	73.1

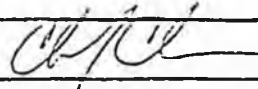
POSITIONS

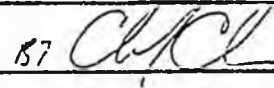
FULL-TIME						
PART-TIME	3.0	3.0	3.0	3.0	3.0	3.0
TEMPORARY						

Estimate of current year (FY 95) cost: \$ None

ANALYSIS: (Attach a separate page if necessary)

See attached fiscal analysis.

Prepared by: C. S. Christensen III, Staff Counsel  Phone: 264-8228
 Agency: Alaska Court System Date: 5/5/95

Approved by: Arthur H. Snowden, II, Administrative Director  Date: 5/5/95
 Agency: Alaska Court System

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Alaska Court SystemFiscal AnalysisCSHB 78 (FIN) AMPersonal Services

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
Standing Master, range 24A, PPT, Anchorage, 5 months	\$25,420	\$9,098	\$34,518
In-Court Clerk, range 12A, PPT, Anchorage, 5 months	11,295	5,460	16,755
Court Clerk II, range 10A, PPT, Anchorage, 6 months	12,008	5,643	<u>17,649</u>
Total Personal Services			68,922

During the 1994 session, the Child Support Enforcement Division estimated that 15,000 individuals were not in compliance with child support orders. It is assumed that all these individuals possess a driver's or one of the targeted licenses. Of this group, it is assumed that 10% will request a judicial review. This fiscal note assumes that each judicial review hearing will require 30 minutes to conduct. The requested positions will be based in Anchorage. Hearings will be conducted in person or telephonically.

Contractual Services

Modification of case management computer programs to accommodate a new type of case filing.	(one time cost)	5,000
Telephone costs (telephonic hearings)		1,200

Supplies

Office supplies for new case filings		3,000
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Equipment

Desk, chair and filing cabinet for new positions		<u>2,700</u>
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Estimated Total Costs

\$80,822

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78(FIN)

Revision Date: _____
Title: Public Assist Demo Project
& Decrease
Sponsor: Representative Hanley
Requestor: House Finance

Department Affected: Labor
BRU: Labor Standards & Safety
Component: Wage and Hour
Administration
COMPONENT SERIAL NO. 345

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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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						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

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

Prepared by: John A. Abshire, Director Phone: 269-4914
Division: Labor Standards and Safety Date: 5/2/95

Approved by Commissioner: Tom Cashen, Commissioner
Agency: Department of Labor Date: 5/2/95

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FISCAL NOTE

13 updated
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STATE OF ALASKA

BILL NO: CSHB 78(FIN)

1995 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Public Safety
 Title: Public Assistance Demo Project & Decrease BRU: Motor Vehicles
 Component: Driver Services/Field Services
 Sponsor: Representative Hanley
 Requestor: H.FIN COMPONENT SERIAL NO. 0500 & 0502

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

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	155.5	83.3	83.3	83.3	83.3	83.3
TRAVEL	1.5	1.5	1.5	1.5	1.5	1.5
CONTRACTUAL	23.8	11.9	11.9	11.9	11.9	11.9
SUPPLIES	2.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	40.0					
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	222.8	97.7	97.7	97.7	97.7	97.7

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	222.8	97.7	97.7	97.7	97.7	97.7
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	222.8	97.7	97.7	97.7	97.7	97.7

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: 5/01/95
 Approved by Commissioner: Ronald L. Otte Date: 5/01/95
 Agency: Ronald L. Otte, Dept. of Public Safety

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Budget Section
 Div. of Adm. Services
 Dept. of Public Safety
 5/1/95

Fiscal Note Analysis
CSHB 78 (FIN)

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 want warrants for their arrest for some reason. Because of this, it is estimated 3,500 driver's license suspensions will be generated the first year. It is further estimated after the first year's initial suspension action, the number of driver license suspensions will be reduced. It is estimated in the future years, 1,000 driver's licenses will be suspended for non-support.

The impacts from this bill will result in 7,000 updates to the driving record of the persons whose license is being suspended. One computer entry to add the suspension to the driving record; and another entry to end the suspension once the person has complied. Reinstating the driver's license will also impact the DMV field offices. The Motor Vehicle Representative will be required to see proof from CSED that the person is in compliance with their child support order before reinstating the driver's license. It is estimated 90 percent of all persons whose license is suspended will reinstate their driver's license. A \$100.00 reinstatement fee is charged anytime a person has had their license suspended or revoked within a 10 year period preceding application for a driver's license. It is estimated 1,575 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)	\$36.1	
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
CSHB 78 (FIN)

<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	
990 Reinstatements: 495 @ \$100; 495 @ \$250		\$173.3
990 Duplicate license fees @ \$10		\$9.9
TOTAL REVENUE	\$582.8	\$183.2

REPORTED OUT OF
SFC 5-6-95

#14 updated
#33

FISCAL NOTE

STATE OF ALASKA

BILL NO. CS HB 78 (FIN)

1995 LEGISLATIVE SESSION

Revision Date: May 1, 1995

Department Affected: Education

Title: An act relating to certain licenses and applications for licenses.

BRU: Executive Administration

Sponsor: Representative Davies

Component: Teacher Certification

Requester: Representative Davies

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						
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REVENUE FUND SOURCE:						
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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.) CS HB 78 (FIN) 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. CS HB 78 (FIN) 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: 5/1/95
 Approved by Commissioner: [Signature] Shirley J. Holloway, Ph.D.
 Agency: Education Date: 5/1/95

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STATE OF ALASKA
1995 LEGISLATIVE SESSION

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BILL NO. CSHB 78(FIN)

32

Revision Date: _____
Title: Public Assistance Demo Project & Decrease
Sponsor: Representative Hanley
Requestor: (H)RLS

Department Affected: Revenue
BRU: Child Support Enforcement Division
Component: Child Support Enforcement Division
COMPONENT SERIAL NO. 111

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	169.1	351.7	365.8	380.4	395.6	411.5
TRAVEL						
CONTRACTUAL	264.0	270.2	274.9	279.9	285.1	290.4
SUPPLIES	3.2	6.4	6.4	6.4	6.4	6.4
EQUIPMENT	83.1	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	519.4	628.3	647.1	666.7	687.2	708.3

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	1,062.5	2,337.5	2,571.3	2,828.4	3,111.2	3,422.3
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts	342.8	414.7	427.1	440.0	453.5	467.5
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER	176.6	213.6	220.0	226.7	233.7	240.8
TOTAL	519.4	628.3	647.1	666.7	687.2	708.3

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

POSITIONS:

FULL-TIME	8	8	8	8	8	8
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This legislation will increase collections by approximately 25%. In the first year these increased collections will provide the state with \$2,125,000 in AFDC reimbursements, the Federal government with \$2,125,000 in AFDC reimbursement and custodial parents and children with \$12,750,000 in child support. National statistics reveal that about 45% of the population is employed in non-traditional occupations and are not reported to state Departments of Labor. Self-employed obligors have a very low compliance rate of paying child support. Currently 54% of Alaskans with child support orders pay nothing. More than half these individuals have the ability to pay, but work in the cash or self-employed economy. This legislation will insure that self-employed obligors establish a payment plan or pay their arrears to obtain or retain their license. Similar legislation has been enacted in seventeen states and is pending in Congress. (Continued on additional page)

Prepared by: Glenda Straube, Director
Division: Child Support Enforcement Division

Phone: 269-6801
Date: May 2, 1995

Approved by Commissioner: Deborah Vogt
Agency: Department of Revenue

Date: May 2, 1995

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78(F)

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 Officers 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. Equipment costs are reflected in FY 96 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.

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updates #18
#31

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS HB 78 (FIN)

Revision Date: _____
Title: Public Assist. Demo Project & Decrease

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

Sponsor: Reps. Hanley, Rokeberg, Porter, Bunde, Tooney, Kohring
Requestor: Representative Hanley

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						
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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 *Joan Brown* Phone: 465-2597
 Division: Insurance Date: 5/1/95
 Approved by Commissioner: William L. Hensley *William L. Hensley* Date: 5/1/95
 Agency: Commerce and Economic Development

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78(FIN)

Revision Date: May 1, 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: Rep. Hanley, et al
 Requestor: Rep. Hanley COMPONENT SERIAL #: 1844

Expenditures/Revenues	(Thousands of Dollars)					
	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
OPERATING EXPENDITURES						
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	6.3					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	83.5	77.2	77.2	77.2	77.2	77.2
CAPITAL EXPENDITURES						
CHANGE IN REVENUES	83.5	77.2	77.2	77.2	77.2	77.2

FUND SOURCE	(Thousands of Dollars)					
	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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)

CSHB 78(FIN) 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: 5/1/95
 Approved by Commissioner: William L. Hensley Date: 5-1-95
 Agency: Commerce and Economic Development

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO.: CSHB 78(FIN)

ANALYSIS: (Continued)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT FISCAL NOTE CALCULATIONS FOR CSHB 78(FIN)

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 CSHB 78 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 CSHB 78(FIN) 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 CSHB 78(FIN) 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

= 20 updated

STATE OF ALASKA
1995 LEGISLATIVE SESSION

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BILL NO. HB 78

#29

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

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
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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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
Approved by Commissioner: William L. Hensley
Agency: Commerce and Economic Development

Phone: 465-2521
Date: 5-1-95
Date: 5/1/95

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FISCAL NOTE

#28

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78(FIN)

Revision Date: _____
Title: Public Assist Demo Project
& Decrease
Sponsor: Representative Hanley
Requestor: House Finance

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	26.6	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/MHTIA						
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: BSA 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: 5/2/95

Approved by Commissioner: Tom Cashen, Commissioner
Agency: Department of Labor Date: 5/2/95

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Analysis:

CSHB 78(FIN) 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 CSHB 78(FIN) 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	<u>24.3</u>	<u>25.4</u>
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
	<u>11.6</u>	<u>7.2</u>
Line 400 - Commodities		
Office and DP Supplies-Year 1	<u>0.2</u>	<u>0.2</u>
	0.2	0.2
Line 500 - Equipment	0.0	0.0
TOTAL	36.1	32.8

PSSS ENTER TO CONTINUE

02/15/95

Personal Services Cost Calculations Detail

10:55:00

Position: 07-072018	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: 8 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=	3,571.25	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

PLEASE ENTER TO CONTINUE

02/15/95

Personal Services Cost Calculations Detail

16:24:45

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.L.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

2/15/95

Position Information Inquiry/Update

10:49:22

Position: 07-072062	Project: 0	Salary Costs: 53,739.50
Component: 07-06-07-20-16-00	Region:	Benefits Costs: 19,595.44
Scenario: 4 FY: 96	COLA % = 0.000	Total Costs: 73,334.94

Equals from Payroll	(Status: FILLED)	Retirement Code: A
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5/10/16	Step: E for 3.5 months & Step: F for 8.5 months (total: 12.00)
	Merit Date; use merit defaults? N (3.5 @ E & 8.5 @ F)
	Class/Sched Prefix: 2 Schedule: 2A (actual: 2A)
G	Bargaining Unit: GG Range: 19 (actual: 19)
EA	Location Code: EBA Place: ANCHORAGE
2425	Job Class Code: P2425 Title: INDUSTRIAL HYGIENIST
	Seasonal Indic.: F Type: FACL - FULL TIME / OMB AUTH

Additional 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

ESS ENTER TO CONTINUE

2/15/95

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
SBS=	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

FISCAL NOTE

#22 Updated
#27

STATE OF ALASKA
1995 LEGISLATIVE SESSION

REPORTED OUT OF
SFC 5-6-95

BILL NO. CSHB 78(FIN)

Revision Date: _____
Title: Public Assist Demo Project
& Decrease
Sponsor: Representative Hanley
Requestor: House Finance

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						
---------	--	--	--	--	--	--

CHANGE IN REVENUE FUND SOURCE						
----------------------------------	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
1007 I/A	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: 5/2/95

Approved by Commissioner: Tom Cashen, Commissioner
Agency: Department of Labor Date: 5/2/95

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Analysis:

CSHB 78(FIN) 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 CSHB 78(FIN) 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 CSHB 78(FIN) include:

Line 100 - Personal Services	FY96	FY97
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
 TOTAL	 53.7	 45.7

12/17/95

Position Information Inquiry/Update

13:09:52

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

10/00/00	Step: A for 6.0 months & Step: B for 6.0 months (total: 12.00)
)	Merit Date; 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_

ESS ENTER TO CONTINUE
2/17/95

Personal Services Cost Calculations Detail

12:10:07

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=	1,541.08	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

Adopted 5-6-95

Amendments

WORK DRAFT

WORK DRAFT

WORK DRAFT

① All Time Limits Change to March 1, 1995

② Sect 23 - Only Sect 21 is immediate

③ Pg 14, line 20 - add pg 22, line 30-31 add up to any

④ Pg 14, line 20 add ② pg 23, line 1 & 2

9-LS0392AU
Lauterbach
5/6/95

SENATE CS FOR CS FOR HOUSE BILL NO. 78(Fix)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

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

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 duty to support children of minor parents;
4 relating to the program of aid to families with dependent children, including the
5 payment of aid in the case of pregnant minors and minors who are parents;
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 amending Alaska Rule of Civil Procedure 90.3; and providing for an effective
10 date."

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

12 * Section 1. AS 25.27.060 is amended by adding new subsections to read:

1 (e) If the child's parents are both unmarried minors who have not had the
2 disabilities of minority removed under AS 09.55.590, an order of child support issued
3 by a court or agency shall be based on the

4 (1) percentages of physical custody exercised by the child's parents; a
5 minor parent's custody of the child shall be imputed to the parents of the minor parent,
6 regardless of where the minor parent lives, except that

7 (A) if the minor parent and child live with a parent of the
8 noncustodial minor parent, the minor parent's custody of the child shall be
9 imputed to the parent of the noncustodial minor parent; and

10 (B) a minor parent's custody of a child may not be imputed to
11 the parents of the minor parent if the minor parent and child do not live with
12 a parent of the minor parent because

13 (i) neither parent will allow the minor and child to live
14 in the residence of the minor's parent; or

15 (ii) the physical or emotional health or safety of the
16 minor parent or the minor's child would be jeopardized if the minor and
17 the minor's child lived in the same residence with the minor's parent;

18 and

19 (2) incomes of the child's grandparents and parents.

20 (f) To the extent that (e) of this section applies,

21 (1) the child's grandparents are considered to have a duty to support the
22 child and are subject to laws, regulations, and court rules relating to support of the
23 child; and

24 (2) a grandparent who is determined under applicable agency
25 regulations and court rules to be the obligor for purposes of paying child support on
26 behalf of a grandchild is subject to all laws, regulations, and court rules applicable to
27 child support obligors.

28 (g) An order of support against a child's grandparent under (e) of this section
29 and a grandparent's duty to support a child under (f) of this section is terminated,
30 without the need for obtaining a modification of a child support order, when one of
31 the child's parents reaches the age of majority or has the disabilities of minority

1 removed under AS 09.55.590, whichever occurs earlier. However, to the extent that
2 a grandparent may have accrued arrearages, the grandparent remains an obligor subject
3 to this chapter.

4 * Sec. 2. AS 25.27 is amended by adding new sections to read:

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

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

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

24 (d) A licensing entity shall issue a temporary license valid for a period of 150
25 days to an applicant whose name is on the list if the applicant is otherwise eligible for
26 a license. The temporary license may not be extended. Only one temporary license
27 may be issued during a regular license term and its validity shall coincide with the first
28 150 days of that license term. A license for the full or remainder of the license term
29 may be issued or renewed only upon compliance with this section. If a license or
30 application is denied under this section, funds paid by the applicant or licensee shall
31 be refunded by the licensing entity after retention of the temporary license fee, if any.

1 (e) Notices for use under (c) of this section shall be developed by each
2 licensing entity under guidelines provided by the agency and are subject to approval
3 by the agency. The notice must include the address and telephone number of the
4 agency and shall emphasize the necessity of obtaining a release from the agency as a
5 condition for the issuance or renewal of a license. The notice must inform an
6 applicant whose license is governed by (d) of this section that the licensing entity shall
7 issue a temporary license for 150 calendar days under (d) of this section if the
8 applicant is otherwise eligible and that, upon expiration of that time period, the license
9 will be denied unless the licensing entity has received a release from the agency. The
10 agency shall also develop a form that the applicant may use to request a review by the
11 agency. A copy of this form shall be included with each notice sent under (c) of this
12 section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (l) When the obligor is in substantial compliance with a support order or
27 payment schedule, the agency shall mail to the applicant and the appropriate licensing
28 entity a release stating that the applicant is in substantial compliance. The receipt of
29 a release shall serve to notify the applicant and the licensing entity that, for the
30 purposes of this section, the applicant is in substantial compliance with the support
31 order or payment schedule unless the agency, under (a) of this section, certifies

1 subsequent to the issuance of a release that the applicant is once again not in
2 substantial compliance with a support order or payment schedule.

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

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

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

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

21 (q) In this section,

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

24 (2) "license"

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

29 (i) license relating to boxing or wrestling under

30 AS 05.10;

31 (ii) authorization to perform an occupation regulated

- 1 under AS 08;
- 2 (iii) teacher certificate under AS 14.20;
- 3 (iv) authorization under AS 18.08 to perform emergency
- 4 medical services;
- 5 (v) asbestos worker certification under AS 18.31;
- 6 (vi) boiler operator's license under AS 18.60.395;
- 7 (vii) certificate of fitness under AS 18.62;
- 8 (viii) hazardous painting certification under AS 18.63;
- 9 (ix) security guard license under AS 18.65.400 -
- 10 18.65.490;
- 11 (x) license relating to insurance under AS 21.27;
- 12 (xi) employment agency permit under AS 23.15.330 -
- 13 23.15.520;
- 14 (xii) registration as a broker-dealer, agent, or investment
- 15 adviser under AS 45.55.030;
- 16 (xiii) certification as a pesticide applicator under
- 17 AS 46.03.320;
- 18 (xiv) certification as a storage tank worker or contractor
- 19 under AS 46.03.375; and
- 20 (xv) certification as a water and wastewater works
- 21 operator under AS 46.30;
- 22 (B) does not include
- 23 (i) a vessel license issued under AS 16.05.490 or
- 24 16.05.530;
- 25 (ii) a commercial fishing license under AS 16.05.480,
- 26 including a crewmember fishing license;
- 27 (iii) an entry permit or interim-use permit issued under
- 28 AS 16.43;
- 29 (iv) a license issued under AS 47.35;
- 30 (v) a business license issued under AS 43.70; or
- 31 (vi) a driver's license issued under AS 28.15;

1 (3) "licensee" means a person holding a license or applying to renew
2 a license.

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

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

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

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

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

31 (c) If the licensee fails to obtain a release during the 150-day period following

1 notice under (b) and (d) of this section, the agency shall notify the department that the
2 licensee's driver's license should be suspended and further renewals or applications
3 should be denied until the agency sends the department a release for the licensee.
4 Upon receiving the agency's notice under this subsection, the department shall suspend
5 the licensee's driver's license and may not issue or renew a driver's license for the
6 licensee until the department receives a release to do so from the agency. If a license
7 or application is suspended or denied under this section, funds paid by the applicant
8 or licensee may not be refunded by the department.

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

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

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

29 (1) the licensee is found to be in substantial compliance with each
30 support order applicable to the licensee or has negotiated an agreement with the agency
31 for a payment schedule on arrearages and is in substantial compliance with the

1 negotiated agreement; if the licensee fails to be in substantial compliance with an
2 agreement negotiated under this paragraph, the agency shall send to the department a
3 revocation of any release previously sent to the entity for that licensee;

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

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

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

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

30 (h) Except as otherwise provided in this section, the agency may not issue a
31 release if the applicant is not in substantial compliance with the order for support or

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

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

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

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

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

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

30 (k) When the obligor is in substantial compliance with a support order or
31 payment schedule, the agency shall mail to the applicant and the department a release

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

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

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

14 (n) In this section,

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

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

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

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

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

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

31 Sec. 47.25.311. INELIGIBILITY FOR ASSISTANCE. (a) A person is

1 permanently ineligible for assistance under AS 47.25.310 - 47.25.420 upon conviction
 2 of violating AS 11.56.210 or a law in another jurisdiction with elements substantially
 3 similar to AS 11.56.210 if the conviction arose out of a written or recorded statement
 4 submitted in order to apply for or continue receiving assistance under AS 47.07, this
 5 chapter, or similar laws in another jurisdiction.

6 (b) Assistance is not payable with respect to a child born to

7 (1) an individual who is receiving assistance under AS 47.25.310 -
 8 47.25.420 at the time of the birth; or

9 (2) an individual who received assistance under AS 47.25.310 -
 10 47.25.420 at any time during the 10-month period ending with the birth of the child.

11 (c) The provisions of (b) of this section do not apply to

12 (1) a child who is the only dependent child on whose behalf the
 13 individual is otherwise eligible to receive assistance under AS 47.25.310 - 47.25.420;
 14 or

15 (2) children who are born during a multiple birth if the children are the
 16 only dependent children on whose behalf the individual is otherwise eligible to receive
 17 assistance under AS 47.25.310 - 47.25.420.

18 (d) A person is not eligible to receive benefits under AS 47.25.310 - 47.25.420
 19 for more than a total of 60 months as the caretaker of a dependent child or as a
 20 pregnant woman unless the person is permanently totally physically or mentally
 21 disabled. *① pg 22 line 30-31 add up to any-*

22 (e) The department shall implement this section only to the extent that
 23 implementation is not prohibited under federal law. To the extent that this section may
 24 be implemented under federal law, its provisions supersede inconsistent provisions of
 25 AS 47.25.310 - 47.25.420. *② pg 23, line 2+3 add. add successful activity*

26 * Sec. 4. AS 47.25.320(a) is amended to read:

27 (a) The department shall determine the amount of assistance for a dependent
 28 child, and the relative with whom the dependent child is living, with regard to the
 29 resources and necessary expenditures of the family and the condition existing in each
 30 case. Assistance is sufficient if, when added to all other income and support available
 31 to the child, the child and relative have reasonable subsistence compatible with

1 decency and health. However, the amount of assistance may not exceed the following:

2 (1) dependent child living with nonneedy relative: \$451 [FOR A
3 DEPENDENT CHILD WHO IS LIVING IN THE HOME OF A NONNEEDY
4 RELATIVE, \$452], plus \$100 [\$102] for each additional child;

5 (2) dependent child living with parent:

6 (A) for a parent and one dependent child, a maximum of \$806
7 [\$821];

8 (B) for each additional dependent child, or for a second parent,
9 \$100 [\$102] a month per individual;

10 (3) pregnant woman who is otherwise eligible for assistance under this
11 section, or a single-person household that does not consist of a dependent child: \$505
12 [\$514] a month.

13 * Sec. 5. AS 47.25.360 is amended to read:

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

20 * Sec. 6. AS 47.25 is amended by adding new sections to read:

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

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

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

29 (b) Notwithstanding AS 47.25.360, the department shall, where possible, pay
30 assistance on behalf of a minor parent who is subject to the requirements of (a) of this
31 section to the minor's parent, legal guardian, or other adult relative, or, as applicable,

1 to the head of the adult-supervised supportive living arrangement where the minor
2 parent resides.

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

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

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

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

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

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

17 (d) When determining eligibility for, and the amount of, assistance in the case
18 of a minor parent who is required to live in a household or living arrangement with
19 an adult under (a) of this section, the department shall, to the extent allowed under
20 federal law or under a waiver of federal law, disregard the income and resources of
21 the adults in the household or living arrangement if the total income of the adults is
22 less than 133 percent of the federal poverty line for this state, as defined by the federal
23 office of management and budget and revised annually under 42 U.S.C. 9902(2). If
24 the department determines that a waiver of federal law is necessary before this
25 subsection may be implemented, the department shall promptly seek a waiver.

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

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

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

31 Sec. 47.25.364. TIME LIMIT ON BENEFITS. (a) Except as provided in (b)

1 of this section, a family who has a member assigned to an activity under AS 47.25.421
2 - 47.25.429 is ineligible for assistance beginning with the 25th month after the person
3 is assigned and does not become eligible to apply for assistance again until 84 months
4 after the person is assigned.

5 (b) The eligibility of a family described in (a) of this section shall be extended
6 beyond 24 months from the assignment described in (a) of this section if the assigned
7 person has cooperated with the department and has substantially complied with the
8 requirements of the program to which the person was assigned but

9 (1) a temporary and verified physical or mental condition, as supported
10 by appropriate medical documentation, prevents the person from attaining and
11 maintaining employment that would provide the family with net income equal to or
12 greater than what the family would receive from the assistance grant;

13 (2) the department failed to comply with AS 47.25.427 with respect to
14 the family;

15 (3) despite all appropriate efforts, the person has been unable to find,
16 or has lost without cause, employment that would provide the family with net income
17 equal to or greater than what the family would receive from assistance; or

18 (4) other unique circumstances exist, as determined by the department,
19 that prevent the person from obtaining or retaining adequate employment.

20 (c) The department shall implement this section only to the extent that
21 implementation is not prohibited under federal law. To the extent that this section may
22 be implemented under federal law, its provisions supersede inconsistent provisions of
23 AS 47.25.310 - 47.25.420.

24 * Sec. 7. AS 47.25.310(c) is repealed.

25 * Sec. 8. COURT RULE CHANGE. (a) AS 25.27.060 (e) - (g), added by sec. 1 of this
26 Act, have the effect of amending Alaska Rule of Civil Procedure 90.3 by requiring
27 consideration of the income of the grandparents of a child when determining a child support
28 obligation under certain circumstances and by providing that a child's grandparents are
29 obligated to support the child under certain circumstances.

30 (b) Under art. IV, sec. 15, Constitution of the State of Alaska, AS 25.27.060(e) - (g),
31 added by sec. 1 of this Act, and this section may become law with the affirmative vote of a

1 majority of the membership of each house because the court rule being amended is not a rule
2 governing practice or procedure.

3 * Sec. 9. APPLICABILITY. AS 47.25.311(a), added by sec. 3 of this Act, applies to
4 offenses committed on or after March 1, 1996.

5 * Sec. 10. REPORT. (a) In furtherance of the public policy of increasing child support
6 enforcement and collections, on or before January 1, 1998, the child support enforcement
7 agency shall make a report to the legislature and the governor based on data collected by the
8 licensing entities and the agency in a format prescribed by the agency. The report must
9 contain

10 (1) the number of delinquent obligors on the lists maintained by the agency
11 under AS 25.27.244 - 25.27.246, enacted by sec. 2 of this Act;

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

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

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

22 (5) the costs incurred in the implementation and enforcement of AS 25.27.244
23 - 25.27.246, enacted by sec. 2 of this Act.

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

29 * Sec. 11. WAIVER APPLICATION. (a) The Department of Health and Social Services
30 shall, by February 15, 1996, seek appropriate waivers from the federal government to
31 implement the AFDC demonstration projects described in secs. 12 - 16 of this Act. To the

1 extent that the federal government approves the necessary waivers, the department shall
2 implement the projects. The purposes of the projects are to promote personal responsibility
3 and self-sufficiency.

4 (b) At a minimum, the department shall implement secs. 13 - 16 of this Act as four
5 separate projects in four different areas of the state, with at least one project in a municipality
6 with a population over 25,000, one in a municipality with a population between 5,000 and
7 25,000, and one in a municipality or community with a population under 5,000. If the
8 department determines that more than one project can be efficiently and usefully operated in
9 the same area at the same time the department may operate more than one project in the same
10 area as a fifth project, subject to federal approval of the appropriate waivers.

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

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

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

23 * Sec. 12. EARNED INCOME DISREGARD; WAIVER OF "100-HOUR" RULE; AUTO
24 ALLOWANCE; TWO-TIER PAYMENT SYSTEM. (a) When determining the AFDC
25 eligibility of a family that is participating in a project under secs. 13 - 15 of this Act and
26 when determining the amount of assistance to which the family is entitled, the department
27 shall, except as provided in (b) - (f) of this section,

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

1 is first granted AFDC; for a family that is already receiving assistance when this paragraph
2 is implemented, this 24 months begins with the first month during which this paragraph is
3 implemented;

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

7 (3) allow the exclusion of \$5,000 of the combined equity of motor vehicles
8 used by the family for basic family transportation, transportation of a disabled child in the
9 household, or transportation of a member of the family to or from employment, training, or
10 participation in an activity required under secs. 13 - 14 of this Act; if the combined equity of
11 vehicles described in this paragraph exceeds \$5,000, the department shall apply the excess
12 equity amount toward the asset limit otherwise applicable to the family.

13 (b) The department shall verify the state of residence for the previous six months for
14 each new family that applies for AFDC and is participating in a project under secs. 13 - 15
15 of this Act. The residence history of the caretaker relative of the child for whom assistance
16 is being sought shall be used to determine the prior state of residence for the entire family.

17 (c) The department shall determine the eligibility of a family who the department
18 determines under (b) of this section has resided in the state for less than six months
19 immediately preceding the family's application for assistance by using the eligibility standards
20 of the family's most recent prior state of residence, and the department shall pay to the family
21 the amount of assistance that a typical family of the same size would receive in the family's
22 most recent prior state of residence, subject to any penalties authorized under other laws of
23 this state, if the family applies for assistance

24 (1) within 90 days after moving to the state; or

25 (2) more than 90 days after moving to the state, but less than 180 days after
26 moving to the state and the family is unable to demonstrate to the satisfaction of the
27 department that the caretaker relative in the family was employed in a paying job for at least
28 13 weeks after moving to the state.

29 (d) In determining which state will be used to determine the eligibility standards and
30 benefit payment amount under (c) of this section, the department shall use the state for which
31 the most recent one-month or longer period of residence for the caretaker relative has been

1 verified by the department.

2 (e) The benefit amount determined under (c) and (d) of this section is the maximum
3 amount of assistance payable to the family until after the sixth month of state residency of the
4 caretaker relative. The family's eligibility for assistance after six months of residency shall
5 be determined under (a) of this section, and the maximum amount of assistance payable after
6 the sixth month of residency in the state shall automatically change to the benefit amount
7 otherwise payable in the project areas, subject to any penalties authorized under other laws
8 of this state.

9 (f) The provisions of (b) - (e) of this section do not apply to a family whose caretaker
10 relative, according to criteria established by the department,

11 (1) left the state briefly during the previous six months and has returned; or

12 (2) entered the state in the previous six months to provide care for a minor
13 child who resided in the state for six months before application for assistance was made.

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

28 (b) If organizations exist in the project area that have had successful experience in
29 conducting employment placement services, community services, and job training programs,
30 the department shall offer on a competitive basis contracts to those organizations to administer
31 (a) of this section. A contract under this subsection must provide that the department shall

1 make the determinations required under (c) and (d) of this section and the contractor shall
2 perform the duties assigned to the department under (a) of this section with respect to
3 uncompensated activities, including assessment of their availability, development of additional
4 activities, consideration of activities recommended by governmental representatives, and
5 assignment of persons to specific activities after referral of those persons to the contractor by
6 the department. Subject to (e) of this section, the department may, after consultation with the
7 appropriate contractor under this subsection, if any,

8 (1) provide AFDC benefits to participant families in amounts and forms the
9 department determines are appropriate to the circumstances of the family;

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

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

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

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

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

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

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

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

1 or

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

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

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

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

11 (e) Except as provided in (f) of this section, a family who has a member assigned to
12 an activity under this section is ineligible for AFDC beginning with the 25th month after the
13 person is assigned and does not become eligible to apply for assistance again until 84 months
14 after the person is assigned.

15 (f) The eligibility of a family described in (e) of this section shall be extended beyond
16 24 months from the assignment described in (e) of this section if the assigned person has
17 cooperated with the department and has substantially complied with the requirements of the
18 program to which the person was assigned but

19 (1) a temporary and verified physical or mental condition, as supported by
20 appropriate medical documentation, prevents the person from attaining and maintaining
21 employment that would provide the family with net income equal to or greater than what the
22 family would receive from the assistance grant;

23 (2) the department failed to comply with (d) of this section with respect to the
24 family;

25 (3) despite all appropriate efforts, the person has been unable to find, or has
26 lost without cause, employment that would provide the family with net income equal to or
27 greater than what the family would receive from assistance; or

28 (4) other unique circumstances exist, as determined by the department, that
29 prevent the person from obtaining or retaining adequate employment.

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

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

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

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

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

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

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

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

22 (b) The services and referrals to be provided by the department and the activities to
23 be included in a family plan may include

24 (1) child care services;

25 (2) uncompensated community work experience;

26 (3) work-related training programs;

27 (4) high school completion or GED programs;

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

29 (6) culturally relevant subsistence activities;

30 (7) placement in paid employment; and

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

1 employability or self-sufficiency.

2 (c) The department shall deny AFDC benefits to a family that is assigned to
3 participate in the project under this section if the family fails to cooperate in the development
4 of a family plan or fails to sign a family contract as required by (a) of this section. A family
5 assigned to participate in the project under this section that is denied AFDC benefits under
6 this subsection shall be provided the opportunity for a fair hearing under AS 47.25.370 to
7 determine whether benefits were properly denied under the statutes and regulations governing
8 the project.

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

11 * Sec. 15. SELF-EMPLOYMENT PROJECT. (a) The Department of Health and Social
12 Services shall operate a self-employment demonstration project for the purpose of allowing
13 individual recipients of Aid to Families with Dependent Children (AFDC) assistance under
14 AS 47.25.310 - AS 47.25.429 to reduce their need for public assistance by establishing and
15 operating a microenterprise. Under the self-employment demonstration project, a recipient
16 may accumulate certain resources needed to acquire business skills or to establish and operate
17 a microenterprise without becoming ineligible for AFDC assistance.

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

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

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

31 (1) disregard up to \$10,000 in microenterprise assets set aside for the

1 development or operation of the microenterprise in accordance with the approved plan;

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

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

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

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

14 (g) In this section,

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

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

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

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

22 (A) business loans;

23 (B) capital equipment;

24 (C) inventory; and

25 (D) all other assets required for the operation of the microenterprise;

26 (5) "net business income" means all business income minus all of the
27 following:

28 (A) business loan payments;

29 (B) business taxes;

30 (C) expenditures for vehicles vital to the business operations;

31 (D) cash retained in the microenterprise;

- 1 (E) insurance expenditures;
 2 (F) inventory raw material expense;
 3 (G) transportation expenditures;
 4 (H) office supplies;
 5 (I) professional services, including accounting, legal, or other consulting
 6 services;
 7 (J) delivery charges and supplies;
 8 (K) commissions, salaries, wages, and other employment benefits,
 9 including dental and vision care;
 10 (L) postage;
 11 (M) rent;
 12 (N) utilities;
 13 (O) telephone expenses;
 14 (P) advertising and other marketing and promotional costs; and
 15 (Q) training and professional development expenses.

16 * Sec. 16. DIVERSION PROJECT. (a) The Department of Health and Social Services
 17 shall operate a diversion project that is designed to increase family income through
 18 employment and child support payments by offering lump-sum diversion payments in place
 19 of ongoing financial assistance under the Aid to Families with Dependent Children (AFDC)
 20 program. A diversion payment may be offered to an applicant for AFDC who is job-ready
 21 and who needs short-term financial assistance to meet critical needs in order to secure
 22 employment and support for the applicant's family.

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

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

28 or

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

31 (c) The amount of the diversion payment must be sufficient to meet the family's

1 immediate needs as determined by the department and the participant. A diversion payment
2 may not exceed

3 (1) \$1,000 for a family that includes one AFDC-eligible individual;

4 (2) \$1,500 for a family that includes two AFDC-eligible individuals;

5 (3) \$2,000 for a family that includes three AFDC-eligible individuals;

6 (4) \$2,500 for a family that includes four or more AFDC-eligible individuals.

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

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

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

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

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

22 (f) To the extent that a provision of this section is inconsistent with AS 25.27.120 or
23 25.27.130, or with a provision of AS 47.25.310 - 47.25.429, the provision of this section
24 governs.

25 * Sec. 17. COOPERATION. State agencies shall cooperate with the department to the
26 extent necessary to implement secs. 11 - 18 of this Act.

27 * Sec. 18. DEFINITIONS. In secs. 11 - 18 of this Act,

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

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

31 * Sec. 19. IMMUNITY FROM LIABILITY. (a) The Department of Health and Social

1 Services, and its employees, agents, and grantees, are not liable for civil damages as a result
2 of an act or omission in the implementation, operation, or administration of an authorized
3 project under secs. 11 - 18 of this Act.

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

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

8 * Sec. 20. REGULATIONS. (a) The Department of Health and Social Services shall
9 adopt regulations necessary to implement secs. 11 - 19 of this Act. The regulations adopted
10 by the department may include

11 (1) eligibility criteria for the projects described in secs. 12 - 16 of this Act that
12 differ from eligibility requirements in AS 47.25.310 - AS 47.25.429 and the regulations
13 adopted under those statutes;

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

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

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

20 (b) The Department of Revenue, child support enforcement agency, may adopt
21 regulations necessary to implement sec. 16 of this Act.

22 * Sec. 21. TRANSITION. The Department of Health and Social Services and the
23 Department of Revenue, child support enforcement agency, may proceed to adopt regulations
24 necessary to implement this Act. The regulations to implement a section of this Act take
25 effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the
26 relevant section of this Act.

27 * Sec. 22. Sections 11 - 20 of this Act are repealed July 1, 2001.

28 * Sec. 23. Sections 3 and 5 of this Act; AS 47.25.362, enacted by sec. 6 of this Act; and
29 secs. 7, 11, and 17 - 21 of this Act take effect immediately under AS 01.10.070(c). *Only 21 is immediate*

30 * Sec. 24. (a) Sections 12 - 16 of this Act take effect on the effective date of the federal
31 government's approval of the relevant waiver application made under sec. 11 of this Act.

1 (b) If the Department of Health and Social Services determines that federal statutes
2 do not require waivers for one or more of the projects outlined in secs. 12 - 16 of this Act,
3 the effective date of the relevant section is January 1, 1996, or the effective date of the federal
4 law, whichever is later.

5 (c) The commissioner of health and social services shall notify the revisor of statutes
6 and the lieutenant governor of the effective date of each of secs. 12 - 16 of this Act and of
7 whether the effective date was determined by a waiver approval or a determination that a
8 waiver is not necessary.

9 * Sec. 25. Section 2 of this Act takes effect January 1, 1996.

10 * Sec. 26. Section 3 of this Act; AS 47.25.364, enacted by sec. 6 of this Act; and sec. 9
11 of this Act take effect March 1, 1996.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS for CSHB 73 (FIN)
DPA #5

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: Haley
Requestor: Senate Finance COMPONENT SERIAL NO. 238

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	34.5	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	229.5	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	
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	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 Perode
Agency: Department of Health & Social Services

Phone: 465-2680
Date: 5/7/95
Date: 5/7/95

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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	3.3	13.7
Total \$	0.0	94.5	136.1	146.0	157.0	170.4	704.0

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS for CSHB 78 (FIN)
DPA #6

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: Hanley
Requestor: Senate Finance 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 Phone: 465-2680
Division: Division of Public Assistance Date: 5/7/95
Approved by Com: Karen Perdue Date: 5/7/95
Agency: Department of Health & Social Services

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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

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS CSHB 78 (FIN)

Revision Date: _____
 Title: An Act making changes related to
aid to families with dependent children program
 Sponsor: HANLEY
 Requestor: Senate FIN

Dept. Affected: Health and Social Services
 BRU: Medical Assistance Admin
 Component: Hearings and Appeals
 COMPONENT SERIAL NO. 1434
 See also (SN#): 229, 230, 243

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES		51.6	103.4	103.4	103.4	103.4
TRAVEL						
CONTRACTUAL		1.0	1.0	1.0	1.0	1.0
SUPPLIES		1.0	1.0	1.0	1.0	1.0
EQUIPMENT		12.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	65.6	105.4	105.4	105.4	105.4

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY96	FY97	FY98	FY99	FY00	FY01
1002 Federal Receipts	0.0	32.3	52.7	52.7	52.7	52.7
1003 GF Match	0.0	32.3	52.7	52.7	52.7	52.7
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	0.0	65.6	105.4	105.4	105.4	105.4

POSITIONS:

POSITIONS	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME		2	2	2	2	2
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

SCS CSHB 78 (FIN) will result in a substantial increase in the number of individuals denied public assistance and in the number of individuals who receive sanctions. Every person denied eligibility or sanctioned has the right under state and federal law to appeal the decision or action of the department through the fair hearing process. One Public Assistance Program Officer and one Administrative Clerk II will be need to process and adjudicate these additional cases.

Prepared by: Jon Sherwood
 Division: Medical Assistance

Phone: 465-3355
 Date: 05/06/95

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

Date: 5/7/95

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