

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

1295

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	<u>65.6</u>

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	<u>105.4</u>

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

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS CSHB78(FIN)am S
(efd fld S)

Revision Date: 5/10/95 Dept. Affected: Fish and Game
 Title: Compliance for Child Support BRU: Commercial Fisheries (Limited) Entry Commission
 Sponsor: Rep. Hanley Component: Limited Entry Program Administration
 Requester: Joint Finance Conference Committee COMPONENT SERIAL NO. 0471

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	62.0	27.9	27.9	27.9	27.9	27.9
CONTRACTUAL SUPPLIES	10.7	10.7	10.7	10.7	10.7	10.7
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	72.7	38.6	38.6	38.6	38.6	38.6

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	72.7	38.6	38.6	38.6	38.6	38.6
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	72.7	38.6	38.6	38.6	38.6	38.6
1006 GF/MHTIA						
Other						
TOTAL	72.7	38.6	38.6	38.6	38.6	38.6

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

POSITIONS	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
FULL-TIME						
PART-TIME	2	1	1	1	1	1
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

See attachment for explanation.

Prepared By: Roger Kolden Phone: 789-6160
 Agency: Commercial Fisheries (Limited) Entry Commission Date: 5/10/95

Approved by Commissioner: Frank Homan Date: 5/10/95
 Agency: Commercial Fisheries (Limited) Entry Commission

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File copy -

5-10-95

Note received after a conference committee (Hanley, Teohy, and B. Davis) was appointed in the House. Copies of the note were provided to Tom Maher, Dave Skidmore, and Kirsten.

Kathy

One-time Requirements

- (1) Data Processing staff write programs to:
 - (a) merge monthly lists with CFEC database, and
 - (b) provide edits in existing revenue, embossing and vessel licensing programs to check applicants against CSED list, and
 - (c) develop a mechanism for issuing temporary permits and vessel licenses with a 150 day expiration date, and
 - (d) develop a mechanism for recording releases.
- (2) Develop the required "notice" to be sent to applicants.
- (3) Develop notice to be sent to license holder and fisheries enforcement agencies upon expiration of temporary license.
- (4) Publish ads and mail notices to alert the public and fisheries management staff at ADF&G and FWP of these changes.
- (5) Install additional embossing machine to be used for temporary permits which will require a different color card stock than regular permits.

Monthly Requirements

- (1) Data processing merges CSED list with CFEC licensing database.
- (2) Notices sent to individuals on list.

Ongoing Requirements

- (1) Licensing staff check each applicant for a permit against the CSED list.
- (2) If applicant is on the list:
 - (a) prepare and send required notice advising that permit and/or vessel license cannot be issued, and
 - (b) collect fees for issuance of temporary permits and vessel licenses, and
 - (c) issue temporary permits and vessel licenses.
- (3) Monitor expiration dates of temporary permits and vessel licenses and send notices to enforcement personnel upon expiration.
- (4) When a release is received from CSED:
 - (a) record the release on computer system
 - (b) issue any permits or vessel licenses which may be pending.

Annual Requirements

- (1) Order a special type of permit card stock to be used for temporary permits.
- (2) Prepare any required reports on the impact of the legislation.

Costs to CFEC

6.0 months of programmer time to write and test the programs:
\$34.1

0.5 months of programming time loading files to merge monthly lists and generate annual statistical reports: \$2.8

8.5 months - 1 full-time seasonal licensing position (CFPC II, range 10, working 40 hrs/wk, 8.5 mos/yr) to specialize in CSE-related activities. This includes co-ordinating and establishing procedures, sending required notices, issuing temporary licenses, and monitoring expiration of licenses. This position is necessary to prevent negatively impacting the quality of service provided to other applicants: \$25.1

Ad publication for alerting fishermen, and staff of ADF&G and F&WP: \$2.5

Embossing machine and maintenance: \$7.2

Plastic card stock for temporary permit cards: \$1.0

Assumptions:

Based upon information provided by CSED, approximately 450 permit holders (holding 785 permits) are currently in arrears on child support payments. CFEC estimates that 300+ vessel licenses would be held by this group, resulting in a total of about 1000-1100 permits and vessel licenses per year being withheld.

Assuming it takes .5 hour to review and process each application, prepare the required notice and issue the temporary permits or vessel licenses, this is about 550 hours per year. Most of this activity would occur during the months of peak licensing volume, Nov. through June, and it would be concentrated in the couple months immediately prior to the start of the fisheries since many fishermen wait until then to obtain licenses.

Additional staff time will be required to send out warning notices to fishermen on the list each month, and during the season to notify fishermen and enforcement personnel that temporary licenses have expired, and to issue the regular licenses in cases where releases have been received. This is expected to require approximately an additional .5 hour per license in the course of the year. The remaining time allocated will be necessary to respond to inquiries and provide assistance to fishermen impacted by the legislation.

Based upon estimates of the numbers of licenses and the agency's costs in implementing the legislation, CFEC anticipates that the cost of each temporary permit or vessel license would be about \$75 in the first year, dropping to \$40 in subsequent years. (This is more than some of those impacted would pay for their regular

permit, because many of those in arrears on child support qualify to pay the reduced permit fee of \$15 available to low income applicants.)

Potential problems or issues which CFEC has not had an opportunity to address:

1) CFEC's records do not record "legal" vessel ownership - applications will simply be submitted in a different name to avoid the impact of the legislation.

2) Vessels may be fished by several different permit holders in the course of a year - withholding of the vessel licence may impact those persons more than it does the vessel owner who is in arrears.

3) What impacts does the legislation have on transferability of entry permits, which may be permanently or emergency transferred during the license year?

4) Limited entry permit fees are not refundable even if the permit is not fished, (except if F&G does not open the fishery during the year). Payment of the annual fee is the one requirement for keeping the permit valid. This legislation poses a problem in that it requires fees to be refunded if the license is withheld, with the result that permits could end up being forfeited for nonpayment of fees.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SCS CSHB78(FIN)am S
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(Thousands of Dollars)

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CAPITAL EXPENDITURES						
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ANALYSIS: (Attach a separate page if necessary.)

See attachment for explanation.

Prepared By: Roger Kolden Phone: 789-6160
 Agency: Commercial Fisheries (Limited) Entry Commission Date: 5/10/95

Approved by Commissioner: Frank Holman Date: 5/10/95
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**DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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Mail Stop 3101


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

MEMORANDUM

May 7, 1995

SUBJECT: "Glitch" in Welfare Reform Bill (SCS CSHB 78(FIN))(corrected version)

TO: Senator Rick Halford

FROM: Terri Lauterbach 
Legislative Counsel

In reviewing SCS CSHB 78(FIN) today, I noticed a "glitch" in the way a "conceptual amendment" in the Senate Finance committee was incorporated into the bill. The corrected Senate Finance SCS fixes this glitch.

The Senate Finance Committee adopted an amendment requesting that time limits in the bill not start running until March 1, 1996. Therefore, Sec. 19(b) was added. (Sec. 19(b) is on page 18 of the Finance SCS.) On page 18, line 13, the six-month residency requirement for the two-tier AFDC payment system was listed in the previous Finance SCS as one of the time limits that wouldn't start running until March 1, 1996 (along with the 90-day and 13-week time periods that are also part of the two-tier payment system). While these arguably are time limits, it makes no sense to include them in this list. The result would be that, starting March 1, 1996, no one in the state would have six months of residency or 13 weeks of work history because under sec. 19(b) only time elapsing after March 1, 1996, counts. Therefore, the corrected SCS (the "Z" version) deleted page 18, line 13, of the previous SCS so that residency and work history before March 1, 1996, are countable.

TML:glc
95-340.glc

Enclosure

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

26
Bill Version: CSHB 78 (FIN)
(H) Publish Date: 5/2/95

Revision Date: _____ Dept. Affected: Health and Social Services
Title: An Act relating to the AFDC program BRU: Assistance Payments
demonstration projects and payment reductions Component: AFDC
Sponsor: Hanley
Requestor: House 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	(317.9)	(1,271.1)	(2,218.0)	(2,361.3)	(2,525.7)	(2,690.9)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(317.9)	(1,271.1)	(2,218.0)	(2,361.3)	(2,525.7)	(2,690.9)

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	(152.6)	(596.1)	(1,028.8)	(1,095.9)	(1,172.9)	(1,250.4)
1003 GF Match	(1,215.1)	(2,933.7)	(3,700.1)	(3,924.4)	(4,284.2)	(4,672.8)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	1,062.5	2,337.5	2,671.3	2,828.4	3,111.2	3,422.3
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	(12.7)	(78.8)	(160.4)	(169.4)	(179.9)	(190.0)
TOTAL	(317.9)	(1,271.1)	(2,218.0)	(2,361.3)	(2,525.7)	(2,690.9)

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

This legislation changes child support law to:

withhold occupational and drivers licenses from delinquent child support obligers; and

hold the noncustodial parents of unemancipated minor parents liable for the support of their grandchildren.

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: 5/1/95
Date: 5/2/95

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*Accompanied
the
Bill*

ANALYSIS (cont.):

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

This measure also imposes a statewide reduction of approximately 1.7 percent in AFDC benefit payments.

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

WITHHOLDING OF OCCUPATIONAL AND DRIVERS LICENSES FROM DELINQUENT CHILD SUPPORT OBLIGORS

This legislation changes child support law to withhold occupational and drivers licenses from delinquent child support obligors. The Department of Revenue projects increased child support collections as a result of this provision.

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

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

ANALYSIS (cont.):Assumptions:

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

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

The monthly AFDC caseload is decreased by an average of 100 cases beginning in January, 1996. This caseload reduction increases by 10 percent each fiscal year after FY 96.

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

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

Calculations

AFDC benefit cost avoidance: AFDC caseload reductions

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

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

	<u>GF Match</u>	<u>GF/ Prog Receipts</u>
FY 96:	(1,062.5)	1,062.5
FY 97:	(2,337.5)	2,337.5
FY 98:	(2,671.3)	2,671.3
FY 99:	(2,828.4)	2,828.4
FY 00:	(3,111.2)	3,111.2
FY 01:	(3,422.3)	3,422.3

ANALYSIS (cont.):

UNMARRIED MINOR PARENTS

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

Assumptions:

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

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

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

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

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

Regulations take effect January 1, 1996.

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

Savings Calculation:

FY 96: (137.9)

FY 97 through FY 01: (275.9) per year

ANALYSIS (cont.):

DEMONSTRATION PROJECTS

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

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

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

ANALYSIS (cont.):

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

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

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

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

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

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

Workfare Project:

General Assumptions:

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

Savings Assumptions:

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

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

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

ANALYSIS (cont.):

Annual Workfare Savings:

AFDC BENEFIT SAVINGS						
	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
\$200 + 1/3 Earned Income Disregard & 100- Hour-Rule	0.0	(390.93)	(862.0)	(888.5)	(932.9)	(979.5)
Workfare Sanctions	0.0	(8.8)	(17.6)	(17.6)	(17.6)	(17.6)
Case Closures	0.0	(112.8)	(360.7)	(366.0)	(384.2)	(403.4)
Total Gross Savings	0.0	(796.1)	(1230.3)	(1272.1)	(1334.7)	(1400.5)

Cost Assumptions:

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

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

Annual Workfare Costs:

AFDC BENEFIT COSTS						
	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
\$200 + 1/3 Earned Income Disregard & 100- Hour-Rule	0.0	505.5	499.2	524.1	560.2	577.5
Automobile Allowance	0.0	60.3	80.4	80.4	80.4	80.4
Total Gross Costs	0.0	565.8	579.6	604.5	630.6	657.9

Workfare Project: Cost/Savings Summary

	FY96	FY97	FY 98	FY 99	FY 00	FY 01
Savings	0	(796.1)	(1230.3)	(1272.1)	(1334.7)	(1400.5)
Costs	0	(565.8)	(579.6)	(604.5)	(630.6)	(657.9)
Net Savings	0	(230.3)	(650.7)	(667.6)	(704.1)	(742.6)

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

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

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

Savings Assumptions:

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

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

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

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

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

Cost Assumptions:

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

Calculations:

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

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

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

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

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

Savings Assumptions:

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

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

Cost Assumptions:

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

Calculations:

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

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

The Diversion Project operates in two areas of the state.

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

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

Savings Assumptions:

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

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

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

Cost Assumptions:

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

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

Calculations:

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

CUMULATIVE IMPACTS OF THIS LEGISLATION ON AFDC ASSISTANCE
PAYMENTS SUMMARY

	FY96	FY97	FY98	FY99	FY00	FY01	Totals
CS/Licenses	(180.0)	(396.0)	(435.6)	(479.2)	(527.1)	(579.8)	(2597.7)
Minor Parents	(137.9)	(275.9)	(275.9)	(275.9)	(275.9)	(275.9)	(1517.4)
Workfare	0.0	(230.3)	(650.7)	(667.8)	(704.1)	(742.6)	(2995.3)
Unemployed Parent	0.0	(129.5)	(309.5)	(338.4)	(364.3)	(381.3)	(1523.0)
Self Employment	0.0	(84.6)	(257.8)	(309.0)	(360.2)	(411.4)	(1423.0)
Diversion	0.0	(154.8)	(288.5)	(291.2)	(294.1)	(299.9)	(1328.5)
TOTAL	(317.9)	(1271.1)	(2218.0)	(2361.3)	(2525.7)	(2690.9)	(11384.9)

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 25
Bill Version: CSHB 78 (FIN)
(H) Publish Date: 5/2/95

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 Non-Facility
Sponsor: HANLEY COMPONENT SERIAL NO. 229
Requestor: House FIN See also (SN#): 230, 243

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(107.7)	(454.4)	(676.7)	(764.7)	(842.8)	(926.2)
MISCELLANEOUS						
TOTAL OPERATING	(107.7)	(454.4)	(676.7)	(764.7)	(842.8)	(926.2)

CAPITAL EXPENDITURES						
CHANGES IN REVENUES	()					

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(53.3)	(227.2)	(338.3)	(382.3)	(421.4)	(463.1)
1003 GF Match	(53.3)	(227.2)	(338.4)	(382.4)	(421.4)	(463.1)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	(107.7)	(454.4)	(676.7)	(764.7)	(842.8)	(926.2)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

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, or successful entrepreneurship that increases their net income. Otherwise, participants in the programs created by this legislation will remain Medicaid eligible.

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

See analysis on the attached pages.

Prepared by: Jon Sherwood Phone: 465-3355
Division: Medical Assistance Date: 05/01/95
Approved by Commissioner: Karen Perdue, Commissioner Date: 5/2/95
Agency: Department of Health & Social Services

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ANALYSIS (cont.):

GENERAL ASSUMPTIONS:

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

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

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

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

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)	(\$177,760)	(\$216,348)	(\$248,976)	(\$285,576)	(\$329,440)
CHILD SUPPORT SAVINGS	(\$224,400)	(\$503,800)	(\$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 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adults Added Because of New Limits	0	4	4	4	4	4
Children Added Because of New Limits	0	4	4	4	4	4
Adult Expenditures (9 mo. only FY97)	\$0	\$8,892	\$12,384	\$12,912	\$13,488	\$14,064
Child Expenditures (9 mo. only FY 97)	\$0	\$5,148	\$7,152	\$7,488	\$7,324	\$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. It is estimated that sanctions, denials, and closures will generally cause Medicaid eligibility for an average of 6.5 months per year. Approximately one-half of the children of these families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, when a family loses AFDC under the workfare project, on average one adult and 1 child lose Medicaid. Sanctions apply only to adults.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	9	9	9	9	9
Adult Denials (1 adult)	0	9	9	9	9	9
Adult Closures (1 adult)	0	42	42	42	42	42
Child Denials (1 child)	0	9	9	9	9	9
Child Closures (1 child)	0	42	42	42	42	42
Adults Going Off Caseload for 6.5 mo.	\$0	(\$96,330)	(\$100,620)	(\$104,910)	(\$109,590)	(\$114,270)
Children Going of Caseload for 6.5 mo.	\$0	(\$47,405)	(\$49,394)	(\$51,714)	(\$54,036)	(\$56,355)
WORKFARE SAVINGS	\$0	(\$143,735)	(\$150,014)	(\$156,624)	(\$163,625)	(\$170,625)

AFDC UNEMPLOYED PARENT PROJECT

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

This program also waives the 100 hour employment limit and raises the vehicle exemption to \$5000. This will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 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)	(\$205,566)
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)	(\$257,521)

ANALYSIS (cont.):

SELF-EMPLOYMENT PROGRAM

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

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Closures (1 adult)	0	3	3	10	10	10
Child Closures (1 child)	0	3	3	10	10	10
Adult Medicaid Savings	\$0	(\$8,892)	(\$9,288)	(\$32,280)	(\$33,720)	(\$35,160)
Children Medicaid Savings.	\$0	(\$5,148)	(\$5,364)	(\$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 with in 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

	<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)	(\$320,733)	(\$337,622)	(\$355,395)
Child Medicaid Savings	\$0	(\$42,471)	(\$176,342)	(\$186,030)	(\$195,345)	(\$206,550)
DIVERSION PROGRAM SAVINGS	\$0	(\$115,830)	(\$481,685)	(\$506,313)	(\$533,467)	(\$562,545)

SUMMARY OF DIVISION SAVINGS

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
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)	(\$10,380)
Disregards/Waiver/Auto provisions	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224
Workfare Project	\$0	(\$143,735)	(\$150,014)	(\$156,524)	(\$163,625)	(\$170,625)
AFDC Unemployed Parent Project	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,621)
Self-Employment Project	\$0	(\$14,040)	(\$14,652)	(\$51,000)	(\$53,280)	(\$55,560)
Diversion Program	\$0	(\$115,830)	(\$481,685)	(\$506,313)	(\$533,467)	(\$562,545)
TOTAL SAVINGS	(\$224,400)	(\$946,706)	(\$1,409,830)	(\$1,593,138)	(\$1,755,910)	(\$1,929,523)
MEDICAID FACILITIES (52%)	(\$116,688)	(\$492,287)	(\$733,112)	(\$828,458)	(\$913,073)	(\$1,003,352)
MEDICAID NON-FACILITIES (48%)	(\$107,712)	(\$454,419)	(\$675,718)	(\$764,730)	(\$842,837)	(\$926,171)

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 24
Bill Version: CSHB 78 (FIN)
(H) Publish Date: 5/2/95

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: House FIN See also (SN#): 229, 243

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(116.7)	(492.3)	(733.1)	(828.5)	(913.1)	(1,003.4)
MISCELLANEOUS						
TOTAL OPERATING	(116.7)	(492.3)	(733.1)	(828.5)	(913.1)	(1,003.4)

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

1002 Federal Receipts	(58.4)	(246.1)	(366.5)	(414.2)	(456.5)	(501.7)
1003 GF Match	(58.3)	(246.2)	(366.6)	(414.3)	(456.5)	(501.7)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	(116.7)	(492.3)	(733.1)	(828.5)	(913.1)	(1,003.4)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

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, or successful entrepreneurship that increases their net income. Otherwise, participants in the programs created by this legislation will remain Medicaid eligible.

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

See analysis on the attached pages.

Prepared by: Jon Sherwood
Division: Medical Assistance

Phone: 465-3355
Date: 05/01/95

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

Date: 5/2/95

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ANALYSIS (cont.):**GENERAL ASSUMPTIONS**

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

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

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

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

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)	(\$138,760)	(\$216,348)	(\$248,976)	(\$285,576)	(\$328,440)
CHILD SUPPORT SAVINGS	(\$224,400)	(\$514,300)	(\$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 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adults Added Because of New Limits	0	4	4	4	4	4
Children Added Because of New Limits	0	4	4	4	4	4
Adult Expenditures (9 mo. only FY97)	\$0	\$8,892	\$12,384	\$12,912	\$13,488	\$14,064
Child Expenditures (9 mo. only FY 97)	\$0	\$5,148	\$7,152	\$7,488	\$7,824	\$8,160
NEW EXPENDITURES	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224

WORKFARE

Families participating in a workfare project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials, and closures. It is estimated that sanctions, denials, and closures will generally cause Medicaid eligibility for an average of 5.5 months per year. Approximately one-half of the children of these families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, when a family loses AFDC under the workfare project, on average one adult and 1 child lose Medicaid. Sanctions apply only to adults.

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

AFDC UNEMPLOYED PARENT PROJECT

Families participating in the AFDC unemployed parent (UP) project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials, and closures. It is estimated that sanctions, denials, and closures will result in some individuals losing Medicaid eligibility for an average of 5.5 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 2.5 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)	(\$205,586)
Children Going of Caseload for 6.5 mo.	\$0	(\$35,321)	(\$37,740)	(\$41,574)	(\$48,737)	(\$51,935)
UP PROJECT SAVINGS	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,521)

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

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

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Closures (1 adult)	0	3	3	10	10	10
Child Closures (1 child)	0	3	3	10	10	10
Adult Medicaid Savings	\$0	(\$8,892)	(\$9,288)	(\$32,280)	(\$33,720)	(\$35,160)
Children Medicaid Savings	\$0	(\$5,148)	(\$5,364)	(\$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 with in 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

	<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	253	265	257	270
Adult Medicaid Savings	\$0	(\$73,359)	(\$305,343)	(\$320,783)	(\$337,522)	(\$355,995)
Child Medicaid Savings	\$0	(\$42,471)	(\$176,342)	(\$186,030)	(\$195,845)	(\$206,550)
DIVERSION PROGRAM SAVINGS	\$0	(\$115,830)	(\$481,685)	(\$506,813)	(\$533,467)	(\$562,545)

SUMMARY OF DIVISION SAVINGS

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Child Support Collections	(\$224,400)	(\$514,800)	(\$590,364)	(\$678,300)	(\$777,888)	(\$894,515)
Minor Parent Assistance	\$0	(\$8,580)	(\$9,089)	(\$9,672)	(\$10,269)	(\$10,380)
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)	(\$257,621)
Self-Employment Project	\$0	(\$14,040)	(\$14,552)	(\$51,000)	(\$53,280)	(\$55,560)
Diversion Program	\$0	(\$115,830)	(\$481,685)	(\$506,813)	(\$533,467)	(\$562,545)
TOTAL SAVINGS	(\$224,400)	(\$946,706)	(\$1,409,830)	(\$1,593,188)	(\$1,755,910)	(\$1,929,523)
MEDICAID FACILITIES (52%)	(\$116,688)	(\$492,287)	(\$733,112)	(\$828,458)	(\$913,073)	(\$1,003,352)
MEDICAID NON-FACILITIES (48%)	(\$107,712)	(\$454,419)	(\$676,718)	(\$764,730)	(\$842,837)	(\$926,171)

FISCAL NOTE

No. 23

Bill Version: CSHB 78 (FIN)

(H) Publish Date: 5/1/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

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

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

COMPONENT SERIAL NO. #651

Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

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

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

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

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

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

Approved by Commissioner: Larry Jones / 10/98
 Agency: Department of Environmental Conservation Date: _____

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 22
E Bill Version: CSHB 78 (FIN)
(H) Publish Date: 5/1/95

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

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

COMPONENT SERIAL NO. 346

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL						
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CHANGE IN REVENUE						
FUND SOURCE						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
1007 VA	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. Ashshire, Director Phone: 269-4914
Division: Labor Standards and Safety Date: 3/30/95

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

Analysis:

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

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

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

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

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

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

Costs for this section to implement SSHB 62 include:

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

FISCAL NOTE

No. 21

B... Version: CSHB 78 (FIN)

(H) Publish Date: 5/1/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

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

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	24.3	25.4	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						
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CHANGE IN REVENUE FUND SOURCE #						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

This fiscal analysis assumes inflation at 4.83% and an effective date of 1/1/96. We will need to increase staffing six months before effective date in order to implement program as soon as possible after effective date.

Interagency Receipts: RSA with Department of Revenue, Child Support Enforcement Division (CSED). Please see additional analysis attached.

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

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

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Analysis:

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

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

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

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

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

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 20
Bill Version: CSHB 78 (FIN)
(H) Publish Date: 5/1/95

Revision Date: _____
Title: Child Support Nonpayment/Licensing Ban

Department Affected: Commerce and Economic Development
BRU: Banking, Securities and Corporations
Component: Banking, Securities and Corporations

Sponsor: Senator Ellis
Requestor: _____

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

Phone: 485-2521
Date: 5-10-95

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

Date: 3-24-95

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FISCAL NOTE

No. 19

Bill Version: CSHB 78 (FIN)

(H) Publish Date: 5/1/95

**STATE OF ALASKA
1995 LEGISLATIVE SESSION**

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

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	41.5	41.5	41.5	41.5	41.5	41.5
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	29.7	29.7	29.7	29.7	29.7	29.7
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	6.3					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	83.5	77.2	77.2	77.2	77.2	77.2

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

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

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

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

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

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

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO.: 122

ANALYSIS: (Continued)

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

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

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

PERSONAL SERVICES:

\$ 41.5

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

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

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

TRAVEL:

\$ 5.0

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

CONTRACTUAL:

\$ 29.7

Costs for contractual services covers:

Printing of temporary permits and licenses, \$1.0

Telephone and fax costs, \$3.5

Certified mail and other postage costs, \$4.5

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

SUPPLIES:

\$1.0

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

EQUIPMENT: (One-time costs)

\$ 6.3

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

TOTAL:

\$83.5

REVENUE: Inter-Agency Receipts to cover program costs.

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

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

FISCAL NOTE

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

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

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

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

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

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

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

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

POSITIONS	
FULL-TIME	
PART-TIME	
TEMPORARY	

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

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

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STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 17
Bill Version: CSHB 78 (FIN)
(H) Publish Date: 5/1/95

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

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

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	1.0	1.0	1.0	1.0	1.0	1.0
TRAVEL						
CONTRACTUAL	0.5	0.2	0.2	0.2	0.2	0.2
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1.5	1.2	1.2	1.2	1.2	1.2
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ()						

FUND SOURCE

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

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

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

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

There is no impact on FY95.

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

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

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

Date: 3/10/95

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FISCAL NOTE

No. 15

Bill Version: CSHB 78 (FIN)

(H) Publish Date: 5/1/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affecting: Revenue

Title: Child Support Nonpayment/Licensing Ban BRU: Child Support Enforcement Division

Component: Child Support Enforcement Division

Sponsor: Senator Ellis

CSHB 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	355.8	380.4	395.7	411.5
TRAVEL						
CONTRACTUAL	254.0	270.2	274.9	279.9	285.1	290.4
SUPPLIES	3.2	5.4	6.4	6.4	6.4	6.4
EQUIPMENT	33.1					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	519.4	528.3	547.1	666.7	687.2	708.3

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	342.8	414.7	427.1	440.0	453.5	487.5
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1018 Federal Incentive Payments	176.6	213.6	220.0	226.7	233.7	240.8
TOTAL	519.4	528.3	547.1	666.7	687.2	708.3

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

POSITIONS

FULL-TIME	8	3	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 generate \$2,250,000 in AFDC Yukon payments with the 1% of which will be retained by the state. Annual state revenue is \$400,000. 45% of the population is employed in non-traditional occupations and their wages are not reported to state Departments of Labor. Self-employed persons have a very low child support payment compliance rate. Currently 5% of Alaska with child support orders pay nothing. More than half of these individuals have the ability to pay, but work in a part or self-employed positions. This legislation will insure that self-employed persons have a payment plan or pay that affords to obtain or retain their occupational license. Similar legislation has been enacted in several states. (As per title of Congress. (Continued on additional page)

Prepared by: Glenda Strube, Director

Division: Child Support Enforcement Division

Approved by: [Signature]

Commissioner: Wilson Condon

Agency: Dept. of Revenue

Phone: 259-6801

Date: 4/3/95

Date: 4/1/95

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ANALYSIS, CONTINUED:

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

FISCAL NOTE

o. 14
 Bill Version: CSHB 78 (FIN)
 (H) Publish Date: 5/1/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

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

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

COMPONENT SERIAL NO. 1240

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL

REVENUE FUND SOURCE:

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other: 1007 I/A Receipts	20.6	17.8	17.8	17.8	17.8	17.8
TOTAL	20.8	17.8	17.8	17.8	17.8	17.8

POSITIONS:

FULL-TIME	1.0					
PART-TIME	-1					
TEMPORARY						

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

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

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

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FISCAL NOTE

No. 13

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO

Bill Version: CSHB 78 (FIN)

(H) Publish Date: 5/1/95

Revision Date: _____
Title: An Act relating to child support enforcement...
suspending driver's license....
Sponsor: Senator Ellis
Requestor: S L3C

Dept. Affected: Public Safety
BRU: Motor Vehicles
Component: Driver Services/Field Services
COMPONENT SERIAL NO. 0500 & 0502

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

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	155.5	97.7	97.7	97.7	97.7	97.7
TRAVEL	1.5	1.5	1.5	1.5	1.5	1.5
CONTRACTUAL	23.9	11.9	11.9	11.9	11.9	11.9
SUPPLIES	2.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	10.0					
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-
CHANGE IN REVENUES (1004 Revenue Code)	582.8	183.2	183.2	183.2	183.2	183.2

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	222.8	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	2	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
Division: Motor Vehicles
Approved by Commissioner: Ronald L. Otto
Agency: Ronald L. Otto, Dept. of Public Safety

Phone: 465-2650
Date: 3/30/95
Date: 5-3-95

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Fiscal Note Analysis
 CSSB 109 (L&C)

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

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

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

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

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

<u>OPERATING</u>	<u>FY96</u>	<u>FY97</u>
<u>Personal Services</u>	Salary and Benefits	
Driver Services Supervisor R14 (Juneau)	\$47.2	\$47.2
Motor Vehicle Representative II (Juneau)	\$36.1	
2 Motor Vehicle Representative II(Anch) (2 FY96 @ \$36.1)	\$72.2	\$36.1
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	\$19.6	\$9.8
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	\$87.7
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Fiscal Note Analysis
CSSB 109 (L&C)

<u>REVENUE</u>	<u>FY96</u>	<u>FY97</u>
3,150 Reinstatements: 1,575 @ \$100; 1,575 @ \$250	\$551.3	
3,150 Duplicate license fees @ \$10	\$31.5	
390 Reinstatements: 495 @ \$100; 495 @ \$250		\$173.3
390 Duplicate license fees @ \$10		\$9.9
TOTAL REVENUE	\$582.8	\$183.2

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

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

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

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

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

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

Prepared by: Jon Sherwood
Division: Medical Assistance
Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Phone: 465-3355
Date: 03/31/95
Date: 4/4/95

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STATE OF ALASKA
1995 LEGISLATIVE SESSION

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

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

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

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	113.9	113.9	113.9	113.9	113.9	113.9
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other (please specify)						
TOTAL	113.9	113.9	113.9	113.9	113.9	113.9

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

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

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

Prepared by: L. Diane Worley, Director
Division: Family & Youth Services

Phone: 465-3191
Date: 03/29/95

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

Date: 4/4/95

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ANALYSIS (cont.):

also be necessary.

Contract Clinical Social Worker (12 months)

Intake Assessment/Evaluation

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

Re-evaluations for maintenance caseload

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

Social Worker IV Range 18 Juneau State Office \$58.9

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

TOTAL \$113.9

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

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

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

Expenditures/Revenues:

	(Thousands of Dollars)						
OPERATING	FY96	FY97	FY98	FY99	FY00	FY01	
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	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	0.0
SUPPLIES	0.0	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	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)	
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)	
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	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	0.0
1003 GF Match	0.0	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	0.0
1005 GF/Program Receipts	0.0	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	0.0
Other 1050 PFD Funds	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)	
TOTAL	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)	

POSITIONS:

FULL-TIME	0	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0	0
TEMPORARY	0	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: 4/4/95
Date: 4/4/95

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ANALYSIS (cont.):

Assumptions:

The benefit reductions take effect on October 1, 1995.

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

Calculations:

PFD HOLD HARMLESS SAVINGS

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

STATE OF ALASKA
1995 LEGISLATIVE SESSION

FISCAL NOTE

N 7

Bill Version: CSHB 78 (HES)

(H) Publish Date: 4/5/95

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

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(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 IIA Receipts	(197.7)	(207.5)	(217.7)	(228.7)	(240.1)	(252.2)
TOTAL	(1,610.7)	(2,255.1)	(2,367.9)	(2,486.3)	(2,610.7)	(2,741.2)

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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

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

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

Ratable reductions are imposed statewide.

AFDC caseload size will increase by 5 percent each year.

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

Calculations:

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

* FY96 Total reduction is for 9 months

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

6
Bill Version: CSHB 78 (HES)
(H) Publish Date: 4/5/95

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

Expenditures/Revenues: (Thousands of Dollars)

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

FUND SOURCE (Thousands of Dollars)

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

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

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

Prepared by Jim Nordlund, Director Phone: 465-2680
Division: Division of Public Assistance Date: 4/1/95
Approved by Com Karen Perdue Date: 4/4/95
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

STATE OF ALASKA
1995 LEGISLATIVE SESSION

FISCAL NOTE

No. 5

Bill Version: CSHB 78 (HES)

(H) Publish Date: 4/5/95

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to the AFDC program BRU: PA Administration
demonstration projects and payment reductions Component: Alaska Work Program
 Sponsor: Hanley
 Requestor: House HES 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
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
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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 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 Perdue
 Agency: Department of Health & Social Services

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

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

- 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	166.9	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

STATE OF ALASKA
1995 LEGISLATIVE SESSION

FISCAL NOTE

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

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

Expenditures/Revenues: (Thousands of Dollars)

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

FUND SOURCE (Thousands of Dollars)

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

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

Continued on page 2

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

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

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ANALYSIS (cont.):

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

Assumptions:

The EIS modification project begins when the bill is enacted.

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

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

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

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

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

Calculations:

FY 96			
1	Project Coordinator	R19	62.5
2	Public Assistance Analysts	R16	104.0
	Travel		16.0
	Equipment		12.0
	Office space, phones, postage, fax		10.5
	Supplies		1.5
	System Contract		<u>765.9</u>
	Total		972.4

Revision Date: _____

BILL NO. CSHB 78 (HES)

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

STATE OF ALASKA
1995 LEGISLATIVE SESSION

FISCAL NOTE

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

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

Expenditures/Revenues: (Thousands of Dollars)

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

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

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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

Phone: 465-3680
Date: 4/4/95
Date: 4/4/95

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

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

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

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

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

Calculations:**FY 96:**

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

FY 97 through FY01

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

STATE OF ALASKA
1995 LEGISLATIVE SESSION

FISCAL NOTE

No. 2
Bill (Session): CSHB 78 (HES)
(H) Publish Date: 4/5/95

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

Expenditures/Revenues: (Thousands of Dollars)

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

FUND SOURCE (Thousands of Dollars)

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

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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ANALYSIS (cont.):Assumptions:

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

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

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

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

Calculations:

FY 96:

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

FY 97 through FY01:

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

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 OFFICE OF THE COMMISSIONER - M/S 0601
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___ DUKACAN, JIM	RM 119	MINORITY LDR	4766/4767
___ ELLIS, JOHNNY	RM 9		3704
<input checked="" type="checkbox"/> PRANK, STEVE	RM 518	CO-FIN	3709/3753
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___ HOFFMAN, LYMAN	R M 7		4453
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___ LEMAN, LOREN	RM 113	RES	2095/4907
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___ SHARP, BERT	RM 514	ST.AFFAIRS	3004/4522
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FROM: Lindstrom

DATE: 5/5

*DHSS
 Notes for
 Amended
 H. Bill*

COST/SAVINGS ANALYSIS
CSHB 78 (FIN) am
 Prepared by the Department of Health and Social Services
 Division of Public Assistance
 May 5, 1995

	FY96	FY97	FY98	FY99	FY00	FY01	TOTAL
OPERATING EXPENDITURES							
AFDC Payments - Project	(317.9)	(1,271.1)	(2,218.0)	(2,361.3)	(2,525.7)	(2,690.9)	(11,384.9)
Eligibility Determination	136.8	188.8	188.8	188.8	188.8	188.8	1,080.8
PA Administration	213.5	158.5	158.5	158.5	158.5	158.5	1,006.0
PA Data Processing	972.4	277.0	66.5	66.5	66.5	66.5	1,515.4
Alaska Work Programs	0.0	394.5	436.1	446.0	457.0	470.4	2,204.0
Child Care Benefits	0.0	152.0	272.3	289.3	300.0	308.7	1,322.3
Medical Assistance	(184.4)	(946.7)	(1,409.8)	(1,593.2)	(1,755.9)	(1,929.6)	(7,819.6)
Family and Youth Services	113.9	113.9	113.9	113.9	113.9	113.9	683.4
Gross Project Cost	934.3	(933.1)	(2,391.7)	(2,691.5)	(2,996.9)	(3,313.7)	(11,392.6)
Less Federal Receipts for Project Costs	416.4	(484.1)	(1,172.7)	(1,316.0)	(1,465.4)	(1,618.9)	(5,640.7)
Less I/A Receipts for Project Costs (PFD Hold Harmless)	(12.7)	(78.8)	(160.4)	(169.4)	(179.9)	(190.0)	(791.2)
Net GF/GF Match Project Cost	530.6	(370.2)	(1,058.6)	(1,206.1)	(1,351.6)	(1,504.8)	(4,960.7)
Less GF Program Receipts (Savings from Child Support Collections)	(1,062.5)	(2,337.5)	(2,671.3)	(2,828.4)	(3,111.2)	(3,422.3)	(15,433.2)
Net GF/GF Match Budget Impact	(531.9)	(2,707.7)	(3,729.9)	(4,034.5)	(4,462.8)	(4,927.1)	(20,393.9)

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (FIN) am
DPA #1

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
 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	(317.9)	(1,271.1)	(2,218.0)	(2,361.3)	(2,525.7)	(2,690.9)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(317.9)	(1,271.1)	(2,218.0)	(2,361.3)	(2,525.7)	(2,690.9)

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	(152.6)	(596.1)	(1,028.8)	(1,095.9)	(1,172.8)	(1,250.4)
1003 GF Match	(1,215.1)	(2,933.7)	(3,700.1)	(3,924.4)	(4,284.2)	(4,672.8)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	1,062.5	2,337.5	2,671.3	2,828.4	3,111.2	3,422.3
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	(12.7)	(78.8)	(160.4)	(169.4)	(179.9)	(190.0)
TOTAL	(317.9)	(1,271.1)	(2,218.0)	(2,361.3)	(2,525.7)	(2,690.9)

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

This legislation changes child support law to:

withhold occupational and drivers licenses from delinquent child support obligors; and

hold the noncustodial parents of unemancipated minor parents liable for the support of their grandchildren.

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

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

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ANALYSIS (cont.):

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

This measure also imposes a statewide reduction of approximately 1.7 percent in AFDC benefit payments.

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

WITHHOLDING OF OCCUPATIONAL AND DRIVERS LICENSES FROM DELINQUENT CHILD SUPPORT OBLIGORS

This legislation changes child support law to withhold occupational and drivers licenses from delinquent child support obligors. The Department of Revenue projects increased child support collections as a result of this provision.

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

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

ANALYSIS (cont.):Assumptions:

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

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

The monthly AFDC caseload is decreased by an average of 100 cases beginning in January, 1996. This caseload reduction increases by 10 percent each fiscal year after FY 96.

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

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

Calculations**AFDC benefit cost avoidance: AFDC caseload reductions**

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

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

	<u>GF Match</u>	<u>GF/ Prog Receipts</u>
FY 96:	(1,062.5)	1,062.5
FY 97:	(2,337.5)	2,337.5
FY 98:	(2,671.3)	2,671.3
FY 99:	(2,828.4)	2,828.4
FY 00:	(3,111.2)	3,111.2
FY 01:	(3,422.3)	3,422.3

ANALYSIS (cont.):

UNMARRIED MINOR PARENTS

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

Assumptions:

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

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

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

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

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

Regulations take effect January 1, 1996.

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

Savings Calculation:

FY 96: (137.9)

FY 97 through FY 01: (275.9) per year

ANALYSIS (cont.):**DEMONSTRATION PROJECTS**

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

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

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

ANALYSIS (cont.):

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

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

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

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

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

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

Workfare Project:**General Assumptions:**

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

Savings Assumptions:

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

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

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

ANALYSIS (cont.):**Annual Workfare Savings:**

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

Cost Assumptions:

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

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

Annual Workfare Costs:

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

Workfare Project: Cost/Savings Summary

	FY96	FY97	FY 98	FY 99	FY 00	FY 01
Savings	0	(796.1)	(1230.3)	(1272.1)	(1334.7)	(1400.5)
Costs	0	(565.8)	(579.6)	(604.5)	(630.6)	(657.9)
Net Savings	0	(230.3)	(650.7)	(667.6)	(704.1)	(742.6)

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ANALYSIS (cont.):

Annual Workfare Savings:

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

Cost Assumptions:

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

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

Annual Workfare Costs:

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

Workfare Project: Cost/Savings Summary

	FY96	FY97	FY 98	FY 99	FY 00	FY 01
Savings	0	(796.1)	(1230.3)	(1272.1)	(1334.7)	(1400.5)
Costs	0	(565.8)	(579.6)	(604.5)	(630.6)	(657.9)
Net Savings	0	(230.3)	(650.7)	(667.6)	(704.1)	(742.6)

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

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

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

Savings Assumptions:

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

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

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

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

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

Cost Assumptions:

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

Calculations:

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

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

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

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

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

Savings Assumptions:

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

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

Cost Assumptions:

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

Calculations:

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

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

The Diversion Project operates in two areas of the state.

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

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

Savings Assumptions:

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

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

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

Cost Assumptions:

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

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

Calculations:

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

ANALYSIS (cont.):

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

	FY96	FY97	FY98	FY99	FY00	FY01	Totals
CS/Licenses	(180.0)	(396.0)	(435.6)	(479.2)	(527.1)	(579.8)	(2597.7)
Minor Parents	(137.9)	(275.9)	(275.9)	(275.9)	(275.9)	(275.9)	(1517.4)
Workfare	0.0	(230.3)	(650.7)	(667.6)	(704.1)	(742.6)	(2995.3)
Unemployed Parent	0.0	(129.5)	(309.5)	(338.4)	(364.3)	(381.3)	(1523.0)
Self Employment	0.0	(84.6)	(257.8)	(309.0)	(360.2)	(411.4)	(1423.0)
Diversion	0.0	(154.8)	(288.5)	(291.2)	(294.1)	(299.9)	(1328.5)
TOTAL	(317.9)	(1271.1)	(2218.0)	(2361.3)	(2525.7)	(2690.9)	(11384.9)

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS HB 78 (FIN) am
DPA #2

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

Expenditures/Revenues: (Thousands of Dollars)

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

FUND SOURCE (Thousands of Dollars)

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

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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ANALYSIS (cont.):Assumptions:

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

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

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

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

Calculations:**FY 96:**

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

FY 97 through FY01:

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

Position Title Eligibility Technician II		No. of Positions 1	Range/Step R 14A	Bargaining Unit GGU
Time Status FT	Staff Months 6 months	Location Fairbanks		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		22.9		
Benefits				
Premium Pay				
Other				
Total Personal Services		22.9		
Travel		1.5		
Contractual		1.0		
Commodities		0.5		
Equipment		10.0		
Other				
Total Cost		35.9		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	17.9		
1003	GF Match	18.0		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
Justification This legislation produces a need for additional Eligibility Determination staff. Additional time is necessary for eligibility staff to explain project requirements, determine eligibility for diversion project, monitor compliance with new requirements, and additional case processing necessary to ensure accuracy of benefits when recipients enter or decline employment.				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Eligibility Determination (0236)

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Revised Date:

FY96

Position Title Eligibility Tehcnician II		No. of Positions 3	Range/Step R14A	Bargaining Unit GGU
Time Status FT	Staff Months 6 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		68.6		
Benefits				
Premium Pay				
Other				
Total Personal Services		68.6		
Travel				
Contractual		1.5		
Commodities		0.8		
Equipment		30.0		
Other				
Total Cost		100.9		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	50.4		
1003	GF Match	50.5		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>This legislation produces a need for additional Eligibility Determination staff.</p> <p>Additional time is necessary for eligibility staff to explain project requirements, determine eligibility for diversion project, monitor compliance with new requirements, and additional case processing necessary to ensure accuracy of benefits when recipients enter or decline employment.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Eligibility Determination (0236)

FY96

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Revised Date:

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (FIN) am
DPA #3

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 Administration
 Sponsor: Hanley
 Requestor: Senate Finance COMPONENT SERIAL NO. 233

Expenditures/Revenues:

	(Thousands of Dollars)					
OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	114.5	114.5	114.5	114.5	114.5	114.5
TRAVEL	16.0	16.0	16.0	16.0	16.0	16.0
CONTRACTUAL	62.0	27.0	27.0	27.0	27.0	27.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	20.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	213.5	158.5	158.5	158.5	158.5	158.5

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

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary)

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

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

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

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

Phone: 465-2680
 Date: 5/5/95
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ANALYSIS (cont.):**Assumptions:**

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

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

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

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

Calculations:**FY 96:**

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

FY 97 through FY01

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

Position Title Project Coordinator		No. of Positions 1	Range/Step 19A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Juneau		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		10.0		
Other				
Total Cost		84.5		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	42.2		
1003	GF Match	42.3		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>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.</p> <p>This request is for the project coordinator.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

BRU: Public Assistance Administration

COMPONENT: Public Assistance Administration (0233)

FY96

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Revised Date:

