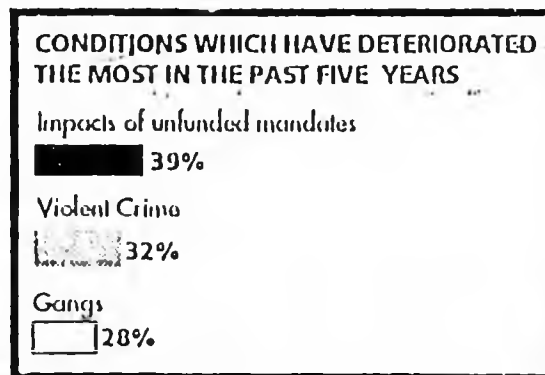
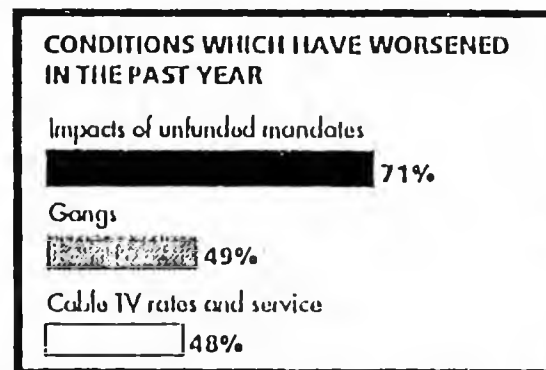
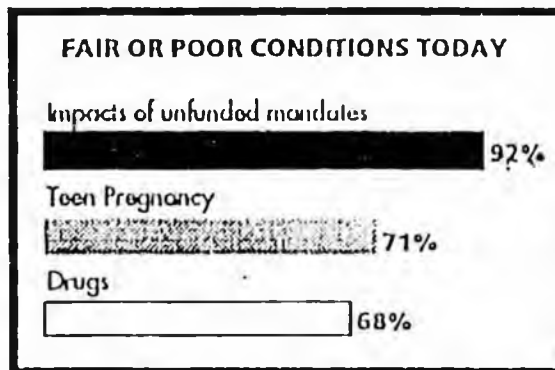


ALASKA LEGISLATURE

1492

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

City Officials Understand the Impact of Unfunded Mandates...



Source: NLC Research Report, "The State of America's Cities," 1994

3/15/95 - S.C.P.A.
465-

By: Valeria Therrien
Introduced: 03/09/95
Adopted: 03/09/95

RESOLUTION NO. 95-017

A RESOLUTION SUPPORTING SENATE BILL 96, AN ACT RELATING TO MUNICIPAL ACTIVITIES OR SERVICES MANDATED BY STATE STATUTE

WHEREAS, municipal activities and services mandated by state statute require municipalities to expend great amounts of funds and hire employees who would not be necessary if it were not for the mandates; and

WHEREAS, unless the state funds these mandates, municipalities are and will be required to raise taxes in order to comply with the statutes; and

WHEREAS, Senate Bill 96, a bill which provides that any statute enacted or amended after January 1, 1995, that imposes or increases costs mandated by the state as a result of a new activity or service or an increase in the level of municipal funding for an activity or service required of municipalities by the statute is not effective unless the bill under which the statute was enacted or amended contains an appropriation for the reimbursement of those costs to affected municipalities or grants to municipalities the discretion of electing whether to comply with the statute; and

WHEREAS, should the legislature adopt this legislation, the burden of new state mandated requirements would not cost municipalities additional funds.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Fairbanks North Star Borough supports SB 96 or any other bill which would relieve municipalities of the financial burden of future state mandates.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Honorable Tony Knowles, Governor, State of Alaska and all members of the Interior Delegation.

MAR 14 '95 05:50PM FMSB CLERK'S OFFICE

P.5/5

WHEREAS, Governor Tony Knowles has developed a plan to expend \$43 million of state money into the University of Alaska's neglected buildings and grounds with approximately \$20 million allocated for repairs and up-grading on the Fairbanks campus.

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Assembly appreciates and thanks the Governor for developing a maintenance and repair plan and strongly urges the Alaska State Legislature to take the action necessary to provide approval and the funding necessary to pay for the repair and rehabilitation of the facilities of the University of Alaska.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Honorable Tony Knowles, Governor, State of Alaska and all members of the Interior Delegation.

PASSED AND APPROVED THIS 9TH DAY OF MARCH, 1995.

Hank Bartos
Hank Bartos
Presiding Officer

ATTEST:

Mona Lisa Drexler
Mona Lisa Drexler, CMCI/AE
Municipal Borough Clerk

Ayes: Logan, Hackenmiller, Jones, Hove, LaSota, St John, Thermen, Kilgore and Bartos
Noes: None

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/22/95

FURTHER: Finance

ma Date of 5-Day Notice: 3/2/95
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/30/95

CRA Committee considered SENATE BILL NO. 96

"An Act relating to municipal activities or services mandated by state statute."

OK

and recommends:

- be replaced with _____ CS SB 96 (CRA)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:
 same title
 new title
 House Bill:
 technical change
 new: SCR# _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Tom Kelly</i>	✓	<i>Paul P. Ziff</i>	✓		
<i>RO. CO. EC. Secy</i>	✓				
CHAIR: <i>John Torgerson</i>	✓				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

<i>LEGISLATIVE BUDGET</i>			
<i>& Audit</i>	<i>3/22/95</i>	✓	

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SB

98

HFIN

FILE

NO OBJ adopted

AMENDMENT 1

OFFERED IN THE HOUSE

TO: HCS CSSB 98(HES)

1 Page 38, lines 3 - 4:

2 Delete all material.

3 Renumber the following sub-subparagraphs accordingly.

4 Page 38, following line 7:

5 Insert a new sub-subparagraph to read:

6 "(i) a commercial fishing license under AS 16.05.480,
7 including a crewmember fishing license;"

8 Renumber the following sub-subparagraphs accordingly.

5/3/96

adopted NU/013j
AMENDMENT 2

OFFERED IN THE HOUSE
TO HCS CSSB 98(HES)

BY REPRESENTATIVE BROWN

1 Page 12, following line 3:

2 Insert a new subparagraph to read:

3 "(A) a person who the department
4 has reasonable cause to believe ~~has been~~ ^{is or recently has been} the victim of
5 domestic violence as defined in AS 18.66.900, and the
6 physical, mental, or emotional well-being of the victim
7 would be endangered by a strict application of the time
8 limit otherwise applicable under this subsection;"

9 Reletter the following subparagraphs accordingly.

10 Page 14, following line 24:

11 Insert a new subparagraph to read:

12 "(A) a person who the department
13 has reasonable cause to believe ~~has been~~ ^{is or recently has been} the victim of
14 domestic violence as defined in AS 18.66.900, and the
15 physical, mental, or emotional well-being of the victim
16 would be endangered by a strict application of the time
17 limit otherwise applicable under this subsection;"

same
in
this
Section

18 Reletter the following subparagraphs accordingly.

(Funded 4-4)

AMENDMENT 3

OFFERED IN THE HOUSE
TO: HCS CSSB 98(HES)

Brown

1 Page 45, line 11, following "that":

2 Delete "financial information concerning an eligibility
3 determination of a person applying for or"

4 Insert "the results of a ~~fraud~~ ^{an investigation. Based on a} inquiry ^{regarding possible fraud} based on
5 ~~concerning an inquiry about possible fraud~~ information received from a legislator concerning a person"

6 Page 46, line 10, following "make use of,":

7 Delete "financial information concerning an eligibility
8 determination of a person applying for or"

9 Insert "the results of a fraud inquiry based on
10 information received from a legislator concerning a person"

11 Page 46, lines 17-22:
12 Delete all material.

NO OBJ
TO DELETE THIS MATERIAL

13 Renumber bill sections accordingly.

14 Pages 48 - 52:

15 Correct internal references to bill sections to reflect the
16 renumbering of bill sections.

(Failed 3-6)

AMENDMENT

4

OFFERED IN THE HOUSE
TO: HCS CSSB 98(HES)

Brown

- 1 Page 50, line 16, following "1997 state funds":
- 2 Insert "or if the state unemployment rate in 1998
- 3 exceeded the state unemployment rate in 1996 by two per
- 4 cent or more"

Amendment 5 (not moved)

1 federal assistance available for the purposes of this chapter. The department shall
2 make reports in the form and containing the information required to the Secretary of
3 the United States Department of Health and Human Services. The department may
4 cooperate with federal agencies charged with the administration of the federal public
5 assistance block grants and other financial assistance.

6 Sec. 47.27.070. ALASKA NATIVE ORGANIZATIONS' FAMILY
7 ASSISTANCE PROGRAMS. (a) The department may coordinate only with the
8 following Alaska Native organizations, as designated under federal law, in the
9 development of family assistance programs:

- 10 (1) Arctic Slope Native Association;
- 11 (2) Kawerak, Inc.;
- 12 (3) Maniilaq Association;
- 13 (4) Association of Village Council Presidents;
- 14 (5) Tanana Chiefs Conference;
- 15 (6) Cook Inlet Tribal Council;
- 16 (7) Bristol Bay Native Association;
- 17 (8) Aleutian and Pribilof Island Association;
- 18 (9) Chugachmiut;
- 19 (10) Tlingit Haida Central Council;
- 20 (11) Kodiak Area Native Association;
- 21 (12) Copper River Native Association; and
- 22 (13) Metlakatla Indian Community of the Annette Islands Reserve;

23 however, the department may cooperate with the Metlakatla Indian Community under
24 this chapter only if the community waives any claim to sovereign immunity with
25 respect to matters involved with the family assistance program.

26 (b) The department may cooperate with the Alaska Native organizations named
27 in (a) of this section to propose program criteria to the Secretary of the United States
28 Department of Health and Human Services *and is authorized to transfer the State Share of taxes*
29 to the state program in the same area. *appropriated for this purpose*

30 (c) Notwithstanding other provisions of this section, the department may
31 coordinate with an Alaskan Native organization under (a) of this section only if, for

AMENDMENT 70 no/obj

OFFERED IN THE HOUSE

TO: HCS CSSB 98(HES)

- 1 Page 2, lines 3 - 4:
- 2 Delete "day care assistance and"

TANANA CHIEFS CONFERENCE, INC.

122 FIRST AVENUE, SUITE 600
FAIRBANKS, ALASKA 99701-4897
PHONE 907/452-8251 • FAX 907/459-3850

To: ~~Senate~~ ^{House} Finance Committee
Nineteenth Legislature-Second Session

May 1
April 4, 1996

From: Louise ^{Charles}, Tanana Chiefs Conference, Inc. JOBS Program and the Alaska Native Coalition on Employment & Training

Re: Reconsideration of funding allocation for State match for Tribal JOBS Programs for FY 1997 per Governor's and DHSS funding request to be included in Senate Bill 98

The Governor's budget request of \$944,000 to be disbursed according to formula for 11 Tribal JOBS programs has been eliminated in your preliminary consideration of the DHSS reinvestment proposal. We urge you to reconsider this drastic measure as savings already realized by the statistics below demonstrate the success of Tribal JOBS programs. If you eliminate Tribal JOBS funding, it will be impossible to assist rural clients (AFDC recipients) with the education, training, employment assistance and child care needs that are necessary for them to become self-sufficient, which is the true goal of Welfare Reform. Even though the State will mandate work or work activities, it will not be possible to meet the required percentages with our decreased federal JOBS funding which is 25% this year, FY 1996.

Total Federal Funding for Tribal JOBS in FY 1995 in Alaska	\$819,000
Total number of Tribal clients served	438
Total number employed	113
Total number that utilized JOBS Child Care	341
Total number of village clients served	157
Total amount of savings realized	\$1,113,276

Savings determined by multiplying \$821 (basic AFDC grant for parent plus one child) X 113 clients employed this program year X 12 months. This very significant reinvestment savings is conservative in that a parent, or two parent family with more than one dependent, would receive a proportionately higher benefit. Even if one was to consider employment for only six months for the number of successfully employed JOBS clients, the amount saved for reinvestment would be \$556,638.

Tribal JOBS is effective in getting people of state welfare dependency. Please support continuation of the proven model which was mandated through the Family Support Act of 1988 under Republican President, George Bush. We sincerely appreciate your consideration and support.

CC: Governor Knowles and DHSS

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: April 29, 1996

FURTHER REFERRALS: Majority Leaders Desk

Date of Committee Action: 5/7/96

The FINANCE Committee considered:

CSSB 98(RLS)

CS FOR SENATE BILL NO. 98(RLS)

WELFARE REFORM: TEMPORARY ASSIST. PROGRAM

"An Act making changes related to the aid to families with dependent children program (AFDC); relating to the duties of the Department of Health and Social Services; establishing a workfare pilot project for AFDC recipients; establishing a diversion program for AFDC applicants; directing the Department of Health and Social Services to seek waivers of applicable federal laws; establishing and relating to the Alaska temporary assistance program and repealing the AFDC and job opportunity and basic skills programs upon the establishment of federal welfare reform; relating to work activities required under the Alaska temporary assistance program; authorizing qualified entities to contract with the state to administer all or part of the Alaska temporary assistance program; relating to child support; relating to certain licenses and applications for a license for persons who are not in substantial compliance with orders, judgments, or payment schedules for child support; relating to an exemption to the State Procurement Code for certain services and contracts under the Alaska temporary assistance program; relating to disclosure of information that relates to day care assistance and the Alaska temporary assistance program; relating to eligibility for day care benefits administered by the Department of Community and Regional Affairs; amending Rule 90.3(c) and (h)(2), Alaska Rules of Civil Procedure; and providing for an effective date."

recommends it be replaced

the same title

with the following committee substitute

HCS SB 98 (Fin)

a new title

additional referral to _____ Committee

attached amendment(s)

Comprehensive Plan

ADOPTS: _____ Letter of Intent

(1) Rev 4/22/96

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: *DOE 4/22/96*

7 fiscal note(s)

Senate
10 fiscal note(s) *(2) Labor 4/22/96 (1) DPS 4/22/96*

DHSS
9 *Comprehensive* *or* *DHSS* *8* *Waiver*

(3) CED 4/22/96 (2) FG 4/22/96

1 zero fiscal note(s)

1 zero fiscal note(s)

Senate
Labor 4/22/96

Comprehensive or Waivers

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>			X	
<i>[Signature]</i>			X	
<i>[Signature]</i>			X	
<i>[Signature]</i>			X	
<i>[Signature]</i>			X	
<i>[Signature]</i>			X	
<i>[Signature]</i>			X	
<i>[Signature]</i>			X	
<i>[Signature]</i>			X	

CHAIR'S SIGNATURE *[Signature]*

**Welfare Reform Summary Analysis
HCS CSSB 98(HES)
Reinvestment Add-Backs**

Comprehensive Track

Department of Health and Social Services
Prepared 5/3/96

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
AFDC Policy Provisions	\$ (240.4)	\$ (5,057.1)	\$ (9,994.9)	\$ (11,692.7)	\$ (11,892.8)	\$ (11,990.4)	\$ (50,868.3)
AFDC (Reinvestment) - Caseload Decreases	\$ -	\$ (2,660.4)	\$ (5,551.2)	\$ (8,933.7)	\$ (12,214.7)	\$ (12,214.7)	\$ (41,574.7)
PA Administration	\$ 245.5	\$ 465.5	\$ 375.5	\$ 375.5	\$ 375.5	\$ 375.5	\$ 2,213.0
Family and Youth Services	\$ 66.6	\$ 60.2	\$ 60.2	\$ 60.2	\$ 60.2	\$ 60.2	\$ 367.6
Eligibility Determination (Reinvestment)	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 600.0
Alaska Work Programs (Reinvestment)	\$ 1,770.4	\$ 1,770.4	\$ 1,770.4	\$ 1,770.4	\$ 1,770.4	\$ 1,770.4	\$ 10,622.4
PA Data Processing (Reinvestment)	\$ 919.6	\$ 919.6	\$ 919.6	\$ 807.4	\$ 807.4	\$ 807.4	\$ 5,181.0
Child Care Benefits (Reinvestment)	\$ 2,210.0	\$ 2,210.0	\$ 2,210.0	\$ 2,210.0	\$ 2,210.0	\$ 2,210.0	\$ 13,260.0
Total Operating	\$ 5,071.7	\$ (2,191.8)	\$ (10,110.4)	\$ (15,302.9)	\$ (18,784.0)	\$ (18,881.6)	\$ (60,199.0)
Less Federal Receipts	\$ 1,923.6	\$ (1,426.0)	\$ (5,025.2)	\$ (7,328.0)	\$ (8,908.3)	\$ (10,893.2)	\$ (31,657.1)
Less I/A Receipts (PFD Hold Harmless)	\$ (22.1)	\$ (710.0)	\$ (1,430.2)	\$ (1,897.6)	\$ (2,217.9)	\$ (2,226.9)	\$ (8,504.8)
Net GF/GF Match	\$ 3,170.2	\$ (55.8)	\$ (3,655.0)	\$ (6,077.3)	\$ (7,657.8)	\$ (5,761.5)	\$ (20,037.1)
Less GF Program Receipts (Savings from Child Support Collections)	\$ 3,022.6	\$ 4,269.4	\$ 2,642.8	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0	\$ 15,934.8
Net GF/GF Match Budget Impact	\$ 147.6	\$ (4,325.2)	\$ (6,297.8)	\$ (8,077.3)	\$ (9,657.8)	\$ (7,761.5)	\$ (35,971.9)

FEDERAL RECEIPTS	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
AFDC Policy Provisions	\$ (109.1)	\$ (2,295.9)	\$ (4,537.7)	\$ (5,308.5)	\$ (5,399.3)	\$ (5,443.6)	\$ (23,094.1)
AFDC (Reinvestment) - Caseload Decreases	\$ -	\$ (1,207.8)	\$ (2,520.2)	\$ (4,055.9)	\$ (5,545.4)	\$ (7,486.0)	\$ (20,815.3)
PA Administration	\$ 32.7	\$ 77.7	\$ 32.7	\$ 32.7	\$ 32.7	\$ 32.7	\$ 241.2
Eligibility Determination (Reinvestment)	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 300.0
Alaska Work Programs (Reinvestment)	\$ 445.0	\$ 445.0	\$ 445.0	\$ 445.0	\$ 445.0	\$ 445.0	\$ 2,670.0
PA Data Processing (Reinvestment)	\$ 400.0	\$ 400.0	\$ 400.0	\$ 403.7	\$ 403.7	\$ 403.7	\$ 2,411.1
Child Care Benefits (Reinvestment)	\$ 1,105.0	\$ 1,105.0	\$ 1,105.0	\$ 1,105.0	\$ 1,105.0	\$ 1,105.0	\$ 6,630.0
Total Federal Receipts	\$ 1,923.6	\$ (1,426.0)	\$ (5,025.2)	\$ (7,328.0)	\$ (8,908.3)	\$ (10,893.2)	\$ (31,657.1)

HCS CSSB 98(HES)
 All Agency - Comprehensive Track - Reinvestment Add-Backs
 Department of Health and Social Services
 Prepared 5/3/96

Occupational & Driver's Licensing

Expenditures:	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
Commerce & Economic Dev.	\$ 138.6	\$ 122.7	\$ 26.6	\$ -	\$ -	\$ -	\$ 287.9
Education	\$ 16.4	\$ 17.8	\$ 4.4	\$ -	\$ -	\$ -	\$ 38.6
Labor	\$ 108.8	\$ 78.1	\$ 40.8	\$ -	\$ -	\$ -	\$ 227.7
Health & Social Services	\$ 11.4	\$ 1.4	\$ 1.4	\$ -	\$ -	\$ -	\$ 14.2
Public Safety	\$ 159.7	\$ 85.9	\$ 20.8	\$ -	\$ -	\$ -	\$ 266.4
Fish & Game	\$ 131.6	\$ 94.3	\$ 40.3	\$ -	\$ -	\$ -	\$ 266.2
Revenue	\$ 710.2	\$ 818.9	\$ 169.4	\$ -	\$ -	\$ -	\$ 1,698.5
Gross Project Costs	\$ 1,276.7	\$ 1,219.1	\$ 303.7	\$ -	\$ -	\$ -	\$ 2,799.5
Less Federal Receipts for Project Costs	\$ (842.6)	\$ (804.6)	\$ (200.4)	\$ -	\$ -	\$ -	\$ (1,847.6)
Less Federal Incentive Payments	\$ (255.3)	\$ (243.8)	\$ (60.7)	\$ -	\$ -	\$ -	\$ (559.8)
Net GF/GF Match Project Costs	\$ 178.8	\$ 170.7	\$ 42.6	\$ -	\$ -	\$ -	\$ 392.1

DHSS Family Assistance Program
Operating Expenditures:

AFDC/ATAP Payments	\$ (240.4)	\$ (5,057.1)	\$ (9,994.9)	\$ (11,692.7)	\$ (11,892.8)	\$ (11,990.4)	\$ (50,868.3)
AFDC (Reinvestment)	\$ -	\$ (2,660.4)	\$ (5,551.2)	\$ (8,933.7)	\$ (12,214.7)	\$ (12,214.7)	\$ (41,574.7)
PA Admin	\$ 245.5	\$ 465.5	\$ 375.5	\$ 375.5	\$ 375.5	\$ 375.5	\$ 2,213.0
Teen Parent Investigations (DFYS)	\$ 66.6	\$ 60.2	\$ 60.2	\$ 60.2	\$ 60.2	\$ 60.2	\$ 367.6
Eligibility Determination (Reinvestment)	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 600.0
Alaska Work Programs (Reinvestment)	\$ 1,770.4	\$ 1,770.4	\$ 1,770.4	\$ 1,770.4	\$ 1,770.4	\$ 1,770.4	\$ 10,622.4
PA Data Processing (Reinvestment)	\$ 919.6	\$ 919.6	\$ 919.6	\$ 807.4	\$ 807.4	\$ 807.4	\$ 5,181.0
Child Care Benefits (Reinvestment)	\$ 2,210.0	\$ 2,210.0	\$ 2,210.0	\$ 2,210.0	\$ 2,210.0	\$ 2,210.0	\$ 13,260.0
Gross Project Costs	\$ 5,071.7	\$ (2,191.8)	\$ (10,110.4)	\$ (15,302.9)	\$ (18,784.0)	\$ (18,881.6)	\$ (60,199.0)
Federal Receipts	\$ 1,923.6	\$ (1,426.0)	\$ (5,025.2)	\$ (7,328.0)	\$ (8,908.3)	\$ (10,893.2)	\$ (31,657.1)
PFD Hold Harmless Savings	\$ (22.1)	\$ (710.0)	\$ (1,430.2)	\$ (1,897.6)	\$ (2,217.9)	\$ (2,226.9)	\$ (8,504.8)
GF/Program Receipts (Savings from Child Support Collections)	\$ 3,022.6	\$ 4,269.4	\$ 2,642.8	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0	\$ 15,934.8
Net GF/GF Match Budget Impact	\$ 147.6	\$ (4,325.2)	\$ (6,297.8)	\$ (8,077.3)	\$ (9,657.8)	\$ (7,761.5)	\$ (35,971.9)

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB98(HES)
Comprehensive #1

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program.</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>AFDC</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>220</u>
	See also (SN#): _____

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(240.4)	(7,717.2)	(15,546.1)	(20,626.4)	(24,107.5)	(24,205.1)
MISCELLANEOUS						
TOTAL OPERATING	(240.4)	(7,717.2)	(15,546.1)	(20,626.4)	(24,107.5)	(24,205.1)

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

CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	(109.1)	(3,503.6)	(7,057.9)	(9,324.2)	(10,944.8)	(10,989.1)
1003 GF Match	(3,131.8)	(7,773.0)	(9,700.9)	(11,404.6)	(12,944.8)	(12,989.1)
1004 GF						
1005 GF/Program Receipts	3,022.6	4,269.4	2,642.8	2,000.0	2,000.0	2,000.0
1037 GF/Mental Health						
Other 1007 I/A Receipts	(22.1)	(710.0)	(1,430.2)	(1,897.6)	(2,217.9)	(2,226.9)
TOTAL	(240.4)	(7,717.2)	(15,546.1)	(20,626.4)	(24,107.5)	(24,205.1)

Estimate of any current year (FY96) cost: 90.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Comprehensive Approach

This legislation amends the public assistance statutes and replaces the Aid to Families with Dependent Children (AFDC) program with a new program, The Alaska Temporary Assistance Program. It includes several provisions that impact program costs.

General Assumptions: We assume, for purposes of this analysis that federal law will allow the state regulations necessary to implement each of the provisions of this bill to take effect by the effective dates noted. We assume no impact on program costs due to the 60-month time limit because all individuals subject to the time limit go to work before receiving 60 months of assistance. The only individuals who continue to receive assistance after 60 months are those who are exempt from the provision. Only provisions with significant cost impacts are included in this analysis.

Prepared by: Jim Nordlund, Director *Jim Nordlund*
Division: Public Assistance

Phone: 465-2680
Date: 05/03/96

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

Date: 5-3-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):							
Alaska Temp. Assst. Pgm	FY97	FY98	FY99	FY00	FY01	FY02	Total
Work Incentives: Earned Income Disregards, Job Retention, 24-Month Time Limit, Auto Allowance, & Diversion		\$ 1,958.2	\$ (1,797.8)	\$ (3,665.3)	\$ (4,039.8)	\$ (4,137.4)	\$ (11,702.1)
Benefit Reductions: Seasonal Benefits, Transfer of Assets, No Add'l Assistance for 2nd Parent and Benefits based on Household Expenses	\$ (811.8)	\$ (7,457.7)	\$ (8,639.5)	\$ (8,449.8)	\$ (8,295.4)	\$ (8,295.4)	\$ (41,749.4)
Minor Teen Parents	\$ (78.8)	\$ (157.9)	\$ (157.8)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (866.8)
Child support pass-through	\$ 450.0	\$ 500.0	\$ 500.0	\$ 500.0	\$ 500.0	\$ 500.0	\$ 3,450.0
Caseload Reduction Savings resulting from reinvestments	\$ -	\$ (2,960.1)	\$ (5,551.2)	\$ (8,233.7)	\$ (12,214.7)	\$ (12,214.7)	\$ (41,574.4)
Totals	\$ (240.4)	\$ (7,717.2)	\$ (15,546.1)	\$ (20,626.4)	\$ (24,107.5)	\$ (24,205.1)	\$ (92,442.7)

WORK INCENTIVES

Family Self-Sufficiency Plan and Participation in Work Activities: Effective July 1, 1997, most families must cooperate in developing a self-sufficiency plan and participate in work activities. Failure to comply results in a reduction in assistance. With specified exceptions, families may not receive more than 24 months of assistance within a 60-month period.

Earned Income Disregards: Effective July 1, 1997. The earned income disregards are increased to allow families to keep more of the income they earn and encourage recipients to gain the job experience that is essential to long-term self-sufficiency. The disregards are phased down slowly over four years.

Job Retention: Effective July 1, 1997. Denies assistance to families when the adult applicant or caretaker refuses or quits a job without good cause.

Automobile Allowance: Effective July 1, 1997. Allows each family to own one vehicle, regardless of value, before the equity is counted to determine eligibility.

A Diversion Program: Effective July 1, 1997. Diversion payments provide eligible families an alternative to long-term dependency by offering applicants a one-time lump-sum cash payment to meet critical needs while they obtain employment and/or child support.

Seasonal Benefit Reduction for Two Parent Families: Effective July 1, 1997. Assistance payments to able-bodied, two parent families are reduced by 50% during the summer months of July, August and September when work is available.

OTHER PROGRAM PROVISIONS

Transfer of Assets: Effective January 1, 1997. Denies assistance to families if an adult member intentionally transfers an asset for less than fair market value for the purpose of establishing eligibility for assistance.

No Additional Assistance for the Second Parent in Two Parent Families: Effective July 1, 1997. Eliminates the additional \$102 payment for the needs of the second parent in Unemployed Parent households.

Benefits based on household expenses: Effective January 1, 1997. Families that pay little or no housing costs receive a smaller assistance payment than families that pay market value for their housing.

Assistance to Minors: Effective January 1, 1997. With specified exceptions, requires unmarried minor parents to live with a parent or legal guardian, an adult relative, or in another adult-supervised living arrangement.

Child Support Pass-Through: Effective October 1, 1996. This section authorizes the continuation of the child support pass-through payment, paid to recipients for whom CSED receives monthly child support collections.

Child Support Collections: The child support enforcement occupational and driver's license provisions of this legislation increase child support collections for AFDC children and shift program funding from general fund to general fund program receipts dollar for dollar. GF program receipts increases = \$1,022.6 in FY 97, \$2,269.4 in FY 98, and \$642.8 in FY 98, when the provision sunsets.

ANALYSIS (cont.):

Reinvestment Funding Shift: Under the reinvestment plan, \$2,000.0 per year in additional GF Program Receipt funds from the state share of increased Child Support collections finance part of the total of \$5,000.0 in reinvestments. The additional program receipts are applied toward AFDC Assistance Payments, producing an offsetting reduction of \$2,000.0 in need for unrestricted GF Match. The \$2,000.0 in reduced GF Match is a funding source for the expenditures in the other reinvestment budget components.

Caseload Reduction Savings Resulting from Reinvestment: The reinvestments in PA Data Processing, Child Care, Alaska Work Programs, and One-Stop centers (Eligibility Determination component) produce caseload reductions beginning in FY 97. \$6,883.4 was deleted from the AFDC Assistance Payments component base in the FY 97 Governor's budget, and is not reflected in this fiscal note. Additional savings above the adjusted base are reflected as "Caseload reduction savings resulting from reinvestment" in this analysis, beginning in FY 98.

The removal of \$6,883.4 from the FY 97 base produces a total cumulative additional savings of \$41,300.4 from FY 97 through FY 02 that are not reflected here.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB98 (HES)
DPA Comprehensive #2

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program.</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>PFD Hold Harmless</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>225</u>
	See also (SN#): _____

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(22.1)	(710.0)	(1,430.2)	(1,897.6)	(2,217.9)	(2,226.9)
MISCELLANEOUS						
TOTAL OPERATING	(22.1)	(710.0)	(1,430.2)	(1,897.6)	(2,217.9)	(2,226.9)

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

CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1050 PFD Fund	(22.1)	(710.0)	(1,430.2)	(1,897.6)	(2,217.9)	(2,226.9)
TOTAL	(22.1)	(710.0)	(1,430.2)	(1,897.6)	(2,217.9)	(2,226.9)

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

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 AFDC policy provisions contained in this bill reduce costs in the AFDC component and produce proportional reductions in PFD Hold Harmless costs.

Prepared by: Jim Nordlund, Director
Division: Division of Public Assistance

Phone: 465-2680
Date: 05/03/96

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

Date: 5-3-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

Assumptions:

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

FY97	\$	22.1
FY98	\$	710.0
FY99	\$	1,430.2
FY00	\$	1,897.6
FY01	\$	2,217.9
FY02	\$	2,226.9

ANALYSIS (cont.):

The House and Senate budget bills provide only \$100.0 of the \$200.0 needed for One-Stop service centers. This fiscal note requests restoration of the deleted \$100.0 in the Eligibility Determination component beginning in FY 97. Funding source is 50 percent GF match, 50 percent federal.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB98 (HES)
DPA Comprehensive #4

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act related to the AFDC program, demonstration projects and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Public Assistance Admin</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>233</u>
	See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	61.0	61.0	61.0	61.0	61.0	61.0
TRAVEL	2.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	2.0	92.0	2.0	2.0	2.0	2.0
SUPPLIES	0.5	0.5	0.5	0.5	0.5	0.5
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	180.0	310.0	310.0	310.0	310.0	310.0
MISCELLANEOUS						
TOTAL OPERATING	245.5	465.5	375.5	375.5	375.5	375.5

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

CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	32.7	17.7	32.7	32.7	32.7	32.7
1003 GF Match	32.8	77.8	32.8	32.8	32.8	32.8
1004 GF	180.0	310.0	310.0	310.0	310.0	310.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	245.5	465.5	375.5	375.5	375.5	375.5

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This legislation creates a need for additional safety net services for low-income Alaska families in addition to the services provided under the Alaska temporary assistance program.

Prepared by: Jim Nordlund, Director
Division: Division of Public Assistance

Phone: 465-2680
Date: 05/03/96

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

Date: 5-3-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

TEEN PARENT SERVICES: Section 7 of this legislation provides that a minor parent must live with a parent or another relative unless no such safe home is available. We assume that the regulations to implement this provision take effect on 1/1/97.

Case Management Services: Existing case management services will be enhanced to investigate a teen's claim that the family home is unsafe, assist those teens who are not able to live at home in identifying alternative living situations when necessary, and direct teens to educational and social services. Grants to provide these additional services is \$135,000 per year.

Alternate Living Arrangements: If there is no safe, available family home for the teen parent, the teen must live in an alternate, adult-supervised setting. \$125,000 in community grants will develop and provide supervised alternate teen parent housing when no other appropriate placement is available. These funds are expected to pay for approximately 35 placements at \$3,570 per year.

Total annual cost of this provision is \$260,000. The cost is half in the implementation year of FY98.

NEEDS STUDY: Section 50 of this legislation directs the Department to conduct a comprehensive needs study and submit the results to the Legislature in January 1999. An independent contractor will conduct this study; estimate cost is \$90,000 in FY98.

EMERGENCY FOOD SERVICES: Welfare reform will reduce benefits to low-income families. To maintain a safety net for families, \$50,000 in grants is needed to assist community organizations to establish and operate emergency food programs.

WELFARE REFORM POLICY SUPPORT STAFF: A Research Analyst III is needed to support the development, implementation, and monitoring of the new Alaska Temporary Assistance program. Funding for an existing Research Analyst III position for welfare reform, which was requested in the FY97 Governor's budget, has been deleted. The annual cost for this position is \$65.5 (\$61 personal services, \$20 travel, \$2.5 office space and supplies).

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB98 (HES)
DPA Comprehensive #5

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act relating to the AFDC program demonstration projects, and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Alaska Work Programs</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>238</u>
	See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
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	1,370.4	1,370.4	1,370.4	1,370.4	1,370.4	1,370.4
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	400.0	400.0	400.0	400.0	400.0	400.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	1,770.4	1,770.4	1,770.4	1,770.4	1,770.4	1,770.4

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
----------------------	-----	-----	-----	-----	-----	-----

CHANGES IN REVENUES (0.0	0.0	0.0	0.0	0.0	0.0
-----------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	445.0	445.0	445.0	445.0	445.0	445.0
1003 GF Match	445.0	445.0	445.0	445.0	445.0	445.0
1004 GF	880.4	880.4	880.4	880.4	880.4	880.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	1,770.4	1,770.4	1,770.4	1,770.4	1,770.4	1,770.4

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
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)

Under either comprehensive federal and state welfare reform or continuation of the current AFDC and JOBS programs, federal law will mandate that increasing numbers of recipients be required to participate in work activities: training, education, job preparation and placement, and paid or unpaid work experience. These increasing mandates create a need for funding for a number of services to support these activities.

The FY 97 Governor's budget proposed to reinvest \$2,684.0 in AFDC component savings to support work activities in the Alaska Work Programs component. The House and Senate budget bill authorize only \$180.0 of these reinvestments. This fiscal note requests restoration of \$1,770.4 of the deleted \$2,504.0 in the Alaska Work Programs component beginning in FY 97. These restorations will support the following work activities:

Prepared by: Jim Nordlund, Director
Division: Public Assistance

Phone: 465-3347
Date: 05/03/96

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

Date: 5-3-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

DHSS operates the JOBS program in partnership with the Department of Labor. Part of the restored reinvestments will be used to increase the existing transfers to DOL, to support increases in vocational counseling, job readiness workshops, job development, and job search activities for welfare recipients.

Low literacy is a major obstacle for many welfare recipients. About 30 percent of JOBS participants enter the program without a high school diploma. Many with diplomas have low math and English skills. Some need training in English as a second language. Alaska Work Programs case managers routinely assign JOBS participants for such specialized training, through local Adult Basic Education centers. The reinvestment funds will be transferred to the Department of Education and in turn distributed to local ABE centers, to secure additional training slots for welfare clients.

Vocational training provides job skills that ensure long-term financial independence. \$100.0 in restored reinvestment funds will secure additional vocational training slots for JOBS/ Work Program participants.

Since 1990, Alaska Native organizations have operated JOBS welfare-to-work programs for Native AFDC recipients in each of the 12 ANCSA Regions, plus Metlakatla, under arrangements made directly with the federal government. The success of these Native JOBS programs directly impacts the AFDC caseload. In Alaska, these programs have never received any state matching funds, despite the fact that they administer JOBS for about 35 percent of AFDC families. \$870.4 in restored reinvestments will be used to match the total federal Native JOBS funding of \$1,400.0 at a 38 percent rate, roughly equivalent to the state JOBS match rate.

Supportive services are essential to the success of JOBS/ Work Program clients. These funds pay for special needs directly related to work program participants obtaining employment and often make the difference in whether someone gets a job and keeps it. Typical supportive service purchases include bus passes, a haircut for a job interview, a special tool, or an occupational license. Increasing numbers of work program participants will produce increasing need for supportive services. \$300.0 in restored reinvestment funds will purchase the needed services.

Preventing unplanned pregnancies reduces both AFDC and Medicaid costs by lowering the number of children born to recipients. Proposed federal welfare reform offers enhanced funding to states that bring down the number of out-of-wedlock births. Restoration of \$100.0 of the originally requested \$390.0 will provide pilot money to contract with local agencies to provide pregnancy prevention services to recipients who request them.

Summary of restorations: AWP component

DOL Employment Security RSA	250.0
DOE Adult Education RSA	150.0
Vocational Training Grants	100.0
State match for Alaska Native JOBS programs	870.4
Client supportive services	300.0
Pregnancy prevention grants	100.0
Total restorations	1,770.4

THIS SUPPLEMENTAL FISCAL NOTE REQUESTS FUNDING TO RESTORE "REINVESTMENT" FUNDS THAT WERE DELETED FROM THE GOVERNOR'S FY 97 BUDGET. THE REINVESTMENT FUNDS ARE ASSUMED TO BE AVAILABLE IN THE BASELINE ASSUMPTIONS FOR AFDC ASSISTANCE PAYMENT FISCAL NOTES.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB 98(HES)
DPA Comprehensive #8

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act Related to the AFDC program, demonstration projects, and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Public Assistance Data Processing</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>240</u>
	See also (SN#): _____

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	807.4	807.4	807.4	807.4	807.4	807.4
TRAVEL	17.0	17.0	17.0	0.0	0.0	0.0
CONTRACTUAL	92.5	92.5	92.5	0.0	0.0	0.0
SUPPLIES	2.7	2.7	2.7	0.0	0.0	0.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	919.6	919.6	919.6	807.4	807.4	807.4

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

CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	400.0	400.0	400.0	403.7	403.7	403.7
1003 GF Match	400.0	400.0	400.0	403.7	403.7	403.7
1004 GF	119.6	119.6	119.6	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	919.6	919.6	919.6	807.4	807.4	807.4

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

The Eligibility Information System (EIS) is a large, complex data system with several subsystems. Extensive modifications to the Division's Eligibility Information System (EIS) and its subsystems are necessary to implement welfare reform.

Modifications to the EIS and its subsystems, the JOBS Automated System (JAS), and the JOBS Child Care and Supportive Service Payments System (JASP), will require a level of effort in excess of 15,000 hours or 116 FTE-months.

The effort includes the analysis, design, development, testing, and implementation of new system functionality and implementing changes in program policy that revise or replace the Aid to Families with Dependent Children and Alaska Work Programs. Policy changes impact systems programs for Medicaid and will potentially impact the Food Stamp program too.

Prepared by: Jim Nordlund, Director *Jim Nordlund*
Division: Division of Public Assistance

Phone: 465-2680
Date: 05/03/96

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

Date: 5-3-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

To undertake the changes to the Eligibility Information System and its subsystems necessary to implement welfare reform the following assumptions were applied in determining costs:

1. The EIS modifications will require a combination of state data processing staff and contractor staff.
2. Contractual costs are to assist with the initial high volume of fast-track programming work necessary to implement comprehensive system changes by FY98 or waivers by FY99, and to assist with programming changes identified after implementation. Contractual costs above House/Senate budget = 92.5 for FY 97 - 99.
3. The project level of effort requires 116 FTE months for analysis, design, development, testing, and implementation.
4. The project will require a minimum of 12 calendar months to complete the analysis, design, development, testing, and implementation.
5. Some of the requirements design must begin no later than July 1, 1996, requirements and design must be complete and programming started no later than December 1996.
6. Other states with similar welfare reform provisions, such as Arizona and Indiana, had similar system approaches and costs.
7. The State personal services cost includes 13 data processing positions that were requested in the Governor's FY 97 budget but deleted in the House/Senate budget bill.
8. Travel costs are necessary for Juneau data processing staff to system design and implementation with programming

Personal Services calculations:

FTE	Job Class	Range	Cost Location
1	Public Assistance Program Officer	R21	\$90.1 Juneau
3	Analyst/Programmer I	R16	\$174.3 Juneau
1	Analyst/Programmer V	R21	\$74.8 Anch
3	Analyst/Programmer IV	R19	\$206.9 Anch
1	Analyst/Programmer III	R17	\$57.7 Anch
3	Public Assistance Analyst I's	R16	\$169.3 Anch
1	Administrative Clerk II	R08	\$34.4 Anch
13	Personal Services Total		\$807.4

This is not a request for new positions; it is a request for funding to maintain the incumbents in ten existing PCNs and fill three vacant PCNs.

This fiscal note requests funding to restore the "Reinvestment" funds that were deleted from the Governor's FY 97 budget. These reinvestment funds are assumed to be available in the baseline assumptions for the AFDC assistance payments fiscal notes in this package.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB98 (HES)
DPA Comprehensive #7

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act relating to the AFDC program demonstration projects and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Child Care Benefits</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>1897</u>
	See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	2,210.0	2,210.0	2,210.0	2,210.0	2,210.0	2,210.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	2,210.0	2,210.0	2,210.0	2,210.0	2,210.0	2,210.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	1,105.0	1,105.00	1,105.0	1,105.0	1,105.0	1,105.0
1003 GF Match	1,105.0	1,105.00	1,105.0	1,105.0	1,105.0	1,105.0
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	2,210.0	2,210.0	2,210.0	2,210.0	2,210.0	2,210.0

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

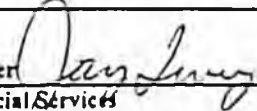
POSITIONS:	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Child care is essential for families that are working, participating in the JOBS program and in work activities, and in receiving transition after they leave the welfare caseload because they are employed. In FY 97, welfare families will need care for an estimated 908 more children per month than in FY 96 because of the increased emphasis on work, at an average cost of \$290 per child per month. This fiscal note requests restoration of the \$2,210.0 in child care reinvestments that was deleted from the original request of \$3,159.8.

Prepared by: Jim Nordlund, Director 
Division: Public Assistance

Phone: 465-3347
Date: 05/03/96

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

Date: 5-3-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB98(RLS)

Comprehensive

Revision Date: _____
 Title: An Act related to the AFDC Program.
Demonstration Projects and Payment Reductions
 Sponsor: Senate HESS
 Requestor: House (FIN)

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	FY97	FY98	FY99	FY00	FY01	FY02
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						
SUPPLIES	2.8	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	4.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	66.6	60.2	60.2	60.2	60.2	60.2

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

CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	88.8	80.2	80.2	80.2	80.2	80.2
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	66.6	60.2	60.2	60.2	60.2	60.2

POSITIONS:

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

Estimate of any current year (FY96) cost: 30.0

ANALYSIS: (Attach a separate page if necessary)

A proportion of AFDC applicants who are pregnant teens or teen parents will not be able to reside in their parental home due to alleged abuse or neglect in that home. The circumstances alleged must be investigated, and case management services must be provided to arrange for alternate housing and to assist the teen parent to achieve self-sufficiency. While the services will be provided through grants or contracts, the services must be developed, the providers trained, and the services coordinated. This position will serve as the case management coordinator to see that these services are available across the state.

Continued

Prepared by: L. Diane Worley, Director
 Division: Family & Youth Services
 Approved by Commissioner: Karen Perkins, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-2191
 Date: 04/25/96
 Date: 4-29-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

Social Worker IV Range 18 Juneau State Office	\$55,900.00
Travel: 1 trip to Fairbanks, 1 trip to Anchorage	\$1,100.00
Equipment (Computer, Software)	\$4,000.00
Supplies (Desk, Chair, Telephone, Office Supplies)	\$2,580.00
TOTAL	\$66,580.00

The personal services cost for the Social Worker IV is calculated for one year rather than six months as this person will have to be hired and trained for the entire fiscal year in order to be ready to do the job by January 97. The contractual costs will be double the first year in order to process the initial investigations required by this fiscal note.

The equipment and supplies will decrease after the initial set up year for this position. The continuing office supplies should cost approximately \$200/yr for the continuing position.

It is not possible to project the fiscal impact of the amendment which includes licenses granted under 47.35 with those occupational licenses which may be adversely affected by child support arrearages. The division licenses approximately 980 foster homes and approximately 550 child care facilities. Most areas of the state constantly face a shortage of foster homes, and the loss of any of the existing homes will increase staff time in locating placements for children who cannot remain at home. It is possible that additional group homes or residential child care facilities will have to be developed, at a much higher daily cost, to offset the loss of those homes. In addition to unnecessary cost increases, it would be unfair to place children who could function well in foster care into more institutional living arrangements. Division staff time will also be negatively impacted in helping parents to find alternative day care arrangements when a provider's license is affected. Most communities also already face a shortage in licensed day care.

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CS298 (Fin)

Comprehensive

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An act related to the AFDC program BRU: State Health Services
demonstration projects and payment reduction Component: Community Health/EMS Services
 Sponsor: Senate HCSS COMPONENT SERIAL NO. 2078
 Requester: Senate Finance See also (SN#): _____

Expenditures/Revenues:		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02	
PERSONAL SERVICES	0.9	0.9	0.9	0.9	0.9	0.9	
TRAVEL							
CONTRACTUAL	10.5	0.5	0.5	0.5	0.5	0.5	
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	11.4	1.4	1.4	1.4	1.4	1.4	

CAPITAL EXPENDITURES

CHANGES IN REVENUES

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please specify) 1007 W/A	11.4	1.4	1.4	1.4	1.4	1.4	
TOTAL	11.4	1.4	1.4	1.4	1.4	1.4	

Estimate of any current year (FY98) cost: 30.0

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

Personal Services Line 100

Most of the reviewing of licensing will be conducted during the renewal period of November through February. During this time, it is estimated that 40 hours of overtime @ \$16.32/hour of an Administrative Clerk III plus benefits will be needed for the additional work, or \$864.87.

Contractual Line 300

\$10.0 will be needed in the first year in professional services to reprogram the EMS certification database.
 \$0.5 will be needed each year for the printing of the temporary licenses and mailing them out.

It is anticipated that these funds will be transferred from the Department of Revenue, Child Support Enforcement Division.

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

Phone: (907) 465-5090
 Date: 04/11/96

Approved by Com: Sarah Perrine, Commissioner
 Agency: Department of Health & Social Services

Date: 4-26-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CS88 98(FIN)

Comprehensive

Revision Date: _____
Title: An act relating to AFDC and denunciations
Project: _____
Sponsor: Sen. HESS
Requestor: Sen. FIN

Dept. Affected: Health and Social Services
BRU: Medical Assistance
Component: Medicaid Services
COMPONENT SERIAL NO. 2077
See also (SN#): _____

Expenditures/Revenues	(Thousands of Dollars)					
	FY97	FY98	FY99	FY00	FY01	FY02
OPERATING EXPENDITURES						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	C
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	C

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

CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

FUND SOURCE	(Thousands of Dollars)					
	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	C
1003 GF Match	0.0	0.0	0.0	0.0	0.0	C
1004 GF						
1005 GF/Program Receipts						
1007 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	C

Estimate of any current year (FY98) effect: 10.2

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

For the purpose of welfare reform, CS88 98 (FIN) directs the department to establish pilot projects that will encourage people to move from assistance to work. These pilot projects will require federal waivers. If federal welfare reform legislation is enacted, this bill establishes the Alaska Temporary Assistance Program. This bill contains no provision that directly alters the Medicaid program.

Under the waiver approach, people who lose Aid To Families With Dependent Children (AFDC) payments due to the waiver will continue to be eligible for Medicaid. Consequently, this portion of the bill will have no measurable fiscal effect on the Alaska Medicaid program.

Under federal welfare reform, the link between Medicaid and AFDC (or what ever other program is established) is uncertain. Some welfare reform proposals require Medicaid to use current AFDC rules. Other proposals require Medicaid eligibility to be determined separately from any cash assistance program. Since the link between federal welfare reform and Medicaid is uncertain, the Division of Medical Assistance cannot determine this bill's fiscal impact on the Alaska Medicaid program.

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

Phone: 465-7153
Date: 04/19/96
Date: 4-24-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Bill Version: CSSB 98 (FIN)

(S) Publish Date: 4-22-96

Revision Date: _____ Dept. Affected: Revenue
 Title: Personal Responsibility Act BRU: Child Support Enforcement Division
 Component: Child Support Enforcement Division
 Sponsor: HES Committee
 Requestor: Senate Finance COMPONENT SERIAL NO. 111

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	358.4	475.2	118.8			
TRAVEL	38.1	57.1				
CONTRACTUAL	771.3	678.0	182.7			
SUPPLIES	8.6	5.8	2.2			
EQUIPMENT	103.8					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,276.7	1,219.1	303.7	0.0	0.0	0.0

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

CHANGE IN REVENUES ()	1,022.8	2,269.4	842.8	0.0	0.0	0.0
------------------------	---------	---------	-------	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	842.8	804.6	200.4			
1003 GF Match	178.7	170.7	42.5			
1004 GF						
1005 GF/Program Receipts						
1006 G MHTIA						
1016 Federal Incentive Payments	255.3	243.8	60.7			
TOTAL	1,276.7	1,219.1	303.7	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME	11	11	11			
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Occupational licensing legislation is expected to increase collections by approximately 25%. In the first full year these increased collections will generate \$2,727,000 in AFDC reimbursements, one half of which will be retained by the State. The period covered by this fiscal note is October 1, 1996 through September 30, 1998, which covers at least a portion of 3 State fiscal years.

National statistics reveal that about 45% of the population is employed in non-traditional occupations and their wages are not reported to states' Departments of Labor. Self-employed obligors have a very low child support payment compliance rate. Currently 54% of Alaskans with child support orders pay nothing. More than half of these individuals have the ability to pay, but work in a cash or self-employed position. This legislation will insure that self-employed obligors establish a payment plan or pay their arrears to obtain or retain their occupational and/or driver's licenses. Similar legislation has been successfully enacted in at least 32 states and is pending in Congress. (Continued on additional page)

Prepared by: Glenda Straube, Director
 Division: Child Support Enforcement Division
 Approved by: _____
 Commissioner: Wilson Condon
 Agency: Dept. of Revenue

Phone: 269-6801
 Date: 4/19/96
 Date: 4/21

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

ANALYSIS, CONTINUED:

This analysis assumes an effective date of 10/1/96. Implementation of occupational licensing restrictions is expected to require 8 Child Support Enforcement Officer I's (CSEO I's) who will ensure prompt review of proposed license denials and expedient processing of the additional program receipts. Approximately one third of total costs include estimated interdepartmental expenditures obtained from various affected agencies. Internal operating expenditures are based on estimates used in CSED's FY 96 operating budget. (See attached worksheets.) Equipment costs are reflected in FY 97 only. The State General Fund contribution rate used in funding estimates is consistent with that used in the CSED FY 97 operating budget. Revenue projections are based on results of comparable programs implemented in other states. The second portion of this proposed legislation involves the readjustment of existing CSED default orders. These orders originate when obligors refuse to provide necessary income information to CSED and are consequently assigned a liberal default amount, which often exceeds their ability to pay. Many defaults originate in rural Alaska and often, if an obligor is unable to meet the default amount, the individual is likely to remit no payment at all. This legislation would allow for the hiring of 3 additional CSEO I's who would travel to communities outside of Anchorage, Juneau and Fairbanks, meeting with obligors to update income status and adjust orders to more reasonable levels. In addition to staff costs, short-term travel expenditures will rise, until all default orders have been reviewed. Long-term revenues are expected to increase since CSED anticipates smaller order amounts but a substantial increase in the percentage of cases with payments.

Prepared by:	<u>Glenda Straube <i>Glenda Straube</i></u>	Phone:	<u>269-6801</u>
Division:	<u>Child Support Enforcement Division <i>1111</i></u>	Date:	<u>4/19/96</u>
Approved by	<u><i>[Signature]</i></u>	Date:	<u>4/21</u>
Commissioner:	<u>Wilson Condon</u>		
Agency:	<u>Revenue</u>		

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

Bill Version: CS SB 98 (FIN)

(S) Publish Date: 4-22-96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: 4/19/96

Title: Personal Responsibility Act of 1995

Sponsor: Senate HESS Committee

Requester: Senate Finance Committee

Department Affected: Education

BRU: Teaching and Learning Support

Component: Teacher Certification

COMPONENT SERIAL NO. 1240

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	13.4	17.8	4.4	0.0	0.0	0.0
TRAVEL	2.0					
CONTRACTUAL	1.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	16.4	17.8	4.4	0.0	0.0	0.0

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

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

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
Other	16.4	17.8	4.4	0.0	0.0	0.0
TOTAL	16.4	17.8	4.4	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME	1					
TEMPORARY						

Estimate of current year (FY96) impact: \$ 0.0

ANALYSIS: The proposed legislation will require the Department of Education's Teacher Certification Office to daily compare each initial and renewal certificate applicant received against a consolidated list of persons in noncompliance provided by Department of Revenue. The Teacher Certification Office is transferred to the Division of Teaching & Learning Support in the FY97 budget. DOE will need a new part-time Administrative Clerk II position to assist with the additional processing required in this legislation. The legislation also requires the State Board of Education to adopt regulations, and there will be related travel and advertising costs. Teacher Certification staff will be involved in developing DOE regulations needed as a result of this legislation. Funding would come through Dept. of Revenue, Child Support Enforcement Division (CSED), contingent upon approval of the fiscal note for a RSA with CSED.

Prepared by: Kimberly Homme, Special Assistant

Phone: 465-2803

Division: Commissioner's Office

Date: April 19, 1996

Approved by Commissioner: [Signature]

Richard S. Cross, Deputy Commissioner

Agency: Education

Date: April 19, 1996

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

Page 3 of 4

FISCAL NOTE

No. 4

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98(CFIN)

(S) Publish Date: 4-22-96

Revision Date: _____

Title: Personal Responsibility Act

Department Affected: Labor

BRU: Labor Standards & Safety

Component: Mechanical Inspection

Sponsor: Senate HESS

Requestor: Senate Finance

COMPONENT SERIAL NO. 346

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	37.1	38.7	20.2	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	14.5	6.2	3.2	0.0	0.0	0.0
SUPPLIES	0.7	0.5	0.3	0.0	0.0	0.0
EQUIPMENT	6.5	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	58.8	45.4	23.7	0.0	0.0	0.0

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

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

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
1007 I/A	58.8	45.4	23.7	0.0	0.0	0.0
TOTAL	58.8	45.4	23.7	0.0	0.0	0.0

POSITIONS:

FULL-TIME	1.0	1.0	1.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This fiscal analysis assumes inflation at 4.38% and an effective date of 10/1/96. Lead time for complete program implementation is six months. (While the effective date is 10/1/96, full implementation will not be possible until 1/1/97.) Three months funding has been included in FY 99 for program shut down and increased workload associated with issuing previously denied licences. Interagency Receipts: RSA with Department of Revenue, Child Support Enforcement Division. Please see additional analysis attached.

Prepared by: Alan W. Dwyer, Director *Alan W. Dwyer* Phone: 269-4914

Division: Labor Standards and Safety Date: 4/19/96

Approved by Commissioner: Tom Cashen, Commissioner *Tom Cashen*

Agency: Department of Labor Date: 4/19/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

Analysis:

This legislation 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) Six weeks programming time will be required to respond to the bill's requirements.

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 this legislation include:

	FY97	FY98
Line 100 - Personal Services		
1 PFT Admin Clerk III (10 A/B) Anchorage		
Salary	25.5	26.6
Benefits	11.6	12.1
TOTAL	37.1	38.7
 Line 200 - Travel	 0.0	 0.0
 Line 300 - Contractual Services		
Professional Services-DP Programming (FY97 one-time)	9.0	0.0
Postage @ 2.52 x 2 x 3,300 x 10% (6 months FY97)	0.8	1.7
Printing - Forms, Notices, and Letterhead	0.3	0.3
DP Operations Overhead	1.2	1.2
Telephone Installation (FY97 one-time)	0.3	0.0
Telephone Base Cost	0.3	0.3
Indirect Costs @ 10% of Salaries	2.6	2.7
	14.5	6.2
 Line 400 - Commodities		
Office and DP Supplies	0.7	0.5
 Line 500 - Equipment		
Workstation, chair, and computer with software (FY97 one-time)	6.5	0.0
TOTAL	58.8	45.4

FISCAL NOTE

No. 5

Bill Version: CSSB 98(FIN)

(S) Publish Date: 4-22-96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____
Title: Personal Responsibility Act
Sponsor: Senate HESS
Requestor: Senate Finance

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

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	24.3	25.4	13.3	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	25.2	6.8	3.5	0.0	0.0	0.0
SUPPLIES	0.5	0.5	0.3	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	50.0	32.7	17.1	0.0	0.0	0.0

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

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

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
1007 VA Receipts	50.0	32.7	17.1	0.0	0.0	0.0
TOTAL	50.0	32.7	17.1	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This fiscal analysis assumes inflation at 4.38% and an effective date of 7/1/96. Lead time for complete program implementation is six months. (While the effective date is 7/1/96, full implementation will not be possible until 1/1/97.) Three months funding has been included in FY 99 for program shut down and increased workload associated with issuing previously denied licences. Interagency Receipts: RSA with Department of Revenue, Child Support Enforcement Division. Please see additional analysis attached.

Prepared by: Alan W. Dwyer, Director *for [Signature]* Phone: 269-4914
Division: Labor Standards and Safety Date: 4/19/96

Approved by Commissioner: Tom Cashert, Commissioner
Agency: Department of Labor Date: 4/19/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information call the Governor's Legislative Office

Analysis:

This legislation 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) Three months programming time will be required to convert to the automated system used by Mechanical Inspection and to modify it to respond to the bill's requirements.

We have approximately 2,350 renewal or new licenses requested per year by asbestos workers, explosives handlers, and painters using hazardous materials. 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 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 issues.

Line 100 - Personal Services	FY97	FY98
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 (FY97 one-time)	18.0	0.0
Postage @ 2.52 x 2 x 2,350 x 10% (6 months in FY97)	0.6	1.1
Long Distance, including additional incoming toll free calls	1.0	2.0
Printing - Card Stock, Forms, Notices, and Letterhead	2.5	0.5
DP Operations Overhead	1.2	1.2
Indirect Costs @ 10% of Salaries	1.9	2.0
	25.2	6.8
 Line 400 - Commodities		
Office and DP Supplies	0.5	0.5
	0.5	0.5
 Line 500 - Equipment	 0.0	 0.0
TOTAL	50.0	32.7

FISCAL NOTE

No. 6

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CSSB98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____

Title: Personal Responsibility Act

Department Affected: Labor

BRU: Labor Standards & Safety

Component: Wage and Hour

Sponsor: Senate HESS

Requestor: Senate Finance

Administration

COMPONENT SERIAL NO. 345

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUNDING:

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

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

Prepared by: Alan W. Dwyer, Director Phone: 269-4914

Division: Labor Standards and Safety Date: 4/19/96

Approved by Commissioner: Tom Cashen, Commissioner

Agency: Department of Labor Date: 4/19/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

FISCAL NOTE

No. 7

STATE OF ALASKA 1996 LEGISLATIVE SESSION

Bill Version: CSSR 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: April 19, 1996
 Title: Personal Responsibility Act
 Sponsor: S. HES
 Requestor: S. FIN

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 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	156.2	83.4	20.1			
TRAVEL	1.5	1.5	4			
CONTRACTUAL						
SUPPLIES	2.0	1.0	3			
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	159.7	85.9	20.8	-0-	-0-	-0-

CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
----------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES (1004 Revenue Code)	582.8	183.2	45.8	-0-	-0-	-0-
--	-------	-------	------	-----	-----	-----

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Inter-agency receipts, CSED	159.7	85.9	20.8			
TOTAL	159.7	85.9	20.8	-0-	-0-	-0-

Estimate of current year (FY 96) impact: \$ _____

POSITIONS:

FULL-TIME	4	2	2	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.)

SEE ATTACHED

Prepared By: Juanita Hensley Phone: 465-2650
 Division: Motor Vehicles Date: April 19, 1996
 Approved by Commissioner: *Del Smith* Date: 4/19/96
 Agency: Ronald L. Otte, Dept. of Public Safety

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

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.

In March 1995, CSED notified DMV there are approximately 10,702 obligors who are in excess of \$2500.00 or more in arrears. DMV verified through a computer verification that approximately 35% of the obligors driver's licenses are currently suspended, revoked or have want warrants for their arrest for some reason. Because of this, it is estimated 3,500 driver's license suspensions will be generated the first year. It is further estimated after the first year's initial suspension action, the number of driver license suspensions will be reduced. It is estimated in the future years, 1,000 driver's licenses will be suspended for non-support.

The impacts from this bill will result in 7,000 updates to the driving record of the persons whose license is being suspended. One computer entry to add the suspension to the driving record; and another entry to end the suspension once the person has complied. Reinstating the driver's license will also impact the DMV field offices. The Motor Vehicle Representative will be required to see proof from CSED that the person is in compliance with their child support order before reinstating the driver's license. It is estimated 90 percent of all persons whose license is suspended will reinstate their driver's license. A \$100.00 reinstatement fee is charged anytime a person has had their license suspended or revoked within a 10 year period preceding application for a driver's license. It is estimated 1,575 individual's 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 individual's 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 FY 97 and \$183.2 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>FY 97</u>	<u>FY 98</u>
<u>Personal Services</u>	Salary and Benefits	
1 Driver Services Supervisor R14 (Juneau)	\$ 47.0	\$ 47.0
1 Motor Vehicle Representative II (Juneau)	\$ 36.4	
2 Motor Vehicle Representative II(Anch) (2 FY 97 @ \$36.4)	<u>\$ 72.8</u>	<u>\$ 36.4</u>
TOTAL PERSONAL SERVICES	<u>\$156.2</u>	<u>\$ 83.4</u>
<u>Travel</u>		
Administrative Travel for mainline supervisor	\$ 1.5	\$ 1.5
<u>Supplies</u>		
Routine office supplies	\$ 2.0	\$ 1.0
TOTAL OPERATING	<u>\$159.7</u>	<u>\$ 85.9</u>

<u>REVENUE</u>	<u>FY 97</u>	<u>FY 98</u>
3,150 Reinstatements 1,575 @100, 1,575 @ \$250	\$551.3	
3,150 Duplicate license fees @\$10	\$ 31.5	
990 Reinstatements 495 @100, 495 @250		\$173.3
990 Duplicate license fees @10		\$ 9.9
TOTAL REVENUE	<u>\$582.8</u>	<u>\$183.2</u>

**Contractual and Equipment costs were not included in this fiscal note. FY 97 Operating Budget submission eliminates positions, therefore, the existing equipment will be utilized for the requested positions associated with this bill.

Done in A

FISCAL NOTE

No. 8

Bill Version: CSSB 98(FIN)

(S) Publish Date: 4-22-96

**STATE OF ALASKA
1996 LEGISLATIVE SESSION**

Revision Date 4/19/96

Title: Personal Responsibility Act

Department: Commerce and Economic Development

BRU: Banking, Securities and Corporations

Component: Banking, Securities and Corporations

Sponsor: Hess Committee

Requestor: Senate Finance

COMPONENT SERIAL NO. 1233

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	29.1	24.3	8.1			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	29.1	24.3	8.1	0.0	0.0	0.0

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

CHANGE IN REVENUES	29.1	24.3	8.1			
--------------------	------	------	-----	--	--	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1007 Interagency Receipts	29.1	24.3	8.1			
TOTAL	29.1	24.3	8.1	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)
 \$26.0 for FY 97 and \$21.2 for the remaining years will be used to fund one-third of an analyst/programmer for the Dept. of Commerce and Economic Development. This person will be shared by the Div. of Banking, Securities and Corporations, Div. of Insurance, and the Div. 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. REVENUE - Inter-Agency Receipts to cover program costs. This bill begins October 1, 1996 and ends September 30, 1998. Programming costs in preparation of the bill will begin July 1, 1996.

Prepared by: Willis F. Kirkpatrick, Director Phone: 465-2521
 Division: Banking, Securities and Corporations Date: _____
 Approved by Commissioner: William L. Hensley Date: 4-19-96
 Agency: Commerce and Economic Development

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

Bill Version: CSSB 98 (FIN)

(S) Publish Date: 4-22-96

STATE OF ALASKA

1996 LEGISLATIVE SESSION

Revision Date: April 19, 1996

Department: Commerce and Economic Development

Title: Personal Responsibility Act

BRU: Occupational Licensing

Component: Operations

Sponsor: HESS Committee

Requestor: Senate Finance

COMPONENT SERIAL #: 1844

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	41.5	41.5	10.5			
TRAVEL	5.0	5.0	0.0			
CONTRACTUAL	29.7	29.7	2.4			
SUPPLIES	1.0	1.0	0.3			
EQUIPMENT	6.3					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	83.5	77.2	13.2	0.0	0.0	0.0

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

CHANGE IN REVENUES	83.5	77.2	13.2			0.0
--------------------	------	------	------	--	--	-----

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other (Inter Agency Receipts)	83.5	77.2	13.2	0.0	0.0	0.0
TOTAL	83.5	77.2	13.2	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

The bill 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. The bill identifies an ending date for the program of September 30, 1998. Therefore, this fiscal note identifies full funding for FY 97 and FY 98, and three months into FY 99.

Prepared by: Jennifer Strickler, Admin. Officer

Phone: 465-2144

Division: Occupational Licensing

Date: April 19, 1996

Approved by Commissioner: William L. Hensley

Date: 4-19-96

Agency: Commerce and Economic Development

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO.: CSSB 98(FIN)

ANALYSIS: (Continued)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT FISCAL NOTE CALCULATIONS

Two years ago, 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 the bill are as follows:

PERSONAL SERVICES:

\$ 41.5

The request of one position identified below assumes that an existing Paralegal position, PCN 08-2086 authorized to implement the student loan default program (a program with similar responsibilities to those established in this bill) to be utilized to support the child enforcement program as well. The one position shown below is needed in addition to fully implement the provisions of this bill. 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 will allow staff to check 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 this bill 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.

No. 10

Bill Version: CS SB 98 (FIN)

FISCAL NOTE

(S) Publish Date: 4-22-96

**STATE OF ALASKA
1996 LEGISLATIVE SESSION**

Revision Date: April 19, 1996 Department: Commerce and Economic Development
 Title: Personal Responsibility Act BRU: Insurance
 Component: Operations
 Sponsor: Senate HESS Committee
 Requestor: Senate Finance Committee COMPONENT SERIAL NO. #354

(Thousands of Dollars)

Expenditures/Revenues	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
OPERATING EXPENDITURES						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	26.0	21.2	5.3			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, C: AIMS						
MISCELLANEOUS						
TOTAL OPERATING	26.0	21.2	5.3	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES	26.0	21.2	5.3			

(Thousands of Dollars)

FUND SOURCE	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1007 Interagency Receipts	26.0	21.2	5.3			
TOTAL	26.0	21.2	5.3	0.0	0.0	0.0

Estimate of any current year (FY 96) 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. The change in revenue reflects the interagency receipts to be received from the Dept. of Revenue, which will then be RSAed to DCED's Div. of Admin. Ser.

Prepared by: Joan Brown, Administrative Officer Phone: 465-2597
 Division: Insurance Date: 4/19/96
 Approved by Commissioner: William L. Hensley Date: 4-19-96
 Agency: Commerce and Economic Development

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

Bill Version: CSSB 98(FIN)

(S) Publish Date: 4-22-96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Fish and Game
 Title: Personal Responsibility Act BRU: Administration
 Component: Administration
 Sponsor: Senate HESS Committee
 Requester: Senate Finance COMPONENT SERIAL NO. 479

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	28.0					
TRAVEL						
CONTRACTUAL	63.0	74.0	20.0			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	91.0	74.0	20.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
----------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	91.0	74.0	20.0			
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	91.0	74.0	20.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME	1	0	0			
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Expenditures include a half time position during the first year to minimize the confusion and problems 400+ vendors located throughout the state will have. A new parttime position will be responsible for answering questions from vendors about the process, dealing with angry licensees, distributing the list monthly to vendors, and working with the agency on resolution to problems that arise. Other expenses include producing a manual that vendors can refer to on correct procedures, and postage and printing costs to get the list out monthly to vendors. It is impractical to send a magnetic medium to most vendors since they will not have the hardware to read it.

This legislation will place significant new burdens on the vendors. It is impossible to estimate their costs, but it should be recognized that such costs will be incurred. In response some vendors may choose to stop selling crew member licenses, which in turn will cause delays in hiring crew in the fishing industry.

Prepared by: Kevin Brooks, Director *Kevin Brooks* Phone: 485-5999
 Division: Administration Date: 4/18/96
 Approved by Commissioner: Frank Rue *Frank Rue* Date: 4/18/96
 Agency: Fish and Game

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

No. 12

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98 (FIN)

(S) Publish Date: 4-22-96

Revision Date:	Dept. Affected: <u>Fish and Game</u>
Title: <u>Personal Responsibility Act of 1995</u>	BRU: <u>Commercial Fisheries (Limited) Entry Commission</u>
Sponsor: <u>Senate Finance Committee</u>	Component: <u>Limited Entry Program Administration</u>
Requester: <u>Senate HESS Committee</u>	COMPONENT SERIAL NO. <u>0471</u>

Expenditures/Revenues	(Thousands of Dollars)					
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
OPERATING EXPENDITURES						
PERSONAL SERVICES	38.1	17.8	17.8	17.8	17.8	17.8
TRAVEL						
CONTRACTUAL	2.5	2.5	2.5	2.5	2.5	2.5
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	40.6	20.3	20.3	20.3	20.3	20.3
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE	(Thousands of Dollars)					
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other - Interagency Transfers	40.6	20.3	20.3	20.3	20.3	20.3
TOTAL	40.6	20.3	20.3	20.3	20.3	20.3

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME						
PART-TIME	1	1	1	1	1	1
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

See Attachments

This bill will affect all commercial fishing vessel licenses which includes sport fishing charter operations.

Prepared By: <u>Roger Kolden</u>	Phone: <u>789-6160</u>
Agency: <u>Commercial Fisheries (Limited) Entry Commission</u>	Date: <u>4/19/96</u>
Approved by Commissioner: <u>Frank Womam</u>	Date: <u>4/19/96</u>
Agency: <u>Commercial Fisheries (Limited) Entry Commission</u>	

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

One-time Requirements

- (1) Data Processing staff write programs to:
 - (a) merge monthly lists with CFEC database, and
 - (b) provide edits in existing revenue programs to check applicants against CSED list, and
 - (c) develop mechanism for issuing temporary vessel licenses and tracking the 150 day period for which they are valid; and
 - (d) develop a mechanism for recording releases
- (2) Develop the required "notice" to be sent to applicants.
- (3) Establish fee for temporary licenses, develop procedures to collect fees for temporary licenses, issue temporary licenses and issue regular licenses upon receipt of releases from CSED - manual processing will be necessary as CFEC's automated licensing procedures will not be able to handle these exceptions.
- (4) Prepare specifications for temporary vessel license receipts and annual stickers.
- (5) Publish ads and mail notices to inform fishermen, processors and ADF&G and FWP personnel of these changes.

Monthly Requirements

- (1) Data processing merges CSED list with CFEC licensing database.

Ongoing Requirements

- (1) Licensing staff check each applicant for a vessel license against the CSED list.
- (2) If applicant is on the list:
 - (a) collect the fee for the temporary vessel license
 - (b) issue a 150 day vessel license
 - (c) prepare and send required the notice with the vessel license
- (3) When a release is received from CSED:
 - (a) record the release on computer system
 - (b) issue the regular vessel license
- (4) If a release is not received:
 - (a) process a refund of the fee for the license withheld
- (5) Send notices advising any permit applicants intending to fish the vessel that their permits cannot be issued if the vessel license is withheld and informing them if the vessel has only been issued a temporary license.

Annual Requirements

- (1) Prepare specifications and solicit bids for temporary license materials.

Costs to CFEC

- 3.0 months of programmer time to write and test the programs: \$20.3
- 0.5 months of programming time to load files merging monthly lists and generate annual statistical reports: \$3.4
- 0.5 months to coordinate and set up procedures, and to notify fishermen, ADF&G, FWP, etc., of change: \$2.2
- 4.0 months - 1 part-time seasonal licensing position (CFPC II, range 10, working 20 hrs/wk, 8 mos/yr) to specialize in CSE-related activities. This is necessary in order to prevent negatively impacting the quality of service provided to other applicants: \$12.2
- Ad publication for alerting fishermen, and staff of ADF&G and F&WP: \$2.5

Assumptions:

The Entry Commission licenses approximately 16,500 vessels annually. Vessels may be owned by individuals, companies, partnerships or other business entities, but any person may submit the application as an agent for the owner.

CFEC has no hard information available to predict how many vessels may have to have licenses withheld and be issued temporary licenses, but data previously provided by CSED suggests possibly 5% or 825. However, far more people than just the applicant will be impacted by the legislation and the effect on CFEC will be compounded because permits cannot be issued unless and until the vessel is licensed. Delays in licensing vessels or issuing temporary vessel licenses will also delay issuance of permits to all fishermen associated with the vessel. Many vessels are leased and fished by different individuals in different fisheries throughout the year so the impact on others may be substantial.

If approximately 825 vessel licenses are withheld annually, then the permits of at least 825 fishermen will also be affected. On an annual basis, at least 1,650 applicants will require some action to be taken by CFEC staff. Assuming it takes .5 hour to review and process each application and issue the temporary permit and notice, this is 825 hours per year. Most of this activity would occur during the 8 months of peak licensing volume, Nov. through June, resulting in approximately 25 hours/week of increased licensing staff time.

In reality, once aware of these provisions, any vessel owner who is a delinquent child support obligor will probably have someone else apply for the vessel license as an obvious way around the problem, so including vessel licenses in the legislation may prove to have a negligible impact and/or benefit.

**Welfare Reform Summary Analysis
HCS CSSB 98(HES)
Reinvestment Add-Backs**

Waiver Track

Department of Health and Social Services
Prepared 5/3/96

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
AFDC Policy Provisions	\$ (690.4)	\$ (4,297.0)	\$ (6,101.7)	\$ (6,857.5)	\$ (7,057.4)	\$ (7,170.7)	\$ (32,174.7)
AFDC (Reinvestment) - Caseload Decreases	\$ -	\$ (2,660.4)	\$ (5,551.2)	\$ (8,933.7)	\$ (12,214.7)	\$ (12,214.7)	\$ (41,574.7)
PA Administration	\$ 372.2	\$ 632.0	\$ 512.0	\$ 512.0	\$ 512.0	\$ 512.0	\$ 3,052.2
Family and Youth Services	\$ 66.6	\$ 60.2	\$ 60.2	\$ 60.2	\$ 60.2	\$ 60.2	\$ 367.6
Eligibility Determination (Reinvestment)*	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 600.0
Alaska Work Programs (Reinvestment)*	\$ 1,770.4	\$ 1,770.4	\$ 1,770.4	\$ 1,770.4	\$ 1,770.4	\$ 1,770.4	\$ 10,622.4
PA Data Processing (Reinvestment)*	\$ 919.6	\$ 919.6	\$ 919.6	\$ 807.4	\$ 807.4	\$ 807.4	\$ 5,181.0
Child Care Benefits (Reinvestment)*	\$ 2,210.0	\$ 2,210.0	\$ 2,210.0	\$ 2,210.0	\$ 2,210.0	\$ 2,210.0	\$ 13,260.0
Total Operating	\$ 4,748.4	\$ (1,265.2)	\$ (6,080.7)	\$ (10,331.2)	\$ (13,812.1)	\$ (13,925.4)	\$ (40,666.2)
Less Federal Receipts	\$ 1,782.7	\$ (997.6)	\$ (2,927.4)	\$ (4,537.8)	\$ (6,112.9)	\$ (8,099.1)	\$ (20,892.1)
Less I/A Receipts (PFD Hold Harmless)	\$ (63.5)	\$ (640.1)	\$ (1,072.1)	\$ (1,452.8)	\$ (1,773.0)	\$ (1,783.5)	\$ (6,784.9)
Net GF/GF Match Budget Impact	\$ 3,029.2	\$ 372.5	\$ (2,081.2)	\$ (4,340.6)	\$ (5,926.2)	\$ (4,042.8)	\$ (12,989.2)
Less GF Program Receipts (Savings from Child Support Collections)	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0	\$ 12,000.0
Net GF/GF Match Budget Impact	\$ 1,029.2	\$ (1,627.5)	\$ (4,081.2)	\$ (6,340.6)	\$ (7,926.2)	\$ (6,042.8)	\$ (24,989.2)

* Reinvestments are available in FY 97 without additional General Funds because of projected caseload reductions.

FEDERAL RECEIPTS	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
AFDC Policy Provisions	\$ (313.4)	\$ (1,950.8)	\$ (2,770.1)	\$ (3,113.3)	\$ (3,204.0)	\$ (3,255.5)	\$ (14,607.1)
AFDC (Reinvestment) - Caseload Decreases	\$ -	\$ (1,207.8)	\$ (2,520.2)	\$ (4,055.9)	\$ (5,545.4)	\$ (7,486.0)	\$ (20,815.3)
PA Administration	\$ 96.1	\$ 161.0	\$ 101.0	\$ 101.0	\$ 101.0	\$ 101.0	\$ 661.1
Alaska Work Programs	\$ -	\$ -	\$ 154.0	\$ 307.5	\$ 307.5	\$ 307.5	\$ 1,076.5
Child Care Benefits	\$ -	\$ -	\$ 107.9	\$ 219.2	\$ 224.3	\$ 230.2	\$ 781.6
Eligibility Determination (Reinvestment)	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 300.0
Alaska Work Programs (Reinvestment)	\$ 445.0	\$ 445.0	\$ 445.0	\$ 445.0	\$ 445.0	\$ 445.0	\$ 2,670.0
PA Data Processing (Reinvestment)	\$ 400.0	\$ 400.0	\$ 400.0	\$ 403.7	\$ 403.7	\$ 403.7	\$ 2,411.1
Child Care Benefits (Reinvestment)	\$ 1,105.0	\$ 1,105.0	\$ 1,105.0	\$ 1,105.0	\$ 1,105.0	\$ 1,105.0	\$ 6,630.0
Total Federal Receipts	\$ 1,782.7	\$ (997.6)	\$ (2,927.4)	\$ (4,537.8)	\$ (6,112.9)	\$ (8,099.1)	\$ (20,892.1)

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB98 (HES)
DPA Waiver #1

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program.</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>AFDC</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>220</u>
	See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(690.4)	(6,957.1)	(11,652.9)	(15,791.2)	(19,272.1)	(19,385.4)
MISCELLANEOUS						
TOTAL OPERATING	(690.4)	(6,957.1)	(11,652.9)	(15,791.2)	(19,272.1)	(19,385.4)

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

CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	(313.4)	(3,158.5)	(5,290.4)	(7,169.2)	(8,749.5)	(8,800.9)
1003 GF Match	(2,313.5)	(5,158.5)	(7,290.4)	(9,169.2)	(10,749.6)	(10,801.0)
1004 GF						
1005 GF/Program Receipts	2,000.0	2,000.0	2,000.0	2,000.0	2,000.0	2,000.0
1037 GF/Mental Health						
Other 1007 I/A Receipts	(63.5)	(640.1)	(1,072.1)	(1,452.8)	(1,773.0)	(1,783.5)
TOTAL	(690.4)	(6,957.1)	(11,652.9)	(15,791.2)	(19,272.1)	(19,385.4)

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Waiver Approach

This legislation amends the public assistance statutes and includes several provisions that impact AFDC program costs.

General Assumptions: Federal welfare reform does not occur. 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. We assume, for purposes of this analysis, that the necessary waiver/demonstration project authority is received from the federal government, that the state regulations and the data system changes needed to implement the demonstration project and the other policy provisions of this bill take effect by the effective dates noted, and that the demonstration project is operational July 1, 1998.

Prepared by: Jim Nordlund, Director *Jim Nordlund* Phone: 465-2680
 Division: Public Assistance Date: 05/03/96

Approved by Com: Karen Perdue, Commissioner *Karen Perdue* Date: 5-3-96
 Agency: Department of Health & Social Services

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):							
AFDC Policy Provisions	FY97	FY98	FY99	FY00	FY01	FY02	Total
AFDC Workfare Project: Earned Income Disregards, 100-Hour-Rule, Job Retention, 24-month Time Limit, Auto Allowance & Diversion	\$ -	\$ -	\$ (78.5)	\$ (834.3)	\$ (849.0)	\$ (871.7)	\$ (2,633.5)
Benefit Reductions: Seasonal Benefits, Transfer of Assets and Benefits based on Household Expenses	\$ (811.8)	\$ (4,139.4)	\$ (5,865.8)	\$ (5,865.8)	\$ (8,050.8)	\$ (8,141.4)	\$ (28,674.4)
Minor Teen Parents	\$ (78.8)	\$ (157.8)	\$ (157.8)	\$ (157.8)	\$ (157.8)	\$ (157.8)	\$ (860.8)
Caseload Reduction Savings resulting from reinvestments	\$ -	\$ (2,680.1)	\$ (5,551.2)	\$ (8,933.7)	\$ (12,214.7)	\$ (12,214.7)	\$ (41,574.4)
Totals	\$ (890.4)	\$ (8,957.1)	\$ (11,852.9)	\$ (15,791.2)	\$ (19,272.1)	\$ (19,385.4)	\$ (73,749.1)

DEMONSTRATION PROJECT - Effective July 1, 1998

The demonstration project includes the following policy waiver provisions:

(Note: Only the policy provisions that are expected to have an impact on AFDC program costs are included in this analysis.)

AFDC Workfare Project which requires certain individuals to participate in unpaid work activities for 21 hours per week. Failure to comply results in a reduction in the family's assistance. With specified exceptions, families included in the experimental group may only receive AFDC for 24 months within a 60-month period. All individuals in the experimental group for the workfare project receive increased incentives to work:

Earned Income Disregards: The earned income disregards are increased to allow families to keep more of the income they earn and encourage recipients to gain the job experience that is essential to long-term self-sufficiency. The current time-limited \$30 and one third of the remainder is increased to \$200 plus one third of the remainder for 24 months.

Waiver of "100-Hour-Rule": The federal rule that prevents unemployed parents from working more than 100 hours per month is waived.

Automobile Allowance: Allows each family to own up to \$5000 in vehicle equity before the equity is counted against them.

Job Retention: Denies assistance to families when the adult applicant or caretaker refuses or quits a job without good cause.

A Diversion Program: Diversion payments provide families an alternative to long-term AFDC dependency by offering job-ready applicants a one-time lump-sum cash payment to meet critical needs while they obtain employment and/or child support.

Seasonal Benefit Reduction for Two Parent Families: Reduces assistance payments to Unemployed Parent families by 50% during the summer months of July, August and September when work is available.

STATEWIDE PROGRAM CHANGES (Options under Current Federal Law) - Effective January 1, 1997

Transfer of Assets: Denies assistance to families when an adult member intentionally transfers an asset for less than fair market value for the purpose of establishing eligibility for AFDC.

Benefits based on household expenses: Families who pay little or no housing costs receive a smaller assistance payment than families who pay market value for their housing.

Assistance To Minors: With specified exceptions, requires unmarried minor parents to live with a parent or legal guardian, an adult relative, or in another adult-supervised living arrangement.

ANALYSIS (cont.):

Reinvestment Funding Shift: Under the reinvestment plan, \$2,000.0 per year in additional GF Program Receipt funds from the state share of increased Child Support collections finance part of the total of \$5,000.0 in reinvestments. The additional program receipts are applied toward AFDC Assistance Payments, producing an offsetting reduction of \$2,000.0 in need for unrestricted GF Match. The \$2,000.0 in reduced GF Match is a funding source for the expenditures in the other reinvestment budget components.

Caseload Reduction Savings Resulting from Reinvestment: The reinvestments in PA Data Processing, Child Care, Alaska Work Programs, and One-Stop centers (Eligibility Determination component) produce caseload reductions beginning in FY 97. \$6,883.4 was deleted from the AFDC Assistance Payments component base in the FY 97 Governor's budget, and is not reflected in this fiscal note. Additional savings above the adjusted base are reflected as "Caseload reduction savings resulting from reinvestment" in this analysis, beginning in FY 98.

The removal of \$6,883.4 from the FY 97 base produces a total cumulative additional savings of \$41,300.4 from FY 97 through FY 02 that are not reflected here.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB98 (HES)
DPA Waiver #2

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program.</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>PFD Hold Harmless</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>225</u>
	See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(63.5)	(640.1)	(1,072.1)	(1,452.8)	(1,773.0)	(1,783.5)
MISCELLANEOUS						
TOTAL OPERATING	(63.5)	(640.1)	(1,072.1)	(1,452.8)	(1,773.0)	(1,783.5)

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

CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1050 PFD Fund	(63.5)	(640.1)	(1,072.1)	(1,452.8)	(1,773.0)	(1,783.5)
TOTAL	(63.5)	(640.1)	(1,072.1)	(1,452.8)	(1,773.0)	(1,783.5)

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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 AFDC policy provisions contained in this bill reduce costs in the AFDC component and produce proportional reductions in PFD Hold Harmless costs.

Prepared by: <u>Jim Nordlund, Director</u>	Phone: <u>465-2680</u>
Division: <u>Division of Public Assistance</u>	Date: <u>05/03/96</u>
Approved by Com: <u>Karen Perdue, Commissioner</u>	Date: <u>5-3-96</u>
Agency: <u>Department of Health & Social Services</u>	

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

Assumptions:

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

FY97	\$	63.5
FY98	\$	640.1
FY99	\$	1,072.1
FY00	\$	1,452.8
FY01	\$	1,773.0
FY02	\$	1,783.5

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB98 (HES)

DPA Waiver #3

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act relating to the AFDC program demonstration projects and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Eligibility Determination</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>236</u>
	See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	100.0	100.0	100.0	100.0	100.0	100.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	100.0	100.0	100.0	100.0	100.0	100.0

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

CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	50.0	50.0	50.0	50.0	50.0	50.0
1003 GF Match	50.0	50.0	50.0	50.0	50.0	50.0
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME						
PART-TIME						
TEMPORARY						

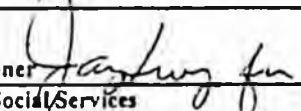
ANALYSIS: (Attach a separate page if necessary)

Public assistance recipients and other Alaskans can move more quickly into employment when employment-related services are located together and coordinated. Integrated services are more efficient and cost-effective.

The FY 97 Governor's budget includes \$200.0 in funding for "One-Stop" services as part of the Administration's welfare reform strategy. These funds will be used for building leases and related costs for one-stop service centers. The Departments of Health and Social Services and Labor are already working to co-locate and integrate Public Assistance and Employment services offices. As soon as possible, DOE-funded Adult Education centers, JTPA and Vocational Rehabilitation offices, Day Care Assistance and other supportive service agencies will also be integrated.

Prepared by: Jim Nordlund, Director 
 Division: Division of Public Assistance

Phone: 465-2680
 Date: 05/03/96

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

Date: 5-3-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

The House and Senate budget bills provide only \$100.0 of the \$200.0 needed for One-Stop service centers. This fiscal note requests restoration of the deleted \$100.0 in the Eligibility Determination component beginning in FY 97. Funding source is percent GF match, 50 percent federal.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB98 (HES)
DPA Waiver #4

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Public Assistance Admin</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>233</u>
	See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	131.7	175.5	175.5	175.5	175.5	175.5
TRAVEL	5.0	9.0	9.0	9.0	9.0	9.0
CONTRACTUAL	24.5	136.0	16.0	16.0	16.0	16.0
SUPPLIES	1.0	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	20.0					
LAND & STRUCTURES						
GRANTS, CLAIMS	180.0	310.0	310.0	310.0	310.0	310.0
MISCELLANEOUS						
TOTAL OPERATING	372.2	632.0	512.0	512.0	512.0	512.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
----------------------	-----	-----	-----	-----	-----	-----

CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
---------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	96.1	161.0	101.0	101.0	101.0	101.0
1003 GF Match	96.1	161.0	101.0	101.0	101.0	101.0
1004 GF	180.0	310.0	310.0	310.0	310.0	310.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	372.2	632.0	512.0	512.0	512.0	512.0

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This legislation requires DHSS to operate an AFDC waiver demonstration project, provide services to teen parents, and conduct a comprehensive needs study.

WAIVER PROJECT ADMINISTRATION: DHSS will design and operate a waiver demonstration project that adds several new provisions to the AFDC program under the authority of section 1115(a) of the Social Security Act.

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

Prepared by: Jim Nordlund, Director *Jim Nordlund*
 Division: Division of Public Assistance

Phone: 465-2680
 Date: 05/03/96

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

Date: 5-3-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

Waiver evaluation contractor: 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. Estimated cost of \$130,000 for the 5-year duration of the project is based on amounts other states pay for the evaluation of similar projects.

TEEN PARENT SERVICES: Section 2 of this legislation provides that a minor parent must live with a parent or another relative unless no such safe home is available. This provision is not a waiver project; we assume that the regulations to implement this provision take effect on 1/1/97.

Case Management Services: Existing case management services will be enhanced to investigate a teen's claim that the family home is unsafe, assist teens in finding suitable alternate living situations when necessary, and direct teens to educational and social services. Grants to provide these additional services is \$135,000 per year.

Alternate Living Arrangements: If there is no safe, available family home for the teen parent, the teen must live in an alternate, adult-supervised setting. Currently, the only option the state currently has is foster care, at high cost and with a limited number of available spaces. \$125,000 in community grants will develop and provide supervised alternate teen parent housing when no other appropriate placement is available. These funds are expected to pay for approximately 35 placements at \$3,570 per year.

Total annual cost of this provision is \$260,000; the cost is half, \$130,000, in FY98 to allow for the 1/1/97 implementation date.

NEEDS STUDY: Section 50 of this legislation directs the Department to conduct a comprehensive needs study and submit the results to the Legislature in January 1999. An independent contractor will conduct this study; estimated cost is \$90,000 in FY 98.

EMERGENCY FOOD SERVICES: Welfare reform will reduce benefits to low-income families. To maintain a safety net for families, \$50,000 in grants is needed to assist community organizations to establish and operate emergency food programs.

ANNUAL COST SUMMARY

FY97

(Positions budgeted for 9 months in this initial year.)

1	Project Coordinator	R19	46.9
1	Research Analyst III (existing unfunded position)	R18	45.8
1	Public Assistance Analyst	R16	39.0
	Equipment		20.0
	Office Space, phone, etc.		4.5
	Supplies		1.0
	Travel		5.0
	Evaluation contractor		30.0
	Teen Parent Services		130.0
	Emergency Food Services		50.0
	Total		372.2

ANALYSIS (cont.):

FY98

1	Project Coordinator	R19	62.5
1	Research Analyst III	R18	61.0
1	Public Assistance Analyst	R16	52.0
	Office Space, phone, etc.		6.0
	Supplies		1.5
	Travel		9.0
	Evaluation Contractor		40.0
	Needs Study		90.0
	Emergency Food Services		50.0
	Teen Parent Services		<u>260.0</u>
	Total		632.0

FY99 through FY02

1	Project Coordinator	R19	62.5
1	Research Analyst III	R18	61.0
1	Public Assistance Analyst	R16	52.0
	Office Space, phone, etc.		6.0
	Supplies		1.5
	Travel		9.0
	Evaluation contractor		10.0
	Teen Parent Services		260.0
	Emergency Food Services		<u>50.0</u>
	Total		512.0

Position Title Public Assistance Analyst I		No. of Positions 1	Range/Step 16A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Juneau		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		52.0		
Benefits				
Premium Pay				
Other				
Total Personal Services		52.0		
Travel		2.0		
Contractual		2.0		
Commodities		0.5		
Equipment		10.0		
Other				
Total Cost		66.5		
FUNDING SOURCE for TOTAL COST				
1002 Federal Receipts				
1003 GF Match		33.2		
1004 General Fund		33.3		
1005 GF/Program Receipts				
1007 I/A Receipts				
1037 GF/MH				
1061 CIP Receipts				
Other ()				
Justification				
Timely implementation of the many new program provisions require project staff to coordinate regulation development, inter agency cooperation, and dissemination of information instructions and training to eligibility staff and the recipient population.				
After assisting with implementation, this position continues as a member of the AFDC policy support unit.				

**REQUEST for
NEW POSITION**

AGENCY: **Health and Social Services**

BRU: **Public Assistance**

COMPONENT: **Public Assistance Admin**

FY97

Page: 1 1

Revised Date:

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	Justification Project development and management include planning, negotiating, and preparing the demonstration project application(s). Including requesting waiver of the pertinent federal law provisions. Development also includes coordinating the necessary program and system changes and dealing with requests for information about the project as well as negotiation and administration of the evaluation contract and monitoring of the project. Project management staff would also be responsible to oversee the operation and monitoring of the project and maintain the necessary relationships with federal officials throughout its duration. This request is for the project coordinator	
Salary		62.5		
Benefits				
Premium Pay				
Other				
Total Personal Services		62.5		
Travel		5.0		
Contractual		2.0		
Commodities		0.5		
Equipment		10.0		
Other				
Total Cost		80.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	40.0		
1003	GF Match	40.0		
1004	General Fund			
1005	GF/Program Receipts			
1007	I/A Receipts			
1037	GF/MI			
1061	CIP Receipts			
Other ()				

**REQUEST for
NEW POSITION**

AGENCY: **Health and Social Services**

BRU: **Public Assistance**

COMPONENT: **Public Assistance Admin**

FY97

Page: 1 1

Revised Date:

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB98 (HES)
DPA Waiver #5

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act relating to the AFDC program demonstration projects, and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Alaska Work Programs</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>238</u>
	See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
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	1,370.4	1,370.4	1,370.4	1,370.4	1,370.4	1,370.4
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	400.0	400.0	400.0	400.0	400.0	400.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	1,770.4	1,770.4	1,770.4	1,770.4	1,770.4	1,770.4

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
----------------------	-----	-----	-----	-----	-----	-----

CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
---------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	445.0	445.0	445.0	445.0	445.0	445.0
1003 GF Match	445.0	445.0	445.0	445.0	445.0	445.0
1004 GF	880.4	880.4	880.4	880.4	880.4	880.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	1,770.4	1,770.4	1,770.4	1,770.4	1,770.4	1,770.4

Estimate of any current year (FY98) cost: \$0.0

POSITIONS:

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
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)

Under either comprehensive federal and state welfare reform or continuation of the current AFDC and JOBS programs, federal law will mandate that increasing numbers of recipients be required to participate in work activities: training, education, job preparation and placement, and paid or unpaid work experience. These increasing mandates create a need for funding for a number of services to support these activities.

The FY 97 Governor's budget proposed to reinvest \$2,684.0 in AFDC component savings to support work activities in the Alaska Work Programs component. The House and Senate budget bill authorize only \$180.0 of these reinvestments. This fiscal note requests restoration of \$1,770.4 of the deleted \$2,504.0 in the Alaska Work Programs component beginning in FY 97. These restorations will support the following work activities:

Prepared by: Jim Nordlund, Director
Division: Public Assistance

Phone: 465-3347
Date: 05/03/96

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

Date: 5-3-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

DHSS operates the JOBS program in partnership with the Department of Labor. Part of the restored reinvestments will be used to increase the existing transfers to DOL, to support increases in vocational counseling, job readiness workshops, job development, and job search activities for welfare recipients.

Low literacy is a major obstacle for many welfare recipients. About 30 percent of JOBS participants enter the program without a high school diploma. Many with diplomas have low math and English skills. Some need training in English as a second language. Alaska Work Programs case managers routinely assign JOBS participants for such specialized training, through local Adult Basic Education centers. The reinvestment funds will be transferred to the Department of Education and in turn distributed to local ABE centers, to secure additional training slots for welfare clients.

Vocational training provides job skills that ensure long-term financial independence. \$100.0 in restored reinvestment funds will secure additional vocational training slots for JOBS/ Work Program participants.

Since 1990, Alaska Native organizations have operated JOBS welfare-to-work programs for Native AFDC recipients in each of the 12 ANCSA Regions, plus Metlakatla, under arrangements made directly with the federal government. The success of these Native JOBS programs directly impacts the AFDC caseload. In Alaska, these programs have never received any state matching funds, despite the fact that they administer JOBS for about 35 percent of AFDC families. \$870.4 in restored reinvestments will be used to match the total federal Native JOBS funding of \$1,400.0 at a 38 percent rate, roughly equivalent to the state JOBS match rate.

Supportive services are essential to the success of JOBS/ Work Program clients. These funds pay for special needs directly related to work program participants obtaining employment and often make the difference in whether someone gets a job and keeps it. Typical supportive service purchases include bus passes, a haircut for a job interview, a special tool, or an occupational license. Increasing numbers of work program participants will produce increasing need for supportive services. \$300.0 in restored reinvestment funds will purchase the needed services.

Preventing unplanned pregnancies reduces both AFDC and Medicaid costs by lowering the number of children born to recipients. Proposed federal welfare reform offers enhanced funding to states that bring down the number of out-of-wedlock births. Restoration of \$100.0 of the originally requested \$390.0 will provide pilot money to contract with local agencies to provide pregnancy prevention services to recipients who request them.

Summary of restorations: AWP component

DOL Employment Security RSA	250.0
DOE Adult Education RSA	150.0
Vocational Training Grants	100.0
State match for Alaska Native JOBS programs	870.4
Client supportive services	300.0
Pregnancy prevention grants	100.0

Total restorations	1,770.4
--------------------	---------

THIS SUPPLEMENTAL FISCAL NOTE REQUESTS FUNDING TO RESTORE "REINVESTMENT" FUNDS THAT WERE DELETED FROM THE GOVERNOR'S FY 97 BUDGET. THE REINVESTMENT FUNDS ARE ASSUMED TO BE AVAILABLE IN THE BASELINE ASSUMPTIONS FOR AFDC ASSISTANCE PAYMENT FISCAL NOTES.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB 98(HES)
DPA Waiver #8

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act Related to the AFDC program, demonstration projects, and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Public Assistance Data Processing</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>240</u>
	See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	807.4	807.4	807.4	807.4	807.4	807.4
TRAVEL	17.0	17.0	17.0	0.0	0.0	0.0
CONTRACTUAL	92.5	92.5	92.5	0.0	0.0	0.0
SUPPLIES	2.7	2.7	2.7	0.0	0.0	0.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	919.6	919.6	919.6	807.4	807.4	807.4

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

CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	400.0	400.0	400.0	403.7	403.7	403.7
1003 GF Match	400.0	400.0	400.0	403.7	403.7	403.7
1004 GF	119.6	119.6	119.6	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	919.6	919.6	919.6	807.4	807.4	807.4

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

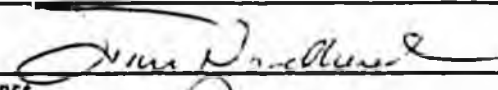
POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

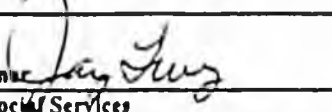
ANALYSIS: (Attach a separate page if necessary)

The Eligibility Information System (EIS) is a large, complex data system with several subsystems. Extensive modifications to the Division's Eligibility Information System (EIS) and its subsystems are necessary to implement welfare reform.

Modifications to the EIS and its subsystems, the JOBS Automated System (JAS), and the JOBS Child Care and Supportive Service Payments System (JASP), will require a level of effort in excess of 15,000 hours or 116 FTE-months.

The effort includes the analysis, design, development, testing, and implementation of new system functionality and implementing changes in program policy that revise or replace the Aid to Families with Dependent Children and Alaska Work Programs. Policy changes impact systems programs for Medicaid and will potentially impact the Food Stamp program too.

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: 05/03/96

Date: 5-3-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

To undertake the changes to the Eligibility Information System and its subsystems necessary to implement welfare reform the following assumptions were applied in determining costs:

1. The EIS modifications will require a combination of state data processing staff and contractor staff.
2. Contractual costs are to assist with the initial high volume of fast-track programming work necessary to implement comprehensive system changes by FY98 or waivers by FY99, and to assist with programming changes identified after implementation. Contractual costs above House/Senate budget = 92.5 for FY 97 - 99.
3. The project level of effort requires 116 FTE months for analysis, design, development, testing, and implementation.
4. The project will require a minimum of 12 calendar months to complete the analysis, design, development, testing, and implementation.
5. Some of the requirements design must begin no later than July 1, 1996, requirements and design must be complete and programming started no later than December 1996.
6. Other states with similar welfare reform provisions, such as Arizona and Indiana, had similar system approaches and costs.
7. The State personal services cost includes 13 data processing positions that were requested in the Governor's FY 97 budget but deleted in the House/Senate budget bill.
8. Travel costs are necessary for Juneau data processing staff to system design and implementation with programming.

Personal Services calculations:

FTE	Job Class	Range	Cost Location
1	Public Assistance Program Officer	R21	\$90.1 Juneau
3	Analyst/Programmer I	R16	\$174.3 Juneau
1	Analyst/Programmer V	R21	\$74.8 Anch
3	Analyst/Programmer IV	R19	\$206.9 Anch
1	Analyst/Programmer III	R17	\$57.6 Anch
3	Public Assistance Analyst I's	R16	\$169.3 Anch
1	Administrative Clerk II	R08	\$34.4 Anch
13	Personal Services Total		\$807.4

This is not a request for new positions: It is a request for funding to maintain the incumbents in ten existing PCNs and fill three vacant PCNs.

This fiscal note requests funding to restore the "Reinvestment" funds that were deleted from the Governor's FY 97 budget. These reinvestment funds are assumed to be available in the baseline assumptions for the AFDC assistance payments fiscal notes in this package.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HCS CSSB98 (HES)
DPA Waiver #7

Revision Date: <u>05/03/96</u>	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act relating to the AFDC program demonstration projects and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Child Care Benefits</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>1897</u>
	See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	2,210.0	2,210.0	2,210.0	2,210.0	2,210.0	2,210.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	2,210.0	2,210.0	2,210.0	2,210.0	2,210.0	2,210.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
----------------------	-----	-----	-----	-----	-----	-----

CHANGES IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	1,105.0	1,105.00	1,105.0	1,105.0	1,105.0	1,105.0
1003 GF Match	1,105.0	1,105.00	1,105.0	1,105.0	1,105.0	1,105.0
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	2,210.0	2,210.0	2,210.0	2,210.0	2,210.0	2,210.0

Estimate of any current year (FY96) 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)

Child care is essential for families that are working, participating in the JOBS program and in work activities, and in receiving transition after they leave the welfare caseload because they are employed. In FY 97, welfare families will need care for an estimated 908 more children per month than in FY 96 because of the increased emphasis on work, at an average cost of \$290 per child per month. This fiscal note requests restoration of the \$2,210.0 in child care reinvestments that was deleted from the original request of \$3,159.8.

Prepared by: Jim Nordlund, Director
Division: Public Assistance

Phone: 465-3347
Date: 05/03/96

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

Date: 5-3-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

Social Worker IV Range 18 Juneau State Office	\$58,900.00
Travel: 1 trip to Fairbanks, 1 trip to Anchorage	\$1,100.00
Equipment (Computer, Software)	\$4,000.00
Supplies (Desk, Chair, Telephone, Office Supplies)	\$2,580.00
TOTAL	\$66,580.00

The personal services cost for the Social Worker IV is calculated for one year rather than six months as this person will have to be hired and trained for the entire Fiscal year in order to be ready to do the job by January 97. The contractual costs will be double the first year in order to process the initial investigations required by this fiscal note.

The equipment and supplies will decrease after the initial set up year for this position. The continuing office supplies should cost approximately \$200/yr for the continuing position.

It is not possible to project the fiscal impact of the amendment which includes licenses granted under 47.35 with those occupational licenses which may be adversely affected by child support arrearages. The division licenses approximately 980 foster homes and approximately 550 child care facilities. Most areas of the state constantly face a shortage of foster homes, and the loss of any of the existing homes will increase staff time in locating placements for children who cannot remain at home. It is possible that additional group homes or residential child care facilities will have to be developed, at a much higher daily cost, to offset the loss of those homes. In addition to unnecessary cost increases, it would be unfair to place children who could function well in foster care into more institutional living arrangements. Division staff time will also be negatively impacted in helping parents to find alternative day care arrangements when a provider's license is affected. Most communities also already face a shortage in licensed day care.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSS8 98(FIN)

Waiver

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An act relating to AFDC and demonstration BRU: Medical Assistance
 Project: _____ Component: Medicaid Services
 Sponsor: Seneca HESS COMPONENT SERIAL NO. 2077
 Requestor: Seneca FIN See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1007 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Balance of any current year (FY96) use: 10.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

For the purpose of welfare reform, CSS8 98 (FIN) directs the department to establish pilot projects that will encourage people to move from assistance to work. These pilot projects will require federal waivers. If federal welfare reform legislation is enacted, this bill establishes the Alaska Temporary Assistance Program. This bill contains no provision that directly alters the Medicaid program.

Under the waiver approach, people who lose Aid To Families With Dependent Children (AFDC) payments due to the waiver will continue to be eligible for Medicaid. Consequently, this portion of the bill will have no measurable fiscal effect on the Alaska Medicaid program.

Under federal welfare reform, the link between Medicaid and AFDC (or what ever other program is established) is uncertain. Some welfare reform proposals require Medicaid to use current AFDC rules. Other proposals require Medicaid eligibility to be determined separately from any cash assistance program. Since the link between federal welfare reform and Medicaid is uncertain, the Division of Medical Assistance cannot determine this bill's fiscal impact on the Alaska Medicaid program.

Prepared by: Jon Sherwood
 Division: Medical Assistance

Approved by Com: Jon Sherwood
 Agency: Department of Health & Social Services

Phone: 465-3353
 Date: 04/19/96

Date: 4-20-96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

DHSS FISCAL NOTE DISCUSSION
HCS CSSB 98(HES): COMPREHENSIVE TRACK

Background

This legislation provides two possible tracks for implementation, and we have developed a separate set of fiscal notes for each track, using different assumptions.

Sections 1 - 6 of the bill amend existing statutes for the Aid to Families with Dependent Children (AFDC) program and provide for the adoption of certain AFDC options under existing federal law, along with implementation of a series of AFDC waiver provisions under federal demonstration project authority. Fiscal notes labeled DPA Waiver assume that federal AFDC law does not change. This discussion and this set of fiscal notes do not cover the waiver track.

Section 7 of the bill provides for the establishment of a new Alaska Temporary Assistance program (ATAP) to replace the AFDC and Job Opportunities and Basic Skills Training (JOBS) programs upon enactment of pending federal welfare reform block grant legislation. Fiscal notes labeled DPA Comprehensive assume, based on the most recent draft federal legislation, that the Temporary Assistance program takes effect on July 1, 1997, concurrent with repeal of the existing state and federal AFDC and JOBS programs. The federal legislation is expected to include a five-year limit on benefits for most families; a five-year limit based on the proposed federal language is included in section 7 of this legislation. This discussion and this set of fiscal notes cover the comprehensive track.

Comprehensive Track: Fiscal Note Summary

Section 7 of this legislation establishes the basic eligibility requirements and program standards for ATAP. We assume in this analysis that the federal legislation that triggers the implementation of ATAP will take effect on July 1, 1997, as provided under section 55 of this bill.

This project will place substantial additional demands on Division of Public Assistance field Eligibility Determination staff. **The fiscal note package does not include any additional funding in the Eligibility Determination component, based on our assumption of full funding of the Governor's FY 97 budget request for the Eligibility Determination component.**

The Governor's FY 97 budget request includes many of the other costs associated with implementing ATAP (including child care costs, work requirements and activities, and automated system development costs). **In general, we assume full funding for the Governor's requests, including the "reinvestment" increments, in the baseline assumptions and costs in this analysis.** Any exception to that assumption is noted in the fiscal note text.

These fiscal notes:

- Define the savings generated by the new ATAP program design on the AFDC component.
Identify the effect of increased child support collections on funding for AFDC component;
- Request funds for Safety Net Services, including intensive case management and alternative living arrangements for teen parents as well as emergency food services for families;
- Provide for the costs of investigating the appropriateness of living arrangements for teen parents; and
- Cover the cost of the child support enforcement occupational licensing provisions on the administration of licenses for emergency medical personnel.

1. AFDC Component (Alaska Temporary Assistance Program)

This legislation establishes a new program design to provide assistance with living expenses, establish work activities, and provide self-sufficiency services to low-income families with children through the Alaska Temporary Assistance program.

Child Support Enforcement Occupational/Drivers License Provisions - Bill Section 22

This legislation also includes amendments to the Child Support Enforcement statutes. The occupational and drivers licensing provisions of the child support amendments, which are assumed to take effect on October 1, 1996, will increase the amount of support collected on behalf of ATAP children. The state share of child support collected on behalf of ATAP children is transferred to DHSS as General Fund Program Receipts, which reduce the need for unencumbered General Fund money in the AFDC component.

Alaska Temporary Assistance Program

Section 7 of the bill authorizes the Alaska Temporary Assistance program. References in this section of the analysis point to sections of the proposed statutory language within section 7.

Benefits Based on Household Expenses - 47.27.025(a)

This section provides for the establishment of payment standards that take into account a family's income, assets, and other resources. DHSS will establish standards whereby families with lower living costs will receive smaller benefit payments than similar families paying full market price for living costs. This provision will be implemented gradually beginning in January 1997. By January 1998, the benefits of most families with low housing and basic utility costs will be reduced by up to 30 percent of the maximum assistance payment. At full implementation, approximately 2,600 families per month will receive a reduced benefit because they have low living expenses.

No Additional Assistance for Second Parent - 47.27.025(b)(2)

This section provides that the current \$102 per month assistance payment increment for the second parent in two-parent households be eliminated, unless one of the parents is medically incapacitated. Under this provision, most two-parent families would qualify for the same amount of assistance as a single-parent family with the same number of children.

Seasonal Benefit Reduction for Two-Parent Families - 47.27.025(c)

This section limits the assistance payment to most two-parent families to 50 percent of the normal maximum benefit during the months of July, August, and September when work is available unless the family receives a waiver. The reduction does not apply to two-parent families if either parent is physically or mentally incapacitated.

Increased Earned Income Disregards: Elimination of the "100-Hour Rule" - 47.27.025, 47.27.005(2)

The earned income "disregards" (the amounts of money a family may earn before the earnings are counted against their assistance benefit) are designed to make work pay and encourage ATAP parents to work and gain job experience by allowing working families to keep some of the income they earn. DHSS will use the authority granted in these bill sections to increase the earned income disregards.

Increasing the disregards initially increases costs because families with earnings receive larger assistance grants than they do under existing rules. The costs are more than offset by savings that result from increases in the number of families with a working member, increases in the earnings of working families, and from families that lose eligibility because of employment resulting from the increased incentives to work.

Currently, the first \$90 per month of earnings are disregarded for all families. For the first four months an individual has earnings, an additional \$ 30 per month plus one-third of the remainder is disregarded. After the applicable disregards are applied, the remaining income reduces the family's monthly grant by 89.87 cents for every dollar of income.

Beginning in July 1997, the new earned income disregards will be the first \$300 per month plus 40 percent of the remainder for the family's first year on assistance. \$300 plus 30 percent in the second year, \$300 plus 20 percent in the third year, and \$300 plus 10 percent in years four and five. After application of the disregard, assistance will be reduced dollar-for-dollar by the remaining countable income.

The Administration also plans to discontinue the current federal AFDC "100-hour-rule" which limits the number of hours the primary earner in a two-parent household may work without losing eligibility; pending federal block grant legislation is not expected to require application of the 100-hour rule. The removal of this disincentive to work is also expected to produce savings.

Automobile Allowance - 47.27.025, 47.27.005(2)

Existing federal AFDC rules require that all but the first \$1,500 in the equity value of a family's vehicle be counted against the \$1000 AFDC asset limit. This policy is a significant disincentive and barrier to work, since families cannot own a reliable car that would help them find a job and keep working. DHSS plans to use the rulemaking authority provided in this bill allow families to own one vehicle regardless of value.

This provision initially incurs some additional costs because some families which would otherwise be ineligible because of the value of a vehicle would become eligible, and is expected to generate a net savings in the long term because families will be better equipped to remain employed when they have reliable transportation.

Diversion Payments - 47.27.026

This provision will give families an alternative to long-term welfare dependency by offering eligible, job-ready ATAP applicants a one-time lump-sum payment in lieu of ongoing eligibility, to meet critical needs while they obtain employment and/or child support. The Diversion payment amount will be based on actual, immediate needs and is limited to a maximum of two months' worth of regular benefits. Families that opt for a diversion payment will have the diversion payment counted as income if they reapply for ATAP within 3 months. The Diversion program produces program savings by enabling a quick return to the work force for applicants who might otherwise need assistance for several months.

Assistance to Minors - 47.27.027

This section provides that, with specified exceptions, unmarried minor parents must live with a parent, another adult relative, or a legal guardian. If no such safe living arrangement is available, they must live in another adult-supervised living arrangement. Teen parents who do not cooperate with these requirements are ineligible for ATAP benefits. This provision produces savings by reducing the number of eligible teen parents. Teen parents who cooperate with the requirements will receive intensive case management services and some will need help to secure appropriate housing; the costs of these additional services are covered in the Public Assistance Administration component.

Participation in Work Activities - 47.27.035

This section requires recipients to participate in a range of activities that are designed to transition most families into work as soon as possible, and no later than 24 months after they begin receiving assistance. Work activities are tied to other self-sufficiency activities set for in each family's self-sufficiency plan, as required in new statutory section 47.27.030. These new requirements, combined with the enhanced work incentives, produce substantial program savings through reductions in the caseload and increases in the earned income of recipients.

Sanctions - 47.27.015, 47.27.027, 47.27.030, 47.27.035, 47.27.085

The bill sections that prohibit transferring assets to become eligible, disqualify families if a family member refuses or quits a job without good cause, require teen parents to attend school, require family self-sufficiency plans, require participation in work activities, and establish fraud disqualification penalties all impose financial penalties on families that fail to comply with certain program requirements. These provisions are expected to produce substantial savings in program costs.

Child Support Pass-Through Payments - 47.27.040(c)

This bill section authorizes continuation of the \$50 per month child support pass-through payment. Current federal law requires that the first \$50 per month of child support collected for children included in a single-parent AFDC case be paid to the AFDC custodial parent as an incentive for the parent to cooperate in the continued location of the absent parent and in the collection of support. Pending federal law changes will eliminate current federal funding for 50 percent of the cost of pass-through payments. This provision produces additional program costs for replacement of the lost federal share.

2. PFD Hold Harmless Component

PFD hold harmless program benefits replace public assistance benefits when receiving the dividend causes individuals to lose eligibility or have benefits reduced. PFD hold harmless funds approximately 10 percent of annual AFDC benefit costs. The AFDC component savings produced by this legislation produce proportionate savings in the PFD hold harmless component.

3. Public Assistance Administration Component

Services for Teen Parents In Section 7 of the bill, new statutory section 47.27.027 provides that an unmarried minor custodial parent must live with a parent or another relative. If no such safe home is available, teen parents are required to live in an approved, adult-supervised, supportive setting. New statutory section 47.27.005(1) authorizes self-sufficiency services for ATAP recipients. The costs for these services are documented in the fiscal note.

Alternate Housing for Teen Parents

Pending federal welfare reform legislation requires states help teen parents find alternate housing if they cannot live at home. These community grant funds will be used to develop a supply of alternate housing for teen parents who cannot live at home. Grantees will provide "Second Chance Homes", which would provide shelter, as well as parenting, life skills, health and pregnancy prevention services to teen mothers.

Case management services for teen parents and their children

These grants will procure intensive case management services to assess the safety of the home for teens who claim they cannot live with their parents and help teen parents who cannot live at home identify and arrange for alternative, adult-supervised, safe living arrangements for approximately 35 teen parents and their children.

Needs Study

Section 50(a) of the bill requires DHSS conduct a comprehensive needs study to evaluate and form recommendations about the maximum monthly benefit standards for the temporary assistance program. Funds are required to engage an independent contractor to conduct the study and complete a report.

Emergency Food Services

About 225 agencies in Alaska distributed or provided 2.24 million pounds of food to needy families and individuals in 1995. This community service is an essential part of the state's safety net. Federal funding for food assistance is shrinking. Food donations to the agencies come from the private sector - individuals as well as corporations and local groups.

Welfare and other low-income families need emergency food in many situations. They may be waiting for their first paycheck after starting a new job, waiting for unemployment benefits after being laid off, or waiting for their application for assistance to be processed. They may suffer an unexpected catastrophe, or have a Veteran's benefit, SSI, welfare or other check delayed or lost in the mail.

Because of their concern that welfare reform and other federal budget cuts will reduce funding for the food network, and benefit reductions and other changes to the welfare system will create additional demand for emergency food, DHSS joined with food distribution groups to organize the agencies in the food network as the *Alaska Food Coalition*. Agencies which distribute food run on extremely tight budgets, and many may have to close when federal cuts eliminate their slim operating budgets.

The requested grant funds will be distributed to community food distribution organizations to support the development of more efficient, centralized collection and distribution centers for donated emergency food supplies.

Welfare Reform Research, Monitoring, and Evaluation Staff

In bill section 7, new statutory section 47.27.005(7) requires DHSS to conduct research and monitor the effectiveness of the new Temporary Assistance program. Funding for a research analyst position is required for this new policy support and accountability activity.

4. Public Assistance Data Processing Component

The Eligibility Information System (EIS) is central to the administration of all public assistance programs. DPA field workers perform enter basic information on recipients, maintain case records, make eligibility determinations and benefit authorizations, and correspond with their clients using EIS. EIS generates benefit payments and stores and compiles management information.

Extensive modifications to the existing AFDC and JOBS structures in EIS are necessary to implement, administer, and monitor the new temporary assistance program. Funding is needed to provide sufficient programming resources for the necessary EIS modifications.

5. Family and Youth Services, DFYS Central Office Component

In Section 7 of the bill, new statutory section 47.27.027 provides that a minor parent must live with a parent or another relative unless no such safe home is available. One position is necessary to coordinate special services for teen parents and administer local grants for case management services and alternative housing.

6. State Health Services, Community Health/EMS Services Component

Funds are necessary to cover the cost of the child support enforcement occupational licensing provisions on the administration of licenses for emergency medical personnel.

**DHSS FISCAL NOTE DISCUSSION
HCS CSSB 98(HES): WAIVER TRACK**

Background

This legislation provides two possible tracks for implementation, and we have developed a separate set of fiscal notes for each track, using different assumptions.

Section 7 of the bill provides for the establishment of a new Alaska Temporary Assistance program (AFDC) to replace the AFDC and Job Opportunities and Basic Skills Training (JOBS) programs upon enactment of pending federal welfare reform block grant legislation. Fiscal notes labeled DPA Comprehensive assume that the Temporary Assistance program takes effect on July 1, 1997, concurrent with repeal of the existing state and federal AFDC and JOBS programs. The federal legislation is expected to include a five-year limit on benefits for most families; a five-year limit based on the proposed federal language is included in section 7 of this legislation. This discussion and this set of fiscal notes do not cover the comprehensive track.

Sections 1 - 6 of the bill amend existing statutes for the Aid to Families with Dependent Children (AFDC) program and provide for the adoption of certain AFDC options under existing federal law, along with implementation of a series of AFDC waiver provisions under federal demonstration project authority. Fiscal notes labeled DPA Waiver assume that federal AFDC law does not change, and that the necessary federal waivers are approved for implementation effective July 1, 1998. This discussion and this set of fiscal notes cover the waiver track.

Federal Waivers

This legislation includes AFDC provisions that are state options under existing law, and provisions that are permissible only under federally approved policy waivers for experimental purposes. The waivers are required to be implemented in the context of a demonstration project that is subject to statistical and qualitative evaluation. Demonstration projects must be cost-neutral to the federal government, and the state must reimburse the federal government for costs that exceed the cost-neutral level.

Project design must include geographically coincident, randomly assigned experimental and control groups; the experimental group is subject to the provisions of the waiver, while the control group is subject to normal AFDC rules under the AFDC State Plan. The project outcomes must be evaluated by an independent contractor. Waivers are temporary, granted only for a duration long enough to conduct the experiment; most AFDC demonstration projects are approved for five to eight years.

In effect, the demonstration project methodology requires the state to establish two different, parallel programs with different eligibility rules, and to maintain parallel sets of data so the experimental and control group outcomes can be compared. These rigid federal project requirements constrain the states from doing comprehensive welfare reform and generate substantial operating costs.

Waiver Track: Fiscal Note Summary

This bill includes a number of policy provisions. Only provisions that generate substantial costs or savings are discussed in this fiscal note package.

Assumptions: Waiver Track

We assume in this analysis that:

- Federal legislation that would trigger the comprehensive track does not occur, so that this legislation is implemented under the waiver track.
- The necessary data system and regulation changes to implement the demonstration are in place by July 1998, and the demonstration begins on July 1, 1998.
- All provisions of the legislation that involve waivers are implemented together as a single project in at least three locations in the state. The experimental group includes 4,400 randomly assigned families, which are subject to the waiver provisions. The control group includes 1,500 randomly assigned families, which are subject to normal AFDC program rules. The balance of the AFDC caseload (roughly 6,600 families) is not involved in the demonstration project and is subject to normal AFDC rules.
- Provisions that do not require federal waivers will impact the entire AFDC caseload. Implementation dates for these provisions are specified in the fiscal notes.
- This project will place substantial additional demands on Division of Public Assistance field Eligibility Determination staff. **The fiscal note package does not include any additional funding in the Eligibility Determination component**, based on our assumption of full funding of the Governor's FY 97 budget request for the Eligibility Determination component.
- The Governor's FY 97 budget request includes many of the other costs associated with administering the AFDC program and implementing the provisions of this bill (including child care costs, work requirements and activities, and automated system development costs). **In general, the baseline assumptions and costs in this analysis assume full funding for the Governor's requests, including the "reinvestment" increments.** Any exception to that assumption is noted in the fiscal note text.

1. AFDC Component

Sections 1 - 6 of this legislation establish a demonstration project and a number of AFDC policy waiver provisions and amend existing AFDC law to adopt options under existing federal law.

Waiver/Demonstration Project Provisions

Workfare project

Section 1 of the bill establishes an AFDC Workfare demonstration project. Members of the experimental group are, with specified exceptions, required to perform unpaid community service work for up to 21 hours per week.