

ALASKA LEGISLATURE

1499

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

AMENDMENT

BY SHARP

OFFERED IN THE SENATE

TO: CSSB98(FIN) 4/18/96

Page 37, line 13 DELETE

Page 37, line 22 DELETE

Page 37, line 14-21 renumber - (line 14 renumber  
(xvi) and lines 16, 18, 20 and 21 accordingly)

## AMENDMENT

TO: CSSB 98 (FIN)  
LS0692\B

BY

Page 11, line 17 following during those months

Delete "compared to previous months"

Page 16, line 23

Delete "if" and replace with "when"

# AMENDMENT

TO: CSSB 98 ( ) 9-LS0692\V

BY HALFORD

page 25, line 30

Delete "for families living within the organizations' family assistance areas"

AMENDMENT

BY SHARP

OFFERED IN THE SENATE  
TO: CSSB98(FIN) 4/18/96

Page 47. line 1 delete "[a]"  
insert after of "an infant"

line 2 before the word child, insert  
the word "infant"

line 3 before the word child, insert  
the word "infant"

line 4 before the word child, insert  
the word "infant"

line 5 delete "[a]"  
before the word child, insert "an  
infant"

9-LS0692\V  
Lauterbach  
4/15/96

CS FOR SENATE BILL NO. 98( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act making changes related to the aid to families with dependent children  
2 program (AFDC); relating to the duties of the Department of Health and Social  
3 Services; adjusting AFDC payment levels; establishing a workfare pilot project  
4 for AFDC recipients; establishing a diversion program for AFDC applicants;  
5 directing the Department of Health and Social Services to seek waivers of  
6 applicable federal laws; establishing the Alaska family independence program and  
7 repealing the ADFC and job opportunity and basic skills programs upon the  
8 establishment of federal welfare reform; relating to work activities required  
9 under the Alaska family independence program; authorizing qualified entities to  
10 contract with the state to administer all or part of the Alaska family  
11 independence program; reducing the interest rate on child support arrears;  
12 relating to an exemption to the State Procurement Code for certain services and

1 contracts under the Alaska family independence program; relating to eligibility  
2 for day care benefits administered by the Department of Community and  
3 Regional Affairs; and providing for an effective date."

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

5 \* Section 1. AS 47.25 is amended by adding new sections to read:

6 ARTICLE 1A. AFDC WORKFARE PROJECT.

7 Sec. 47.25.301. WAIVER APPLICATION FOR PROJECT. (a) The  
8 Department of Health and Social Services shall seek appropriate waivers from the  
9 federal government to implement the AFDC demonstration project described in  
10 AS 47.25.301 - 47.25.308. To the extent that the federal government approves the  
11 necessary waivers, the department shall implement the project. The purposes of the  
12 project are to promote personal responsibility and self-sufficiency.

13 (b) At a minimum, the department shall implement AS 47.25.303 so that there  
14 are experimental groups in at least three different areas of the state, with at least one  
15 experimental group in a municipality with a population over 25,000, one in a  
16 municipality with a population between 5,000 and 25,000, and one in a municipality  
17 or community with a population under 5,000. The department shall implement  
18 AS 47.25.303 with the minimum number of control groups that are required by the  
19 federal government for approval of the waivers applied for under this section.

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

23 (1) apply for and implement only the waivers that relate to the parts of  
24 the project that are not substantially affected by the changes in federal statutes or  
25 regulations;

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

29 Sec. 47.25.302. EARNED INCOME DISREGARD; WAIVER OF "100-

1 HOUR" RULE; AUTO ALLOWANCE. When determining the AFDC eligibility of  
2 a family that is participating in an experimental group in the project under  
3 AS 47.25.303 and when determining the amount of assistance to which the family is  
4 entitled, the department shall

5 (1) disregard, for the first 24 months for which the family receives  
6 assistance, \$200 plus one-third of the remainder of the earned income of each person  
7 in the family unless federal regulations require that more earned income of a person  
8 must be disregarded, in which case the department shall disregard earned income as  
9 required by federal law; for a family that applies for AFDC after this paragraph has  
10 been implemented, this 24 months begins with the month for which the family is first  
11 granted AFDC; for a family that is already receiving assistance when this paragraph  
12 is implemented, this 24 months begins with the first month during which this  
13 paragraph is implemented;

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

17 (3) allow the exclusion of \$5,000 of the combined equity of motor  
18 vehicles used by the family for basic family transportation, transportation of a disabled  
19 child in the household, or transportation of a member of the family to or from  
20 employment, training, or participation in an activity required under AS 47.25.303; if  
21 the combined equity of vehicles described in this paragraph exceeds \$5,000, the  
22 department shall apply the excess equity amount toward the asset limit otherwise  
23 applicable to the family.

24 Sec. 47.25.303. WORKFARE. (a) The department shall operate a workfare  
25 project. Each member of a family in an experimental group in the workfare project  
26 who is 18 years of age or older shall participate for 21 hours a week in an  
27 uncompensated activity if assigned to the activity by the department. The department  
28 shall assess the availability of activities that satisfy the purposes of this subsection in  
29 the project area and attempt to develop additional activities where necessary. When  
30 assessing the availability of activities that are suitable as uncompensated activities  
31 under this section and in assigning persons to those activities, the department shall

1 consider activities recommended by governmental representatives of boroughs, cities,  
2 and communities and others in the project area. The activities may include provision  
3 of child care for other project participants, community work experience, work-related  
4 training programs, high school completion, GED programs, or culturally relevant  
5 subsistence activities. The department shall penalize the family for failure of a person  
6 to comply with this subsection by disregarding that person as a member of the family  
7 for purposes of determining the amount of AFDC assistance given to the family. The  
8 period of time during which the department shall disregard the noncomplying person  
9 for purposes of determining the amount of the family's AFDC assistance is

10 (1) until the person is in compliance with this subsection if the person  
11 has not previously been disregarded under this subsection;

12 (2) the longer of six months or until the person is in compliance with  
13 this subsection if the person has previously been disregarded under (1) of this  
14 subsection;

15 (3) the longer of 12 months or until the person is in compliance with  
16 this subsection if the person has previously been disregarded under (2) of this  
17 subsection.

18 (b) If organizations exist in the project area that have had successful  
19 experience in conducting employment placement services, community services,  
20 remedial education services, and job training programs, the department may offer  
21 contracts on a competitive basis or grants under the department's grant application  
22 process to administer (a) of this section. A contract or grant under this subsection  
23 must provide that the department shall make the determinations required under (c) and  
24 (d) of this section and the contractor or grantee shall perform the duties assigned to  
25 the department under (a) of this section with respect to uncompensated activities,  
26 including assessment of their availability, development of additional activities,  
27 consideration of activities recommended by governmental representatives, and  
28 assignment of persons to specific activities after referral of those persons to the  
29 contractor or grantee by the department. The department may, after consultation with  
30 the appropriate contractor or grantee under this subsection, if any, use AFDC benefits  
31 to subsidize payments or provide services to participants in community work projects

1 or work training projects; an amount distributed as a subsidy under this subsection is  
2 not considered to be wages.

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

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

9 (2) is exempt from participating in an activity under AS 47.25.421 -  
10 47.25.429 (JOBS program);

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

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

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

19 (6) is a parent who is providing care for a child who is experiencing  
20 a disability.

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

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

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

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

30 Sec. 47.25.305. COOPERATION. State agencies shall cooperate with the  
31 department to the extent necessary to implement AS 47.25.301 - 47.25.308.

1           Sec. 47.25.306. IMMUNITY FROM LIABILITY. (a) The Department of  
2 Health and Social Services, and its employees, agents, and grantees, are not liable for  
3 civil damages as a result of an act or omission in the implementation, operation, or  
4 administration of an authorized project under AS 47.25.301 - 47.25.308.

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

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

9           Sec. 47.25.307. REGULATIONS. The Department of Health and Social  
10 Services shall adopt regulations necessary to implement AS 47.25.301 - 47.25.308.  
11 The regulations adopted by the department may include

12           (1) eligibility criteria for the project described in AS 47.25.301 -  
13 47.25.308 that differ from eligibility requirements in AS 47.25.310 - 47.25.429 and the  
14 regulations adopted under those statutes;

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

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

19           (4) provisions for financial or nonfinancial sanctions for applicants who  
20 fail to cooperate with project requirements.

21           Sec. 47.25.308. DEFINITIONS. In AS 47.25.301 - 47.25.308,

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

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

25           ARTICLE 1B. DIVERSION PROGRAM.

26           Sec. 47.25.309. DIVERSION PROGRAM. (a) The Department of Health and  
27 Social Services shall operate a diversion program that is designed to increase family  
28 income through employment and child support payments by offering lump-sum  
29 diversion payments in place of ongoing financial assistance under the AFDC program.  
30 A diversion payment may be offered to an adult applicant for AFDC who is job-ready  
31 and who needs short-term financial assistance to meet critical needs in order to secure

1 employment and support for the applicant's family.

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

7 (1) having the AFDC application processed under AS 47.25.310 -  
8 47.25.429; or

9 (2) having the AFDC application referred to the diversion project under  
10 this section.

11 (c) The amount of the diversion payment must be sufficient to meet the  
12 family's immediate needs as determined by the department and the participant. A  
13 diversion payment may not exceed the amount the family would be eligible to receive  
14 in the first two months of eligibility for assistance under AS 47.25.310 - 47.25.420 if  
15 the family did not elect to receive a diversion payment under this section.

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

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

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

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

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

1 a diversion payment.

2 (f) The department shall implement this section only to the extent that  
3 implementation is not prohibited under federal law. To the extent that this section may  
4 be implemented under federal law or under a waiver approved under federal law, its  
5 provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.429, and (d)(2)  
6 of this section supersedes inconsistent provisions of AS 25.27.120 and 25.27.130.

7 (g) In this section,

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

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

11 \* Sec. 2. AS 47.25 is amended by adding new sections to read:

12 Sec. 47.25.311. INELIGIBILITY FOR ASSISTANCE. (a) A person is  
13 ineligible for assistance under AS 47.25.310 - 47.25.420 for the following time periods  
14 upon administrative disqualification for making a false statement or misrepresentation  
15 knowing it was false, or for knowingly failing to disclose a material fact, in order to  
16 obtain or increase assistance under AS 47.25.310 - 47.25.420:

17 (1) six months following the first disqualification;

18 (2) 12 months following the second disqualification; and

19 (3) permanently following the third disqualification.

20 (b) A family is not eligible for assistance under AS 47.25.310 - 47.25.420 if  
21 the family includes an adult who has intentionally transferred an asset or assets at less  
22 than fair market value for the purpose of establishing eligibility for assistance. The  
23 period of ineligibility shall begin on the first day of the month following the transfer  
24 of the asset or assets and shall remain in effect for a number of months equal to the  
25 fair market value of the transferred asset or assets divided by the maximum payment  
26 amount for the family as established under AS 47.25.320(a), or for 12 months,  
27 whichever is less.

28 (c) A family is not eligible for assistance for the following time periods after  
29 the day on which the adult applicant or a custodial parent in the family, without good  
30 cause, refused to accept, or separated from, suitable employment and that refusal or  
31 separation caused the family's need for assistance:

- 1 (1) one month for the first refusal or separation without good cause;  
2 (2) six months for the second refusal or separation without good cause;  
3 and  
4 (3) 12 months for the third and subsequent refusal or separation without  
5 good cause.

6 (d) The department shall implement this section only to the extent that  
7 implementation is not prohibited under federal law. To the extent that this section may  
8 be implemented under federal law or under a waiver approved under federal law, its  
9 provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

10 Sec. 47.25.315. ASSISTANCE TO MINORS WITH CHILDREN. (a) Except  
11 as provided in (c) of this section, the department shall require, as a condition of  
12 eligibility for assistance, that a minor parent must reside in a

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

16 (2) foster home, maternity home, or other adult-supervised supportive  
17 living arrangement; however, the minor may satisfy the condition of eligibility  
18 imposed by this subsection by residing in a foster home, maternity home, or other  
19 adult-supervised supportive living arrangement only if

20 (A) the minor parent does not have a parent, legal guardian, or  
21 other adult relative who is living and whose whereabouts are known;

22 (B) there is no living parent, legal guardian, or adult relative of  
23 the minor parent who will allow the minor to live in the home of the parent,  
24 legal guardian, or adult relative; or

25 (C) the department determines that the physical or emotional  
26 health or safety of the minor parent or the minor's child would be jeopardized  
27 if the minor and the minor's child lived in the same residence with any of the  
28 minor's parents, legal guardian, or other adult relatives.

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

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

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

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

7 (2) the department otherwise determines under regulations that there is  
8 good cause for waiving the requirements of (a) of this section in the case of a  
9 particular minor parent.

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

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

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

15 (e) The department shall implement this section only to the extent that  
16 implementation is not prohibited under federal law. To the extent that this section may  
17 be implemented under federal law or under a waiver approved under federal law, its  
18 provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

19 \* Sec. 3. AS 47.25.320(a) is amended to read:

20 (a) The department shall determine the amount of assistance for a dependent  
21 child, and the relative with whom the dependent child is living, with regard to the  
22 resources and necessary expenditures of the family and the condition existing in each  
23 case. Assistance is sufficient if, when added to all other income and support available  
24 to the child, the child and relative have reasonable subsistence compatible with  
25 decency and health. However, to the extent allowed under federal law or under a  
26 waiver approved under federal law, the amount of assistance may not exceed the  
27 following:

28 (1) dependent child living with nonneedy relative: \$451 [FOR A  
29 DEPENDENT CHILD WHO IS LIVING IN THE HOME OF A NONNEEDY  
30 RELATIVE, \$452], plus \$99 [\$102] for each additional child;

31 (2) dependent child living with parent:

1 (A) for a parent and one dependent child, a maximum of \$794  
2 [\$821];

3 (B) for each additional dependent child, \$99 [OR FOR A  
4 SECOND PARENT, \$102] a month [PER INDIVIDUAL];

5 (3) pregnant woman who is otherwise eligible for assistance under this  
6 section, \$497 [OR A SINGLE-PERSON HOUSEHOLD THAT DOES NOT CONSIST  
7 OF A DEPENDENT CHILD: \$514] a month.

8 \* Sec. 4. AS 47.25.320 is amended by adding new subsections to read:

9 (h) To the extent allowed under federal law or under a waiver approved under  
10 federal law, the department shall reduce the shelter allowance used under AS 47.25.310  
11 - 47.25.420 for a family whose shelter costs are lower than the standard shelter  
12 allowance used by the department for similar families. The shelter allowance for a  
13 family whose costs are below the standard allowance shall be an amount equal to the  
14 family's actual verified shelter costs. In this subsection,

15 (1) "shelter allowance" means the portion of the benefit under  
16 AS 47.25.310 - 47.25.420 that is allocated by the department for shelter costs;

17 (2) "shelter costs" means

18 (A) rental payments or mortgage payments for the family's  
19 housing, including payments made for property or mortgage insurance and  
20 property taxes; and

21 (B) the cost of utilities, including heat, electricity, basic  
22 telephone service, water, sewer, and garbage services incurred for the family's  
23 housing; the department may establish different utility cost standards for  
24 different areas of the state and may use an average utility cost per month based  
25 on estimated level payments over a 12-month period.

26 (i) To the extent allowed under federal law or under a waiver approved under  
27 federal law, the department shall, for the months of July, August, and September,  
28 reduce by 50 percent the maximum assistance for which the family is otherwise  
29 eligible if the family's eligibility for assistance is based on the unemployment of the  
30 family's principal wage earner. However, if the commissioner determines that  
31 temporary economic conditions have resulted in decreased employment opportunities

1 during those months compared to previous months and a reduction in assistance would  
2 impose an undue hardship on a family, the department may waive application of this  
3 paragraph with respect to that family.

4 \* Sec. 5. AS 47.25.360 is amended to read:

5 Sec. 47.25.360. GRANTING OF ASSISTANCE. Upon the completion of the  
6 investigation the department shall decide whether the child is eligible for assistance  
7 under AS 47.25.310 - 47.25.420, the amount of assistance, and the date on which it  
8 starts. The department shall notify the person having custody of the child of its  
9 decision. Except as provided in AS 47.25.315(b), the [THE] assistance shall be paid  
10 monthly to the person having custody of the child upon order of the department.

11 \* Sec. 6. AS 47.25 is amended by adding a new section to read:

12 Sec. 47.25.364. TIME LIMITS ON BENEFITS. (a) A family is not eligible  
13 for more than 24 months of assistance under AS 47.25.310 - 47.25.420 during any 60  
14 consecutive months that occur after the effective date of this section unless

15 (1) the family includes only one parent or consists solely of a pregnant  
16 woman and the parent or pregnant woman, as applicable, is

17 (A) determined, under regulations of the department to be  
18 physically or mentally unable to perform gainful activity; or

19 (B) providing care for a child who is experiencing a disability;

20 or

21 (2) the family includes two parents and each of the parents is either

22 (A) determined, under regulations of the department to be  
23 physically or mentally unable to perform gainful activity; or

24 (B) is the principal caretaker of a child who is experiencing a  
25 disability.

26 (b) Notwithstanding (a) of this section, a family that becomes ineligible for  
27 assistance solely by operation of (a) of this section nevertheless remains eligible for  
28 medical assistance under AS 47.07 for a period of 12 months after losing eligibility  
29 for assistance under (a) of this section.

30 (c) The department shall implement this section only to the extent that  
31 implementation is not prohibited under federal law. To the extent that this section may

1 be implemented under federal law or under a waiver approved under federal law, its  
2 provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

3 \* Sec. 7. AS 47.25 is amended by adding a new section to read:

4 Sec. 47.25.366. SCHOOL ATTENDANCE. (a) The department shall reduce  
5 the assistance for which an assistance unit is otherwise eligible under AS 47.25.310 -  
6 47.25.420 if a minor parent in the assistance unit fails, without good cause, to meet  
7 standards of adequate levels of school attendance, as defined in regulations of the  
8 department. The reduction under this subsection shall be achieved by disregarding the  
9 needs of the person who failed to meet the school attendance standards. The person's  
10 needs shall be disregarded until the minor parent complies.

11 (b) The department shall implement this section only to the extent that  
12 implementation is not prohibited under federal law. To the extent that this section may  
13 be implemented under federal law or under a waiver approved under federal law, its  
14 provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

15 \* Sec. 8. AS 47 is amended by adding a new chapter to read:

16 CHAPTER 27. ALASKA FAMILY INDEPENDENCE PROGRAM.

17 Sec. 47.27.005. DUTIES OF THE DEPARTMENT. The department shall

18 (1) administer the Alaska family independence program by providing  
19 assistance with basic living expenses and self-sufficiency services to needy children  
20 and their families under this chapter;

21 (2) establish, by regulation, program standards that will provide  
22 incentives to work, incentives for financial planning, and opportunities to develop self-  
23 sufficiency while providing assistance with basic living expenses;

24 (3) prepare, submit to the federal government, and amend, if necessary,  
25 a state plan designed to assure that federal money is available to the state for the  
26 operation of the program set out in this chapter to provide assistance for basic living  
27 expenses and self-sufficiency services to needy children and their families consistent  
28 with the state objectives identified in (2) of this section;

29 (4) adopt methods of program administration to ensure consistency with  
30 the federal requirements under any successor federal program that replaces the aid to  
31 families with dependent children program;

1 (5) make reports to the federal government as required under any  
2 successor federal program that replaces the aid to families with dependent children  
3 program, in the form and containing the information required, and comply with the  
4 provisions that the federal government determines are necessary to ensure correct and  
5 verifiable information on the program;

6 (6) provide to the legislature an annual executive summary of the  
7 information required to be reported to the federal government under (5) of this section;

8 (7) conduct studies and research in order to evaluate and monitor the  
9 effectiveness of the state program; and

10 (8) adopt regulations and take action to implement, interpret, and  
11 administer the provisions of this chapter.

12 Sec. 47.27.010. ELIGIBLE FAMILIES. The following families may apply for  
13 assistance under the Alaska family independence program:

14 (1) a single parent who has the physical custody of one or more related  
15 dependent children;

16 (2) a caretaker of one or more dependent children who is a relative to  
17 at least the fifth degree;

18 (3) a woman in the last trimester of pregnancy; or

19 (4) a two-parent family with physical custody of one or more related  
20 dependent children.

21 Sec. 47.27.015. DISQUALIFYING CONDITIONS. (a) A family is not  
22 eligible for assistance under the Alaska family independence program if the family  
23 includes an adult who

24 (1) has received benefits under the Alaska family independence  
25 program, or a program of another state operated under a federal assistance grant  
26 program for needy families, for a total of 60 months as the caretaker or spouse of a  
27 caretaker of a dependent child or as a pregnant woman, unless the caretaker or  
28 pregnant woman is

29 (A) determined, under regulations of the department to be  
30 physically or mentally unable to perform gainful activity;

31 (B) a parent who is providing care for a child who is

1 experiencing a disability; or

2 (C) a family determined by the department to be exempt from  
3 this paragraph by reason of hardship; the number of families for which an  
4 exemption is in effect under this subparagraph may not exceed 10 percent or  
5 the maximum percentage of families allowed an exemption under federal law,  
6 whichever is greater; or

7 (2) is determined to be fleeing to avoid prosecution, custody, or  
8 confinement after conviction, in this or another jurisdiction, for a crime that is  
9 classified as a felony or a class A misdemeanor under AS 11 or the criminal laws of  
10 the jurisdiction where the criminal activity was committed.

11 (b) A family is not eligible for assistance under this chapter for a period of  
12 120 months beginning on the date the adult applicant for the family is convicted of  
13 having fraudulently misrepresented the applicant's residence in order to receive  
14 assistance in more than one state under a program financed with federal money under  
15 any successor federal program that replaces the aid to families with dependent children  
16 program.

17 (c) A family is not eligible for the following time periods if the family's  
18 demonstrated need for assistance is due to a refusal of or voluntary separation from  
19 suitable employment by the adult applicant, or a custodial parent or caretaker, without  
20 good cause:

21 (1) one month for the first refusal or separation without good cause;

22 (2) six months for the second refusal or separation without good cause;

23 and

24 (3) 12 months for the third and subsequent refusal or separation without  
25 good cause.

26 (d) A family is not eligible for assistance for up to 12 months if the family's  
27 demonstrated need is due to an intentional transfer of an asset or assets at less than fair  
28 market value for the purpose of establishing eligibility for assistance. A period of  
29 ineligibility shall begin on the first day of the month following the transfer of the asset  
30 or assets and shall remain in effect for a number of months equal to the fair market  
31 value of the transferred asset or assets divided by the maximum payment amount for

1 the family as established under AS 47.27.025, or for 12 months, whichever is less.

2 (c) An Alaska family independence program applicant or participant who is  
3 administratively disqualified for making a false statement or misrepresentation knowing  
4 it was false, or for knowingly failing to disclose a material fact, in order to obtain or  
5 increase assistance or services under this chapter is not eligible to receive assistance  
6 under this chapter for a period of

7 (1) six months following the first disqualification;

8 (2) 12 months following the second disqualification; and

9 (3) permanently following the third disqualification.

10 Sec. 47.27.020. APPLICATION AND REQUIREMENTS FOR ASSISTANCE.

11 (a) An applicant for assistance under the Alaska family independence program shall  
12 complete an application in writing, or by electronic means, and in a form specified by  
13 the department. The applicant must be a pregnant woman or an individual who has  
14 physical custody of the dependent child or children. The application must be complete  
15 and must provide all of the information about the family and the child or children that  
16 is requested by the department. The applicant shall provide all supporting  
17 documentation for verification that the department determines to be necessary to  
18 establish eligibility.

19 (b) On the application, each applicant shall attest to whether the family, at any  
20 time, has received assistance from another state program that was established with  
21 federal money under any successor federal program that replaces the aid to families  
22 with dependent children program and whether the family has ever been disqualified  
23 from receiving assistance under a successor federal program that replaces aid to  
24 families with dependent children for the period for which the application has been  
25 submitted.

26 (c) An applicant shall agree to cooperate with the department to establish a  
27 family self-sufficiency plan and to participate in work activities if assigned by the  
28 department.

29 (d) An applicant shall acknowledge the assignment of support rights as  
30 required by AS 47.27.040(a) and shall agree to cooperate with the child support  
31 enforcement agency of the Department of Revenue to the extent required under

1 AS 47.27.040(b). The applicant shall agree to report all child support payments  
2 received directly by the family, during or for a period for which the family is receiving  
3 assistance under this chapter, to the department within 15 days after receipt of those  
4 payments.

5 (c) An applicant shall update the information requested in the application at  
6 regular intervals as established by the department in regulation. The department may  
7 conduct reviews of an application and audit the information provided as necessary to  
8 determine eligibility.

9 Sec. 47.27.025. FAMILY ASSISTANCE. (a) Subject to the availability of  
10 appropriations for the purpose of providing assistance under this chapter, the  
11 department shall provide assistance for basic living expenses to families that establish  
12 eligibility based on a determination of need that considers the family's available  
13 income, assets, and other resources, as established by the department in regulation.  
14 Each dependent child in the family is eligible for assistance except as otherwise  
15 provided in AS 47.27.015 or 47.27.027(b), and assistance received as a dependent child  
16 does not count against eligibility for assistance under this chapter as a caretaker or  
17 spouse of a caretaker of a dependent child or as a pregnant woman.

18 (b) The amounts of assistance for basic living expenses may not exceed the  
19 following:

20 (1) for a dependent child living with a nonneedy relative caretaker,  
21 \$451 per month, plus \$99 for each additional child;

22 (2) for a dependent child living with at least one needy parent or  
23 relative caretaker, \$794 per month, plus \$99 for each additional child and \$99 for a  
24 second needy parent if the second parent is physically or mentally unable to perform  
25 gainful activity as defined by department regulation; or

26 (3) for a family consisting solely of an eligible pregnant woman, \$497  
27 per month.

28 (c) The department shall, for the months of July, August, and September,  
29 reduce by 50 percent the maximum assistance for which the family is otherwise  
30 eligible if the family's eligibility for assistance is based on the unemployment of the  
31 family's principal wage earner. However, if the commissioner determines that

1 temporary economic conditions have resulted in decreased employment opportunities  
2 during those months compared to previous months and a reduction in assistance would  
3 impose an undue hardship on a family, the department may waive application of this  
4 paragraph with respect to that family.

5 (d) The department shall reduce assistance under this section to the extent that  
6 the family's shelter costs are lower than the standard shelter allowance used by the  
7 department for similar families. The shelter allowance for a family whose costs are  
8 below the standard allowance shall be an amount equal to the family's actual verified  
9 shelter costs. In this subsection,

10 (1) "shelter allowance" means the portion of the assistance provided  
11 under this section that is allocated by the department for shelter costs;

12 (2) "shelter costs" means

13 (A) rental payments or mortgage payments for the family's  
14 housing, including payments made for property or mortgage insurance and  
15 property taxes; and

16 (B) the cost of utilities, including heat, electricity, basic  
17 telephone service, water, sewer, and garbage services incurred for the family's  
18 housing; the department may establish different utility cost standards for  
19 different areas of the state and may use an average utility cost per month based  
20 on estimated level payments over a 12-month period.

21 (e) The department may, instead of paying all of the cash assistance to a  
22 family under this section, use all or part of the cash assistance as a wage subsidy paid  
23 to an employer who employs a person in the family at a wage that is higher than the  
24 wage subsidy. A subsidy under this subsection may not exceed one year in duration.

25 (f) Notwithstanding any other provision of this chapter, if the amount  
26 appropriated to the department at the beginning of a fiscal year for assistance under  
27 this chapter for that fiscal year is estimated by the department to be insufficient to  
28 fully fund the assistance described under this chapter, the department shall, at the  
29 beginning of the fiscal year, reduce the assistance granted to each family by a  
30 percentage determined to be sufficient to continue operation of the program under this  
31 chapter at the reduced level for the entire fiscal year. If, at any time during the fiscal

1 year, the department determines that its initial estimate and reductions were inaccurate,  
2 the department shall adjust assistance levels again for the remainder of the fiscal year,  
3 subject to the maximum assistance levels set under this section.

4 Sec. 47.27.026. DIVERSION PAYMENTS. (a) The department may offer  
5 a lump-sum diversion payment in place of ongoing assistance and services to an adult  
6 applicant who applies for assistance under AS 47.27.020 if the adult applicant is job  
7 ready and is determined to need only short-term financial assistance to meet critical  
8 needs in order to secure employment and support for the adult applicant's family. The  
9 department shall set standards and conditions for diversion payments by regulation.

10 (b) The department may pay diversion benefits to an applicant's family only  
11 if that family appears to be eligible for benefits under AS 47.27.020 and to include a  
12 job-ready individual based on the information provided to the department in the  
13 application completed under AS 47.27.020. The department may offer to an applicant  
14 with the potential to participate in the diversion project a choice between

15 (1) having the Alaska family independence program application  
16 processed under AS 47.27.020 and the regulations adopted by the department; or

17 (2) having the application referred to the diversion project of the Alaska  
18 family independence program for a determination of project benefits under this section.

19 (c) The amount of the diversion payment must be sufficient to meet the  
20 family's immediate needs as determined by the department and the participant. A  
21 diversion payment may not exceed the amount the family would be eligible to receive  
22 as cash assistance in the first two months of eligibility under AS 47.27.025 if the  
23 family did not elect to receive a diversion payment.

24 (d) As a condition of a family receiving a diversion payment under this  
25 section, the participant must sign an agreement that

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

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

1 (3) provides that if the family reapplies for Alaska family independence  
2 program assistance under AS 47.27.020 during the three months beginning with the  
3 month in which the family received a diversion payment, the diversion payment shall  
4 be treated as unearned income, prorated over the three-month period, and deducted  
5 from any Alaska family independence program benefit the family may be eligible for  
6 under the new application.

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

10 (f) To the extent that (d)(2) of this section is inconsistent with AS 25.27.120  
11 or 25.27.130, or with another provision of this chapter, (d)(2) of this section governs.

12 Sec. 47.27.027. ASSISTANCE TO MINORS. (a) If an applicant under  
13 AS 47.27.020 is not married, is under the age of 18, and has not been previously  
14 emancipated under AS 09.55.590, the applicant must

15 (1) live in a home maintained by the applicant's parent, legal guardian,  
16 or other adult relative, unless the applicant establishes that there is good cause, as  
17 established by the department in regulation, to waive this requirement; if the  
18 department waives this requirement, the applicant must live in an approved, adult-  
19 supervised, supportive living environment;

20 (2) agree that assistance for basic living expenses on behalf of the  
21 applicant's family may be paid to the applicant's parent, legal guardian, or other adult  
22 relative, or, if applicable, to the adult head of the adult-supervised, supportive living  
23 environment in which the applicant resides; and

24 (3) maintain attendance in a secondary school or other appropriate  
25 training program unless the applicant has a high school diploma or general equivalent  
26 diploma.

27 (b) The department shall reduce the assistance for which an assistance unit is  
28 otherwise eligible under this chapter if a minor parent in the assistance unit fails,  
29 without good cause, to meet standards of adequate levels of school attendance, as  
30 defined in regulations of the department. The reduction under this subsection shall be  
31 achieved by disregarding the needs of the person who failed to meet the school

1 attendance standards. The person's needs shall be disregarded until the minor parent  
2 complies.

3 Sec. 47.27.030. FAMILY SELF-SUFFICIENCY PLAN. (a) A participant in  
4 the Alaska family independence program shall cooperate with the department, or its  
5 designee, to develop and sign a family self-sufficiency plan that includes

6 (1) the steps the family will take towards the self-sufficiency of the  
7 family;

8 (2) the self-sufficiency services the department will provide to assist  
9 the family to attain self-sufficiency;

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

12 (4) a statement that the family may be subject to benefit reductions or  
13 other sanctions if the family fails to comply with the family plan; and

14 (5) a statement that describes the necessary conditions and the steps  
15 that must be taken to renegotiate the terms of the family plan.

16 (b) The family self-sufficiency plan must set a time period for the achievement  
17 of self-sufficiency from assistance under the Alaska family independence program.  
18 That time period may not provide for any more than a total of 60 months of assistance  
19 under the Alaska family independence program.

20 (c) A family is exempt from the requirement that the family have a self-  
21 sufficiency plan under this section if the family

22 (1) does not include a needy adult;

23 (2) does not include an adult physically or mentally able to perform  
24 gainful activity; or

25 (3) is receiving a diversion payment under AS 47.27.026.

26 Sec. 47.27.035. PARTICIPATION IN WORK ACTIVITIES. (a) An Alaska  
27 family independence program participant shall participate in work activities upon  
28 assignment by the department or its designee in order for the family to continue to  
29 receive assistance or services from the department under the Alaska family  
30 independence program, unless the participant is exempt from the work participation  
31 requirements under one or more of the exemptions set out in (b) or (c) of this section.

1 (b) A parent or caretaker with a dependent child of up to 12 months of age  
2 may be exempt from work participation requirements for up to 12 months, as  
3 established in the family self-sufficiency plan.

4 (c) A parent or caretaker may be exempt from work participation requirements  
5 in the family self-sufficiency plan if

6 (1) the parent or caretaker is providing home care for a child who is  
7 experiencing a disability or a related, disabled person who requires 24-hour care;

8 (2) the parent or caretaker establishes an inability to participate for  
9 medical reasons supported by documentation from a physician or other licensed  
10 medical professional;

11 (3) the participation would impose an unreasonable hardship on the  
12 family; or

13 (4) there is a dependent child in the home that has not yet attained six  
14 years of age and the parent or caretaker demonstrates an inability to obtain needed  
15 child care because appropriate child care is not available.

16 (d) A participant in work activities under this section is not a state employee  
17 for purposes of AS 39.25 (State Personnel Act).

18 (e) A participant in work activities under this section is not considered an  
19 employee of the state or other public employer for purposes of AS 23.40.070 -  
20 23.40.260 (Public Employment Relations Act) nor shall any provision of a collective  
21 bargaining agreement entered into under AS 23.40.070 - 23.40.260 be construed to  
22 interfere with the department's authority to assign participants to work activities as  
23 authorized under this section.

24 Sec. 47.27.040. ASSIGNMENT OF SUPPORT RIGHTS; COOPERATION  
25 WITH CHILD SUPPORT ENFORCEMENT AGENCY. (a) An Alaska family  
26 independence program applicant is considered to have assigned to the state, through  
27 the child support enforcement agency of the Department of Revenue, all rights to  
28 accrued and continuing child support, from all sources, that is due for the support of  
29 any individuals in the family for whom support is sought. The assignment takes effect  
30 upon a determination that the applicant's family is eligible for assistance under this  
31 chapter. Except with respect to the amount of any unpaid support obligation accrued

1 under the assignment, the assignment terminates when the family ceases to be a  
2 participant in the Alaska family independence program.

3 (b) An Alaska family independence program participant shall cooperate with  
4 the child support enforcement agency of the Department of Revenue in establishing  
5 paternity or establishing, modifying, or enforcing a child support order requiring the  
6 payment of support by the noncustodial parent for a dependent child for whom Alaska  
7 family independence program assistance is received unless the participant establishes  
8 good cause for refusing to cooperate.

9 (c) The department may distribute to an Alaska family independence program  
10 participant \$50 per month from a monthly child support payment, or the amount of the  
11 child support payment if it is less than \$50, received by the child support enforcement  
12 agency for the support of a child for whom Alaska family independence program  
13 assistance is paid.

14 Sec. 47.27.045. ALIENATION AND ATTACHMENT. Assistance granted  
15 under this chapter is inalienable by assignment or transfer and is exempt from  
16 garnishment, levy, or execution as is provided in AS 09.38.

17 Sec. 47.27.050. GRANTS AND CONTRACTS FOR SERVICES. (a) The  
18 department may contract with or award grants to qualified entities in the state to  
19 administer an Alaska family independence program or a distinct part of the Alaska  
20 family independence program. The department may establish standards for the  
21 administration of services under the grant or contract, including fees to be charged to  
22 applicants for or recipients of those services.

23 (b) Contracts authorized under this section are to be administered in  
24 accordance with AS 47.05.015. Grants authorized under this section are to be awarded  
25 using requirements, established in regulation, that are substantially similar to those set  
26 out in AS 47.05.015 for contracts.

27 (c) This section may not be construed to expand the powers of a municipality.

28 (d) In this section, "qualified entities" include municipalities, other political  
29 subdivisions of the state, nonprofit corporations formed under AS 10.20, churches and  
30 religious organizations, and incorporated and unincorporated businesses operating  
31 within the state that meet the requirements established by the department in regulation.

1           Sec. 47.27.055. AGENCY COLLABORATION. (a) The department shall  
2 coordinate with other state agencies that provide assistance, benefits, or services to  
3 applicants that are eligible for and to participants in the Alaska family independence  
4 program in order to facilitate the application for and delivery of assistance, benefits,  
5 or services to promote family self-sufficiency. Subject to appropriation., state agencies  
6 may locate their facilities and operations near each other in order to improve service  
7 delivery.

8           (b) The department may provide information received under this chapter to  
9 other state agencies in order to facilitate the delivery of services. Information received  
10 from an applicant for or participant in the Alaska family independence program shall  
11 be treated as confidential by all state agencies that share the information under this  
12 section and is not open to public inspection or copying under AS 09.25.110 -  
13 09.25.125. Misuse of public assistance lists or information is punishable as a violation  
14 of AS 47.05.030.

15           (c) Departments in the executive branch shall cooperate in fulfilling the  
16 purposes of this chapter, including, subject to appropriations, the establishment of  
17 temporary positions that will provide job opportunities for families participating in the  
18 Alaska family independence program. Temporary positions established for this  
19 purpose are in the exempt service under AS 39.25.110 but are not subject to  
20 AS 39.25.195. An individual participating in the Alaska family independence program  
21 who holds a temporary position established for purposes of this subsection is not a  
22 public employee for purposes of AS 23.40.070 - 23.40.260.

23           Sec. 47.27.060. JOB DEVELOPMENT. The department may establish  
24 cooperative agreements with the Department of Labor, Department of Community and  
25 Regional Affairs, Department of Education, and Department of Commerce and  
26 Economic Development, and with other public or private sector organizations for the  
27 purpose of developing job, training, and educational opportunities for families eligible  
28 for assistance under this chapter.

29           Sec. 47.27.065. FEDERAL-STATE COOPERATION. In the administration  
30 of this chapter, the department shall cooperate with the Secretary of the United States  
31 Department of Health and Human Services and shall take actions necessary to comply

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

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

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

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

27 (b) The department may cooperate with the Alaska Native organizations named  
28 in (a) of this section to propose program criteria to the Secretary of the United States  
29 Department of Health and Human Services in order to promote programs comparable  
30 to the state program for families living within the organizations' family assistance  
31 areas.

1 (c) Notwithstanding other provisions of this section, the department may  
2 coordinate with an Alaskan Native organization under (a) of this section only if, for  
3 purposes of this chapter, the Alaska Native organization incorporates a nonprofit entity  
4 under state law and the nonprofit entity is active and in good standing, as determined  
5 by the Department of Commerce and Economic Development.

6 Sec. 47.27.075. EMERGENCY ACCOUNT ESTABLISHED. There is  
7 established within the general fund the Alaska family independence program  
8 emergency account. The account consists of appropriations that were made by the  
9 legislature from federal money available for assistance under this chapter, including  
10 lapsing money that was previously appropriated from federal money for the Alaska  
11 family independence program, but that were not expended or obligated in the fiscal  
12 year for which they were appropriated.

13 Sec. 47.27.080. APPEALS; DISPUTE RESOLUTION. (a) An applicant or  
14 participant who receives a determination from the department that denies, limits, or  
15 modifies the assistance or services provided under this chapter may request a hearing  
16 before the department or a representative of the department appointed for that purpose.  
17 If a representative is appointed, the representative shall conduct the hearing under the  
18 regulations adopted by the department. The appeal is not subject to AS 44.62.330 -  
19 44.62.630.

20 (b) The department may require an applicant or participant to participate in an  
21 informal dispute resolution process before a formal hearing. The department may  
22 adopt regulations establishing the informal dispute resolution process.

23 Sec. 47.27.085. SANCTIONS; RECOVERY OF COSTS. (a) The department  
24 shall penalize an Alaska family independence program applicant or participant who,  
25 without good cause, fails to comply with a condition of the family self-sufficiency plan  
26 or who fails to participate in work activities required as a part of the Alaska family  
27 independence program by disregarding that person as a member of the family for  
28 purposes of determining the amount of assistance given to the family. The period of  
29 time during which the department shall disregard the noncomplying person for  
30 purposes of determining the amount of the family's assistance is

31 (1) until the person is in compliance under this subsection if the person

1 has not previously been disregarded under this subsection;

2 (2) the longer of six months or until the person is in compliance under  
3 this subsection if the person has previously been disregarded under (1) of this  
4 subsection;

5 (3) the longer of 12 months or until the person is in compliance under  
6 this subsection if the person has previously been disregarded under (2) of this section.

7 (b) An Alaska family independence program applicant or participant who,  
8 without good cause, fails to cooperate with establishment of paternity or the  
9 establishment, modification, or enforcement of a support order for a child for whom  
10 assistance is received is subject to a reduction or limitation in assistance or services  
11 for the term of noncooperation as required by federal law and as specified in  
12 regulations adopted by the department.

13 (c) An Alaska family independence program applicant or participant who  
14 receives assistance or services when not entitled to them under this chapter because  
15 the information provided by the applicant or participant was inaccurate or incomplete  
16 is liable to the department for the value of the assistance and services improperly  
17 provided to the applicant or participant.

18 (d) In a civil action brought by the state to recover the value of assistance or  
19 services improperly provided under this chapter, the state may recover costs of  
20 investigation and prosecution of the civil action, including attorney fees as determined  
21 under court rules.

22 Sec. 47.27.900. DEFINITIONS. In this chapter,

23 (1) "assistance for basic living expenses" means assistance provided  
24 under the Alaska family independence program that may include cash, vouchers, or  
25 third-party vendor payments;

26 (2) "child care assistance" means payments made by the Department  
27 of Health and Social Services or the Department of Community and Regional Affairs  
28 to Alaska family independence program participant families or to providers for the care  
29 of children of the participant families;

30 (3) "child support" includes court-ordered or administratively ordered  
31 child support, medical support, and spousal support;

1 (4) "child support enforcement agency" means the child support  
2 enforcement agency in the Department of Revenue;

3 (5) "commissioner" means the commissioner of health and social  
4 services;

5 (6) "department" means the Department of Health and Social Services;

6 (7) "dependent child" means an individual who

7 (A) has not attained

8 (i) 18 years of age; or

9 (ii) 19 years of age and is a full-time student in a  
10 secondary school or in the equivalent level of vocational or technical  
11 training; and

12 (B) is not an applicant under AS 47.27.020;

13 (8) "self-sufficiency services" means work-related services, community  
14 service work referrals, child care assistance, and other services determined by the  
15 department in regulation to promote family self-sufficiency;

16 (9) "work activities" includes job readiness assessments, on-the-job  
17 training, education and vocational training, job sampling, job search requirements,  
18 subsidized and unsubsidized work, and community work service.

19 Sec. 47.27.990. SHORT TITLE. This chapter may be cited as the Alaska  
20 family independence program.

21 \* Sec. 9. AS 15.07.055(a) is amended to read:

22 (a) The following agencies are designated voter registration agencies:

23 (1) the Department of Public Safety, division of motor vehicles;

24 (2) divisions of the Department of Health and Social Services that  
25 provide public assistance through the food stamp program, Medicaid program, Special  
26 Supplemental Food Program for Women, Infants, and Children (WIC), and Alaska  
27 family independence program [AID TO FAMILIES WITH DEPENDENT  
28 CHILDREN (AFDC) PROGRAM];

29 (3) the division of the Department of Community and Regional Affairs  
30 that is responsible for municipal and regional assistance programs; and

31 (4) all recruitment offices of the armed forces of the United States

1 located in Alaska.

2 \* Sec. 10. AS 23.10.055 is amended by adding a new paragraph to read:

3 (14) an individual engaged in activities for a nonprofit religious,  
4 charitable, civic, cemetery, recreational, or educational organization where the  
5 employer-employee relationship does not, in fact, exist, and where services are  
6 rendered to the organization under a work activity requirement of AS 47.27 (Alaska  
7 family independence program).

8 \* Sec. 11. AS 23.40.075 is amended to read:

9 Sec. 23.40.075. ITEMS NOT SUBJECT TO BARGAINING. The parties may  
10 not negotiate terms contrary to the

11 (1) [THE] reemployment rights for injured state employees under  
12 AS 39.25.158; [OR]

13 (2) [THE] reemployment rights of the organized militia under  
14 AS 26.05.075;

15 (3) authority of the Department of Health and Social Services  
16 under AS 47.27.035 to assign Alaska family independence program participants  
17 to a work activity considered appropriate by the Department of Health and Social  
18 Services; or

19 (4) authority for agencies to create temporary positions under  
20 AS 47.27.055(c).

21 \* Sec. 12. AS 25.20.050(f) is amended to read:

22 (f) If the child support enforcement agency is a party in an action in which  
23 paternity is contested, the agency shall request the court to order the tests and  
24 procedures described in (e) of this section. The agency may recover the costs of tests  
25 as a cost of the action, except that costs may not be recovered from a person who is  
26 a recipient of assistance [AID] under AS 47.27 (Alaska family independence  
27 program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT  
28 CHILDREN)].

29 \* Sec. 13. AS 25.27.025 is amended to read:

30 Sec. 25.27.025. RATE OF INTEREST. The rate of interest imposed under  
31 AS 25.27.020(a)(2)(C) shall be six percent a year [EQUAL THE RATE IMPOSED

1 UNDER AS 43.05.225] or a lesser rate that is the maximum rate of interest permitted  
2 to be imposed under federal law.

3 \* Sec. 14. AS 25.27.040(a) is amended to read:

4 (a) The agency may appear on behalf of minor children or their mother or  
5 legal custodian or the state and initiate efforts to have the paternity of children born  
6 out of wedlock determined by the court. When the agency is a party to a court action  
7 in which paternity is contested, it shall request and pay for genetic testing and  
8 procedures under AS 25.20.050(f). The agency may recover the costs of the tests as  
9 a cost of the court action, except that costs may not be recovered from a person who  
10 is a recipient of assistance [AID] under AS 47.27 (Alaska family independence  
11 program) [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT  
12 CHILDREN)].

13 \* Sec. 15. AS 25.27.065(b) is amended to read:

14 (b) When the right to receive child support has been assigned to a  
15 governmental entity, an agreement under (a) of this section that has not been adopted  
16 as an administrative order of the agency is not effective during a period when the  
17 obligee is receiving assistance under AS 47.07 or AS 47.27 [AS 47.25.310 -  
18 47.25.420].

19 \* Sec. 16. AS 25.27.120(a) is amended to read:

20 (a) An obligor is liable to the state in the amount of assistance granted under  
21 AS 47.07 and AS 47.27 [AS 47.25.310 - 47.25.420] to a child to whom the obligor  
22 owes a duty of support except that, if a support order has been entered, the liability  
23 of the obligor for assistance granted under AS 47.27 [AS 47.25.310 - 47.25.420] may  
24 not exceed the amount of support provided for in the support order, and, if a medical  
25 order of support has been entered, the liability of the obligor for assistance granted  
26 under AS 47.07 may not exceed the amount of support provided for in the medical  
27 order of support.

28 \* Sec. 17. AS 25.27.125(b) is amended to read:

29 (b) The annual estimated balance in the account maintained by the  
30 commissioner of administration under AS 37.05.142 may be used by the legislature to  
31 make appropriations to the Department of Health and Social Services to carry out the

1 purposes of AS 47.10.230 - 47.10.260 and AS 47.27 [AS 47.25.310 - 47.25.420].

2 \* Sec. 18. AS 25.27.130(c) is amended to read:

3 (c) The recovery of any amount for which the obligor is liable that exceeds the  
4 total assistance granted under AS 47.07 and AS 47.27 [AS 47.25.310 - 47.25.420] shall  
5 be paid to the obligee.

6 \* Sec. 19. AS 25.27.130(d) is amended to read:

7 (d) Except as provided in (f) of this section, if the obligee is not receiving  
8 assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420] at the time the  
9 state recovers money in an action under this section, the recovery of any amount for  
10 which the obligor is liable shall be distributed to the obligee for support payments,  
11 including medical support payments, that have become due and unpaid since the  
12 termination of assistance under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420]  
13 under a support order in favor of the obligee.

14 \* Sec. 20. AS 25.27.130(e) is amended to read:

15 (e) After payment to the obligee under (d) of this section, the state may retain  
16 an amount not to exceed the total unreimbursed assistance paid on behalf of the  
17 obligee under AS 47.07 or AS 47.27 [AS 47.25.310 - 47.25.420].

18 \* Sec. 21. AS 25.27.130(f) is amended to read:

19 (f) Notwithstanding (d) of this section, the state shall, if required under federal  
20 law or regulations, distribute amounts recovered through offset of the obligor's federal  
21 tax refund as past due support with first distribution to the state for unpaid support  
22 assigned to the state under AS 47.07.025 and AS 47.27.040 [AS 47.25.345].

23 \* Sec. 22. AS 25.27.165(i) is amended to read:

24 (i) The agency may recover any costs it pays for genetic tests required by this  
25 section, except that costs may not be recovered from a person who is a recipient of  
26 assistance [AID] under AS 47.27 (Alaska family independence program)  
27 [AS 47.25.310 - 47.25.420 (AID TO FAMILIES WITH DEPENDENT CHILDREN)].

28 \* Sec. 23. AS 36.30.850(b)(11) is amended to read:

29 (11) agreements with providers of services under AS 44.47.250;  
30 AS 47.07; AS 47.08; AS 47.10; AS 47.17; AS 47.24; and AS 47.27, including  
31 contractors under AS 47.27.050 [AS 47.25.195 AND 47.25.310];

1 \* Sec. 24. AS 39.25.110 is amended by adding a new paragraph to read:

2 (31) a participant in the Alaska family independence program under  
3 AS 47.27 who holds a temporary position with the state in order to obtain job training  
4 or experience.

5 \* Sec. 25. AS 44.19.626(a) is amended to read:

6 (a) As the lead state planning and coordinating entity, the Alaska Human  
7 Resource Investment Council has responsibility, to the extent authorized by federal and  
8 state law, for planning and coordinating federal, state, and local efforts in human  
9 resource programs in this state related to employment training, including the work  
10 activities of the Alaska family independence program under AS 47.27.

11 \* Sec. 26. AS 44.29.020(a) is amended to read:

12 (a) The Department of Health and Social Services shall administer the state  
13 programs of public health and social services, including

14 (1) maternal and child health services;

15 (2) preventive medical services;

16 (3) public health nursing services;

17 (4) nutrition services;

18 (5) health education;

19 (6) laboratories;

20 (7) mental health treatment and diagnosis;

21 (8) management of state institutions, except for adult penal institutions;

22 (9) medical facilities;

23 (10) adult public assistance;

24 (11) Alaska family independence program [AID TO FAMILIES  
25 WITH DEPENDENT CHILDREN];

26 (12) child welfare services;

27 (13) general relief; and

28 (14) licensing and supervision of child care facilities.

29 \* Sec. 27. AS 44.47.280 is amended to read:

30 Sec. 44.47.280. ELIGIBILITY OF FAMILIES FOR BENEFITS. The  
31 department shall determine the eligibility of families for day care benefits on the basis

1 of the following factors:

2 (1) [NET] income of the family, including salary, alimony, child  
3 support, retirement benefits, social security, and any other source of income;

4 (2) number of children in the family;

5 (3) whether there is one parent or guardian solely responsible for the  
6 care of the family [;

7 (4) REPEALED

8 (5) OTHER FACTORS FOUND RELEVANT BY THE  
9 DEPARTMENT].

10 • Sec. 28. AS 47.05.010(1) is amended to read:

11 (1) administer adult public assistance, the Alaska family independence  
12 program [AID TO FAMILIES WITH DEPENDENT CHILDREN], and all other  
13 assistance programs, and receive and spend money [FUNDS] made available to it;

14 • Sec. 29. AS 47.05.010(2) is amended to read:

15 (2) adopt regulations necessary for the conduct of its business and for  
16 carrying out federal and state laws granting adult public assistance, temporary  
17 assistance for needy families under the Alaska family independence program [AID  
18 TO FAMILIES WITH DEPENDENT CHILDREN], and other assistance;

19 • Sec. 30. AS 47.05.010(5) is amended to read:

20 (5) cooperate with the federal government in matters of mutual concern  
21 pertaining to adult public assistance, the Alaska family independence program [AID  
22 TO FAMILIES WITH DEPENDENT CHILDREN], and other forms of public  
23 assistance;

24 • Sec. 31. AS 47.05.010 is amended by adding a new paragraph to read:

25 (14) provide education and health-related services and referrals  
26 designed to reduce the number of out-of-wedlock pregnancies and the number of  
27 induced pregnancy terminations in the state.

28 • Sec. 32. AS 47.05.030 is amended to read:

29 Sec. 47.05.030. MISUSE OF PUBLIC ASSISTANCE LISTS AND  
30 RECORDS. Except with respect to a legislator or a legislator's employee in  
31 connection with official purposes within the scope of the legislator's or employee's

1 legislative functions, or for purposes directly connected with the administration of  
2 general assistance, adult public assistance, the day care assistance program authorized  
3 under AS 44.47.250 - 44.47.310, or the Alaska family independence program [AID  
4 TO FAMILIES WITH DEPENDENT CHILDREN], and in accordance with the  
5 regulations of the department, a person may not solicit, disclose, receive, make use of,  
6 or authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or  
7 names of, or information concerning, persons applying for or receiving the assistance  
8 directly or indirectly derived from the records, papers, files, or communications of the  
9 department or subdivisions or agencies of the department, or acquired in the course of  
10 the performance of official duties.

11 \* Sec. 33. AS 47.05.080(a) is amended to read:

12 (a) Benefit overpayments collected by the department in administering  
13 programs under AS 47.25.120 - 47.25.300 (general relief), [AS 47.25.310 - 47.25.420  
14 (AID TO FAMILIES WITH DEPENDENT CHILDREN),] AS 47.25.430 - 47.25.615  
15 (adult public assistance), [AND] AS 47.25.975 - 47.25.990 (food stamps), and  
16 AS 47.27 (Alaska family independence program) shall be remitted to the Department  
17 of Revenue under AS 37.10.050(a).

18 \* Sec. 34. AS 47.07.020(b)(1) is amended to read:

19 (1) persons eligible for but not receiving assistance under any plan of  
20 the state approved under [42 U.S.C. 601 - 615 (TITLE IV-A, SOCIAL SECURITY  
21 ACT, AID TO FAMILIES WITH DEPENDENT CHILDREN) OR] 42 U.S.C. 1381  
22 - 1383c (Title XVI, Social Security Act, Supplemental Security Income) or a federal  
23 program designated as the successor to the aid to families with dependent  
24 children program;

25 \* Sec. 35. AS 47.07.020(b)(5) is amended to read:

26 (5) persons under age 21 who are in an institution designated as an  
27 intermediate care facility for the mentally retarded and who are financially eligible as  
28 determined by the standards of the federal program designated as the successor to  
29 the aid to families with dependent children program;

30 \* Sec. 36. AS 47.07.020(b)(7) is amended to read:

31 (7) persons under age 21 who are receiving active treatment in a

1 psychiatric hospital and who are financially eligible as determined by the standards of  
2 the federal program designated as the successor to the [42 U.S.C. 601 - 615  
3 (TITLE IV-A, SOCIAL SECURITY ACT,) aid to families with dependent children  
4 program (]);

5 \* Sec. 37. AS 47.07.020(b)(8) is amended to read:

6 (8) persons under age 21 and not covered under (a) of this section, who  
7 would be eligible for benefits under the federal program designated as the successor  
8 to the aid to families with dependent children program, except that they have the care  
9 and support of both their natural and adoptive parents;

10 \* Sec. 38. AS 47.07.020(b)(9) is amended to read:

11 (9) pregnant women not covered under (a) of this section and who meet  
12 the income and resource requirements of the federal program designated as the  
13 successor to the aid to families with dependent children program;

14 \* Sec. 39. AS 47.07.035(26) is amended to read:

15 (26) individuals under age 21 who are not eligible for benefits under  
16 the federal program designated as the successor to the aid to families with  
17 dependent children program because they are not deprived of one or more of their  
18 natural or adoptive parents;

19 \* Sec. 40. AS 43.05.225(2)(B) is repealed.

20 \* Sec. 41. AS 47.25.310(c) is repealed.

21 \* Sec. 42. AS 47.25.301, 47.25.302, 47.25.303, 47.25.305, 47.25.306, 47.25.307, 47.25.308,  
22 and 47.25.309 are repealed on the date established under sec. 52 of this Act.

23 \* Sec. 43. AS 47.25.310, 47.25.311, 47.25.315, 47.25.320, 47.25.330, 47.25.340, 47.25.345,  
24 47.25.350, 47.25.360, 47.25.364, 47.25.365, 47.25.366, 47.25.370, 47.25.380, 47.25.395,  
25 47.25.400, 47.25.410, 47.25.420, 47.25.421, 47.25.423, 47.25.425, 47.25.427, and 47.25.429  
26 are repealed on the date established under sec. 49 of this Act.

27 \* Sec. 44. WAIVER APPLICATIONS. The Department of Health and Social Services shall  
28 promptly apply to the federal government for waivers if the department determines that waivers  
29 are necessary to implement AS 47.25.309, added by sec. 1 of this Act, or any part of secs. 2 -  
30 7 or 41 of this Act. If waivers are not necessary for any particular provision, the department  
31 shall promptly submit a state plan amendment to the federal government to implement the  
32 change made by the provision.

1 \* **Sec. 45. TRANSITION.** (a) The Department of Health and Social Services and the  
2 Department of Revenue, child support enforcement agency, may proceed to adopt regulations  
3 necessary to implement this Act. Regulations to implement a provision of this Act take effect  
4 under AS 44.62 (Administrative Procedure Act), but not before the effective date of the  
5 relevant provision of this Act.

6 (b) Regulations adopted by the Department of Health and Social Services under the  
7 authority of AS 47.25.310 - 47.25.420 before the effective dates of secs. 1 - 8 of this Act  
8 remain in effect, and may be implemented and enforced to the extent that the regulations are  
9 not inconsistent with the corresponding provisions of secs. 1 - 8 of this Act, until the  
10 department has made regulation changes under AS 44.62 (Administrative Procedure Act) to  
11 implement this Act.

12 (c) Notwithstanding sec. 43 of this Act, an application for assistance filed under  
13 AS 47.25.310 - 47.25.420 remains effective as an application for the Alaska family  
14 independence program following the effective date of sec. 8 of this Act until the Department  
15 of Health and Social Services requires a new application with the development of a family  
16 self-sufficiency plan; new applications shall be required no later than one year following the  
17 effective date of sec. 8 of this Act.

18 (d) Litigation, hearings, investigations, collection actions, and other proceedings  
19 pending under a law amended or repealed by this Act continue in effect and may be  
20 completed by the Department of Health and Social Services notwithstanding the repeal or  
21 amendment under the Act.

22 \* **Sec. 46. APPLICABILITY.** (a) AS 47.25.311(a), added by sec. 2 of this Act, and  
23 AS 47.27.015(e), added by sec. 8 of this Act, apply to disqualifications imposed on or after the  
24 effective dates of AS 47.25.311(a) and AS 47.27.015(e), respectively.

25 (b) AS 47.25.311(c), added by sec. 2 of this Act, and AS 47.27.015(c), added by sec.  
26 8 of this Act, apply to refusals to accept, and separations from, suitable employment without  
27 good cause that occur on or after the effective dates of AS 47.25.311(c) and AS 47.27.015(c),  
28 respectively.

29 (c) AS 47.25.315, added by sec. 2 of this Act, and AS 47.27.027, added by sec. 8 of  
30 this Act, apply to minors who apply or reapply for assistance under AS 47.25.310 - 47.25.420  
31 or AS 47.27.020, respectively, on or after the effective dates of AS 47.25.315 and AS 47.27.027,  
32 respectively.

1 \* Sec. 47. AS 47.25.301, added by sec. 1 of this Act, and secs. 44, 45(a) and (b), and 46 of  
2 this Act take effect immediately under AS 01.10.070(c).

3 \* Sec. 48. Sections 13, 40, and 45(c) and (d) of this Act take effect October 1, 1996.

4 \* Sec. 49. Sections 8 - 12, 14, 15 - 39, and 43 of this Act take effect October 1, 1996,  
5 except that if the federal law providing for the aid to families with dependent children  
6 program has not been repealed by that date, those sections take effect on the first day after  
7 October 1, 1996, that the repeal of the federal aid to families with dependent children program  
8 is effective. The commissioner of health and social services shall notify the revisor of statutes  
9 and the lieutenant governor of the effective date of the repeal of the federal law providing for  
10 the aid to families with dependent children program.

11 \* Sec. 50. AS 47.25.302 - 47.25.309, enacted by sec. 1 of this Act, secs. 2 - 7 of this Act,  
12 and sec. 41 of this Act take effect on the earlier of the following dates:

13 (1) the effective date for which the federal government approves and authorizes  
14 implementation of a state plan amendment effecting the change; or

15 (2) the effective date of a waiver received from the federal government that  
16 authorizes implementation of the provision.

17 \* Sec. 51. The commissioner of health and social services shall notify the revisor of  
18 statutes and the lieutenant governor of the effective date of the sections and parts of sections  
19 governed by sec. 50 of this Act and of whether the effective date was determined by a waiver  
20 approval or a determination that a waiver is not necessary.

21 \* Sec. 52. Section 42 of this Act takes effect on the earlier of July 1, 2003, or the effective  
22 date established in sec. 49 of this Act.

4-13-96

Sen. Green

Amends.

Distributed.  
Most substantive  
amendment  
discussed.

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB98 ( ), "N" 4/10/96

Page 10, line 28:

Insert new section to read:

AS 47.25.318 TRANSITIONAL ASSISTANCE (a) The department shall provide transitional child care assistance for up to 24 months after the first day of the month following the month the family became ineligible for cash assistance under AS 47.25.320 due to an increase in hours of or income from employment as long as the adult family member remains employed.

(b) The department shall provide transitional medical assistance coverage under AS 47.07 to adults and dependent children in a family for 12 months and to the dependent children in a family for up to 24 months after the first day of the month following the month the family became ineligible for cash assistance under AS 47.25.320 due to an increase in hours of or income from employment.

(c) Recipients of transitional child care assistance under (a) of this subsection shall contribute to the costs of transitional child care in accordance with the schedule established for the day care assistance program under AS 44.47.290.

(d) Benefits under (b) of this subsection shall be granted only to those families whose income is less than 185 percent of the federal poverty level for Alaska.

(e) The department shall implement this section only to the extent that implementation is not prohibited under federal law. To the extent that this section may be implemented under federal law or a waiver approved under federal law, its provisions supersede inconsistent provisions of AS 47.25.310 - 47.25.420.

Page 12, line 9

Insert new subsection (j)

(j) To the extent allowed under federal law and subject to appropriation, the department may pay for all or part of the costs of child care for a family receiving cash assistance under AS 47.25.320 if the department determines that child care is needed due to

the employment or required participation in an uncompensated work activity of the adult or the adults in the family.

Page 28, line 10

Insert new section to read:

AS 47.27.028 TRANSITIONAL ASSISTANCE (a) The department shall provide transitional child care assistance for up to 24 months after the first day of the month following the month the family became ineligible for assistance for basic living expenses due to an increase in hours of or income from employment as long as the adult family member remains employed.

(b) The department shall provide transitional medical assistance coverage under AS 47.07 to adults and dependent children in a family for 12 months and to the dependent children in a family for up to 24 months after the first day of the month following the month the family became ineligible for assistance for basic living expenses due to an increase in hours of or income from employment.

(c) Recipients of transitional child care assistance under (a) of this subsection shall contribute to the costs of transitional child care in accordance with the schedule established for the day care assistance program under AS 44.47.290.

(d) Benefits under (b) of this subsection shall be granted only to those families whose income is less than 185 percent of the federal poverty level for Alaska.

Page 48, line 15

Insert new section 42 to read:

Sec. 42 AS 47.07.020 is amended to read:

(h) Upon receipt of an approved federal waiver, the dependent children in a family which were receiving assistance under any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A of the Social Security Act, Aid to Families with Dependent Children), or its federal successor program, for at least three of the six months immediately preceding the month in which the family became ineligible due to an increase in hours of or income from employment, shall continue to be eligible for Medicaid coverage for 24 months after the first day of the month following the month the family became ineligible for assistance.

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB98 ( ), "N" 4/10/96

Page 7, line 9:

Before "applicant"

Insert "adult"

Page 7, line 11:

Before "applicant's"

Insert "adult"

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB98 ( ), "N" 4/10/96

Page 22, line 4:

Delete "who is an adult"

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB98 ( ), "N" 4/10/96

Page 24, line 28:

Delete "AS 39.25.125"

Insert "AS 39.25.195"

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB98 ( ), "N" 4/10/96

Page 25, lines 6 - 30:

Delete all

Page 26, line 26 to page 27 line 9:

Delete all

## AMENDMENT

OFFERED IN THE SENATE

TO: CSSB98 ( ), "N" 4/10/96

Page 27, lines 20:

After "(a)"

Insert "The Department shall penalize"

Page 27, line 24:

After "program"

Delete "is subject to a reduction in assistance and services as determined under regulations adopted by the department."

Insert "by disregarding that person as a member of the family for purposes of determining the amount of assistance given to the family. The period of time during which the department shall disregard the noncomplying person for purposes of determining the amount of the family's assistance is

(1) until the person is in compliance with this subsection if the person has not previously been disregarded under this subsection;

(2) the longer of six months or until the person is in compliance with this subsection if the person has previously been disregarded under (1) of this subsection;

(3) the longer of 12 months or until the person is in compliance with this subsection if the person has previously been disregarded under (2) of this subsection.

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB98 ( ), "N" 4/10/96

Page 28, line 28:

Delete "unemancipated"

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB98 ( ), "N" 4/10/96

Page 49, line 13:

After "governor"

Insert "and legislature"

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB98 ( ), "N" 4/10/96

Page 51, line 6:

Delete "25"

Page 51, line 8:

After "16 - 23,"

Insert "25,"

Old

Rewritten

## AMENDMENT

OFFERED IN THE SENATE

TO: CSSB98 ( ), "N" 4/10/96

Page 10, line 28:

Insert new section to read:

AS 47.25.318 TRANSITIONAL ASSISTANCE (a) The department shall provide transitional child care assistance for up to 24 months after the first day of the month following the month the family became ineligible for cash assistance under AS 47.25.320 due to an increase in hours of or income from employment as long as the adult family member remains employed.

(b) The department shall provide transitional medical assistance coverage under AS 47.07 to adults and dependent children in a family for up to 12 months and to the dependent children in a family for up to 24 months after the first day of the month following the month the family became ineligible for cash assistance under AS 47.25.320 due to an increase in hours of or income from employment.

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

Page 12, line 9

Insert new subsection (j)

(j) To the extent allowed under federal law and subject to appropriation, the department may pay for all or part of the costs of child care for a family receiving cash assistance under AS 47.25.320 if the department determines that child care is needed due to the employment or required participation in an uncompensated work activity of the adult or the adults in the family.

Page 28, line 10

Insert new section to read:

AS 47.27.028 TRANSITIONAL ASSISTANCE (a) The department shall provide transitional child care assistance for 24 months after the first day of the month following the month the family became ineligible for assistance for basic living expenses due to an increase in hours of or income from employment as long as the adult family member remains employed.

(b) The department shall provide transitional medical assistance coverage under AS 47.07 to adults and dependent children in a family for up to 12 months and to the dependent children in a family for up to 24 months after the first day of the month following the month the family became ineligible for assistance for basic living expenses due to an increase in hours of or income from employment.

Page 48, line 15

Insert new section 42 to read:

Sec. 42 AS 47.27.020 is amended to read:

(h) Upon receipt of an approved federal waiver, the dependent children in a family which were receiving assistance under any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A of the Social Security Act, Aid to Families with Dependent Children), or its federal successor program, for at least three of the six months immediately preceding the month in which the family became ineligible due to an increase in hours of or income from employment, shall continue to be eligible for Medicaid coverage for 24 months after the first day of the month following the month the family became ineligible for assistance.



Department of Commerce and Economic Development  
 Division of Banking, Securities and Corporations  
 P.O. Box 110808  
 Juneau, AK 99811-0808  
 (907) 465-2530  
 (907) 465-3257 (fax)

RECEIVED  
 APR 10 1995  
 Ans'd.....

# Fax/Memo

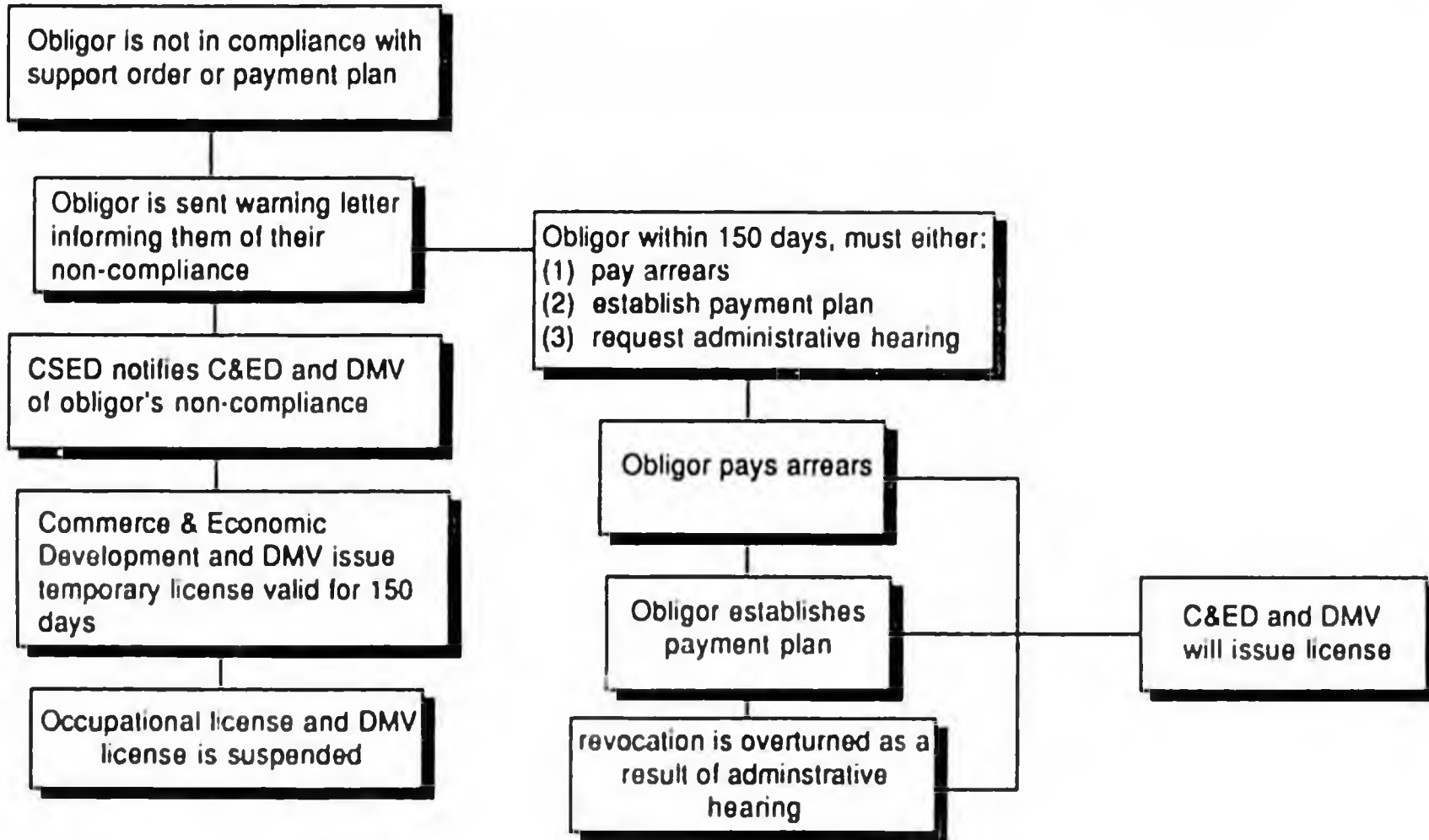
TO: Office of Senator Lyda Green Attn: Mike  
 FROM: Mike Monagle  
 SUBJECT: Status of Native Associations  
 DATE: April 4, 1996  
 PAGES: 1 page

The following is the status of the corporations on the list you faxed over:

	Nonprofit Corp	Active In Good Standing
Arctic Slope Native Association	YES	YES
Kawerak	YES	YES
Manilaq Association	YES	YES
Assoe of Village Council Presidents	YES	YES
Dena' Nena' Henash (aka Tanana Chiefs)	YES	YES
Cook Inlet Tribal Council	YES	YES
Bristol Bay Native Assoc	YES	YES
Alutian Pribilof Island Assoc	YES	YES
Chugachmiut	YES	YES
Kodiak Area Native Assoc	YES	YES
Athna Tanah Nimmah (aka Copper River Native Assoc)	YES	YES
Tlingit Haida Central Council	NO RECORD	
Metlakatla Indian Community	NO RECORD	

SFC 4/13/96  
CSHB 98  
27(25)  
J.A. GUN

### Occupational licensing and DMV provision



In the first year, collection is estimated to collect \$2,727,000 in AFDC reimbursements. One half of this will be retained by the state. This provision is expected to increase overall collections by 25%.

**STATE OF ALASKA**  
**DEPARTMENT OF REVENUE**  
**CHILD SUPPORT ENFORCEMENT DIVISION**

TONY KNOWLES, GOVERNOR

550 WEST 7th AVE., Suite 310, MS [Mail Stop]  
 ANCHORAGE, AK 99501-4488  
 PHONE: (907) 269-6900  
 TOLL FREE ALASKA: (800) 478-3300  
 CAREWORKER FAX: (907) 269-9913/269-8914  
 C.S.C. FAX: (907) 269-8950  
 TTY: (907) 269-6984  
 TOLL FREE ALASKA TTY: (800) 370-6984

4-13-96  
 PM  
 3:27  
 Over.

**CHILD SUPPORT PROVISIONS  
 FOR STATE WELFARE REFORM LEGISLATION**

AS 25.27.195 Relief from Administrative Order

*Clerical mistakes and errors.* Under Civil Rule 60(a), the courts can correct clerical errors made in establishing child support orders. Sec. 25.27.195(a) authorizes CSED to correct errors made in establishing administrative orders, so that there will not be a disparity in the way the courts and CSED handle these child support orders.

*Vacating a default order.* Presently, CSED must administratively establish a child support order when no child support order exists AND either the custodian requests our services or public assistance/medicaid only/foster care services are provided by Alaska or another state. To establish the order, CSED must be provided with complete income information from the non-custodial parent. When that parent does not provide us with income information, we are then required to establish a child support order by default (45 CFR 303.101(d)(4)).

In the past, CSED used the AFDC needs standard to establish a default amount, but the federal government told CSED to cease using that method for defaults. CSED then used the default standard which the court primarily used: the maximum amount allowed by Civil Rule 90.3. This maximum amount was based on a \$60,000 per year income. So, for one child, the default child support order was \$1,000 per month. Less than a year later, CSED began using the Alaska Dept. of Labor's average wage standard and continues to use that standard for establishing default orders.

As of January 1996, CSED had approximately 4,400 default cases, representing \$107.8 million in arrears. Of those cases, approximately 820 are cases involving Alaskan Natives, with arrears of \$49.0 million.

CSED wishes to develop a program which would allow obligors to bring in their income information for periods of time represented by the default order. This is something the court already can accomplish under Civil Rule 60(b). Sec. 25.27.195(b) allows CSED to vacate the existing order and Sec. 25.27.195(d) allows CSED to establish a new order (with arrears based on the actual income of the obligor)

Child Support Provisions  
Welfare Reform Legislation  
April 8, 1996  
Page 2

Sec. 25.27.195(d) makes it clear that CSED will not return previously collected child support nor will it place the obligor in a pre-pay status. It is important to remember that the original order was valid. A *default* order was established because the obligor would not provide us with income information, despite the fact that, by law, the obligor was required to do so.

To return previously collected money would adversely affect the children of the order or the State of Alaska, whomever is the recipient of the order. There is a reasonable expectation by the custodial parent that he or she will receive monthly support to help raise the children. It would be punitive to the custodial parent and the children, or to the State of Alaska, to place the obligor in pre-pay status because the recipient of future support had a legitimate reason to believe that they would receive those funds and had budgeted for the receipt of those funds. The obligor would have already benefited by receiving a reduced order. It would be wrong to reward obligors for their non-compliance in a manner which would have such a negative impact on others - by placing them in pre-pay or by returning previously collected money.

Sec. 25.27.195(c) requires notice to the affected parties and allows them to be heard on the issue of vacating an order and issuing a new one.

CSED is hopeful that when obligors are faced with support orders which reflect their income level, then they will be more likely to make their payments.

*Practical Implications.* Let us say that an obligor was required to provide her income information so that we could establish an administrative order. She did not provide this information to CSED, so a default order was established at \$1,000 per month. Fifty months later, she owes \$50,000 to the State of Alaska for reimbursement of public assistance. The obligor now provides us with income information which proves that her support order would have been \$200 per month had she complied with the law. Under the new program, CSED would vacate the order and the arrears of \$50,000 and establish a new order at \$200 per month with an arrears of \$10,000 (50 months x \$200).

The Department of Law has advised CSED that they have the right, by regulation, to implement such a program. However, the Knowles Administration would like to place this provision in statute, so that the ability to do the program is not dependent upon future changes in Administration leadership.

#### AS 25.27.025 Rate of Interest

The interest rate presently used by CSED is 12% simple interest per year. For many years, the 12% rate was reasonable given the prevailing rates at the time. However, an interest rate of 6% per year better reflects existing rates.

Child Support Provisions  
Welfare Reform Legislation  
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Page 3

AS 25.27.244 and AS 25.27.246

There are presently 32 states which have occupational and/or driver's license suspension/revocation laws. Please refer to Attachment A for information concerning other states.

AS 25.27.244 requires that a licensing entity may issue only a temporary license, valid for 150 days, for obligors who are not in substantial compliance with a support order or a payment schedule. After 150 days, the occupational license will not be issued if the obligor has not come into substantial compliance.

AS 25.27.246 requires that the Division of Motor Vehicles suspend the driver's licenses of obligors who fail to come into substantial compliance with a support order or a payment schedule within 150 days.

Both sections provide due process procedures.

"Substantial compliance" means that an obligor has no more than \$2,500 past due and has cumulatively paid at least an amount equal to the amount due for eight months during the past 12 months. This compliance is in respect to either a support order or a negotiated payment schedule.

## ATTACHMENT A

**License Restriction and Revocation:  
A Partial Progress Report**

A year ago at this time, 19 states had license revocation legislation, many of which had not yet reached their implementation dates. Currently 34 states have license revocation legislation; eight of which have been in operation six months or less; another ten states with 1996 implementation dates.

The following is a brief report on how some states are faring.

**Maine--effective 6/93**

In August, 1993, Maine issued a license revocation warning letter to 17,400 obligors, all of whom had paid no child support for at least 90 days. Within three months, \$3,496,158 was collected from this target group. Many lump sum payments were reported. Since that time, additional warning letters have been sent to other nonpayors and hundreds of revocation actions have been started. Since August, 1993, 14,692 nonpayors who were sent warning letters have paid \$39,621,063 in child support. This figure does not include tax offset receipts. (1/24/96 fact sheet)

As of January, 1996, license issuing authorities have been notified to revoke: 111 driver's licenses and 13 professional licenses. Of the 124 revocations, 58 have come into compliance.

**Massachusetts--effective 4/94**

Massachusetts has both professional license revocation and drivers license renewal restrictions. In both situations, there is a "show cause" hearing procedure--that is, payment agreement information is included with the warning letter. If there is not a response to the payment agreement, a "show cause" hearing is scheduled.

For professional licenses, Massachusetts has scheduled 95 hearings:

- 29 of which have not yet been held;
- 13 had their professional licenses revoked (failed to appear);
- 9 entered into a payment plan and;
- 44 are awaiting the decision of the hearing officer.

Of the 9 who entered a payment plan:

- 6 were pulled back for failure to pay and were issued a second "show cause" hearing. Of those 6, half resumed their payments and half lost their licenses.

For drivers licenses, 236 "show cause" hearings have been scheduled. Of the 236:  
--38 obligors entered into payment agreements and the hearings were canceled;  
--29 of the 236 are waiting for a hearing;  
--92 have not been able to renew their drivers license;  
--20 of the 236 signed and agreement plan after their hearing;  
--17 cases were found in favor of the obligor;  
--40 decisions are still pending.

Eleven cases involved a second "show cause" hearing. Of the 11, 7 have paid and 4 are still outstanding. (phone interview, 1/24/96)

#### *Texas--effective 9/95*

Texas reports that 17,000 obligors came forward in Phase One, the first four and a half months of the program, and paid over \$9 million was collected. (from 1/23/96 press release):

#### *South Dakota--implemented 11/93*

As of November, 1995, South Dakota has suspended only 7 drivers' licenses (South Dakota restricts, not revokes, licenses) and was able to collect 4,000 payment agreements. South Dakota's collections are up 30%--while not all can be attributed to license revocation, there does not appear to be any other new enforcement remedy in place which can account for the increase. (From 11/95 Child Support Report)

#### *Colorado--effective 9/95*

Several Colorado counties have gone forward with a manual process of threatening to suspend drivers' licenses from obligors delinquent in child support. Most Colorado counties have elected to wait until the process is automated in July, 1996. For those counties that have utilized a manual process, the following has occurred:

A total of 3,000 warning letters were sent in September and October, 1995. From November to present, approximately 6,000 Notices of Noncompliance have been sent. These notices allowed obligors to seek an administrative review if they disagreed with the amount owed. From the 6,000 notices, 105 licenses were sent Notices of Suspension from the Department of Revenue, Motor Vehicle Division. Colorado is awaiting a 30 day period to see how many of the 105 obligors comply with child support prior to having their licenses actually suspended.

Over \$110,000 of lump sum payments have been collected from all of the notices, and over 5,000 repayment plans have been made. At the conclusion of the manual process and the beginning of the automated process, an ad hoc report to discover total collections from the manual process will be conducted. (phone interview, 1/25/96)

**Minnesota--effective 8/94**

Minnesota IV-D referred 35 cases for hearings. Nearly all entered payment agreements. Two professional licenses have been suspended. In these two cases, both individuals have continued to work. One is a CPA who now works as an accountant (yet advertises himself as a CPA--he will likely face additional charges); the other is an electrician who works under a subcontractor or works in situations where he does not have to produce his license. (phone interview, 1/26/96)

**Oklahoma--effective 6/93**

Oklahoma's legislation became effective in November, 1995. They report collecting \$2.16 million as of January 31, 1996. They have revoked 16 drivers licenses and a few professional licenses.

More significantly, Oklahoma reports that several of the larger lump-sum payments are from obligors who had never made a child support payment or who had not made a payment in several years.

(phone interview, 1/26/96)

**Montana--effective 10/93**

As of October, 1994, Montana has issued a total a total of 300 administrative orders to suspend licenses, 15 of which were for professions and occupations; 285 for drivers licenses. Of the 300, 107 stay orders were issued, reinstating licenses. Many licenses have been reinstated. Some obligors had more than one license suspended. Montana has collected \$500,000 through this enforcement remedy. (from report to IV-D Director, 2/1/96)

**North Dakota--effective 8/95**

North Dakota mailed notices to 6,000 obligors (cost of \$2,567). The amount of child support payments that month yielded an additional \$134,530 above their projected collection amount. (phone interview, 12/95)

**Kentucky--effective 1/95**

Kentucky found 43,000 potential license revocation cases. A courtesy mailing and several press releases informed delinquent obligors of the law. In the months following the mailing and press releases, collections were \$400,000 above the projected amount. The total estimated collection is set at \$1.5 million. About 25 licenses have been suspended. (phone interview, 1/26/96)

**Arkansas--effective 4/93**

Only two occupational licenses have the potential of being revoked and an additional two licenses could face revocation proceedings within the next few weeks. One occupational license was suspended. Arkansas estimates that there has been \$300,000 paid in lump sum payments, that is situations in which the entire arrearage is paid off. An untold, but

4. License Suspension for Failure to Pay Child Support

State	Licenses Suspended	Driver's License	Commercial Drv's License	Occupational License	Health Care Professionals	Attorneys	Prof. Other	Recreational	Hunting	Fishing	Suspended Others
Alabama	No	No	No	No	No	No	No	No	No	No	No
Alaska	No	No	No	No	No	No	No	No	No	No	No
Arizona	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Arkansas	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
California	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Colorado	(7)Yes	Yes	No	No	No	No	No	No	No	No	No
Connecticut	(7)Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
Delaware	No	No	No	No	No	No	No	No	No	No	No
Florida	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	No	Yes
Georgia	No	No	No	No	No	No	No	No	No	No	No
Hawaii	No	No	No	No	No	No	No	No	No	No	No
Idaho	No	No	No	No	No	No	No	No	No	No	No
Illinois	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No
Indiana	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Iowa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Kansas	No	No	No	No	No	No	No	No	No	No	No
Kentucky	Yes	Yes	Yes	No	No	No	No	No	No	No	No
Louisiana	(6)Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No
Maine	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes
Maryland	(8)Yes	Yes	Yes	No	No	No	No	No	No	No	No
Massachusetts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Michigan	No	No	No	No	No	No	No	No	No	No	No
Minnesota	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No
Mississippi	No	No	No	No	No	No	No	No	No	No	No
Missouri	No	No	No	No	No	No	No	No	No	No	No
Montana	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes
Nebraska	(*)No	No	No	No	No	No	No	No	No	No	No
Nevada	(8)Yes	Yes	Yes	No	No	No	No	No	No	No	No
New Hampshire	(7)Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
New Jersey	No	No	No	No	No	No	No	No	No	No	No
New Mexico	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
New York	(*)Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
North Carolina	(6)Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
North Dakota	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
Ohio	(6)Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
Oklahoma	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Oregon	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No
Pennsylvania	(*)Yes	No	No	Yes	Yes	Yes	Yes	No	No	No	Yes
Rhode Island	(7)Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
South Carolina	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
South Dakota	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Tennessee	No	No	No	No	No	No	No	No	No	No	No

20070510 10:25 AM WASH STATE WELFARE REFORM

State	Licenses Suspended	Driver's License	Commercial Drv's License	Occupational License	Health Care Professionals	Attorneys	Prof. Other	Recreational	Hunting	Fishing	Suspended Others
Texas	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Utah	No	No	No	No	No	No	No	No	No	No	No
Vermont	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Virginia	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
Washington	No	No	No	No	No	No	No	No	No	No	No
West Virginia	No	No	No	No	No	No	No	No	No	No	No
Wisconsin	No	No	No	No	No	No	No	No	No	No	No
Wyoming	No	No	No	No	No	No	No	No	No	No	No
<b>TOTALS: YES</b>	<b>32</b>	<b>30</b>	<b>28</b>	<b>28</b>	<b>27</b>	<b>23</b>	<b>17</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>5</b>
<b>NO</b>	<b>18</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>21</b>	<b>27</b>	<b>33</b>	<b>41</b>	<b>49</b>	<b>41</b>	<b>49</b>

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04-08-95 10:37AM

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4-8-96 : 14:22 :CSED DIRECTOR OFFICE-

:# 7/10

# Procedural Due Process Provisions for License Suspension

State	Procedural Due Process	Right to Notice	Right to Hearing	Right to Appeal	Suspended Revoked	Support Collected
Alabama	No	No	No	No	N/A	\$0
Alaska	No	No	No	No	N/A	\$0
Arizona	Yes	Yes	Yes	Yes	N/A	\$0
Arkansas	Yes	Yes	Yes	Yes	N/A	\$0
California	Yes	Yes	Yes	Yes	27590	\$13,000,000
Colorado	Yes	Yes	Yes	Yes	N/A	\$0
Connecticut	Yes	Yes	Yes	Yes	N/A	\$0
Delaware	No	No	No	No	N/A	\$0
Florida	Yes	Yes	Yes	Yes	190	\$1,374,384
Georgia	No	No	No	No	N/A	\$0
Hawaii	No	No	No	No	N/A	\$0
Idaho	No	No	No	No	N/A	\$0
Illinois	Yes	Yes	Yes	Yes	N/A	\$0
Indiana	Yes	Yes	Yes	Yes	N/A	\$0
Iowa	Yes	Yes	Yes	Yes	N/A	\$0
Kansas	No	No	No	No	N/A	\$0
Kentucky	Yes	Yes	Yes	Yes	N/A	\$0
Louisiana	Yes	Yes	Yes	Yes	N/A	\$0
Maine	Yes	Yes	Yes	Yes	78	\$32,285,000
Maryland	Yes	Yes	Yes	No	N/A	\$0
Massachusetts	Yes	Yes	Yes	Yes	N/A	\$0
Michigan	No	No	No	No	N/A	\$0
Minnesota	Yes	Yes	Yes	Yes	N/A	\$0
Mississippi	No	No	No	No	N/A	\$0
Missouri	No	No	No	No	N/A	\$0
Montana	Yes	Yes	Yes	Yes	140	\$200,000
Nebraska	No	No	No	No	N/A	\$0
Nevada	Yes	Yes	Yes	Yes	N/A	\$0
New Hampshire	Yes	Yes	Yes	Yes	N/A	\$0
New Jersey	No	No	No	No	N/A	\$0
New Mexico	Yes	Yes	Yes	Yes	N/A	\$0
New York	Yes	Yes	Yes	Yes	N/A	\$0
North Carolina	Yes	Yes	Yes	Yes	N/A	\$0
North Dakota	Yes	Yes	Yes	Yes	N/A	\$0
Ohio	Yes	Yes	No	No	N/A	\$0
Oklahoma	Yes	Yes	Yes	Yes	N/A	\$0
Oregon	Yes	Yes	Yes	Yes	N/A	\$0
Pennsylvania	Yes	Yes	Yes	Yes	4	\$40,323
Rhode Island	Yes	Yes	Yes	Yes	N/A	\$0
South Carolina	Yes	Yes	Yes	Yes	N/A	\$0
South Dakota	Yes	Yes	Yes	No	14886	\$400,000
Tennessee	No	No	No	No	N/A	\$0

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4 - 8-96 : 11:22 : CSED DIRECTOR OFFICE-

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State	Procedural Due Process	Right to Notice	Right to Hearing	Right to Appeal	Suspended Remedied	Support Collected
Texas	Yes	Yes	Yes	Yes	N/A	\$0
Utah	No	No	No	No	N/A	\$0
Vermont	Yes	Yes	Yes	Yes	N/A	\$0
Virginia	Yes	Yes	Yes	Yes	N/A	\$0
Washington	No	No	No	No	N/A	\$0
West Virginia	No	No	No	No	N/A	\$0
Wisconsin	No	No	No	No	N/A	\$0
Wyoming	No	No	No	No	N/A	\$0
<b>TOTALS:</b>	<b>YES 33 NO 18</b>	<b>32 18</b>	<b>31 18</b>	<b>29 21</b>	<b>7/88</b>	<b>\$7,378,908</b>
<b>AVERAGES:</b>						

Wash. State  
Welfare Ref.

#### KEY TO ANNOTATIONS ON CHARTS

1=welfare reform was passed by the state legislature, but federal waiver approval is pending

2=waiver has been granted; reform is being implemented in demonstration counties

3=waiver has been granted, but not yet implemented

4=bill passed the legislature, awaiting Governor's action. If enacted, must submit waiver request

5=bill will be introduced during legislative session

6=legislature passed bill, not yet implemented

7=legislature passed bill, in process of being implemented

N/A=information not available

a-not applicable and not available (explained in comment section).

\*-see comment section in state profile

To CSSB<sup>98</sup>115

By Rieger

## Letter of Intent

It is the intent of the legislature that the CSED division organize its personnel in a way which will ensure that the personnel who deal with obligors who are not delinquent or in arrears are not the same personnel who deal with obligors who are delinquent or in arrears.

### SENATE FINANCE COMMITTEE

Amendment Number: AM-1  
Bill Number: CS SB 115 (FIN) Working Draft  
Sponsor: Rieger Date: 5/2/95  
Logged In By: JAC

SENATE FINANCE  
COMMITTEE  
Amendment Number: \_\_\_\_\_  
Bill Number: SB 98  
Sponsor: \_\_\_\_\_ Date: 4/9/96  
Logged In By: JG

9-LS0692J.1  
Lauterbach  
4/3/96

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: CSSB 98( ), draft version "J"

1 Page 1, line 6, following "laws":

2 Insert "relating to certain licenses and applications for a license for persons who  
3 are not in substantial compliance with orders, judgments, or payment schedules for child  
4 support;"

5 Page 1, following line 7:

6 Insert a new bill section to read:

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

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

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

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

1 the United States mail addressed to the applicant's last known mailing address on file  
2 with the licensing entity.

3 (d) A licensing entity shall issue a temporary license valid for a period of 150  
4 days to an applicant whose name is on the list if the applicant is otherwise eligible  
5 for a license. The temporary license may not be extended. Only one temporary  
6 license may be issued during a regular license term and its validity shall coincide with  
7 the first 150 days of that license term. A license for the full or remainder of the  
8 license term may be issued or renewed only upon compliance with this section. If a  
9 license or application is denied under this section, money paid by the applicant or  
10 licensee shall be refunded by the licensing entity after retention of the temporary  
11 license fee, if any.

12 (e) Notices for use under (c) of this section shall be developed by each  
13 licensing entity under guidelines provided by the agency and are subject to approval  
14 by the agency. The notice must include the address and telephone number of the  
15 agency and shall emphasize the necessity of obtaining a release from the agency as  
16 a condition for the issuance or renewal of a license. The notice must inform an  
17 applicant whose license is governed by (d) of this section that the licensing entity  
18 shall issue a temporary license for 150 calendar days under (d) of this section if the  
19 applicant is otherwise eligible and that, upon expiration of that time period, the license  
20 will be denied unless the licensing entity has received a release from the agency. The  
21 agency shall also develop a form that the applicant may use to request a review by  
22 the agency. A copy of this form shall be included with each notice sent under (c) of  
23 this section.

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

29 (g) If the applicant wishes to challenge being included on the list, the  
30 applicant shall submit to the agency a written request for review within 30 days after  
31 receiving the notice under (c) of this section by using the form developed under (e)  
32 of this section. Within 30 days after receiving a written request for review, the

1 agency shall inform the applicant in writing of the agency's findings. The agency  
2 shall immediately send a release to the appropriate licensing entity and the applicant  
3 if any of the following conditions is met:

4 (1) the applicant is found to be in substantial compliance with each  
5 support order applicable to the applicant or has negotiated an agreement with the  
6 agency for a payment schedule on arrearages and is in substantial compliance with the  
7 negotiated agreement; if the applicant fails to be in substantial compliance with an  
8 agreement negotiated under this paragraph, the agency shall send to the appropriate  
9 licensing entity a revocation of any release previously sent to the entity for that  
10 applicant;

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

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

26 (4) the applicant has obtained a judicial finding of substantial  
27 compliance.

28 (h) An applicant is required to act with diligence in responding to notices  
29 from the licensing entity and the agency with the recognition that the temporary  
30 license granted under (d) of this section will lapse after 150 days and that the agency  
31 and, where appropriate, the court must have time to act within that 150-day period.  
32 An applicant's delay in acting, without good cause, that directly results in the inability

1 of the agency to complete a review of the applicant's request or the court to hear the  
2 request for judicial relief within the required period does not constitute the diligence  
3 required under this section that would justify the issuance of a release.

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

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

27 (1) whether there is a support order or a payment schedule on  
28 arrearages;

29 (2) whether the petitioner is the obligor covered by the support order,  
30 and

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

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

4 (l) When the obligor is in substantial compliance with a support order or  
5 payment schedule, the agency shall mail to the applicant and the appropriate licensing  
6 entity a release stating that the applicant is in substantial compliance. The receipt of  
7 a release shall serve to notify the applicant and the licensing entity that, for the  
8 purposes of this section, the applicant is in substantial compliance with the support  
9 order or payment schedule unless the agency, under (a) of this section, certifies  
10 subsequent to the issuance of a release that the applicant is once again not in  
11 substantial compliance with a support order or payment schedule.

12 (m) The agency may enter into interagency agreements with the state agencies  
13 that have responsibility for the administration of licensing entities as necessary to  
14 implement this section to the extent that it is cost effective to implement the  
15 interagency agreements. The agreements must provide for the receipt by the other  
16 state agencies and licensing entities of federal money to cover that portion of costs  
17 allowable in federal law and regulation and incurred by the state agencies and  
18 licensing entities in implementing this section.

19 (n) Notwithstanding any other provision of law, the licensing entities subject  
20 to this section shall assess a fee for issuance of a temporary license under this section.  
21 The licensing entity shall set the amount of the fee so that the fees collected under  
22 this section, to the extent reasonable, cover the costs of implementing and  
23 administering this section.

24 (o) The process described in (g) of this section is the sole administrative  
25 remedy for contesting the issuance to the applicant of a temporary license or the  
26 denial of a license under this section. The procedures specified in AS 44.62.330 -  
27 44.62.630 do not apply to the denial or failure to issue or renew a license under this  
28 section.

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

31 (q) In this section,

32 (1) "applicant" means a person applying for issuance or renewal of a

1 license;

2 (2) "license"

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

7 (i) license relating to boxing or wrestling under  
8 AS 05.10;

9 (ii) authorization to perform an occupation regulated  
10 under AS 08;

11 (iii) teacher certificate under AS 14.20;

12 (iv) authorization under AS 18.08 to perform  
13 emergency medical services;

14 (v) asbestos worker certification under AS 18.31;

15 (vi) boiler operator's license under AS 18.60.395;

16 (vii) certificate of fitness under AS 18.62;

17 (viii) hazardous painting certification under AS 18.63;

18 (ix) security guard license under AS 18.65.400 -  
19 18.65.490.

20 (x) license relating to insurance under AS 21.27.

21 (xi) employment agency permit under AS 23.15.330 -  
22 23.15.520;

23 (xii) registration as a broker-dealer, agent, or investment  
24 adviser under AS 45.55.030.

25 (xiii) certification as a pesticide applicator under  
26 AS 46.03.320.

27 (xiv) certification as a storage tank worker or contractor  
28 under AS 46.03.375; and

29 (xv) certification as a water and wastewater works  
30 operator under AS 46.30.

31 (B) does not include

32 (i) a vessel license issued under AS 16.05.490 or

- 1                           16.05.530;
- 2                                           (ii) a commercial fishing license under AS 16.05.480,
- 3                           including a crew member fishing license;
- 4                                           (iii) an entry permit or interim-use permit issued under
- 5                           AS 16.43;
- 6                                           (iv) a license issued under AS 47.35;
- 7                                           (v) a business license issued under AS 43.70; or
- 8                                           (vi) a driver's license issued under AS 28.15;
- 9                           (3) "licensee" means a person holding a license or applying to renew
- 10                           a license;
- 11                                           (4) "licensing entity" means the state agency that issues or renews a
- 12                           license; in the case of a license issued or renewed by the Department of Commerce
- 13                           and Economic Development after an applicant's qualifications are determined by
- 14                           another agency, "licensing entity" means the department;
- 15                                           (5) "list" means the list of obligors compiled and maintained under (a)
- 16                           of this section;
- 17                                           (6) "substantial compliance with a support order or payment schedule"
- 18                           means that, with respect to a support order or a negotiated payment schedule under
- 19                           (g) of this section, whichever is applicable, the obligor has no more than \$2,500 past
- 20                           due and has cumulatively paid an amount equal to or greater than the amount due for
- 21                           eight months during the past 12 months; with respect to a support order or payment
- 22                           schedule that has been in effect for less than one year, "substantial compliance" means
- 23                           that the obligor has no more than \$2,500 past due and has cumulatively paid an
- 24                           amount equal to or greater than 67 percent of the amount due during the period the
- 25                           support order or payment schedule has been in effect.
- 26                           Sec. 25.27.246 ADVERSE ACTION AGAINST DELINQUENT OBLIGOR'S
- 27                           DRIVER'S LICENSE. (a) The agency shall compile and maintain a list of obligors
- 28                           who have a driver's license and are not in substantial compliance with a support order
- 29                           or a payment schedule negotiated under (f)(1) of this section. The list must include
- 30                           the names, social security numbers, dates of birth, and last known addresses of the
- 31                           obligors. The list shall be updated by the agency on a monthly basis.
- 32                                           (b) The agency shall serve notice under (d) of this section to each person on

1 the list that the person's driver's license will be suspended in 150 days, and will not  
2 be reissued or renewed the next time it is applied for if the person's name is on the  
3 list at the time of the subsequent application, unless the licensee receives a release  
4 from the agency. The notice shall be considered given when delivered personally to  
5 the obligor or deposited in the United States mail addressed to the obligor's last  
6 known mailing address on file with the agency.

7 (c) If the licensee fails to obtain a release during the 150-day period following  
8 notice under (b) and (d) of this section, the agency shall notify the department that  
9 the licensee's driver's license should be suspended and further renewals or  
10 applications should be denied until the agency sends the department a release for the  
11 licensee. Upon receiving the agency's notice under this subsection, the department  
12 shall suspend the licensee's driver's license and may not issue or renew a driver's  
13 license for the licensee until the department receives a release to do so from the  
14 agency. If a license is suspended or an application is denied under this section,  
15 money paid by the applicant or licensee may not be refunded by the department.

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

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

29 (f) If a licensee wishes to challenge being included on the list, the licensee  
30 shall submit to the agency a written request for review within 30 days after the notice  
31 under (b) of this section was personally delivered or postmarked by using the form  
32 developed under (d) of this section. Within 30 days after receiving a written request

1 for review, the agency shall inform the licensee in writing of the agency's findings.  
2 The agency shall immediately send a release to the department and the licensee if any  
3 of the following conditions is met:

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

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

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

25 (4) the licensee has obtained a judicial finding of substantial  
26 compliance.

27 (g) A licensee is required to act with diligence in responding to notices from  
28 the agency with the recognition that the person's driver's license will be suspended  
29 after 150 days or that a subsequent license will not be issued and that the agency and,  
30 where appropriate, the court must have time to act within that 150-day period or  
31 before the subsequent license is needed, as applicable. A licensee's delay in acting,  
32 without good cause, that directly results in the inability of the agency to complete a

1 review of the licensee's request or the court to hear the request for judicial relief  
2 within the required period does not constitute the diligence required under this section  
3 that would justify the issuance of a release.

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

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

26 (1) whether there is a support order or a payment schedule on  
27 arrearages;

28 (2) whether the petitioner is the obligor covered by the support order;  
29 and

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

32 (j) If the court finds that the obligor is in substantial compliance with the

1 support order or payment schedule, the agency shall immediately send a release under  
2 (f) of this section to the department and the licensee.

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

11 (l) The process described in (f) of this section is the sole administrative  
12 remedy for contesting the suspension or the denial of a driver's license under this  
13 section. The procedures specified in AS 28 or AS ~~44.62.330~~ - 44.62.630 do not apply  
14 to the suspension or failure to issue or renew a license under this section.

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

17 (n) In this section,

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

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

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

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

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

1 Page 1, line 8:

2 Delete "\*\* Section 1."

3 Insert "\*\* Sec. 2."

4 Renumber the following bill sections accordingly.

5 Page 13, line 30:

6 Delete "sec. 1"

7 Insert "sec. 2"

8 Page 13, lines 30 - 31:

9 Delete "secs. 2 or 4 - 7"

10 Insert "secs. 2 or 5 - 8"

11 Page 13, following line 31:

12 Insert a new bill section to read:

13 "\*\* Sec. 12. REPORT. (a) In furtherance of the public policy of increasing child support  
14 enforcement and collections, on or before January 1, 1999, the child support enforcement  
15 agency shall make a report to the governor based on data collected by the licensing entities  
16 and the agency in a format prescribed by the agency. The report must contain

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

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

21 (3) the number of new licenses and renewals that were delayed or denied and  
22 temporary licenses issued subject to AS 25.27.244 and the number of new licenses and  
23 renewals granted following receipt by licensing entities of releases under AS 25.27.244 by  
24 July 1, 1998;

25 (4) the number of licenses under AS 28.15 that were suspended under  
26 AS 25.27.246 and the number of licenses under AS 28.15 that were reinstated following  
27 receipt by the Department of Public Safety of releases under AS 25.27.246 by July 1, 1998;  
28 and

1 (5) the costs incurred in the implementation and enforcement of AS 25.27.244  
2 - 25.27.246, enacted by sec. 1 of this Act.

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

8 Renumber the following bill sections accordingly.

9 Page 13, line 32, following "Services":

10 Insert ", the Department of Revenue, child support enforcement agency, and any  
11 agency that issues a license affected by sec. 1 of this Act"

12 Page 14, line 4:

13 Delete "sec. 2"

14 Insert "sec. 3"

15 Page 14, line 6:

16 Delete "sec. 2"

17 Insert "sec. 3"

18 Page 14, line 8:

19 Delete "sec. 2"

20 Insert "sec. 3"

21 Page 14, line 11:

22 Delete "sec. 2"

23 Insert "sec. 3"

24 Page 14, following line 12:

1           Insert a new bill section to read:

2           "\* Sec. 15. Sections 1 and 12 of this Act take effect October 1, 1996."

3           Renumber the following bill sections accordingly.

4           Page 14, line 13:

5           Delete "sec. 1"

6           Insert "sec. 2"

7           Delete "secs. 3, 8 - 12, and 15"

8           Insert "secs. 4, 9 - 11, 13, 14, and 18"

9           Page 14, line 15:

10          Delete "sec. 13"

11          Insert "secs. 15 and 16"

12          Page 14, line 23:

13          Delete "sec. 14"

14          Insert "sec. 17"

# Alaska State Legislature

Sen. Lyda Green, Chairman  
Sen. Loren Leman, Vice-Chairman  
Sen. Mike Miller  
Sen. Johnny Ellis  
Sen. Judith Salo



State Capitol  
Room 423  
Juneau, Alaska 99801-1182  
907-105-3762

## Senate Committee on Health, Education and Social Services

### SB 98 Personal Responsibility Act of 1996

#### Sectional Analysis

**Section 1** Establishes an AFDC workfare project which requires recipients to either work 20 hours a week in a paid activity or participate for 21 hours a week in an uncompensated activity. This section does not apply to persons who are

- 1) exempt from participating in the JOBS program;
- 2) enrolled as a full-time student;
- 3) the parent or caretaker of a child under the age of six;
- 4) physically or mentally unable to perform such an activity; or
- 4) a parent who is providing care for a child with a developmental disability as defined by AS 47.80.900.

This section requires the department, when determining the eligibility of a family participating under the workfare project, to

- 1) disregard \$200 plus one-third of the remainder of the earned income per month of each person in the family;
- 2) waive the 100 hour work rule for AFDC-UP cases; and
- 3) increase the auto allowance from \$1500 to \$5000.

Section 1 also establishes a diversion program. Families who consist of a job-ready individual will be given the opportunity to have their AFDC application processed under AS 47.25.310 - 47.25.429 or having their AFDC application denied, allowing them to apply for a diversion payment. Payments may not exceed the equivalent of two months in cash assistance the family would otherwise be eligible to receive if they did not elect to receive a diversion payment. Families accepting the diversion payment would be ineligible to reapply for another diversion payment for 12 months. If the family reapplies for AFDC assistance within three months after receiving a diversion payment, their benefit

will be reduced by the amount of the diversion payment prorated over a three month period.

**Section 2**

**Adds new section AS 47.25.311 INELIGIBILITY FOR ASSISTANCE**

(a) A person is ineligible for assistance under AS 47.25.310 - 47.25.420 (AFDC) upon administrative disqualification for an intentional program violation as defined under 42 U.S.C. 616 for 6 months for the first disqualification, 12 months for second disqualification, and permanently for a third disqualification.

(b) Requires the department to implement a "Family Cap." This would prohibit the department from increasing benefits to a family due a to birth of a child, if the birth occurs more than 10 calendar months after the date on which the family applied for assistance.

(c) This section provides exemptions to (b) for those families meeting specific criteria established in the bill.

(d) Establishes a life-time limit on benefits for a family that includes an adult who has received assistance as the caretaker of a dependent child for a cumulative total of 60 months. This section provides exemptions for those families meeting the specific criteria established in the bill.

(e) Makes those families ineligible for assistance if the family includes an adult who is fleeing prosecution, custody, or confinement after conviction, in this or another jurisdiction for a felony offense.

(f) Establishes penalties for families that include an adult who, without good cause, refused to accept, or separated from, suitable employment and that refusal or separation caused the family's need for assistance.

**Adds new section AS 47.25.315 ASSISTANCE TO MINORS WITH CHILDREN**

(a) Requires as a condition of eligibility for AFDC assistance, that a minor parent must reside in either a residence maintained by the minor's parent, adult relative or guardian or a foster home, maternity home or other adult-supervised supportive living arrangement.

(b) Requires the department, where possible, pay assistance on behalf of a minor parent who is subject to requirement (a) of this section to the minor's parent, legal guardian, or other adult relative.

**Section 3** Reduces cash assistance to level authorized under federal law. With the reduction, Alaska still provides the highest level of cash assistance in the nation for the AFDC program.

**Section 4** (h) This provision is aimed at providing more equitable benefits to all recipients. When determining eligibility, the department compares the family's income to their basic need (requirement for minimal subsistence of food, clothing, shelter, etc.). Under this section, the department shall reduce the benefits of families whose shelter costs are lower than the standard shelter allowance used by the department for similar families.

(i) Reduces the benefits by 50 percent for the summer months to those two parent families whose eligibility for assistance is based upon the unemployment of the family's principal wage earner.

**Section 5** Makes a technical change to AS 47.25.360 Granting of Assistance to take into consideration requirements imposed under AS 47.25.315(b) Payments to minors.

**Section 6** Limits cash assistance under AFDC to 24 months in a 60 month period. Additional assistance may be granted beyond the 24 month limit to families who meet specific criteria.

**Section 7** Requires that all school age individuals in the assistance unit maintain adequate levels of school attendance. Failure to meet this requirement will result in a reduction of assistance by disregarding the need of the person failing to meet school attendance standards.

**Section 8** Repeals AS 47.25.310(c), which conflicts with requirements imposed under section two of this bill.

**Section 9** Repeals workfare demonstration project statutes July 1, 2003 (the date after which a six year federal waiver would expire and the state would no longer be able to enforce these statutes).

- Section 10** Requires the department to promptly apply for waivers to implement the sections of this bill not currently authorized under federal law.
- Section 11** Authorized the department to immediately proceed to adopt regulation to implement the sections of this bill. These regulation will not take effect until the effective date of this act.
- Section 12** Clarifies that the time limits and ineligibility criteria established in the measure will not begin or count for actions after the effective date of this act.
- Sec.13-15** Establishes effective dates for this act.

*Outdated  
Replaced  
by "N" version  
4/10/96*

9-LS0692J  
Lauterbach  
3/28/96

CS FOR SENATE BILL NO. 98( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act making changes related to the aid to families with dependent children  
2 program; relating to the duties of the Department of Health and Social  
3 Services; reducing AFDC payment levels; establishing a workfare pilot project  
4 for AFDC recipients; establishing a diversion program for AFDC applicants;  
5 directing the Department of Health and Social Services to seek waivers of  
6 applicable federal laws; and providing for an effective date."

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

8 • Section 1. AS 47.25 is amended by adding new sections to read:

9 ARTICLE 1A. AFDC WORKFARE PROJECT.

10 Sec. 47.25.301. WAIVER APPLICATION FOR PROJECT. (a) The  
11 Department of Health and Social Services shall seek appropriate waivers from the federal  
12 government to implement the AFDC demonstration project described in AS 47.25.301 -  
13 47.25.308. To the extent that the federal government approves the necessary waivers.

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

3 (b) At a minimum, the department shall implement AS 47.25.303 as three  
4 separate programs in three different areas of the state, with at least one program in a  
5 municipality with a population over 25,000, one in a municipality with a population  
6 between 5,000 and 25,000, and one in a municipality or community with a population  
7 under 5,000.

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

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

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

21 Sec. 47.25.302. EARNED INCOME DISREGARD; WAIVER OF "100-HOUR"  
22 RULE; AUTO ALLOWANCE. When determining the AFDC eligibility of a family that  
23 is participating in a project under AS 47.25.303 and when determining the amount of  
24 assistance to which the family is entitled, the department shall

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

1 implemented;

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

5 (3) allow the exclusion of \$5,000 of the combined equity of motor  
6 vehicles used by the family for basic family transportation, transportation of a disabled  
7 child in the household, or transportation of a member of the family to or from  
8 employment, training, or participation in an activity required under AS 47.25.303; if the  
9 combined equity of vehicles described in this paragraph exceeds \$5,000, the department  
10 shall apply the excess equity amount toward the asset limit otherwise applicable to the  
11 family.

12 Sec. 47.25.303. WORKFARE. (a) The department shall operate a workfare  
13 project. Each member of a family in the workfare project area who is 18 years of age  
14 or older shall participate for 21 hours a week in an uncompensated activity if assigned  
15 to the activity by the department. The department shall assess the availability  
16 activities that satisfy the purposes of this subsection in the project area and attempt to  
17 develop additional activities where necessary. When assessing the availability of  
18 activities that are suitable as uncompensated activities under this section and in assigning  
19 persons to those activities, the department shall consider activities recommended by  
20 governmental representatives of boroughs, cities, and communities and others in the  
21 project area. The activities may include provision of child care for other project  
22 participants, community work experience, work-related training programs, high school  
23 completion, GED programs, or culturally relevant subsistence activities. The department  
24 shall penalize the family for failure of a person to comply with this subsection by  
25 disregarding that person as a member of the family for purposes of determining the  
26 amount of AFDC assistance given to the family. The period of time during which the  
27 department shall disregard the noncomplying person for purposes of determining the  
28 amount of the family's AFDC assistance is

29 (1) until the person is in compliance with this subsection if the person  
30 has not previously been disregarded under this subsection;

31 (2) the longer of six months or until the person is in compliance with this  
32 subsection if the person has previously been disregarded under (1) of this subsection;