

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 86/2

1568 SHESS HB 17 - HB 41

1568

- b) The selection of data sources for Part B of the formula will be assisted by the statistical expertise of the Department of Health and Social Services' Division of State Health Planning and Development and will be adjusted at least annually to obtain the most suitable information.
- c) "Economic need" factors will include the number of 60+ persons in each region whose incomes are below the poverty level adjusted for Alaska.
- d) "Social need" factors will include the number of 60+ minority persons in each region.
- e) "Cost of doing business" factors will include indicators of the comparative elevation of costs in certain areas of Alaska due to higher prices for goods and services.

#### DISCUSSION OF PUBLIC COMMENTS ON THE ABOVE FORMULA:

Several modifications have been made in this formula in response to public comment made on the draft formula. The comments made and the Office on Aging's responses are as follows:

Comment: The formula should address the contingency of a large region which may have an applicant or applicants who do not propose to make services available to most of the 60+ population in that region.

Response: Part C 4) was added to the formula.

Comment: The formula should identify the specific data to be used for the factors in Part B.

Response: Some minimums were set forth in items c), d), and e); and item b) was added. Data sources are constantly improving, and this will assure that the best available information may be used.

Comment: Several comments were made pertaining to the idea that the formula should reflect the service delivery "track record" of continuing providers.

Response: In staff discussion of these comments, it was determined that, because the formula distributes funds regionally rather than locally or by project, these comments were not applicable at this level. Staff have since learned that the commenters also realized this after the comments were submitted.

State: Alaska

State Agency: Department of Health & Social Services

Form 7.A

Intrastate Funding Formula

Comment: The "cost of doing business" factor is viable and should be left in the formula.

Response: It remains a part of the formula.

Comment: Does the 105% to rural areas requirement apply to both Titles III-B and III-C? Where is it applied?

Response: Yes. This has been incorporated into the formula a little differently to clarify this concern.

Comment: The regions should be explained, with boundaries defined.

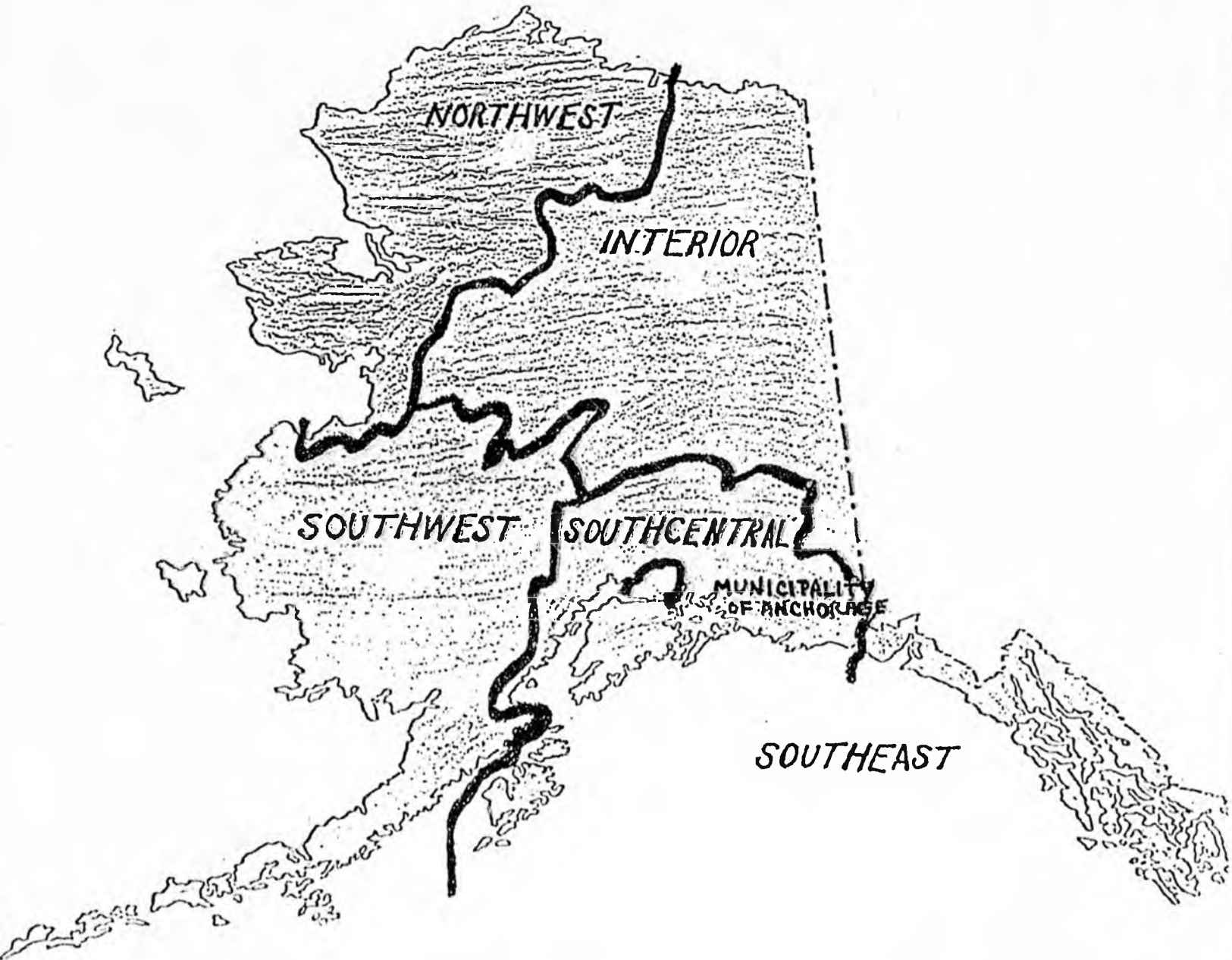
Response: This has been done.

State: Alaska

State Agency: Department of Health & Social Services

Form 7.A

Intrastate Funding Formula



State: Alaska  
State Agency: Department of Health & Social Services

7.B COORDINATION

The Office on Aging, in addition to its contacts with various organizations, maintains working contacts with many governmental agencies for a multiplicity of purposes. Among these government agencies are the following:

Health Systems Agencies - Review and comment on Office on Aging State Plans and grants; Office on Aging input into the health planning process.

ACTION Agency - Use of volunteers in senior programs.

Social Security Administration - Information exchange and dissemination; Medicare questions.

Division of Public Assistance - Developing mechanisms to prevent inappropriate institutional placements through providing alternative services and funding for the low-income individuals involved; Food Stamps information dissemination; Energy Assistance program.

Division of Social Services - (project cited above); review of homemaker proposals; planning for in-home services; information exchange.

Department of Housing and Urban Development - Advocacy for kitchens in congregate housing; Congregate Housing Services program.

Department of Fish and Game - Seeking hunting permit transfers to enable seniors to have someone else hunt for them.

Division of Public Health - Establishing a Native food inspection program; nutrition information.

Department of Environmental Conservation - Establishing a Native food inspection program.

Department of Education - Adult Basic Education grant reviews; USDA Commodities and other food service concerns; continuing education; vocational rehabilitation.

Postsecondary Education Commission - Input into priorities for grants.

Department of Transportation and Public Facilities - Vehicle funding.

Employment Security Division - Senior Employment Program.

Community Services Administration - Poverty level designations.

Department of Agriculture - Donable commodities; Food Stamps.

Department of Community and Regional Affairs - Information exchange re: senior housing; tax assessments; CETA.

State: Alaska  
State Agency: Department of Health & Social Services

Form 7.B  
Coordination

Bureau of Indian Affairs - Information exchange re: tribal organizations.

State Library - SCAN microfiche project.

Nome Governor's Office - Senior housing construction.

University of Alaska - Training; needs assessment.

State Science and Technology Council - Comment on priorities for research grants and recommendations for Legislature.

Department of Health and Social Services' granting offices - Standardizing grants policies and procedures.

Governor's Manpower Council - Senior Employment Program.

Governor's Council for the Handicapped and Gifted - Information exchange.

Internal Revenue Service - Tax assistance training.

Veterans' Administration - Information exchange.

Cooperative Extension Service - Nutrition information and education.

Department of Energy - Alternative energy freezers.

Division of Pioneer Benefits - Information exchange and referrals.

H

B

2

6

COMMITTEE REPORT

SENATE

3/18/81

FURTHER: Finance

Date: \_\_\_\_\_

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had CSHB 26 (Finance)

displaced homemakers

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)  same title
- replace with CS for \_\_\_\_\_  new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*Tom Kelly*  
 \_\_\_\_\_  
*Charles H. P.*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*Tom Kelly - no rec*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*Charles H. P.*  
 \_\_\_\_\_  
 CHAIRMAN

A M E N D M E N T

OFFERED IN THE SENATE:

Senate HESS  
By: \_\_\_\_\_

To: CSHB 26(Fin)

SENATE BILL No. \_\_\_\_\_

HOUSE BILL No. \_\_\_\_\_

26 - An Act Relating to Dis-  
placed Homemakers

PAGE: 4

LINE: 27

after the word "homemakers" delete the period and insert "qualified for such positions."

PRELIMINARY COST ANALYSIS FOR DISPLACED HOME MAKERS, FAIRBANKS

Displaced Homemakers of Fairbanks has been in existence since June of 1979. Since that time the agency has served 406 clients. Of these clients, 186 have either been placed in jobs or gone on to further education.

The following figures are an initial cost effective analysis of the program. These are general statistics as there was not time prior to this presentation to prepare detailed statistics.

The national average size of a family receiving Aid for Dependent Children is one adult with two children. This is also the average Displaced Homemaker client family.

This family receives per month:	\$ 514.00
	x
	12
Cost per year:	<u>\$6,168.00</u>

Food Stamps for above:	\$ 200.00
(maximum allowable is \$283.00 per month)	x
	12
Cost per year:	<u>\$2,400.00</u>

Medicaid payments for above:	\$ 172.50
(average per AFDC claim for last year)	x
	12
Cost per year:	<u>\$2,069.00</u>

Total amount paid per year for average AFDC family of three:	\$10,637.00
--	-------------

Number of Clients who obtained employment to date with the assistance of Displaced Homemakers: 106

Monies that would have been paid for clients no longer receiving public assistance:	\$ 10,637.00
	x
	106
	<u>\$1,127,522.00</u>

At the current rate of processing clients to employment, we anticipate obtaining employment for an additional 34 people prior to expiration of the Displaced Homemaker contract on June 30th.

Additional cost savings of above:	\$ 361,658.00
Total savings resulting from employment of AFDC recipients:	\$1,489,180.00
Displaced Homemakers contract:	340,000.00
Total savings to the government by funding activities of Displaced Homemakers:	\$1,149,180.00

There are other savings when individuals obtain employment and are removed from the welfare rolls. There is a reduction of individuals processed through the criminal justice system:

1. Decrease in number of child abuse cases
2. Reduction in rate of various criminal charges
3. Decrease in police calls for "family disturbance"

Among other Social Service savings, there is less use of:

1. Legal Services
2. Mental health facilities
3. Child protection agencies
4. Drug/Alcohol abuse treatment facilities

Other positive benefits include:

1. Clients become tax payers
2. The "welfare chain syndrome" is broken in the family
3. Encouragement of education/training allows individuals to contribute to society to a higher degree through working in skilled positions
4. Self worth is enhanced

POSITION PAPER  
ON  
CS FOR HOUSE BILL NO. 26

"An Act relating to displaced homemakers; and providing for an effective date."

This Bill would establish a program for displaced homemakers to be administered by the Department of Community and Regional Affairs. The Bill also authorizes the development of multipurpose service centers for displaced homemakers to provide job counseling, training and placement; health counseling; financial management; education; legal counseling and referral; and information services.

There has been growing concern for displaced homemakers, persons who must change their roles from that of homemaker to that of wage earner as a result of a change in circumstances such as divorce, separation, desertion, or death of a spouse. Among this group of individuals would also be those persons who have been on a fixed income which now, due to inflation, must be supplemented by a job for which they are not prepared. Otherwise they may be forced onto the welfare rolls.

The Department recognizes the need for programs for displaced homemakers to assist them through their role transition. The Department does currently provide services aimed at this population. Those displaced homemakers residing in the Anchorage, Fairbanks and Juneau areas who are eligible for Aid to Families with Dependent Children (AFDC) may receive a wide variety of employment oriented social services through the Work Incentive (WIN) program. In addition, during Fiscal Year 1981 the Department has contracted for the following: \$159,000 for the Alaska Women's Resource Center in Anchorage for a counseling center and a displaced homemaker program; and \$137,804 for Adult Learning Program of Alaska Inc. in Fairbanks for displaced homemaker program.

The directors of the shelters for battered women with which the Department has contracted have noted a great need for job training for women served by their programs. Women who have been forced out of their homes due to violence toward them may face a need for immediate employment in order to support themselves and their children. The majority of these women either have not worked for years or have never worked and are competing in an ever tightening job market.

The Department also contracts with Women's Resource Centers in Kenai, Kodiak, Sitka and Juneau which provide services to displaced homemakers as do shelter programs statewide. At the present time there is no central source to coordinate services for displaced homemakers, although Division of Adult and Aging Services social workers do provide information, referral and counseling. There is a definite need to have a centralized information and referral system, as well as a need to coordinate services which are already available.

On the surface it appears that there may be some possible overlap between the services to be provided by the multipurpose service centers and those currently provided by various existing programs. In the Department's view, however, any seeming potential for duplication and overlap would be reduced by coordinating existing State operated and funded programs, as well as community resources.

Should this enhanced program for displaced homemakers be established by statute, the Department of Health and Social Services will coordinate with the Department of Community and Regional Affairs to avoid duplication and will provide any technical assistance requested to ensure the development of a quality program. The Department concurs with the Committee's substitution.

Recommended by: Elizabeth Muktarian  
Elizabeth Muktarian  
Director  
Div. of Adult and  
Aging Services

Date: 3/18/81

Approved by: Helen D. Beirne  
Helen D. Beirne  
Commissioner  
Dept. of Health and  
Social Services

Date: 3/19/81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee Substitute for House Bill 26

Title "An Act relating to displaced homemakers; and providing for an effective date."

Requested by \_\_\_\_\_ Date March 18, 1981

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services

Program Category Affected Social & Economic Assistance for the General Population

BRU, Program, or Subprogram(s) Affected Division of Adult & Aging Services - Adult Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Zero Impact.

IV. DATE

3-18-81

PREPARED BY Dorothy Walt

AGENCY Division of Adult and Aging Services

PHONE 465-3250

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

M&B Approval

Marsha Hubbard Date 3/18/81

CONFERENCE COMMITTEE REPORT

DATE: MARCH 17, 1982

Mr. President:  
Mr. Speaker:

The \_\_\_\_\_ Conference Committee which has had  
CSHB 287(Jud) "An Act relating to domestic violence."

and

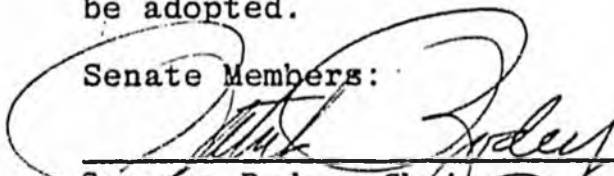
SCS CSHB 287(Rls)amS "An Act relating to displaced homemakers;  
and providing for an effective date."

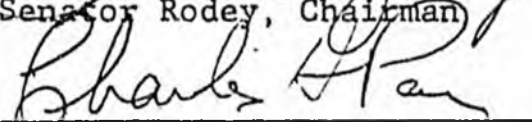
under consideration, recommends that

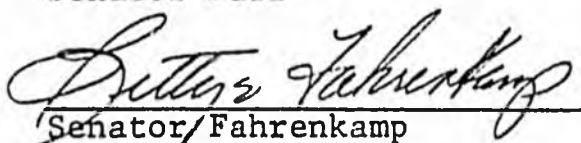
CCSHB 287 "An Act relating to providing protection and assistance  
in domestic crises; and providing for an effective  
date."

be adopted.

Senate Members:

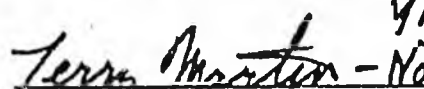
  
\_\_\_\_\_  
Senator Rodey, Chairman

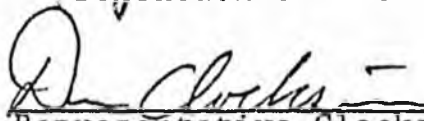
  
\_\_\_\_\_  
Senator Parr

  
\_\_\_\_\_  
Senator Fahrenkamp

House Members:

  
\_\_\_\_\_  
Representative Halford, Chairman

  
\_\_\_\_\_  
Representative Martin

  
\_\_\_\_\_  
Representative Clocksin

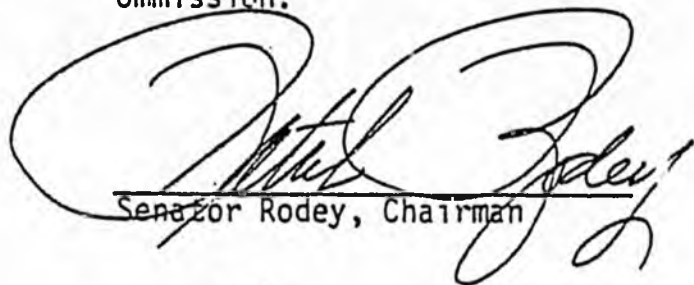
YES - CSHB 287  
NO - SCS - CSHB 28

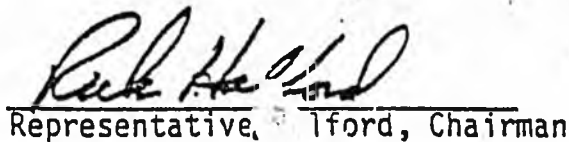
PLEASE RETURN REPORT AND CONFERENCE BILL TO THE CHIEF CLERK FOR  
DISTRIBUTION.

W/CCSHB 287 - March 17, 1982

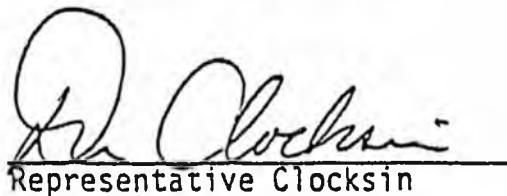
LETTER OF INTENT  
CCSHB 287

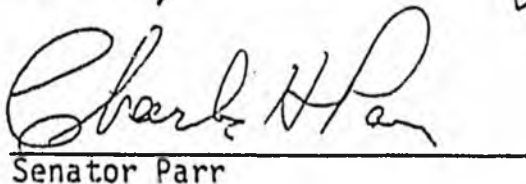
The inclusion of both written and oral notification requirements in Sec. 18.65.520(a) should not be construed as to supercede the primary obligation of an intervening officer, namely the prevention of violence between domestic parties. Should an emergency prevent an officer from informing the victim orally of this section, it is the intent of the committee that no liability is incurred by a peace officer for the omission.

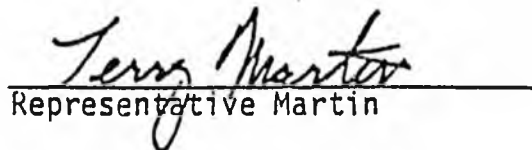
  
Senator Rodey, Chairman

  
Representative Tford, Chairman

  
Senator Fairenkamp

  
Representative Clocksin

  
Senator Parr

  
Representative Martin



Official Business

# Alaska State Legislature

Senate

Committee on

Health, Education & Social Services

April 2, 1981

Charlie Parr, Chairman  
Terry Stimson, Vice-Chairman  
Vic Fischer  
Tim Kelly  
Mike Colletta

Pouch V  
State Capitol  
Juneau, Alaska 99811

465-4907  
465-4908

LETTER OF INTENT  
ON  
CS FOR HOUSE BILL NO. 26

The Health, Education and Social Services Committee, in considering CS for House Bill No. 26, has had some doubts as to the need for the additional personnel reflected in the fiscal note furnished by the Department of Community and Regional Affairs.

The Committee recommends that the Finance Committee scrutinize the need for the additional positions in conjunction with its review of existing funding and work loads in the budget of the Department.

A handwritten signature in cursive script, reading "Charles H. Parr".

Senator Charles H. Parr

FISCAL NOTE

*cl*

I. REQUEST  
 Bill/Resolution No. CS for House Bill No. 26 (HESS) (Page 1 of 3)  
 Title "An act relating to displaced homemakers; and providing for an effective date".  
 Requested by Finance Date 3/9/81

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs  
 Program Category Affected Social Services  
 BRU, Program, or Subprogram(s) Affected C.E.T.A.  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	0	95.0	102.6	110.8	119.7	129.3
200 TRAVEL	0	30.0	32.4	34.9	37.7	40.7
300 CONTRACTUAL	0	1472.0	1589.8	1717.0	1854.4	2002.8
400 COMMODITIES	0	3.2	3.5	3.8	4.1	4.4
500 EQUIPMENT	0	3.8	3.9	4.1	4.3	4.6
600 LAND & STRUCTURES	0	0				
700 GRANTS, CLAIMS, ETC.	0	0				
<b>TOTAL</b>	<b>0</b>	<b>1604.0</b>	<b>1732.1</b>	<b>1870.6</b>	<b>2020.2</b>	<b>2181.8</b>

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	0	1604.0	1732.0	1870.6	2020.2	2181.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS \*

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	0	2	2	2	2	2
PART TIME	0	2	2	2	2	2
TEMPORARY	0	0	0	0	0	0

\* These positions are not new, existing staff will be time-charged.

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The Availability of funds for the Displaced Homemakers Program will be advertised statewide and contracts negotiated through a competitive procurement process.

Projected program costs are based on a displaced homemaker program currently funded by this Department in Fairbanks. The program offers the following services, directly or by referral; assessment; counseling; job development; basic education; vocational training; and life skills workshops. The annual costs of the program as funded by this Department is \$225,000. Approximately 375 individuals are scheduled to be served.

*Lois A. Lind*

IV. DATE 3/9/81 PREPARED BY Lois A. Lind, Director  
 AGENCY CETA  
 PHONE 465-4890  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Three basic assumptions have been utilized in the preparation of this analysis:

- 1.) The Department will fund five (5) similar Multipurpose Service Centers on an annual basis through five separate contracts. Based on the current contract between the CETA Division and the Fairbanks Displaced Homemaker program, approximately 75% of the funds pay for staff directly working with displaced homemakers to provide counseling, assessment, job coaching, job development and referrals to other agencies providing additional services. Another 20% provides instructional supplies and materials, special workshops (life skills, job seeking skills, etc.) and tuition for training programs. Only about 5% goes to administrative costs such as rent, accounting, communications, and so forth.
- 2.) An eight (8) percent inflation rate will be experienced during each year for the five years of this analysis.
- 3.) Contracting for this service will prove more cost effective than the Department establishing and operating the Centers.

Total cost for H.B. 26 for FY'82:

For budgetary purposes we have used an average cost of \$290,000 for each center (\$290,000 x 5). Experience indicates some smaller centers (less dollars) would probably be funded and some centers could be awarded more than \$290,000.

Administrative costs required by the Department: \$ 154,000

Personnel Services:

Grant Administrator R17(S)	\$30,060
Field Representative R15	25,020
P.T. Clerk Typist III R8	8,358
P.T. Accounting Tech I R12:	10,566
Subtotal:	<u>\$74,604</u>
Benefits:	<u>20,396</u>

Total Personnel Services: \$95,000

Travel:

30,000

For bidders conference, pre-award monitoring, contract negotiation, program monitoring and technical assistance.

Contractual:

Phones:	\$5,750
Rent:	5,200
Printing/Advertising:	8,000
Copier Service	750
Postage:	500
Word Processing Equipment:	2,750

Total Contractual 22,000

Commodities:	3,200
Equipment:	3,800
Including office equipment for the two full time position and two part-time position. This includes such items as desks, chairs, file cabinet and bookcases.	
Total Administrative Expense	<u>\$154,000</u>
(Administration rate to program costs = 10.62%)	

The Department staff, the Grants Administrator and the Field Representative will be responsible for negotiating and executing the contracts, monitoring, providing technical assistance and all statewide coordination.

(End fiscal Note Analysis)



Bill No. House Bill No. 26

Date February 18, 1981

Title An Act relating to displaced homemakers;  
and providing for an effective date.

Contact: Judy Knight 465-2700  
Doris Simon 465-2712

House Bill No. 26 "An Act relating to displaced homemakers; and providing for an effective date" is proposed to establish multipurpose service centers to provide services for Alaska's displaced homemakers.

Although the conceptual emphasis of the bill is supported, we have three primary concerns in relation to its implementation. First, the bill proposes to provide multipurpose services to a segment of the population, primarily through referral to service providers. A wide range of Alaska's special need groups could be served by consolidated referral centers acting as a focus point for a variety of service agencies. A second concern is the current existence of federal funds available for displaced homemaker services. In order to maximize the effectiveness of these federal funds, any special needs of Alaska that existing federal programs are not meeting should be identified. Then Alaska's unique needs can be met by supplementing these programs with state funds, closely coordinated to avoid costly duplication of services.

Lastly, the proposed legislation does duplicate the current efforts of providing employment, counseling and necessary referral services for eligible displaced homemakers by Job Service and the Alaska Work Incentive program. It would appear that since Job Service and the Work Incentive program are currently operational, they should be utilized as the primary administrative and service provider vehicles for the proposed displaced homemaker legislation. This is especially pertinent when it is recognized that the population to be served by this legislation are or will be eligible for existing agencies' services and that the proposed multipurpose centers will function as primarily a referring organization.

**POSITION PAPER/Department of Labor**

Displaced Homemakers Program  
529 5th Avenue, Suite 6  
Fairbanks, Alaska 99701  
456-8428

March 27, 1981

State of Alaska, Senator  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Parr :

This agency has been informed that House Bill #26, an act relating to Displaced Homemakers, is now in the Senate Health and Social Services Committee and that hearings will be conducted next week.

As Displaced Homemakers of Fairbanks has been in existence for two years and the bill is modeled on this program, we felt that statistical data and a description of our program may be helpful to you.

Displaced Homemakers is a program designed to help people through the transitional period following a death, separation, divorce, disablement of the primary wage earner or absence of a mate. The services offered include, supportive, transitional and crisis counseling; career and academic counseling referrals; training; peer group support; workshops, and job placement.

With a comprehensive program such as ours instituted on a Statewide basis, the monetary savings to the State would be considerable. The savings in human misery would be enormous even though difficult to show in financial terms. Displaced Homemakers do not want to be welfare recipients. They want to acquire skills that will qualify them for jobs so they can have pride in themselves and their children can grow up proud of who they are. The welfare syndrome that begins with poverty and despair and continues in hopelessness from generation to generation can be broken or need never begin if people get appropriate and comprehensive help at a critical time in their lives.

Enclosed are statistics on the number of people we served in FY 80 and a breakdown illustrating the cost effectiveness of our program. If there is any other information you would like to have, please contact this office and we will send it to you.

Thank you for your consideration.

Sincerely,



Gene C. Kingrea  
Director

GCX:cjd

Enc.

PRELIMINARY COST ANALYSIS FOR DISPLACED HOME MAKERS, FAIRBANKS

Displaced Homemakers of Fairbanks has been in existence since June of 1979. Since that time the agency has served 406 clients. Of these clients, 186 have either been placed in jobs or gone on to further education.

The following figures are an initial cost effective analysis of the program. These are general statistics as there was not time prior to this presentation to prepare detailed statistics.

The national average size of a family receiving Aid for Dependent Children is one adult with two children. This is also the average Displaced Homemaker client family.

This family receives per month:	\$ 514.00
	x
	12
Cost per year:	<u>\$6,168.00</u>

Food Stamps for above:	\$ 200.00
(maximum allowable is \$283.00 per month)	x
	12
Cost per year:	<u>\$2,400.00</u>

Medicaid payments for above:	\$ 172.50
(average per AFDC claim for last year)	x
	12
Cost per year:	<u>\$2,069.00</u>

Total amount paid per year for average AFDC family of three:	\$10,637.00
--	-------------

Number of Clients who obtained employment to date with the assistance of Displaced Homemakers: 106

Monies that would have been paid for clients no longer receiving public assistance:	\$ 10,637.00
	x
	106
	<u>\$1,127,522.00</u>

At the current rate of processing clients to employment, we anticipate obtaining employment for an additional 34 people prior to expiration of the Displaced Homemaker contract on June 30th.

Additional cost savings of above:	\$ 361,658.00
Total savings resulting from employment of AFDC recipients:	\$1,489,180.00
Displaced Homemakers contract:	340,000.00
Total savings to the government by funding activities of Displaced Homemakers:	\$1,149,180.00

There are other savings when individuals obtain employment and are removed from the welfare rolls. There is a reduction of individuals processed through the criminal justice system:

1. Decrease in number of child abuse cases
2. Reduction in rate of various criminal charges
3. Decrease in police calls for "family disturbance"

Among other Social Service savings, there is less use of:

1. Legal Services
2. Mental health facilities
3. Child protection agencies
4. Drug/Alcohol abuse treatment facilities

Other positive benefits include:

1. Clients become tax payers
2. The "welfare chain syndrome" is broken in the family
3. Encouragement of education/training allows individuals to contribute to society to a higher degree through working in skilled positions
4. Self worth is enhanced

<u>SERVICES OFFERED</u>	<u>FY 80 STAT.</u>	<u>4th QTR FY 80</u>
CLIENTS	297	76
POSITIVE JOB PLACEMENT	82	5
POSITIVE TERMINATIONS	208	12
PERSONAL COUNSELING	297	76
EDUCATIONAL FUNDING	100	18
-----		
<u>EDUCATIONAL REFERRAL</u>	188	39
ABE	5	1
TVCC	109	20
GED	50	10
REC'VD GED'S	9	0
FINANCIAL AID (STATE)	19	2
VOCATIONAL EDUCATION	5	1
VETERANS ADMINISTRATION	3	1
OTHER	97	8
-----		
<u>SOCIAL SERVICE REFERRAL</u>	178	35
PUBLIC ASSISTANCE (AFDC, FOOD STAMPS, ETC.)	77	17
SOCIAL SECURITY	2	0
HOUSING	42	7
DAY CARE ASSISTANCE (BOROUGH)	57	13
LEGAL AID	35	5
OVR	7	0
OTHER	43	5
-----		
VOCATIONAL EXPLORATION	218	66
-----		
EMPLOYMENT ASSESSMENT	209	60
-----		
<u>LABOR MARKET ORIENTATION</u>	201	46
CETA	91	4
JOB SERVICE	119	32
OTHER	79	20
-----		

SERVICES OFFEREDFY 80 STAT2ND QTR FY 80

JOB SEARCH SKILLS	85	21
SKILLS ASSESSMENT	56	13
JOB APPLICATION	19	0
RESUME'	39	5
INTERVIEWING TECHNIQUES	10	0

---

WORKSHOP PARTICIPATION	181	58
------------------------	-----	----

---

DISCUSSION GROUP PARTICIPATION	139	83
--------------------------------	-----	----

---

CS HB 26 (Finance): Section-by-section analysis

Section 1: Findings and intent.

Section 2: Establishes a new chapter of Title 47 (Welfare, Social Services and Institutions) of state law, Chapter 90 -- Displaced Homemakers.

Sec. 47.90.010. Program Established. Allows the Department of Community and Regional Affairs to contract with nonprofit corporations incorporated under AS 10.20 or public agencies to provide multiple service centers for displaced homemakers. Nonprofit corporations qualifying for assistance must be governed by a board of directors whose membership is broadly representative of the community that the center serves. Also allows C&RA to assist existing programs. C&RA is required to promulgate regulations for these purposes and to provide for competitive bidding on all contracts.

Sec. 47.90.020. Multipurpose Service Centers. Centers may provide the following services: (1) job counselling specifically for displaced homemakers; (2) job opportunity counselling, especially related to the skills and experiences of a homemaker; (3) job training and placement, particularly: (a) short term training that expands homemaking skills and volunteer experience of a displaced homemaker, (b) develop liason with potential employers, (c) assist in finding vocational, educational and apprenticeship training, and (d) help identify community needs and creation of new jobs, including "non-traditional" jobs in the public and private sectors; (4) health care counseling emphasizing preventive care, choice of doctor, insurance policy or health maintenance organization; (5) mental health counselling, family health and nutrition, alcohol and drug abuse counselling; (6) financial management assistance on insurance, taxes, wills, bilingual education, financial assistance, and other educational information of use to displaced homemakers; (8) legal assistance referal; (9) government employment opportunities and information about other government services of benefit to displaced homemakers; and (10) help in obtaining child care while clients are receiving the services described in this section.

Sec. 47.90.030. Employment of Displaced Homemakers. All staff of centers, where possible, should be displaced homemakers. This includes supervisory, technical, and administrative positions as well as clerical positions.

Sec. 47.90.040. Consultation and Coordination. C&RA should cooperate with the Departments of Health and Social Services, Education, Labor, and the University of Alaska and other colleges in the state in the implementation of the chapter.

Sec. 47.90.050. State Employment Assistance. Centers shall, to the maximum extent possible, help displaced homemakers get on state employment registers.

Sec. 47.90.060. Regulations. The Commissioner may adopt regulations to implement the chapter.

Sec. 47.90.080. Definitions. A displaced homemaker is defined as a person who is (1) working as an unsalaried homemaker for any amount of time; (2) facing a significant reduction in income due to divorce, death, separation or disability of spouse; and (3) encountering difficulty with finding employment.

Section 3: Effective date: 7/1/81

(3/20/81: LC)



Alaska State Legislature

House of Representatives

Juneau, Alaska 99811

March 15, 1967

A STATEMENT ABOUT CSHB 26 (DISPLACED HOMEMAKERS)

House Bill 26 as reported out by the House Finance Committee provides for the funding of multipurpose centers to aid displaced homemakers.

A typical displaced homemaker is a woman who, after years of keeping house and raising children, experiences a catastrophic event in her life such as death, divorce, separation, or desertion of her spouse. Unprepared to join the job market due to lack of necessary skills or for having been away from the labor force too long, she suffers from a loss of family income. She is not entitled to collect social security benefits if the disruption was due to divorce. She does not qualify to receive unemployment insurance because her work at home was without monetary compensation. She is ineligible for public assistance.

CSHB 26 (Finance) intends to recognize the invaluable contribution a displaced homemaker has made to society. The network of centers created by this legislation would help displaced homemakers to become self-sufficient and employable through job counseling and emotional re-adjustment to a new life, the specifics of which are listed on Section 2 of the bill. THE CENTERS DO NOT PROVIDE MONETARY ASSISTANCE TO THE DISPLACED HOMEMAKER.

CSHB 26 is modeled after a successful program for displaced homemakers in Fairbanks.

Organizations that bid on funding contracts available under this bill must be nonprofit corporations incorporated in accordance with AS 10.20, and their board of directors must be broadly representative of the communities that they serve. This will assure greater accountability of funds as well as management of the centers by individuals sensitive to the needs of the displaced homemakers.

\*\*\*\*\*

Displaced Homemakers Program  
529 5th Avenue, Suite 6  
Fairbanks, Alaska 99701  
456-8428

March 27, 1981

State of Alaska, Senator  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Parr :

This agency has been informed that House Bill #26, an act relating to Displaced Homemakers, is now in the Senate Health and Social Services Committee and that hearings will be conducted next week.

As Displaced Homemakers of Fairbanks has been in existence for two years and the bill is modeled on this program, we felt that statistical data and a description of our program may be helpful to you.

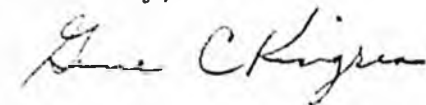
Displaced Homemakers is a program designed to help people through the transitional period following a death, separation, divorce, disablement of the primary wage earner or absence of a mate. The services offered include, supportive, transitional and crisis counseling; career and academic counseling referrals; training; peer group support; workshops, and job placement.

With a comprehensive program such as ours instituted on a Statewide basis, the monetary savings to the State would be considerable. The savings in human misery would be enormous even though difficult to show in financial terms. Displaced Homemakers do not want to be welfare recipients. They want to acquire skills that will qualify them for jobs so they can have pride in themselves and their children can grow up proud of who they are. The welfare syndrome that begins with poverty and despair and continues in hopelessness from generation to generation can be broken or need never begin if people get appropriate and comprehensive help at a critical time in their lives.

Enclosed are statistics on the number of people we served in FY 80 and a breakdown illustrating the cost effectiveness of our program. If there is any other information you would like to have, please contact this office and we will send it to you.

Thank you for your consideration.

Sincerely,



Gene C. Kingrea  
Director

GCK:efd

Enc.

PRELIMINARY COST ANALYSIS FOR DISPLACED HOMEMAKERS, FAIRBANKS

Displaced Homemakers of Fairbanks has been in existence since June of 1979. Since that time the agency has served 406 clients. Of these clients, 186 have either been placed in jobs or gone on to further education.

The following figures are an initial cost effective analysis of the program. These are general statistics as there was not time prior to this presentation to prepare detailed statistics.

The national average size of a family receiving Aid for Dependent Children is one adult with two children. This is also the average Displaced Homemaker client family.

This family receives per month:	\$ 514.00
	x
	12
Cost per year:	<u>\$6,168.00</u>

Food Stamps for above: (maximum allowable is \$283.00 per month)	\$ 200.00
	x
	12
Cost per year:	<u>\$2,400.00</u>

Medicaid payments for above: (average per AFDC claim for last year)	\$ 172.50
	x
	12
Cost per year:	<u>\$2,069.00</u>

Total amount paid per year for average AFDC family of three:	\$10,637.00
---	-------------

Number of Clients who obtained employment  
to date with the assistance of Displaced Homemakers: 106

Monies that would have been paid for clients no longer receiving public assistance:	\$ 10,637.00
	x
	106
	<u>\$1,127,522.00</u>

At the current rate of processing clients to employment, we anticipate obtaining employment for an additional 34 people prior to expiration of the Displaced Homemaker contract on June 30th.

Additional cost savings of above:	\$ 361,658.00
Total savings resulting from employment of AFDC recipients:	\$1,489,180.00
Displaced Homemakers contract:	340,000.00
Total savings to the government by funding activities of Displaced Homemakers:	\$1,149,180.00

There are other savings when individuals obtain employment and are removed from the welfare rolls. There is a reduction of individuals processed through the criminal justice system:

1. Decrease in number of child abuse cases
2. Reduction in rate of various criminal charges
3. Decrease in police calls for "family disturbance"

Among other Social Service savings, there is less use of:

1. Legal Services
2. Mental health facilities
3. Child protection agencies
4. Drug/Alcohol abuse treatment facilities

Other positive benefits include:

1. Clients become tax payers
2. The "welfare chain syndrome" is broken in the family
3. Encouragement of education/training allows individuals to contribute to society to a higher degree through working in skilled positions
4. Self worth is enhanced

<u>SERVICES OFFERED</u>	<u>FY 80 STAT.</u>	<u>4th QTR FY 80</u>
CLIENTS	297	76
POSITIVE JOB PLACEMENT	82	5
POSITIVE TERMINATIONS	208	12
PERSONAL COUNSELING	297	76
EDUCATIONAL FUNDING	100	18
-----		
<u>EDUCATIONAL REFERRAL</u>	188	39
ABE	5	1
TVCC	109	20
GED	50	10
REC'VD GED'S	9	0
FINANCIAL AID (STATE)	19	2
VOCATIONAL EDUCATION	5	1
VETERANS ADMINISTRATION	3	1
OTHER	97	8
-----		
<u>SOCIAL SERVICE REFERRAL</u>	178	35
PUBLIC ASSISTANCE (AFDC, FOOD STAMPS, ETC.)	77	17
SOCIAL SECURITY	2	0
HOUSING	42	7
DAY CARE ASSISTANCE (BOROUGH)	57	13
LEGAL AID	35	5
OVR	7	0
OTHER	43	5
-----		
VOCATIONAL EXPLORATION	218	66
-----		
EMPLOYMENT ASSESSMENT	209	60
-----		
<u>LABOR MARKET ORIENTATION</u>	201	46
CETA	91	4
JOB SERVICE	119	32
OTHER	79	20
-----		

SERVICES OFFEREDFY 80 STATTOT (NR) FY 80JOB SEARCH SKILLS

85

21

SKILLS ASSESSMENT

56

13

JOB APPLICATION

19

0

RESUME'

39

5

INTERVIEWING TECHNIQUES

10

0

-----  
WORKSHOP PARTICIPATION

181

58

-----  
DISCUSSION GROUP PARTICIPATION

139

83  
-----

Bill No. House Bill No. 26

Date February 18, 1981

Title An Act relating to displaced homemakers;  
and providing for an effective date.

Contact: Judy Knight 465-2700  
Doris Simon 465-2712

House Bill No. 26 "An Act relating to displaced homemakers; and providing for an effective date" is proposed to establish multipurpose service centers to provide services for Alaskan displaced homemakers.

Although the conceptual emphasis of the bill is supported, we have three primary concerns in relation to its implementation. First, the bill proposes to provide multipurpose services to a segment of the population, primarily through referral to service providers. A wide range of Alaska's special need groups could be served by consolidated referral centers acting as a focus point for a variety of service agencies. A second concern is the current existence of federal funds available for displaced homemaker services. In order to maximize the effectiveness of these federal funds, any special needs of Alaska that existing federal programs are not meeting should be identified. Then Alaska's unique needs can be met by supplementing these programs with state funds, closely coordinated to avoid costly duplication of services.

Lastly, the proposed legislation does duplicate the current efforts of providing employment, counseling and necessary referral services for eligible displaced homemakers by Job Service and the Alaska Work Incentive program. It would appear that since Job Service and the Work Incentive program are currently operational, they should be utilized as the primary administrative and service provider vehicles for the proposed displaced homemaker legislation. This is especially pertinent when it is recognized that the population to be served by this legislation are or will be eligible for existing agencies' services and that the proposed multipurpose centers will function as primarily a referring organization.

**POSITION PAPER/Department of Labor**

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

COMMUNITY EMPLOYMENT & TRAINING ASSISTANCE DIVISION

JAY S. HAMMOND, GOVERNOR

POUCH BC  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4890

February 19, 1981

The Honorable Donald Clocksin  
House of Representatives  
Chairman, House Health, Education and Social  
Services Committee  
Pouch V  
Juneau, Alaska 99811

Dear Representative Clocksin:

The Department of Community and Regional Affairs supports House Bill 26 which relates to displaced homemakers. We believe that special attention should be focused on displaced homemakers in order to assist these individuals in achieving economic independence.

The creation of multipurpose service centers as outlined in section 47.90.020 of this bill is an excellent method to provide much-needed services. We would also like to take this opportunity to note that the multipurpose service center concept should be extended to include all groups of the population experiencing difficulties in finding employment. Such centers could be partially staffed by outstationed employees of various state and local agencies working in the field of social services. Additional staffing could represent the special needs of such groups as displaced homemakers. The primary purpose of the centers would be to provide comprehensive assessment, counseling, and referral services.

During the summer of 1979 the CETA Division, through the Southeast Regional Resource Center, conducted three workshops involving 35 women from Southeast Alaska in a Displaced Homemakers Program. These women ranged in age from 22 to 57, with an average age of 34. These workshops provided counseling and training referrals for participants. This program documented the need for stable, long term service centers for assisting individuals such as displaced homemakers in re-entering the labor market.

In Fairbanks a Displaced Homemakers program has provided coordinated services for several years. The original pilot program was operated with Vocational Education funds from the CETA Governor's Grant, administered by the State CETA Division in the Department of Community and Regional Affairs and the Department of Education. The program proved successful in serving unemployed single parents, and for the second and third years it is being partially supported with CETA Title II funds.

Honorable Donald Clocksin  
Page Two  
February 19, 1981

The CETA funding does restrict individuals for whom services may be provided to those who meet strict income criteria (i.e., For a one person family, income may be no more than \$4,670 and for a family of four, no more than \$12,960 over the past twelve months. Or the person must be eligible for public assistance). Many individuals in need of assistance do not qualify under these strict guidelines. Future funding of CETA programs by Congress is also uncertain, therefore, the existing Displaced Homemaker program may be jeopardized.

The Fairbanks program serves both men and women, providing job counseling and vocational training to single parents and adults entering the labor market for the first time or after an extended absence. This Displaced Homemakers program works closely with a private nonprofit agency called the Regional Adult Learning Center which provides services such as employment counseling, General Education Development (GED), English-as-a-second language and one-to-one tutoring in any subject. Networking with other Fairbanks agencies has also helped the participants tremendously.

Aside from the Department's limited involvement with these two programs, our concerns with the proposed legislation include the following:

- (1) Page 4, line 19, section 47.90.040. We fully support coordination with other State agencies and centers so as avoid duplication, especially at the community level.
- (2) Page 5, line 14, section 47.90.80. To make the definition consistent with the intent of the legislation, it should include the requirement that the displaced homemaker has been dependent on the income of a family member and has lost that income.

Thank you for giving us this opportunity to comment on this bill.

Sincerely,

*Marie Matsuno*

Marie Matsuno

Deputy Commissioner

Dept. of Community & Regional Affairs

cc: Keith Specking

bec: Doris Simon - ESO  
Betsey McQuine - HISS

# Action Alert Letter

DISPLACED HOMEMAKERS NETWORK, INC.  
755 8th Street, N.W.  
Washington, D.C. 20001

March 7, 1981



## NATIONAL GOVERNING BOARD

### Officers

Shirley Sandage  
President  
Jana Elliott  
VP, Planning  
Ruth Fossedal  
VP, Service Providers  
Florence Leon  
VP, Displaced Homemakers  
Diana McLaughlin  
Secretary-Treasurer  
Cynthia Marano  
Past President

### Members

Pat Wallace  
Wetick, Ma.  
Mildred Jones  
Stevenson, Md.  
Brooke Dixon  
Atlanta, Ga.  
Jan Ortega  
Baton Rouge, La.  
Janice P. Rollins  
Denver, Co.  
Joan Suter  
Los Angeles, Ca.  
Doris McAtee  
Seattle, Wa.

### STAFF

Sandra Burton  
Executive Director  
Alice Guilian  
Associate Director

Field Specialists:  
Lusta Berrnein  
Boston, Ma.  
Vivella Scanlon  
Westboro, Ar.  
Lotte Stewart  
Wash., D.C.

755 8th Street, N.W.  
Washington, D.C. 20001  
202-638-2522

Dear Network Member:

This letter is an ACTION ALERT -- to inform you of the immediate and severe impact of budget cuts on displaced homemaker programs, and to ask your help in making known the concern of displaced homemaker advocates throughout the country.

President Reagan has promised that in spite of the need for wide-spread budget cuts, "the social safety nets" will remain in place for the "truly needy." It appears, however, that the cracks in the system are widening, and that displaced homemakers will fall through, as they have in the past, because the only safety net specifically designed to catch them is being taken down.

As you probably know, in 1978 Congress passed the CETA reauthorization with a provision for employment programs for displaced homemakers. Under Title III of this legislation, \$5 million was appropriated which funded 37 programs last year.

In response to your expressions of concern and those of many Congressional supporters last November and December, the Department of Labor committed some additional funds to maintain the CETA Title III displaced homemaker programs through September 1981.

Now, that money has been eliminated by budget cuts. Over half of the Title III displaced homemaker programs will end March 31, 1981 unless replacement funds are made available. In addition, many other programs are affected by the cuts. We estimate that a total of up to 100 programs in 35 states will be severely curtailed or terminated at the end of March.

The funding required to maintain the Title III displaced homemaker initiative through September 1981 is \$1 million, which is an 80% cut from last year's appropriation. Your help is urgently needed to demonstrate widespread public support for funding of displaced homemaker programs, beginning with the \$1 million needed to continue CETA Title III programs through September 1981.

--over--

● Contact these persons:

- Your two senators and your representative in Congress

Ask them to tell the Secretary of Labor: (1) to continue funding of services for displaced homemaker programs under CETA Title III; (2) to make available the \$1 million committed to the current Title III programs through September 1981. Ask them to find out about any possible ways in which funding of programs can be maintained.

- Secretary of Labor Ray Donovan (U.S. Department of Labor, 200 Constitution Ave. NW, Washington, DC 20210)

Tell him of your concern that services be continued, that the Department of Labor's commitment to current Title III programs be kept, and that he continue to implement the only federal legislation that provides direct funding of displaced homemaker programs.

- Mailgrams, letters, phone calls, and visits to district offices of your Congresspersons are all good ways to make this contact, but should be done NO LATER THAN MARCH 20.
- You can start a chain reaction by asking 2 or 3 other people to help, and have them encourage others. However, petitions signed by a number of persons, or form letters and postcards are not nearly as effective as a personal letter.
- If you live in one of the following states, tell your Congressperson that your state currently has CETA Title III funded programs: AZ, AR, CA, CT, DC, FL, ID, IA, KY, LA, MA, MN, MO, NH, NV, NJ, NM, NY, NC, ND, OH, OK, PA, TN, WA, WV, WI.
- Whatever form your contacts take, your concern will be most effective if you express your own unique viewpoint on displaced homemakers.
  - ARE YOU A DISPLACED HOME MAKER? Briefly tell your personal story, and especially how a displaced homemaker program helped you, or that such a program was not available. Success stories as well as expressions of unmet needs are important to your legislators.
  - ARE YOU A SERVICE PROVIDER? Talk about the needs of displaced homemakers in your state/Congressional district, and how your program is meeting them. Cite statistics that document your cost effectiveness, job placement rates, and services provided. Encourage your participants and graduates to express their views as well.
  - ARE YOU AN ADVOCATE? As an individual, or member of a concerned group, organization, or agency, tell of your concern and involvement with the displaced homemaker issue, and get others to do the same.

If you need additional information, contact your regional representative, one of the Network's field offices, or the Washington office. We count on you to make your voice heard, and to keep the needs of this country's more than 4 million displaced homemakers from being forgotten in this time of budget cuts.

Sincerely,

*Shirley Sandage*  
Shirley Sandage  
Governing Board President

*Sandra J. Burton*  
Sandra J. Burton  
Executive Director

<u>SERVICES OFFERED</u>	<u>FY 80 STAT.</u>	<u>4th QTR FY 80</u>
CLIENTS	297	76
POSITIVE JOB PLACEMENT	82	5
POSITIVE TERMINATIONS	208	12
PERSONAL COUNSELING	297	76
EDUCATIONAL FUNDING	100	18
-----		
<u>EDUCATIONAL REFERRAL</u>	188	39
ABE	5	1
TVCC	109	20
GED	50	10
REC'VD GED'S	9	0
FINANCIAL AID (STATE)	19	2
VOCATIONAL EDUCATION	5	1
VETERANS ADMINISTRATION	3	1
OTHER	97	8
-----		
<u>SOCIAL SERVICE REFERRAL</u>	178	35
PUBLIC ASSISTANCE (AFDC, FOOD STAMPS, ETC.)	77	17
SOCIAL SECURITY	2	0
HOUSING	42	7
DAY CARE ASSISTANCE (BOROUGH)	57	13
LEGAL AID	35	5
OVR	7	0
OTHER	43	5
-----		
VOCATIONAL EXPLORATION	218	66
-----		
EMPLOYMENT ASSESSMENT	209	60
-----		
<u>LABOR MARKET ORIENTATION</u>	201	46
CETA	91	4
JOB SERVICE	119	32
OTHER	79	20
-----		

SERVICES OFFEREDFY 80 STAT.4th QTR FY 80JOB SEARCH SKILLS

85

21

SKILLS ASSESSMENT

56

13

JOB APPLICATION

19

0

RESUME'

39

5

INTERVIEWING TECHNIQUES

10

0

-----  
WORKSHOP PARTICIPATION

181

58

-----  
DISCUSSION GROUP PARTICIPATION

139

33  
-----

PRELIMINARY COST ANALYSIS FOR DISPLACED HOME MAKERS, FAIRBANKS

Displaced Homemakers of Fairbanks has been in existence since June of 1979. Since that time the agency has served 406 clients. Of these clients, 186 have either been placed in jobs or gone on to further education.

The following figures are an initial cost effective analysis of the program. These are general statistics as there was not time prior to this presentation to prepare detailed statistics.

The national average size of a family receiving Aid for Dependent Children is one adult with two children. This is also the average Displaced Homemaker client family.

This family receives per month:	\$ 514.00
	x
	12
Cost per year:	<u>\$6,168.00</u>

Food Stamps for above:	\$ 200.00
(maximum allowable is \$283.00 per month)	x
	12
Cost per year:	<u>\$2,400.00</u>

Medicaid payments for above:	\$ 172.50
(average per AFDC claim for last year)	x
	12
Cost per year:	<u>\$2,069.00</u>

Total amount paid per year for average AFDC family of three:	\$10,637.00
--	-------------

Number of Clients who obtained employment to date with the assistance of Displaced Homemakers: 106

Monies that would have been paid for clients no longer receiving public assistance:	\$ 10,637.00
	x
	106
	<u>\$1,127,522.00</u>

At the current rate of processing clients to employment, we anticipate obtaining employment for an additional 34 people prior to expiration of the Displaced Homemaker contract on June 30th.

Additional cost savings of above:	\$ 361,658.00
Total savings resulting from employment of AFDC recipients:	\$1,489,180.00
Displaced Homemakers contract:	340,000.00
Total savings to the government by funding activities of Displaced Homemakers:	\$1,149,180.00

There are other savings when individuals obtain employment and are removed from the welfare rolls. There is a reduction of individuals processed through the criminal justice system:

1. Decrease in number of child abuse cases
2. Reduction in rate of various criminal charges
3. Decrease in police calls for "family disturbance"

Among other Social Service savings, there is less use of:

1. Legal Services
2. Mental health facilities
3. Child protection agencies
4. Drug/Alcohol abuse treatment facilities

Other positive benefits include:

1. Clients become tax payers
2. The "welfare chain syndrome" is broken in the family
3. Encouragement of education/training allows individuals to contribute to society to a higher degree through working in skilled positions
4. Self worth is enhanced

Displaced Homemakers Program  
529 5th Avenue, Suite 6  
Fairbanks, Alaska 99701  
456-8428

March 27, 1981

State of Alaska, Senator  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Parr :

This agency has been informed that House Bill #26, an act relating to Displaced Homemakers, is now in the Senate Health and Social Services Committee and that hearings will be conducted next week.

As Displaced Homemakers of Fairbanks has been in existence for two years and the bill is modeled on this program, we felt that statistical data and a description of our program may be helpful to you.

Displaced Homemakers is a program designed to help people through the transitional period following a death, separation, divorce, disablement of the primary wage earner or absence of a mate. The services offered include, supportive, transitional and crisis counseling; career and academic counseling referrals; training; peer group support; workshops, and job placement.

With a comprehensive program such as ours instituted on a Statewide basis, the monetary savings to the State would be considerable. The savings in human misery would be enormous even though difficult to show in financial terms. Displaced Homemakers do not want to be welfare recipients. They want to acquire skills that will qualify them for jobs so they can have pride in themselves and their children can grow up proud of who they are. The welfare syndrome that begins with poverty and despair and continues in hopelessness from generation to generation can be broken or need never begin if people get appropriate and comprehensive help at a critical time in their lives.

Enclosed are statistics on the number of people we served in FY 80 and a breakdown illustrating the cost effectiveness of our program. If there is any other information you would like to have, please contact this office and we will send it to you.

Thank you for your consideration.

Sincerely,



Gene C. Kingrea  
Director

GCK:cjd

Enc.

PRELIMINARY COST ANALYSIS FOR DISPLACED HOMEMAKERS, FAIRBANKS

Displaced Homemakers of Fairbanks has been in existence since June of 1979. Since that time the agency has served 406 clients. Of these clients, 186 have either been placed in jobs or gone on to further education.

The following figures are an initial cost effective analysis of the program. These are general statistics as there was not time prior to this presentation to prepare detailed statistics.

The national average size of a family receiving Aid for Dependent Children is one adult with two children. This is also the average Displaced Homemaker client family.

This family receives per month:	\$ 514.00
	x
	12
Cost per year:	<u>\$6,168.00</u>

Food Stamps for above:	\$ 200.00
(maximum allowable is \$283.00 per month)	x
	12
Cost per year:	<u>\$2,400.00</u>

Medicaid payments for above:	\$ 172.50
(average per AFDC claim for last year)	x
	12
Cost per year:	<u>\$2,069.00</u>

Total amount paid per year for average AFDC family of three:	\$10,637.00
--	-------------

Number of Clients who obtained employment to date with the assistance of Displaced Homemakers: 106

Monies that would have been paid for clients no longer receiving public assistance:	\$ 10,637.00
	x
	106
	<u>\$1,127,522.00</u>

At the current rate of processing clients to employment, we anticipate obtaining employment for an additional 34 people prior to expiration of the Displaced Homemaker contract on June 30th.

Additional cost savings of above:	\$ 361,658.00
Total savings resulting from employment of AFDC recipients:	\$1,489,180.00
Displaced Homemakers contract:	340,000.00
Total savings to the government by funding activities of Displaced Homemakers:	\$1,149,180.00

There are other savings when individuals obtain employment and are removed from the welfare rolls. There is a reduction of individuals processed through the criminal justice system:

1. Decrease in number of child abuse cases
2. Reduction in rate of various criminal charges
3. Decrease in police calls for "family disturbance"

Among other Social Service savings, there is less use of:

1. Legal Services
2. Mental health facilities
3. Child protection agencies
4. Drug/Alcohol abuse treatment facilities

Other positive benefits include:

1. Clients become tax payers
2. The "welfare chain syndrome" is broken in the family
3. Encouragement of education/training allows individuals to contribute to society to a higher degree through working in skilled positions
4. Self worth is enhanced

<u>SERVICES OFFERED</u>	<u>FY 80 STAT.</u>	<u>4th QTR FY 80</u>
CLIENTS	297	76
POSITIVE JOB PLACEMENT	82	5
POSITIVE TERMINATIONS	208	12
PERSONAL COUNSELING	297	76
EDUCATIONAL FUNDING	100	18
-----		
<u>EDUCATIONAL REFERRAL</u>	188	39
ABE	5	1
TVCC	109	20
GED	50	10
REC'VD GED'S	9	0
FINANCIAL AID (STATE)	19	2
VOCATIONAL EDUCATION	5	1
VETERANS ADMINISTRATION	3	1
OTHER	97	8
-----		
<u>SOCIAL SERVICE REFERRAL</u>	178	35
PUBLIC ASSISTANCE (AFDC, FOOD STAMPS, ETC.)	77	17
SOCIAL SECURITY	2	0
HOUSING	42	7
DAY CARE ASSISTANCE (BOROUGH)	57	13
LEGAL AID	35	5
OVR	7	0
OTHER	43	5
-----		
VOCATIONAL EXPLORATION	218	66
-----		
EMPLOYMENT ASSESSMENT	209	60
-----		
<u>LABOR MARKET ORIENTATION</u>	201	46
CETA	91	4
JOB SERVICE	119	32
OTHER	79	20
-----		

SERVICES OFFEREDFY 80 STAT4th QTR FY 80JOB SEARCH SKILLS

85

21

SKILLS ASSESSMENT

56

13

JOB APPLICATION

19

0

RESUME'

39

5

INTERVIEWING TECHNIQUES

10

0

-----  
WORKSHOP PARTICIPATION

181

58

-----  
DISCUSSION GROUP PARTICIPATION

139

83  
-----

## Anchorage Daily News

Winner, 1976 Pulitzer Prize Gold Medal for Public Service

Katherine Fanning  
Editor and Publisher

Stan Abbott  
Executive Editor



Gerald E. Grilly  
General Manager

Howard Weaver  
Managing Editor

Lawrence Fanning, Editor and Publisher 1967 to 1971  
Alaska's Only Morning Newspaper • Founded in 1948 by Norman C. Brown

## A wise program for folks in need

The state House of Representatives took an enlightened step Tuesday by voting overwhelmingly to approve a \$1.1 million program to assist "displaced homemakers" — people who find themselves alone and without income due to divorce or the death of a spouse.

The money will be well spent if health care counseling, legal advice, job training and placement serve to soften the shock of readjustment and keep displaced homemakers off the welfare rolls. That is the argument in cost-benefit terms, and it is strong.

There is also an argument in human terms: people whose efforts have been outside the workplace should not be ignored in time of need. When their means of support is lost, these people face new demands, often without the means to cope. Their adjustment to new circumstances is of interest to us all.

Sudden loss of support can be a shattering circumstance for those, usually women, who have long since left the workplace to labor in the home. Their efforts at home supply untold benefits to society and the economy at large, yet the loss of a spouse can leave them abandoned without assistance.

Experience shows that susceptibility to alcohol or drug abuse is high in times of turmoil, and the loss of income only increases the stress. When children are involved, the pains and pressures of transition into a new environment are only increased.

Emotional turmoil with the loss of a spouse is, for most, inevitable; poverty and disorientation need not be. Counseling services can ease the dislocation of displaced homemakers at relatively little cost to the state. We urge the Senate to give prompt approval to legislation answering the needs of a group that too easily can be ignored — with tragic consequences.



## ADULT LEARNING PROGRAMS OF ALASKA

POB 74278 • FAIRBANKS AK 99707

Displaced Homemakers Program of Fairbanks  
529 5th Avenue, Suite 6  
Fairbanks, Alaska 99701  
456-8428

February 9, 1981

Charles H. Parr, Senator  
Pouch V, State Capitol  
Juneau, Alaska 99811

Dear Senator Parr,

Thank you very much for your cordial reception of us during our visit to Juneau.

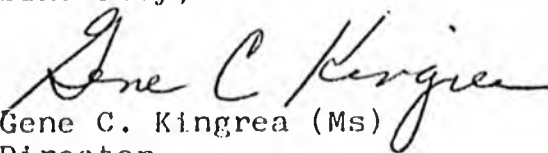
We really appreciate your interest. We have enclosed the statistics we promised to send.

Your support is really needed. We hope when HB 26 reaches you, you will give it the consideration it deserves.

If you desire any further information please feel free to contact us at any time.

Thank you again for your kindness.

Sincerely,

  
Gene C. Kingrea (Ms)  
Director

GCK:cjd

Enc.

<u>SERVICES OFFERED</u>	<u>FY 80 STAT.</u>	<u>4th QTR FY 80</u>
CLIENTS	297	76
POSITIVE JOB PLACEMENT	82	5
POSITIVE TERMINATIONS	208	12
PERSONAL COUNSELING	297	76
EDUCATIONAL FUNDING	100	18
-----		
<u>EDUCATIONAL REFERRAL</u>	188	39
ABE	5	1
TVCC	109	20
GED	50	10
REC'VD GED'S	9	0
FINANCIAL AID (STATE)	19	2
VOCATIONAL EDUCATION	5	1
VETERANS ADMINISTRATION	3	1
OTHER	97	8
-----		
<u>SOCIAL SERVICE REFERRAL</u>	178	35
PUBLIC ASSISTANCE (AFDC, FOOD STAMPS, ETC.)	77	17
SOCIAL SECURITY	2	0
HOUSING	42	7
DAY CARE ASSISTANCE (BOROUGH)	57	13
LEGAL AID	35	5
OVR	7	0
OTHER	43	5
-----		
VOCATIONAL EXPLORATION	218	66
-----		
EMPLOYMENT ASSESSMENT	209	60
-----		
<u>LABOR MARKET ORIENTATION</u>	201	46
CETA	91	4
JOB SERVICE	119	32
OTHER	79	20
-----		

SERVICES OFFEREDFY 80 STAT.4th QTR FY 80JOB SEARCH SKILLS

85

21

SKILLS ASSESSMENT

56

13

JOB APPLICATION

19

0

RESUME'

39

5

INTERVIEWING TECHNIQUES

10

0

-----  
WORKSHOP PARTICIPATION

181

58

-----  
DISCUSSION GROUP PARTICIPATION

139

83  
-----

# DIVORCED, WIDOWED, SEPARATED, ALONE ?

Where do I go from here?  
Need a new start?

Let us help.

Finding a job is hard work.

Let us help.

Need a hand with a problem?

Let us help.

## Training Sessions

Personal Effectiveness  
Career Development  
Skill & Interest Assessment  
And More.

## Who is eligible?

Divorced, Widowed,  
Separated, Single Parent,  
Mate of a Disabled Spouse.

Some Income Limitations



## Call:

Displaced Homemakers  
529 Fifth Ave., Suite 6  
Fairbanks, Ak. 99701  
(907) 452-1834

No help in locating: 57 who have left them

Helen Fischer

displaced homemakers

only 7 on ADC

can get help in

locating a husband

who owes support

Liz McTerian  
Contact  
HES  
Kitchen

Oct - Dec. Anch

(Quart. report) 73

displaced homemakers

July - Aug - Sept divorce  
& desertion

323 "client contacts"

H

B

2

8

COMMITTEE REPORT  
SENATE

5/11/81

FURTHER: Finance

Date: \_\_\_\_\_

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had CSHB 28(Fin)(efd failed) youth hostels

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*[Handwritten signatures]*

---

---

---

---

---

---

---

---

---

---

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*[Handwritten signature]*

---

---

---

---

---

---

---

---

---

---

*[Handwritten signature]*

CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CSHB 28 (Finance)  
 Title "An Act relating to youth hostels; and providing for an effective date."  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Department of Commerce & Economic Development  
 Program Category Affected Development  
 BRU, Program, or Subprogram(s) Affected Division of Business Loans  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

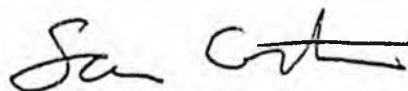
FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)



Sam Cotten, Chairman  
 House Finance Committee  
 April 7, 1981

IV. DATE \_\_\_\_\_ PREPARED BY \_\_\_\_\_  
 AGENCY \_\_\_\_\_  
 PHONE \_\_\_\_\_  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 28 (Page 1 of 2)  
 Title An Act Relating to Youth Hostels  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
 Program Category Affected Development  
 BRU, Program, or Subprogram(s) Affected Division of Business Loans  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		65.2				
200 TRAVEL		12.1				
300 CONTRACTUAL		13.6				
400 COMMODITIES		.6				
500 EQUIPMENT		3.2				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>94.7</b>				

FUNDING (Thousands of Dollars)

GENERAL FUND		94.7				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Fiscal note detail is attached.

10% inflation after FY '82.

IV. DATE 1-27-81

PREPARED BY Sharon Traylor, Director  
 AGENCY Div. of Business Loans/Dept( of Com. & Econ. Dev.  
 PHONE 465-2510

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

FISCAL NOTE DETAIL

CSHB 28 (2 of 2)

HB 28 YOUTH HOSTELS

100	1 Loan Examiner I/II (flex) @ \$2,455/mo.		29.5
	1 Loan Closer II @ \$1,761/mo.		<u>21.1</u>
	TOTAL WAGES		50.6
	Standard Benefits (Wages x .1555)		7.9
	Supplemental Benefits (Wages x .0613)		3.1
	Health Insurance (Man Months x 150)		<u>3.6</u>
	TOTAL PERSONAL SERVICES		65.2
200	Trips to Inspect Collateral & Close Loans		
	20 Trips @ \$473	9.5	
	40 Days Per Diem @ \$65	<u>2.6</u>	12.1
300	Telephone, Postage, Printing	11.0	
	Additional Office Space @ \$200/mo.	<u>2.6</u>	13.6
400	Office Supplies		<u>.6</u>
	TWELVE MONTHS OPERATIONAL COSTS		91.5
500	2 Desks @ \$330		
	1 Credenza @ \$455		
	1 Typist's Extension @ \$470		
	1 Executive Chair @ \$150		
	1 Secretarial Chair @ \$190		
	2 Side Chairs @ \$100		
	2 File Cabinets @ \$325		
	2 Calculators @ \$200		
	1 Typewriter @ \$1,000		<u>3.2</u>
	TOTAL		<u>94.7</u>
	10% INFLATION FOR SUCCEEDING YEARS		

HB 28 + 29

THE WHITE HOUSE  
WASHINGTON

American Youth Hostel Week  
May 3 - 9, 1981

I am pleased to congratulate American Youth Hostels, Incorporated on its forty-seventh anniversary of dedicated service to American young people as well as those from abroad.

Since 1934, your efforts to provide low-cost housing have made it possible for millions of people to experience the heritage and beauty of the United States and your sponsorship of educational activities has enhanced appreciation for our outdoor wonders.

You are making an important contribution to international understanding and goodwill.

Best wishes for continued success in this important work.

Sincerely,

Ronald Reagan



# American Youth Hostels

INC.

Founded 1934

Member of  
International Youth Hostel  
Federation

A non-profit association  
organized as a community service  
to provide year round opportunities for  
outdoor recreation and inexpensive  
educational travel through hosting

NATIONAL ADMINISTRATIVE OFFICES: 1332 "I" St., N.W., 8th Floor, Washington, D.C. 20005  
(202) 783-6161 Telex 126592 Response Icelandica NYK

From: Worden & Company  
1080 National Press Building  
Washington, D.C. 20045  
(202) 783-8440

FOR IMMEDIATE RELEASE

## AMERICAN YOUTH HOSTELS INC. CELEBRATES 47TH YEAR

Presidential Statement Issued on "American Youth Hostel Week," May 3-9

WASHINGTON, April 2 -- American Youth Hostels, Inc. with 100,000 members throughout the United States will celebrate its 47th anniversary during "American Youth Hostel Week," May 3-9.

In a statement issued in Washington, President Ronald Reagan congratulated AYH for its "dedicated service to American young people as well as those from abroad." He said the efforts of AYH have made it possible for "millions of people to experience the heritage and beauty of the United States" and "sponsorship of educational activities has enhanced appreciation for our outdoor wonders." He praised AYH for making "an important contribution to international understanding and goodwill."

Robert L. Williams, chairman of the board and president of American Youth Hostels, Inc., who is with General Dynamics in San Diego, Cal., said on the occasion of AYH Week, "This year we have more reasons than ever to celebrate an anniversary. We have 100,000 members and the

(more)

number is growing, we have 250 hostels nationwide and more on the drawing board and with the introduction of the National Hostel System Act of 1981, we have one more boost for the concept and aims of hosteling. As we celebrate our 47th year, we look forward to many more years of growth and development, to an ever increasing interest in and awareness of hosteling and to AYH's continuing contribution to enriching the lives of Americans of all ages and our visitors from abroad."

Special events throughout the country will highlight AYH Week. In Washington, D.C. on May 1 there will be an open house at the new national headquarters of AYH. Members of the board of directors will visit their congressmen to gain support for the new hostel bill and will hold a board meeting on May 2 and 3. A delegation from the Canadian Hosteling Association as well as local and national guests will also participate in the open house.

Features of AYH Week around the country include two of the most celebrated national bike events, the 6th annual 5 Boro Bike Tour in New York City on May 3 and the 20th annual TOSRV in Ohio's Scioto River Valley, May 9 - 10.

Governors, mayors and local officials throughout the country will be releasing proclamations and messages on AYH Week. The 31 councils of American Youth Hostels, Inc. are planning their own special events and newspapers, radio and television stations will be reporting on AYH Week activities.

AYH was founded by Isabel Smith and her late husband, Monroe, in 1934. The couple who taught school and were scout leaders established

3.

the first American hostel in Northfield, Massachusetts. The hostel movement spread to Vermont and New Hampshire and was followed by the development of hostels throughout the country. There are now 250 hostels in the United States and 5000 hostels in 50 countries abroad. In the beginning stage, hostels were located on farms, with the farmer and his wife serving as houseparents, backed up by a local committee of townspeople. Now a youth hostel here or abroad can be a school, church, lighthouse, castle, converted ship, cabin or chalet, or a facility erected specifically as a youth hostel.

Youth hostels throughout the world are affiliated through the International Youth Hostel Federation. Worldwide, IYHF has a membership of 3.1 million and reported 30 million overnights last year.

#

4/81

How do I get more information about hostels?

Alaska Council, AYH  
 P.O. Box 4-1461  
 Anchorage, AK 99509  
 (907)243-3456

State of Alaska  
 Department of Natural Resources  
 Division of Parks  
 619 Warehouse Ave., Suite 210  
 Anchorage, AK 99501  
 (907)274-4676

Parks & Forest Information Center  
 540 W. Fifth Avenue  
 Anchorage, AK 99501  
 (907)271-4243



**ALASKA  
 COUNCIL  
 AMERICAN  
 YOUTH HOSTELS,  
 INC.**

coordinated by the

Division of Parks  
 Department of Natural Resources  
 State of Alaska



**What is a Youth Hostel?**

- ▲ It is a place of friendship, recreation and out-of-school education.
- ▲ For many years, young (and young-at-heart) travelers have depended upon hostels for safe, inexpensive overnight accommodations.
- ▲ Hostels provide a friendly, informal place to rest after a long day of Alaska adventure.



The  
**ALASKA COUNCIL**

of  
**AMERICAN YOUTH HOSTELS, INC.**

is a member of the

**INTERNATIONAL YOUTH HOSTEL FEDERATION**

a non-profit association organized as a community service to provide year-round opportunities for outdoor recreation and inexpensive educational travel through hostelling.

## What does a hostel offer?

Hostel accommodations vary, but generally:

- ▲ fees range from \$2 to \$5 for one night;
- ▲ visitors may stay as many as three nights;
- ▲ facilities are supervised by adults in the capacity of houseparents;
- ▲ smoking is not allowed within hostels;
- ▲ and alcohol and illegal drugs are prohibited.

## Who can use a hostel?

Hostels are open to anyone with an AYH membership card. AYH membership cards can be purchased at the hostels or at the Park and Forest Information Center, 540 W. Fifth Ave., Anchorage.

## AYH MEMBERSHIPS

(annual, unless otherwise stated)

- \$ 7.00 Junior (17 years and under)
- \$ 7.00 Senior Citizen (60 years and over)
- \$ 14.00 Senior (18 years and over)
- \$ 35.00 Three-year Senior (18 years and over)
- \$ 21.00 Family (Includes children under 18 years, Valid in U.S. and Canada.)
- \$ 35.00 Organization (Non-profit only. Valid in U.S. and Canada.)
- \$140.00 Life (individual lifetime membership)
- \$ 12.00 Foreign Nationals (Including Canadians)

## Where are hostels in Alaska?

Alaska hostels affiliated with American Youth Hostels (AYH) are:

- \* Anchorage Youth Hostel  
32nd Ave. & Minnesota Blvd.  
Box 4-1226  
Anchorage, AK 99509  
(907)276-3635  
or (7-11 p.m.) (907)276-9522
- \* Community United Methodist Church Hostel  
Second & C  
Box 907  
Nome, AK 99762  
(907)443-2865
- \*\* Juneau Youth Hostel  
11th & A  
P.O. Box 1543  
Juneau, AK 99802  
(907)586-6457  
or, for information, (907)789-9229
- \*\* Ketchikan Youth Hostel  
Grant & Main  
c/o United Methodist Church  
P.O. Box 8515  
Ketchikan, AK 99801  
(907)225-2883
- \*\* Sitka Youth Hostel  
505 Sawmill Creek Blvd.  
Box 975  
Sitka, AK 99835  
(907)747-6332  
or, for information, (907)747-6893

- \* operating year-round
- \*\* operating summer only



H B

2 9



HB

41



page 1, lines 15-18:

(c) ~~The commissioner may contract for the underwriting [of the program] and [may contract for the] administration of the program.~~ A contract entered into under this subsection shall be for a maximum of three years [period] and shall be based on competitive  ~~bids.~~ *proposals*

conversations with representatives in the insurance industry indicate that there may be some hesitancy to underwrite a "social" group, whose characteristics are unknown, and that the state may need to underwrite the risk for the initial period of the program until risk factors are proven. Similarly, there may be some difficulty finding a company to sign a three year contract.

page 1. lines 19-23:

(d) The program shall provide for copayments and deductibles, and shall provide for an annual deductible payment for each member and a maximum deductible payment for each family unit.

(e) The program shall provide for the payment of reimburseable institutional and professional charges incurred by a member or covered dependent to a maximum level as determined by regulation. After such level is reached, the program shall provide for 100% of reimburseable charges.

the intent of (d), in addition to guaranteeing the use of copayments and deductibles in the plan, was to insure a type of "catastrophic" coverage to the plan with a limit on the out-of-pocket expenses in any given year to an individual and dependents.

page 3, line 4"

(9) "subsidized medical care" means medical care provided at reduced charge or no charge to an individual and their eligible dependents.

intent is to acknowledge that all types of subsidized care available is not necessarily free of charge.

page 1, lines 13-14

(b) The state health insurance program shall provide professional and institutional benefits at a level specified by regulation

page 1, line 28

their covered dependents

page 2, line 2

their covered dependents

page 2, line 22 insert:

"covered dependent" means any person considered a dependent by the Internal Revenue Service.

"deductible" means a clause in an insurance policy stating that the insurer will pay a percentage of claims remaining after a stipulated amount, paid by the insured party, is deducted.

page 2

"insurance" means prepaid health plans or health indemnity plans

page 2 line 5-6

(b) the commissioner may not pay the insurance premium for a resident and their covered dependents etc.

page 2, line 28

delete: "during the time period has" and add: continually maintains...

reconstructed tax-  
e by expenditures  
unreported income  
mortgage payments  
al drugs, for which  
incarcerated from  
6, 1977. Tax Court  
was entitled to 2 de-  
for his sons. Lin-  
74 T.C. 290.

vided over half her  
certain third-party  
r home nursing care  
claimed her as de-  
152(a) of this title,  
taxpayer was enti-  
exemption under  
tion, since extraor-  
ses paid under Medi-  
gulated from simi-  
ate insurance bene-  
ficially excluded from  
Eureca, v. Com-  
b, followed. Archer  
063.

ho claimed depend-  
-222 and daughter-  
d over half support  
who had no income;  
signed joint return  
ng refund for tax  
ad's reported earn-  
-income of couple did  
of return and no  
ve existed for el-  
separately. Court  
ers were not enti-  
r son, since they  
contributed over  
ct, and (2) taxpay-  
-dependency exemp-  
-ation, since joint re-  
n and daughter-in-  
for refund under  
C.R. 109, and Rev.  
80, which Court ap-  
T. R., 1978, 71 T.C.

entitled to depen-  
-er abuse. (c) of  
r-old son, on rec-  
was not a student  
or half his support  
v. C. I. R., 1977.

entitled to depen-  
-tions for 2 grand-  
-provided total sup-  
-taxable year, since  
-one income of over  
-IRS instruction  
-return, on which  
-child was student,  
-ot apply, did not  
-Bunn v. C. I. R.

old-age assistance  
-ed to petitioner's  
-paid her Medicare  
-e premiums which  
-amount spent by  
-her's support, on  
-vided over half  
-port and was en-  
-dependent, since  
-pend all her old-  
-s on her own sup-  
-plied in determin-  
-ation under Fed-  
-in one of several  
-e characterization  
-et because based  
-arter v. C. I. R.,

father's payments  
a 1962 substantiat-  
e sole support for  
e they resided in  
nce was adduced  
could infer range  
et for children by

others during balance of 1962 when chil-  
-dren were living with mother in her par-  
-ents' home, so that exemptions were  
-disallowed, notwithstanding agreement  
-that father could claim exemptions since  
-section 152(a) of this title requires  
-determination to be made in terms of ac-  
-tual expenditures and not contemplated  
-support arrangement. Brown v. C. I. R.,  
-1967, 48 T.C. 42.

Court in marriage dissolution proceed-  
-ing had jurisdiction to award income tax  
-exemption for minor children to father  
-who was required to make child support  
-payments. Roberts v. Roberts, Mo.App.  
-1977, 553 S.W.2d 305.

Trial court did not abuse its discretion  
-in awarding income tax exemption for  
-minor children to father who was re-  
-quired to make child support payments  
-upon dissolution of marriage. Id.

### 3a. — Age

On facts showing that taxpayers pro-  
-vided more than half support of niece and  
-aunt for each of years 1957-60 and that  
-taxpayer H attained age 65 before end of  
-1959, taxpayers were entitled to depen-  
-dency exemptions for niece and aunt in 1957-  
-60 and to additional exemption, not  
-claimed by taxpayers, for H in 1959-60.  
-Harper v. C. I. R., 1970, 54 T.C. 1121.

### 3b. — Computation

In determining whether, for a given  
-calendar year, an individual has received  
-over half of his support from the taxpay-  
-er and thus is a dependent of taxpayer  
-for federal income tax dependency ex-  
-emption purposes, the amount of support  
-received from the taxpayer must be com-  
-pared to the entire amount of support  
-which the individual has received from  
-all sources. Klatta v. U. S., D.C.Ohio  
-1971, 333 F.Supp. 781.

Where divorced husband had not lived  
-in residence since divorce and his former  
-wife was lessee of residence and was to  
-pay a fixed rental therefor, former wife  
-had the "right to use and possession" of  
-the property and was entitled to be cred-  
-ited with the lodging support for the mi-  
-nor children determining whether hus-  
-band or wife had provided more than  
-one-half support of children for purpose  
-of dependency exemptions for federal in-  
-come tax purposes, notwithstanding hus-  
-band's claims that divorce decree which  
-ordered him to convey real estate in  
-question to wife as alimony, violated oral  
-settlement agreement and that quitclaim  
-deed was invalid. Id.

Arrangements paid by H for child support  
-in 1966 and 1967 in addition to current  
-support were not child support for pur-  
-poses of determining total support for  
-dependency exemption deduction, follow-  
-ing rule which prevents father from  
-claiming exemptions he might not ordi-  
-narily be entitled to by shifting child  
-support payments from one year to an-  
-other. Labay v. C. I. R., 1970, 55 T.C. 6.

### 5. Burden of proof

Taxpayer claiming dependency deduc-  
-tion for taxpayer-husband's 17-year-old  
-son, who was living with his mother  
-from whom husband had been divorced,  
-had burden of establishing that they con-  
-tributed more than one-half of total sup-  
-port of claimed dependent. Schluter v. C.  
-I. R., C.A.Cal.1971, 444 F.2d 107.

### 7. Findings

Classification, whereby person with  
-gross income of over \$600 per year does  
-not qualify as dependency exemption for  
-taxpayer, and child under 19 or full-time  
-student qualifies as dependency exemp-  
-tion, though he has income in excess of  
-\$600, is not unreasonable. Bearangella v.  
-C. I. R., C.A.3, 1969, 418 F.2d 228.

Where no one qualified as dependency  
-exemption of unmarried taxpayer, taxpay-

er was not entitled to compute his income  
-tax as head of household. Id.

Evidence supported Tax Court's finding  
-that divorced taxpayer, who claimed de-  
-pendency exemption, did not provide over  
-one-half of his daughter's support during  
-1963. Pills v. C. I. R., C.A.Va.1968, 390  
-F.2d 650.

Tax Court decision that taxpayer was  
-not entitled to claim exemptions for mi-  
-nor children who were in custody of his  
-former wife was not clearly erroneous.  
-Genco v. C. I. R., C.A.6, 1996, 372 F.2d 129.

## § 152. Dependent defined

(a) General definition.—For purposes of this subtitle, the term "de-  
-pendent" means any of the following individuals over half of whose sup-  
-port, for the calendar year in which the taxable year of the taxpayer be-  
-gins, was received from the taxpayer (or is treated under subsection (c)  
-or (e) as received from the taxpayer):

- (1) A son or daughter of the taxpayer, or a descendant of either,
- (2) A stepson or stepdaughter of the taxpayer,
- (3) A brother, sister, stepbrother, or stepsister of the taxpayer,
- (4) The father or mother of the taxpayer, or an ancestor of either,
- (5) A stepfather or stepmother of the taxpayer,
- (6) A son or daughter of a brother or sister of the taxpayer,
- (7) A brother or sister of the father or mother of the taxpayer,
- (8) A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the taxpayer, or

(9) An individual (other than an individual who at any time during the taxable year was the spouse, determined without regard to section 143, of the taxpayer) who, for the taxable year of the taxpayer, had as his principal place of abode the home of the taxpayer and is a member of the taxpayer's household.

(b) Rules relating to general definition.—For purposes of this sec-  
-tion—

(1) The terms "brother" and "sister" include a brother or sister by the halfblood.

(2) In determining whether any of the relationships specified in subsection (a) or paragraph (1) of this subsection exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child satisfies the requirements of subsection (a) (9) with respect to such individual), shall be treated as a child of such individual by blood.

(3) The term "dependent" does not include any individual who is not a citizen or national of the United States unless such individual is a resident of the United States or of a country contiguous to the United States. The preceding sentence shall not exclude from the definition of "dependent" any child of the taxpayer legally adopted by him, if, for the taxable year of the taxpayer, the child has as his principal place of abode the home of the taxpayer and is a member of the taxpayer's household, and if the taxpayer is a citizen or national of the United States.

[See main volume for text of (4) and (5); (c)]

(d) Special support test in case of students.—For purposes of subsec-  
-tion (a), in the case of any individual who is—

(1) a son, stepson, daughter, or stepdaughter of the taxpayer (within the meaning of this section), and

(2) a student (within the meaning of section 151(c)(4)), amounts received as scholarships for study at an educational organiza-  
-tion described in section 170(b)(1)(A)(ii) shall not be taken into ac-

February 25, 1982

Notes:

Assumptions Related to development of certain attached options.

(1) Alaska Executive and legislative branches probably will not entertain substantial, quantum increases in health care expenditures in FY 1983 budget.

(2) It is doubtful that expenditure or legislative branches will consider seriously for enactment extensive, complex insurance programs which would (a) be costly in public financial outlays or (b) intrude in adverse ways into private and private sector coverages; (HB 41 and two insurance options in Battelle Study). If insurance options appear to be seriously considered time to refine cost impacts will be available related to actual proposals.

(3) Known Federal initiatives being considered to reduce federal health expenditures and current uncertainties regarding federal limits on health expenditures change certain options available to Alaska when study began: eg for example withdrawal from Medicaid; unlimited federal financial participation in new additions of non-mandatory options, assumed 14% increase in Alaska Indian Health budget.

(4) For FY 1983 the Legislature may be willing to approve executive branch proposals limited and conservative in approach as related to:

- (a) limited additional funding;
- (b) limited additional services;
- (c) limited additional eligibles;

ALASKA HEALTH CARE AND FINANCING REVISIONS 1982  
NO ADDITIONAL FINANCING COSTS/COST SAVINGS

	REVISION	COST IMPLICATIONS	COMMENTS/OBSERVATIONS
I	Adopt under Medicaid current General Relief Medical Services: Prescription Drugs, Physical Therapy, Occupational Therapy, Prosthetic Devices and Adult Dental Care (Emergency) (Page 42; Option 6)	0 to \$600,000 (Page 42) (Savings)	Estimated savings; actual savings dependent on "cross-over" experience Indian Health Service Beneficiaries to Medicaid program. Legislative action needed.
II	Patient Cost Sharing: (a) Optional Medicaid Services, (b) General Relief Medical, (c) with Federal waiver Medicaid mandated services (Page 43; Option 7)	\$680,000 (Page 43) (Savings) (\$400,000 General Relief Medical, \$280,000 Medicaid Mandatory Services)	Reduces levels of utilization of services; based on \$2 per visit; \$1 per prescription; Federal waiver required for Mandated Medicaid Services; State Statute should reflect authority to institute patient cost sharing.
III	Prospective Reimbursement/Hospitals	0 to \$220,000 - \$410,000 per year (Savings)	Based on 1981 inpatient expenditures (Medicaid and General Relief Medical) assumes savings in range of 2.5% to 4.6% based on Coelen/Sullivan Study (Page 49). While Battelle estimates savings of \$220,000 to \$410,000, initial Prospective Reimbursement plan may produce increased costs to the State for no more than three years while costs are being more fairly distributed between payors.
IV	Prospective Reimbursement/Nursing Homes	0 to \$1,850,000 Total or \$925,000 State General Fund (Savings)	Based on 1981 expenditures of \$16,800,000. The 1983 Budget Request is \$22,332,000. While Battelle estimates savings of \$220,000 to \$410,000 initial Prospective Reimbursement plan may produce increased costs to the State for no more than three years while costs are being more fairly distributed between payors.

February 25, 1982

ALASKA HEALTH CARE AND FINANCING REVISIONS: 1982  
LIMITED FINANCIAL COSTS/MAXIMUM SERVICES

	REVISION	COST IMPLICATIONS	COMMENTS/OBSERVATIONS
V	Medicare "Buy-in" initiated Alaska participation in Medicare "Part B" for ancillary medical services for Medicaid	\$112,092 Savings	Based on payment by Medicare of \$220,200 less \$108,108 cost to Alaska. (DPA Medicare buy-in computations) 1,298 potential enrollees receiving DPA cash payment and 170 enrollees receiving medical coverage only.

ALASKA HEALTH CARE AND FINANCING REVISIONS: 1982  
LIMITED FINANCIAL COSTS/MAXIMUM SERVICES

February 25, 1982

	REVISION	COST IMPLICATION	COMMENTS/OBSERVATIONS
I	<p>A. Provide premium payment of \$12 monthly for estimated 11,000 Medicare beneficiaries who are not Medicaid-eligible but are medically needy</p> <p>B. Provide premium payment coverage to persons over 65 with annual incomes of \$15,000 or less.</p>	<p>A. \$1,584,000</p> <p>B. \$306,720</p>	<p>A. DHSS needs to develop policy recommendation on how many additional recipients to cover. Approximately 11,000 over 65 Medicare eligible in Alaska (1982) of these 9,000 have Medicare Part B premium (pay premiums out of own pocket). If Alaska picked up all Part B premiums the cost would be \$1,584,000 (11,000 x \$12 x 12 mo)</p> <p>B. Of the 11,000 over 65 persons in Alaska approximately 1/3 have annual incomes of \$15,000 or less; or 3,630 persons. If Alaska paid Medicare Part B premium for those individuals, excluding Medicaid eligibles for whom Part B premiums are otherwise provided: (3,630 persons less 2,300 Medicaid eligibles = 1,330 non Medicaid eligible. Assuming the 750 non-native and 750 native OAA persons should properly be deducted from the 3,630 persons otherwise eligible = 2,130 persons for whom Part B would be purchased (2130 persons x \$12 x 12 mo = \$306,720 required) to cover Part B for over 65 persons with incomes less than \$15,000 not otherwise covered.</p>
II	<p>Increase catastrophic illness coverage</p>	<p>\$1,000,000</p>	<p>Revise regulations related to income and resource criteria and services covered would increase eligibility pool by 100 to 200 families.</p>
III	<p>Admit certain poor children not now covered to Medicaid eligibility: Ribicoff Children.</p>	<p>\$1,500,000 Total cost to state to add both natives and non-natives</p>	<p>This figure is based on a worst-case projection which assumes that IHS would no longer provide services in Alaska. (Assumes 1981 caseload)</p>

ALASKA HEALTH CARE AND FINANCING REVISIONS: 1982 (Continued)  
LIMITED FINANCIAL COSTS/MAXIMUM SERVICES

	REVISION	COST IMPLICATIONS	COMMENTS/OBSERVATIONS
IV	Seek alternatives to nursing home care wherein Medicaid eligible clients could be cared for through case management services, homemaker services, home health aide services, personal care services, adult day health services, habitation services, respite care services, and other services.	May cost \$200,000 for first full year. Cost in future years conditioned upon development of Prospective Reimbursement system for Nursing Homes.	Waiver required from federal DHHS Secretary for these alternatives; amend state plan following the granting of the waiver. One Field case management person to assess needs and coordinate services.
V	Increase dental care for medicaid eligible adults	\$1,000,000 to \$2,000,000 State General Funds depending upon adding Ribicoff Children (FY 83).	Current options do not cover other than emergency care for adults. Cost figure comes from DPA estimate. Statutory changes would be required.



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Pouch Y. State Capitol  
Juneau, Alaska 99811  
(907) 465-3991

March 12, 1982

MEMORANDUM

TO: Representative Thelma Buchholdt

FROM: David Teal, Jon Sherwood, and Leslie Longenbaugh  
Research Staff

RE: Fiscal Note for Health Insurance (HB 41)  
Research Request Number 82-72

This agency was asked to estimate costs related to HB 41, a bill which would implement a statewide health insurance plan. Your office also requested an analysis of several options which are not currently included in HB 41. We have estimated the costs of a health insurance plan under these options, but, as instructed, have not considered any language changes that may be required to adopt the options.

Estimated Costs of HB 41

Table 1 presents estimates of cost under assumptions described in this memorandum. Although we believe we used the best data available to us, we have some questions about the reliability of data used to produce cost estimates and are therefore somewhat uncomfortable about the range of potential error of the estimates.

Table 1  
Estimated Costs of HB 41

<u>Group</u>	<u>Estimated Cost (\$ millions)</u>
Not Covered by Health Insurance	\$14.9
Covered by Private Insurance Plans	7.0
Covered by Employer Insurance Plans	8.1
High Risk	<u>1.0</u>
TOTAL	\$31.0

Source: House Research Agency 3/82

Table 1 shows that the estimated cost of implementing HB 41 is \$31 million, with about half of that cost directed toward those who currently have no health insurance coverage. The estimates in Table 1 do not include 1) administrative costs; 2) adjustments for regional cost differences which were specified in the bill; 3) costs of providing insurance coverage to the Native population; or 4) costs of providing insurance coverage to employees who are currently covered by employer-provided plans and who would find it financially advantageous to switch to the State plan only if "side deals" were made with their employers. A brief discussion of assumptions and of the process used to derive the estimates in Table 1 is included in this memorandum.

The agency was requested to analyze various options related to HB 41. Those options are discussed below. Cost estimates for the options are presented in Table 2.

Table 2  
 Estimated Cost of HB 41 Under Various Options  
 (in millions of dollars)

Option	Non-Natives		All Residents	
	Subsidy for:		Subsidy for:	
	Premiums and Co-Payment	Premiums Only	Premiums and Co-Payment	Premiums Only
HB 41 (per Table 1)	\$31.0	\$25.4	\$55.8	\$45.7
Private Individual Plans Excluded	24.0	19.7	48.8	40.0
90 Day Restriction on Cost Sharing	20.8	17.1	41.6	34.1

Source: House Research Agency 3/82

=====

Premium Subsidy Only. In its present form, HB 41 would subsidize both premiums and out-of-pocket expenses for those below certain income levels. If out-of-pocket--or co-payment--expenses were not subsidized, the cost of all options of the plan would fall by about 19 percent.

Private Individual Plans. If the bill were revised in a way that prevented those currently covered by private individual plans from switching to the State plan, program costs would decline by about \$7 million. The Battelle study assumes that no Natives have private individual coverage, so the estimated costs under this option show the same \$7 million decline for both "non-Native" and "all residents" options.

Restricted Eligibility for Cost Sharing. A provision restricting the cost-sharing features of HB 41 to those who had not had health insurance coverage during the 90 days preceding membership in the State plan could have a significant impact on program costs. If such a provision prevented 50 percent of those covered by employer plans, 75 percent of those covered by private individual plans, and 90 percent of those in the high risk group from switching to the State plan, costs of providing health insurance coverage under the State plan would decline by approximately \$10.2 million for the non-Native group. Expected cost reduction for coverage to all residents would decline by about \$14.2 million.

Permanent Fund Dividends. There was some discussion with your staff on the potential for using Permanent Fund dividends to partially offset the costs associated with HB 41. Unless residents were required to use their dividends to pay a portion of the State's costs, the dividends would reduce the cost to the individual but would not decrease costs to the State.

Due to the uncertainty surrounding the status of Permanent Fund dividends, no accurate assessment of the effect of dividends on HB 41 can be made at this time. Permanent Fund dividends may indirectly reduce costs to the State by increasing the income of individuals and so reducing the level of subsidy for which they qualify. Unless dividends exceed several hundred dollars, this factor should not be significant.

#### Discussion of Assumptions and Methodology

Premium Amount. The estimates in Table 1 of this memorandum are based on monthly premiums of \$130 per household. Although \$130 may be the average health insurance premium in Alaska, it is possibly higher than the current premium that might be expected to apply to a plan such as that described in HB 41. According to Kurt Fortney, of Blue Cross, the average group premium (including vision and dental care) for Alaska's private sector is \$106 per month. Higher deductions and deletion of provisions for vision and dental care can be expected to result in lower premiums, but we do not have an estimate of premiums that may be required for the plan specified in HB 41. Based on premium increases experienced in the last few years, the \$130 figure appears to be a reasonable estimate of costs of insurance coverage in 1983 under HB 41.

Co-payments. In all cases, \$200 was used as the deductible and \$300 as the average individual's share of medical expenses once the deductible is surpassed.

Subsidies. Subsidies were calculated according to the schedule below.

Table 3  
Subsidies for Health Insurance under HB 41

<u>Family Income as a percent of Median Family Income</u>	<u>Premium Subsidy (percent)</u>	<u>Co-Payment Subsidy (percent)</u>
125	0	0
120	10	0
115	20	0
110	30	0
105	40	0
100	50	0
95	60	9
90	70	18
85	80	27
80	90	36
75	100	45
70	100	55
65	100	64
60	100	73
55	100	82
50	100	91
45	100	100

Source: Louann Cutler, Representative Buchholdt's Office

=====

Median Income. Based on information provided by the Alaska Department of Labor, the estimated median income for families of three and four persons was calculated as \$28,555 for 1982. The same information was used to calculate a 1982 median income of \$18,625 for one and two person families. Because we were unable to discover distributions of income according to family size, we used only two groups instead of four separate levels of median income.