

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672

5908 HOUSE LABOR & COMMERCE

8/2

H.B. 171 Fiscal Note Line Explanations:

(Line numbers correspond to line numbers on fiscal summary)

This analysis organizes funding by categories which represent Task Force recommendations and builds on the Governor's proposed increments for those categories. Future year increases reflect only the increased participation rate requirements included in the federal Act.

18. Expanding the statewide nature of JOBS will require more licensed child care to be available in rural areas. The Governor's budget includes contract funds for urban organizations to evaluate facilities seeking child care licensing.

This fiscal note includes \$62,100 in contract funds for rural agencies to conduct facility licensing evaluations. It also includes \$72,144 for a Division of Family and Youth Services (DFYS) central office position and travel funds to oversee both the urban and rural contracts.

23. The Governor's budget assumes a 75-client caseload for State JOBS offices, serving only clients in close proximity to the six State sites: Anchorage, Fairbanks, Juneau, Wasilla, Kenai/Soldotna, and Ketchikan. To offer services to eligible clients in more remote locations requires a case manager able to communicate with them and service agencies by mail and phone, and to travel on a periodic basis to client communities.

This \$62,000 would fund a vocational counselor position and travel funds for a "circuit rider" case manager through an RSA with Department of Labor.

24. The Governor's budget funds intense case management for 25 young parents at one demonstration site. This fiscal note extends those services to two additional sites to serve at least 75 teen parents statewide, which is about half of the non-Native AFDC teen parents without diplomas in 1989.

When the agency proposed a 75-client caseload for JOBS case managers, it assumed that certain clients requiring more intensive services would be served by contractors with special expertise. This is especially true for young parents in high school. These students require much more time and attention than can be provided by a regular JOBS case manager.

25. Another JOBS target population which requires intense case management is the substance abuse group. The Governor's budget provides this vocational counseling support for 25 such clients in one treatment center.

The statewide requirement of H.B. 171 indicates that this service should be in more than one location. This fiscal note therefore would extend the service to an additional 50 clients in two sites. JOBS would contract with treatment centers to provide vocational counseling services to its referrals at the appropriate point in their treatment. This does not represent funding for treatment activities.

26. This line increases State JOBS supportive services by \$89,000 to provide transportation and housing for rural clients who wish to enroll in vocational training courses which are not offered in their communities. For example, students may attend nurses training in Anchorage, or skills training in Seward. It also provides basic support services to the additional statewide clients, which are offered to other clients. These services include books, video classes, tuition, etc. for coursework completed on an independent basis.

31. The federal law requires states to provide Adult Basic Education (A.B.E.) or English as a Second Language (ESL) services to participants who do not pass a literacy test. JOBS can offer these services only in those areas of the state where the Department of Education or other agencies already provide the opportunity, as available.

The Governor's proposed budget includes \$150,000 for A.B.E. to serve a base number of urban

JOBS clients. This is needed so that A.B.E. can meet federal participation requirements for clients to be in a program for 20 hours each week.

It is also needed because A.B.E.'s primary funding source does not allow AFDC clients to move to the head of waiting lists, and A.B.E. funding cuts have resulted in long waiting lists. Because clients often cannot move forward until they improve their basic reading and writing skills, A.B.E. waiting lists keep JOBS clients on AFDC longer.

This line in the fiscal note would further increase Adult Basic Education Services in Alaska as follows, to expand service and reduce waiting lists:

\$270,000

One additional 20 hours/week, 52 weeks/year staff at each of the 18 A.B.E. urban and regional centers to ensure AFDC client service;

\$320,000

Upgrade the current 71 A.B.E. outreach sites to total 20 hour per week programs (currently only 16 rural sites have 20 hour/week programs) to meet JOBS requirements;

\$265,000

Establish 10 new rural A.B.E. outreach sites to operate 20 hours/week, 52 weeks/year to meet statewide requirement;

\$ 45,000

Teacher staff development and teacher training for JOBS requirements (urban and regional A.B.E. staff).

This legislation requires State JOBS to provide basic educational opportunities to its non-Native clients throughout the State. This fiscal note ensures A.B.E. services to JOBS clients statewide.

The federal law requires states to provide educational activities, including high school or equivalent education (combined with training as needed), basic and remedial education to achieve a basic literacy level, and education for individuals with limited English proficiency. JOBS programs are administered by the State and Native grantees through separate federal funding. However, both State and Native JOBS programs must access some of the same services, especially high school, A.B.E. and ESL services.

Therefore, although the State need not fund Native JOBS administration or Native client support, its funding for basic educational and work project items must be adequate for both Native and non-Native JOBS clients. If the State funds A.B.E. in Bethel, for example, it must not be funded only for non-Native AFDC clients.

32. This funds the Task Force recommendation for Parenting Education for AFDC clients as a statewide component. Through contracts with local service providers, this line would enroll 25% of AFDC clients statewide in a 5-evening parenting course at \$200/client. Cost includes transportation and child care. Although not required by the Act, Parenting Training is critical to successful transition into the workforce.
33. The Task Force included Caregiver Education in its recommendations as a necessary accompaniment to "Authorized Care". Caregiver Education will be provided to clients and other unlicensed child care providers whom JOBS clients engage to care for their children while in education and training. It will also be offered to clients who wish to earn income by providing child care.

This \$40,000 item funds seminars and two video tape training programs to be circulated throughout the state.

34. JOBS will increase demand for quality child care. A current shortage of licensed care is attributed in part to the difficulty center operators experience in running cost effective operations. Also, this industry may represent business opportunities for JOBS clients.

This funds five workshops at \$5,000 each to assist providers in developing viable businesses.

35. The Governor's budget assumes that not all JOBS components will be offered statewide. This means JOBS would selectively offer services only in those areas of the state where they are available on a non-reimbursable basis, without purchasing priority service for JOBS clients.

Examples of such component services are vocational education, postsecondary education, work experience, entrepreneurial training, parent training, child care as a business, caregiver training, job clubs, and other peer groups.

The Governor's budget assumes that Job Training Partnership Act agencies will be the sole source of training funds. JTPA Service Delivery Areas (SDAs) have agreed to target serving 350 JOBS clients with its own funding; the Governor's budget includes funds for JTPA to serve an additional 100, for 450 clients statewide.

Not all JOBS components can be funded by JTPA, however.

This fiscal note requests \$900,000 in contract and grant funds so that JOBS can purchase component services from local service providers. These funds may also be used to help establish programs in communities where none exist. This funding will ensure equitable service statewide.

36. H.B. 171 requires the State JOBS programs to explore innovative work projects for UP clients. States with good work requirements have been able to reduce the cash outlay of AFDC benefits by up to 90%. The Governor's budget includes no funds for UP work project development.

This will require a person to work with community groups to develop meaningful, useful programs. It will also require trial periods with alternate payment and accounting systems which the computer cannot immediately accommodate.

The \$400,000 will fund one central office DPA position, travel funds, and demonstration project accounting support. It will also provide \$300,000 in grant funds for non-Native demonstration UP projects operated in conjunction with the private sector and State JOBS programs.

37. Since more than 50% of the UP caseload is expected to be Alaska Native, the Native JOBS organizations will be responsible for operating more than half of the work projects. However, the Native grantees have no particular incentive to establish these projects, unless the state encourages community projects through funding.

This line provides \$500,000 in grant funds for up to three community work projects developed by Native JOBS grantees for UP work projects.

FAMILY SUPPORT ACT OF 1988

HOW DOES IT CHANGE WELFARE IN ALASKA?

WELFARE REFORM

CURRENT

Includes intact, two parent families in AFDC when primary wage earner is unemployed.

Only single parent families are eligible.

On a phased-in schedule, these families must participate in work programs in order to receive benefits.

Alaska currently has no comparable work programs.

Creates "JOBS" - a new employment and training program. JOBS must provide in depth services to the hard to serve, to help families move off assistance.

"WIN" is replaced. WIN has become primarily a job search agency because of reduced funding levels.

Regional Native organizations serve Alaska Native clients in each of 12 ANCSA regions.

State WIN serves Natives in 5 State WIN locations.

Parents exempt until youngest child is 3 years (unless parents are teens).

All parents exempt until youngest child is 6 years.

Other training and education programs coordinate services for welfare clients.

Existing programs have no mandate to serve welfare clients.

JOBS must obtain public comments and SJTCC review of plan.

No review required.

JOBS must target its resources to the hard to serve welfare clients, especially young parents and long term dependent.

No targeted populations.

Teenage parents must work toward H.S. diploma or G.E.D.

No education mandate.

All participants must aim for basic literacy level of grade 8.

No literacy requirement.

Requires child care guarantee.

No child care required.

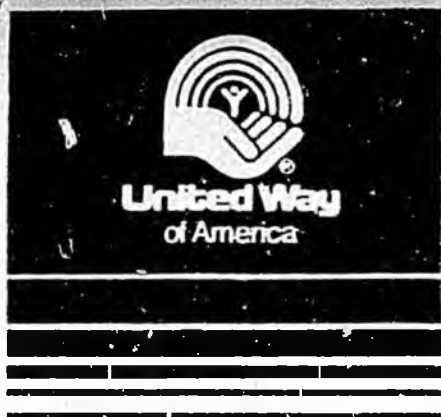
Requires public review of supportive services plan.

No review required.

Requires Transition Benefits when families leave welfare for work.

Up to 12 months of Medicaid.
Up to 12 months of child care on a sliding scale fee basis.

Up to 4 months.
No child care.



The impact of welfare dependency on the economic system

World markets are far more competitive today than ever before in our history. If we are to compete in them effectively and

maintain our nation's prosperity, we must have an adequate supply of well-trained, productive people in the labor force.

Why we need to help people become self-sufficient

Facts about the economy

Changes in the labor market

Without a better system for helping people to overcome barriers to employment, we are almost certain to face an economic crisis. A severe labor shortage is expected

soon as a result of the low birth rates of the 1970s, which will reduce the pool of entrants to the labor force.

□ In 1988, there were only 7.9 million 16-to-19-year-olds in the labor force vs. 9.9 million in 1978. Similarly, 16-to-24-year-olds represented 24% of the labor force in 1978, but will represent only 16% by 1995.

□ In 1988, the unemployment rate fell to 5.5%—the lowest rate in 14 years. Pockets of labor shortages have already appeared, particularly among entry-level workers, and in fields such as food service, nursing, and clerical/secretarial work.

□ An estimated 82% of the entrants to the labor force in the next 12 years will be women and minorities. The growth of the number of blacks in the labor force is double that of whites, and Hispanic growth is expected to be even greater. Although minorities now comprise only 21% of the labor force, they will fill 57% of the new jobs created during the next century. Many women and minorities lack the education and experience to fill the available jobs.

Increasing job skills

At the same time as the labor force will be shrinking, the skill level required for most jobs will be increasing. However, this new labor pool may not be qualified to fill the available jobs.

□ By 1990, more than 50% of all jobs will require education or technical training beyond high school. By the year 2000, the average skill level of all American jobs is expected to increase by 28%, requiring increased reading, writing, and math skills.

□ More than one in seven youths drop out of school. In many urban schools, the rates are 50% or more. Over 50% of all Hispanic youth will drop out of school. School dropouts are two-and-a-half times more likely to be unemployed than those who

graduate.

□ One of every eight 17-year-olds is functionally illiterate, as is one in three welfare recipients, and one in three unemployed people.

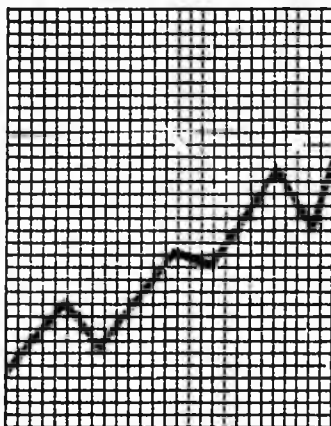
The cost of inaction

Helping individuals become productive not only benefits the economy but also reduces the direct fiscal and social costs of poverty. Allowing a separate underclass to develop is a tragic waste of human potential. Children trapped in a cycle of poverty might otherwise have made significant contributions to the quality of our lives in science, politics, commerce, the arts, or the humanities. What's more, by perpetuating the poverty cycle, we are allowing the costs of dependency and associated problems to increase.

The welfare system

□ The federal government spent \$120 billion on aid to the poor in 1987, compared with \$7.7 billion in 1964.

□ Despite today's increased spending, one in four children lives in poverty. Poor children are much less likely to be prepared adequately to enter the labor market.



□ More than one million teenage girls become pregnant each year. Over 50% of all teenage mothers end up on welfare. They remain there for an average of seven years, while 50% of all welfare recipients stay for only two years. Teenage pregnancies cost the United States over \$16 billion each year in welfare expenditures alone.

□ The lifetime cost of a single alcohol or drug abuser in terms of lost productivity, as well as direct economic burdens, is \$85,000. It is estimated that one in ten adults in the work force suffers from alcohol or drug abuse problems that may threaten their health, their jobs, or their families' safety or stability.

□ Remedial training and lost productivity cost U.S. businesses \$25 billion a year.

□ Each year, dropouts cost America \$240 billion in lost earnings and foregone taxes over their lifetimes.

□ Every \$1.00 spent on early prevention and intervention can save \$4.75 in costs of welfare, crime, and remedial education further down the road.

Aid to Families with Dependent Children (AFDC), typically referred to as welfare, was created during the Great Depression of the 1930s to support widows and orphans. The elderly and disabled are supported through Social Security and Supplemental Security Income. The newly unemployed receive unemployment compensation for a limited number of months through the Employment Security Program.

AFDC is run by the states which set their own eligibility rules and benefit levels within guidelines established by the federal government. Federal funds cover approximately 54% of the costs.

When AFDC was established, women were not expected to enter the labor force, thus income maintenance was an appropriate goal. Today, most welfare recipients are separated, divorced, or never married, and most women in our society, even those with small children, are in the labor force. The realities of life in America have changed, but the welfare system has not changed with them. What is needed today is not an income-maintenance program, but an employment program to help people overcome the barriers to employment, develop skills, and chart a career path out of poverty.



Characteristics of

□ Most welfare recipients rely on welfare for short-term crises—divorce, desertion, unemployment. Approximately half leave the program within two years.

□ However, approximately 17% of welfare recipients remain in the program for more than eight years. At any one time, these long-term recipients make up 50% of the welfare caseload.

□ Long-term welfare recipients are disproportionately black, female, single, teenage mothers, poorly educated, and lacking any work history. Three-fifths of adults on welfare are school dropouts and one-fourth have no work experience.

□ In 1969, only 28% of adults on welfare had never been married. By 1986 this figure had risen to 46%. In 19% of these families the husband has deserted, and in 21% the parents are divorced or legally separated. In only .8% of the families is the father deceased. The remaining families are two-parent families eligible for benefits under the Unemployed Parents Program.

□ In 1984, 37% of welfare recipients worked some portion of the year.

The bottom line

To preserve America's competitiveness and prosperity, and to fulfill the promise of our national values of equal opportunity for all, we need to invest in our human capital. We cannot allow people to fall into poverty and despair without giving them a helping hand. If we don't strive to achieve this goal, we undermine the very foundation of our social and political institutions. We cannot have a strong nation with-

out strong, productive people. We cannot ignore the plight of the millions of poor children who do not have an adequate start in life. They are our future.

To accomplish our goal, we need to form partnerships among the public, private, and voluntary sectors to turn the welfare program into a program that expects welfare recipients to work and truly helps them achieve that goal through appropriate training,

education, and job placement. We must address the problems that perpetuate dependency—problems such as illiteracy, teen parenthood, dropping out of school, and drug and alcohol abuse. We must reduce fear and ignorance and help people develop a strong belief in themselves and their ability to develop positive productive lives.

The impact of welfare dependency on the social system

Welfare recipients

□ Inflation has eroded the value of welfare benefits which are set by the states. They have declined 35% since 1970 when adjusted for inflation. Even when combined with other aid programs such as Food Stamps and low-income energy assistance, the decline is 25%.

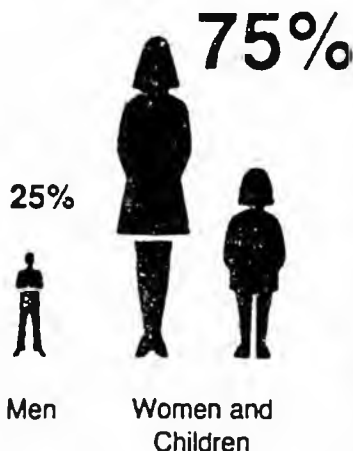
□ Although welfare and other programs for the poor comprise only 10% of the federal budget, they bore 30% of the budget cuts made in 1981 and 1982.

□ Welfare recipients often don't take low-paying jobs because these do not provide health benefits for their children should they become ill. Families on welfare are covered by Medicaid, but benefits terminate abruptly several months after taking a job with no phaseout.

□ Similarly, child-care subsidies, rental assistance, and low-income energy assistance often terminate either at the time of full-time employment or shortly afterwards. By taking a job, welfare recipients can find themselves worse off financially than if they had stayed on welfare.

Poverty population

Poverty is widespread among women and children.



The cornerstone of this nation is a belief in the right to life, liberty, and the pursuit of happiness. We strive to provide everyone with an equal opportunity to achieve his or her hopes and dreams. The openness of our economic and social systems has

enabled many people to achieve great success no matter how humble their beginnings. But that promise is not being fulfilled for many people mired in poverty who need help in turning their dreams into reality.

Facts about poverty

PRESENT SCOPE

□ Today, approximately 34 million of all Americans live below the poverty line. In 1988, the federal poverty line was \$11,650 for a family of four.

□ In 1986, children under 18 represented 39% of the poverty population, while adults represented 50% and the elderly 10.5%.

□ The poverty population includes 8 million families, nearly half headed by a single parent. As many as 95% of the single heads of these households are women. Nearly 40% of all single-parent households are poor, four times as many as two-parent families.

□ Today, 25% of all American children are born into poverty but for Hispanics the figure is 40%; for blacks it is 50%.

□ The majority of those in poverty are white (24 million), 34% are black, and 26% are Hispanic.

□ Not all of the poor are unemployed. In 1984, 32% of all the poor worked some portion of the year. Two million parents, although working full time, lived in poverty.

□ Poverty is not confined to the largest urban areas. In 1980, while 31% of the nation's poor lived in the central cities of the 100 largest urban areas, 21% lived in the suburbs of those cities and 48% lived in smaller urban areas or in rural areas.

GROWTH OF POVERTY

Despite our prosperity, we have seen a stubborn rise in poverty in the past decade. Increasingly, the poverty population is made up of women and children in single-parent households. We need to determine the causes of

these trends, whatever they may be, and begin to take steps to reverse them.

□ In the 1980s, poverty rates have been rising. During the 1970s, the rates hovered between 11% and 12%. In 1982, they rose to a high of 15% and since have declined to 14%.

□ While the greatest decrease in poverty has been among the aged, the greatest increase has been among female-headed households and children. The proportion of blacks in the poverty population has remained relatively stable.

□ Single-parent households with incomes under the poverty level have increased from 2.4 million in 1975 to 3.4 million in 1985. Between 1982 and 1983, increases in the number of these households headed by women accounted for 95% of the increase of poverty among all families.

□ Sixty percent of children born today can expect to live at some time in a single-parent family, 90% of which are headed by women. Divorce accounts for 68% of these families; illegitimacy, 20%; separation, 8%; and death of a spouse only 3%.

□ The number of full-time working poor increased two-thirds between 1978 and 1986.

□ When adjusted for inflation, household income in middle- to low-income ranges has dropped. Between 1973 and 1985, average weekly wages fell 13%. At the same time, family income for those in the middle fifth of the U. S. income distribution dropped 10%, but for the next-to-the-bottom fifth, it fell 20%; for the bottom fifth, it dropped 34%.

□ Inflation has reduced the buying power of the minimum wage, also. When adjusted for inflation in 1986, the minimum wage had 25% less buying power than it did in 1981.

STATE OF ALASKA
THE LEGISLATURE

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Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HOUSE HESS

February 21, 1989

8:00 AM

HB 171

February 9, 1990

8:30 AM

HB 171

Original sponsor(s): REP. ELLIS, Boyer, M.Davis, Brown, Collins,
Spohnholz, Ulmer, Goll, Menard, Koponen, Navarre

1 IN THE HOUSE

BY THE HESS COMMITTEE

2 CS FOR HOUSE BILL NO. 171 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to eligibility requirements for, and
7 assistance granted under, the program of aid to
8 families with dependent children; establishing a
9 training and education program to expand employment
10 opportunities for persons who receive aid to families
11 with dependent children; repealing the work incentive
12 program; and providing for an effective date."

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

14 * Section 1. FINDINGS. (a) In AS 47.25.400, the legislature has
15 declared that a purpose of the program of aid to families with dependent
16 children is to strengthen family life. The legislature finds that this
17 purpose would be promoted by granting aid on behalf of children who are
18 deprived of parental support by reason of the unemployment of a parent. If
19 this aid were authorized, there would be no disincentive to keeping a
20 family intact because aid would be provided even if both parents were still
21 in the child's household. Therefore, one purpose of this Act is to expand
22 the eligibility of children and families to receive aid by including two-
23 parent families who meet the applicable standards.

24 (b) The legislature also finds that persons who receive aid to fam-
25 ilies with dependent children (AFDC) could decrease their dependence on the
26 federal and state welfare systems if they were provided with opportunities
27 for education and training that would facilitate their participation as
28 paid workers in the nation's economy. Therefore, in order to provide these
29 opportunities and to comply with federal law, this Act establishes a JOBS

1 setting.

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

3 (e) Until changed under (f) of this section, the department
4 shall determine the amount of assistance payable for a second adult in
5 a household where a child is dependent because of the unemployment of
6 the principal wage earner according to the same standards it uses to
7 determine the amount of assistance that is payable for a second adult
8 in a household where a child is dependent because of parental mental
9 or physical incapacity.

10 (f) In compliance with federal requirements, the department
11 shall periodically study the standards it uses for determining the
12 amounts of assistance that will be granted under this section. Based
13 on the studies, the department shall adjust the standards and amounts
14 within the maximums established by law. If statutory changes are
15 needed to make the adjustments otherwise required under this section,
16 the department shall report to the legislature its recommendations for
17 changes in law necessary to authorize the adjustments.

18 * Sec. 5. AS 47.25.410(3) is amended to read:

19 (3) "dependent child" means a needy child under 18 years of
20 age, or under the age of 19 and a full-time student in a secondary
21 school or an equivalent level of vocational or technical training that
22 the child is reasonably expected to complete before reaching age 19,
23 who is deprived of parental support or care by reason of the death,
24 continued absence from the home, unemployment, or physical or mental
25 incapacity of a parent, and who is living with a father, mother,
26 grandfather, grandmother, brother, sister, stepfather, stepmother,
27 stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece
28 in a place of residence maintained by one or more of these relatives
29 as the child's home or their own home, and includes a child

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Original sponsor(s): REP. ELLIS, Boyer, M.Davis, Brown, Collins,
Spohnholz, Ulmer, Goll, Menard, Koponen, Navarre

1 IN THE HOUSE

BY THE HESS COMMITTEE

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20 family intact because aid would be provided even if both parents were still
21 in the child's household. Therefore, one purpose of this Act is to expand
22 the eligibility of children and families to receive aid by including two-
23 parent families who meet the applicable standards.

24 (b) The legislature also finds that persons who receive aid to fam-
25 ilies with dependent children (AFDC) could decrease their dependence on the
26 federal and state welfare systems if they were provided with opportunities
27 for education and training that would facilitate their participation as
28 paid workers in the nation's economy. Therefore, in order to provide these
29 opportunities and to comply with federal law, this Act establishes a JOBS

1 (Job Opportunities and Basic Skills) program for AFDC recipients.

2 * Sec. 2. AS 47.25.310 is amended to read:

3 Sec. 47.25.310. ELIGIBILITY FOR ASSISTANCE. The department
4 shall grant assistance to the family of each dependent child and each
5 pregnant woman it determines is eligible for assistance under AS 47.-
6 25.310 - 47.25.420. The department shall apply sanctions authorized
7 under AS 47.25.421(d) for failure to comply with the requirements of
8 the JOBS program established under AS 47.25.421 - 47.25.429, or the
9 requirements of an Indian or Native program approved under 42 U.S.C.
10 682(i) [, OR TO EMPLOYERS UNDER A WORK INCENTIVE PROGRAM ESTABLISHED
11 BY AS 23.15.650, AND BY 42 U.S.C. 633(e)(1) (SOCIAL SECURITY ACT, WIN
12 PROGRAM), AS AMENDED].

13 * Sec. 3. AS 47.25.310 is amended by adding new subsections to read:

14 (b) When determining whether a person has sufficient work his-
15 tory for purposes of qualifying for benefits as the unemployed princi-
16 pal wage earner in a family that includes a dependent child, the
17 department shall consider as quarters of qualifying work up to four
18 calendar quarters in the proper time period in which the person (1)
19 attended on a full-time basis an elementary school, a secondary
20 school, or a federally approved vocational or technical training
21 course that is designed to prepare the person for gainful employment;
22 or (2) participated in an education or training program established
23 under the Job Training Partnership Act (P.L. 97-300). A person may
24 substitute quarters of education or training for quarters of work only
25 once in the person's lifetime to establish eligibility under AS 47.-
26 25.310 - 47.25.420.

27 (c) The department may not require as a condition of eligibility
28 under AS 47.25.310 - 47.25.420 that a minor parent or a minor who is
29 pregnant reside in a particular type of household or institutional

1 setting.

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

3 (e) Until changed under (f) of this section, the department
4 shall determine the amount of assistance payable for a second adult in
5 a household where a child is dependent because of the unemployment of
6 the principal wage earner according to the same standards it uses to
7 determine the amount of assistance that is payable for a second adult
8 in a household where a child is dependent because of parental mental
9 or physical incapacity.

10 (f) In compliance with federal requirements, the department
11 shall periodically study the standards it uses for determining the
12 amounts of assistance that will be granted under this section. Based
13 on the studies, the department shall adjust the standards and amounts
14 within the maximums established by law. If statutory changes are
15 needed to make the adjustments otherwise required under this section,
16 the department shall report to the legislature its recommendations for
17 changes in law necessary to authorize the adjustments.

18 * Sec. 5. AS 47.25.410(3) is amended to read:

19 (3) "dependent child" means a needy child under 18 years of
20 age, or under the age of 19 and a full-time student in a secondary
21 school or an equivalent level of vocational or technical training that
22 the child is reasonably expected to complete before reaching age 19,
23 who is deprived of parental support or care by reason of the death,
24 continued absence from the home, unemployment, or physical or mental
25 incapacity of a parent, and who is living with a father, mother,
26 grandfather, grandmother, brother, sister, stepfather, stepmother,
27 stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece
28 in a place of residence maintained by one or more of these relatives
29 as the child's home or their own home, and includes a child

1 (A) who would come within the meaning of dependent
2 child except for removal of the child after April 30, 1961, from
3 the home of a relative as a result of a judicial determination to
4 the effect that continuation therein would be contrary to the
5 welfare of the child,

6 (B) for whose placement the department is responsible,

7 (C) who has been placed in a foster family home as a
8 result of such determination, and

9 (D) who received aid under this plan in and for the
10 month in which court proceedings leading to such determination
11 were initiated;

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

13 ARTICLE 3A. JOB OPPORTUNITY AND BASIC SKILLS PROGRAM (JOBS).

14 Sec. 47.25.421. AUTHORIZATION TO IMPLEMENT PROGRAM. (a) In
15 order to provide persons receiving aid under AS 47.25.310 - 47.25.420
16 (Aid to Families with Dependent Children) with incentives, opportuni-
17 ties, and necessary services for employment, training, and participa-
18 tion in the nation's economy and to relieve their dependence on the
19 federal and state social services and welfare system, the department
20 shall administer a program of education, training, and job placement
21 entitled JOBS, Job Opportunity and Basic Skills.

22 (b) In implementing the program, the department shall

23 (1) execute on behalf of the state the agreements or con-
24 tracts with appropriate state and federal agencies that are necessary
25 to enable the state to meet the requirements of federal law;

26 (2) receive and expend money made available for the program
27 by the state or federal government;

28 (3) supervise the expenditure of the money and the conduct
29 of the program, ensuring that it complies with state and federal law;

1 (4) make reports and supply certifications that are re-
2 quired in relation to the program; and

3 (5) otherwise cooperate with the federal government and its
4 departments and agencies in the administration of the program.

5 (c) The department may carry out the program directly or through
6 arrangements or under contracts with administrative entities involved
7 with the Job Training Partnership Act (P.L. 97-300), as amended, with
8 state and local education agencies, and with other public agencies or
9 private organizations, including community-based organizations accept-
10 able under federal regulations. The department shall contract for
11 services under the program when feasible and in the state's interest.
12 The department may adopt regulations to govern the operation of the
13 program components that are operated under contract by other entities.
14 Whether the department operates the program directly or through con-
15 tract, the department shall coordinate the program with programs
16 operated in the state under the Job Training Partnership Act and with
17 other relevant employment, training, and education programs available
18 in the state, including programs operated by Indian or Native organi-
19 zations that receive grants from the federal government to operate
20 their programs under 42 U.S.C. 682(i). The department shall consult
21 with the Department of Education, the Department of Labor, and the
22 Department of Community and Regional Affairs to promote coordination
23 of the planning and delivery of services under the program with pro-
24 grams operated by those departments.

25 (d) The department shall adopt regulations setting criteria for
26 determining whether a person is in noncompliance with participation
27 requirements of the program for the purpose of imposing sanctions
28 under the program for nonparticipation and for noncompliance with a
29 participation agreement. The department shall consult with Native

1 organizations that are operating similar programs when developing
2 regulations under this subsection.

3 Sec. 47.25.423. PROGRAM PARTICIPANTS. (a) The department shall
4 require participation in the program by persons required to partici-
5 pate under federal law. Except as provided in AS 47.25.425(f), the
6 department may not require participation in the program by the parent
7 or other relative of a child under three years of age if the person
8 personally provides care for the child.

9 (b) The department may allow applicants for and recipients of
10 aid under AS 47.25.310 - 47.25.420 to volunteer to participate in the
11 program whether or not they are required to participate under (a) of
12 this section.

13 (c) The department shall give priority in the program to the
14 following target populations in the order listed, with further priori-
15 ty in each group being given to persons in families where the depen-
16 dent child's custodial parent is under the age of 20:

17 (1) custodial parents under the age of 24 who have not
18 completed high school or its equivalent and are not enrolled in a
19 course of study;

20 (2) custodial parents under the age of 24 with little or no
21 paid work experience in the 12 months preceding their application
22 under the program;

23 (3) members of families in which the youngest child who is
24 receiving assistance under AS 47.25.310 - 47.25.420 is within two
25 years of becoming ineligible for assistance because of age;

26 (4) members of families who received aid to families with
27 dependent children in at least 36 of the 60 months preceding applica-
28 tion under the program established in AS 47.25.421 - 47.25.429.

29 Sec. 47.25.425. PROGRAM COMPONENTS. (a) The department shall

1 offer to a participant in the program the following types of services
2 and activities to the extent indicated as appropriate by the initial
3 assessment under AS 47.25.427(a):

4 (1) educational activities, including high school or equiv-
5 alent education combined with job training as needed, basic and reme-
6 dial education to achieve a basic literacy level, education for indi-
7 viduals with limited English proficiency, and career training through
8 post-secondary education;

9 (2) job skills training;

10 (3) job readiness activities to help prepare participants
11 for work;

12 (4) job development and job placement;

13 (5) job search requirements;

14 (6) on-the-job training;

15 (7) a work supplementation program;

16 (8) work experience; and

17 (9) other educational, training, or work-related services
18 and activities.

19 (b) The program components required under (a) of this section
20 must conform to the requirements of federal law so as to ensure the
21 maximum federal financial participation in the costs of the program.

22 (c) In consultation with the Department of Community and Region-
23 al Affairs and the Department of Labor, the department shall initiate
24 development of innovative public work programs designed to meet fed-
25 eral requirements related to work activity for a person in a family
26 that receives assistance on behalf of a dependent child who is depen-
27 dent because of the unemployment of the primary wage earner in a
28 two-parent family.

29 (d) To further the purposes of the work supplementation program,

1 the department may use the options allowed under federal law to

2 (1) adjust the levels of the standards of need set by the
3 department under AS 47.25.320(a) to the extent the department con-
4 siders it to be appropriate; the need standards in effect in areas of
5 the state in which the work supplementation program is in operation
6 may differ from the need standards in effect in other areas; the need
7 standards for categories of recipients may vary among the categories
8 to the extent appropriate on the basis of ability to participate in
9 the work supplementation program;

10 (2) adjust retrospective budgeting requirements and the
11 amount of earned income to be disregarded to the extent allowed by
12 federal law so as to encourage participation in the work supplemen-
13 tation program and to decrease disincentives for retaining employment;
14 and

15 (3) supplement jobs in the public and private sectors, as
16 appropriate.

17 (e) In implementing the program component under which a person
18 may pursue career training through post-secondary education, the
19 department shall

20 (1) give priority to participation by persons without a
21 post-secondary degree, persons who were in a post-secondary program of
22 training or education but whose participation was interrupted because
23 of family circumstances, persons who have graduated from high school
24 or hold an equivalent diploma, and persons who need retraining because
25 of changes in the labor market;

26 (2) establish guidelines under which

27 (A) other sources of educational assistance must be
28 exhausted before program money is used;

29 (B) the education must be consistent with the person's

1 employment goal, and the employment goal must be consistent with
2 the job market of the state;

3 (C) the education must take place in the state unless
4 a particular type of training is not available in the state; if
5 out-of-state education is approved, the department shall contract
6 for supportive services for the participant at the location of
7 the education, when feasible;

8 (D) the maximum training cost for books, tuition, and
9 associated education fees is \$2,000 a year;

10 (3) require full-time student status after the initial six
11 months for each participant and maintenance of a "C" average in graded
12 programs or "passing" grades in pass/fail programs.

13 (f) In the case of a person who is a custodial parent under the
14 age of 25, has not successfully completed a high school education or
15 its equivalent, and is receiving aid under AS 47.25.310 - 47.25.420,
16 the department shall require the person to participate in educational
17 activities directed toward the attainment of a high school diploma or
18 its equivalent on a full-time basis. This requirement is applicable
19 to a person who might otherwise be exempt from full-time participation
20 under regulations of the department because the person personally
21 provides care for a child under the age of six. Notwithstanding
22 AS 47.25.423, this requirement is also applicable to a person who
23 might otherwise be exempt from participation because the person per-
24 sonally provides care for a child under the age of three.

25 Sec. 47.25.427. PROGRAM OPERATION. (a) The department shall
26 ensure that the program is operated under a case management system.
27 Under an agreement described in (d) of this section, the department or
28 the appropriate contractor shall assign each participant to the vari-
29 ous components of the program based on an assessment of the

1 participant's

2 (1) family circumstances;

3 (2) needs for education, child care, and other supportive
4 services;

5 (3) skills, prior work experience, and employability.

6 (b) If the assessment required under (a) of this section indi-
7 cates that more than one available program component would be appro-
8 priate for a participant, the department shall assign the participant
9 to the available appropriate component chosen by the participant.

10 (c) To the extent allowed by federal law, the component options
11 available to persons who are members of families where two parents are
12 living in the household must be the same as those available to persons
13 who are members of families where only one parent is living in the
14 household.

15 (d) The department shall require the participant, or the adult
16 caretaker in the family of which the participant is a member, to
17 negotiate and enter into an agreement with the department that spec-
18 ifies the participant's obligations under the program, the duration of
19 participation in the program, and the activities to be conducted and
20 the services to be provided in the course of the participation. The
21 agreement must also include a description of what sanctions may be
22 imposed on the participant for noncompliance with the agreement and
23 how noncompliance will be determined. The department shall provide
24 the participant with whatever assistance is needed to review and
25 understand the agreement. The participant and an authorized represen-
26 tative of the department shall sign the agreement.

27 (e) Notwithstanding AS 47.25.423(a), the department may not
28 require a person to participate in the program unless the department
29 agrees to pay for

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

3 (2) other work-related expenses or expenses related to
4 participation in a training program under AS 47.25.421 - 47.25.429, as
5 determined by the department; this paragraph does not require the
6 department to pay for the cost of tuition and books required for an
7 educational activity approved under the program.

8 (f) The department shall operate the program in a way that
9 complements, where possible, similar programs operated by Indian or
10 Native organizations under 42 U.S.C. 682(i). The department shall
11 avoid duplicating Indian or Native program efforts and, where appro-
12 priate, may negotiate agreements under which a client who is eligible
13 under either (1) an Indian or Native program or (2) the state program,
14 may be served by the other program without a change in funding source
15 for the services provided.

16 Sec. 47.25.429. DEFINITIONS. In AS 47.25.421 - 47.25.429

17 (1) "department" means the Department of Health and Social
18 Services;

19 (2) "participant" means a person who participates in the
20 program;

21 (3) "program" means the JOBS program established under
22 AS 47.25.421 - 47.25.429.

23 * Sec. 7. AS 23.15.650 is repealed.

24 * Sec. 8. DEMONSTRATION PROJECT. The Department of Health and Social
25 Services shall seek authority and funding from the federal Secretary of
26 Health and Human Services to conduct a demonstration project under sec. 503
27 of the Family Support Act of 1988 designed to evaluate the comparative cost
28 and employment effects of an alternative definition of unemployment that
29 could be used for purposes of granting aid to families with dependent

1 children who are dependent because of the unemployment of the family's
2 principal wage earner. In the demonstration program, if approved by the
3 federal government, the department shall explore the option of eliminating
4 from the definition any requirement relating to the number of hours worked
5 in a given time period.

6 * Sec. 9. The Department of Health and Social Services shall explore
7 the possibility of developing an innovative program of education and train-
8 ing designed for two-parent families who receive aid to families with
9 dependent children. The department shall consider including in the program
10 elements related to participation by both parents, participation for more
11 than 16 hours a week, combining work experience and education components to
12 satisfy work history requirements, and the use of alternative work experi-
13 ence programs. If the department determines that statutory changes are
14 needed to implement this type of innovative program, the department shall
15 recommend the necessary changes to the legislature if they involve state
16 law and seek federal approval if they involve federal law.

17 * Sec. 10. This Act takes effect October 1, 1990.
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19
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29

THE FOLLOWING DOCUMENT HAS
NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL
FILE

ALASKA'S FAMILY SUPPORT TASK FORCE

FINAL REPORT

December 1989

Co-Chairmen:
Senator Rick Uehling
Representative Johnny Ellis



HB

178

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 17, 1990

FURTHER REFERRALS: JUDICIARY
FINANCE

Date of Committee Action: 3/20/90

The ~~LABOR & COMMERCE~~ Committee considered:

HB 178

HOUSE BILL NO. 178

TORT LIABILITY RELATED TO FOSTER CARE

"An Act relating to civil liability and uninsured property losses related to foster children."

RECOMMENDATIONS:

- be replaced with CS HB 178 (L+C) the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:
(Date/Dept)

- fiscal impact Admin.
- zero fiscal note Comm & Econ
- zero with analysis _____
- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:
(Check approp. column)

[Handwritten signatures and names: Greenberg, Boyer, Finkelstein, Boucher]

	Do Not Pass	No Rec	Amend
<i>[Signature: David Donley]</i> Donley	X		
<i>[Signature: David A. Lerman]</i> Lerman		✓	
<i>[Signature: John Collins]</i> Collins	X		

[Handwritten signature: David Donley]

Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to indemnity of BRU: Risk Management
foster parents.
 Sponsor: HESS Components: _____
 Requestor: Labor and Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	900.0	900.0	900.0	900.0	900.0	900.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	900.0	900.0	900.0	900.0	900.0	900.0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

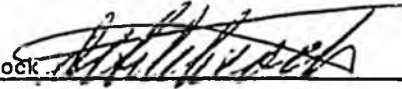
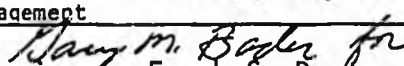
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	900.0	900.0	900.0	900.0	900.0	900.0
TOTAL	900.0	900.0	900.0	900.0	900.0	900.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This fiscal note is very difficult to estimate since the possible loss exposures are "open ended" on over 800 foster homes plus 35 residential facilities and past claims experience detail is lacking. The attached explains the reasoning used in arriving at the fiscal note estimate.

Prepared by: Donald J. Hitchcock  Phone: 465-2180
 Division: Risk Management Date: 3-23-90
 Approved by Commissioner: Frank S. Baxter  Date: 3-23-90
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Continuation of Fiscal Note Analysis for CSHB 178 (HESS)

This bill provides for the protection of foster parents against loss or damage to tangible property-owned by the foster parent if the loss is not covered by insurance. The protection provided is excess of \$100.00 (\$100.00 deductible) per incident, without limitation, and is "all risk," covering fire, theft, vandalism, or any other type of damage allegedly caused by the foster child. Tangible property includes dwellings, money, jewelry, electrical appliances, furniture, plants, automobiles, etc.--any real or personal property-owned or in the custody of the foster parent.

This committee substitute further expands the fiscal impacts estimated for the previous bill version by extending the indemnification commitment to all "out-of-home care providers."

The bill also repeals the statute which provided civil immunity for the acts of the minors in a foster, receiving or detention home. Given the new indemnification commitment, the state may be held responsible to pay for damages if no insurance protection is available.

Also, with loss of immunity the State and the foster parent may be exposed to subrogation action on behalf of the insurance companies. In other words, the State may have to reimburse insurance companies who have paid for damages caused by the foster child. Such losses may include a burned home, stolen jewelry or any type of public liability caused by the child.

We have no actual loss statistics in order to project the State's estimated loss costs, however, we are advised that there are currently approximately 3,000 positions for foster care children in foster homes or residential care facilities, we have estimated average loss of \$300 per foster child. Our projections are based on the increased indemnification commitment as well as an escalated responsibility for third party claims.

Since all Risk Management funding is collected through Reimbursable Services Agreement (RSAs) from the agencies, this request would be added to the Department of Health and Social Services insurance RSA billing from the Division of Risk Management.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
 Title: An Act relating to civil liability and uninsured property losses related to foster children BRU: Insurance
 Sponsor: HESS Committee Components: Operations
 Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate sheet if necessary) No fiscal impact in FY 90.

The bill does not impact the division.

Prepared by: Joan Brown, Administrative Officer Phone: 465-2597
 Division: Insurance Date: 2/2/90
 Approved by Commissioner: Larry Merculieff Date: 5/2
 Agency: Department of Commerce & Economic Development

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 15, 1989

FURTHER REFERRALS: LABOR & COMMERCE
JUDICIARY

Date of Committee Action: 1/14/90

The HEALTH, EDUCATION, & SOCIAL SERVICES Committee considered: HB 178

HOUSE BILL NO. 178 [TORT LIABILITY RELATED TO FOSTER CARE]
"An Act relating to civil liability and uninsured property losses related to foster children."

RECOMMENDS:

- replacing with CS HB 178 (HESS) the same title
- the attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the FINANCE Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact
- zero fiscal note
- zero with analysis

APPROVES PREVIOUS:

- fiscal note(s) published: _____
- zero fiscal notes(s) published: _____

SIGNING DO PASS:

J. Ellis
W. Hunkeler
W. Hunkeler
Cheri Davis
Mark Boyer
Peter Jure

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

J. Ellis
 Chairman's signature

Outline of changes to CS HB 178 (HESS)

1. Expands indemnity to all uninsured, non-punitive civil damages related to foster care of children.
2. Changes coverage of the bill to out-of-home care provider which is defined to include all those out-of-home care providers of children in state custody.
3. Changes reimbursement for property damage section to require that out-of-home care providers document that the loss was caused by the child and file a report with law enforcement if the department requires.
4. Limits indemnity and reimbursement for damages caused and civil actions that arise from activities of the child during the period which the child was committed to the foster parents care.
5. Repeals AS 34.50.020(b), existing law which provides state and out-of-home care provider immunity for property damage caused by foster children.
6. Provides that the state may seek reimbursement from out-of-home care providers when the state provides indemnification for damages caused by the out-of-home care providers' willful or intentional misconduct.
7. Amends insurance statutes to prohibit discrimination against out-of-home care providers in sale of home owner and home fire/accidental loss policies and prohibit writing damage caused by foster children out of the coverage such policies provide.
8. Gives the state the right to defend the out-of-home care provider against claims where the state must provide indemnity.

DLNNIS M. MESTAS
MICHAEL J. SCHNEIDER

Mestas & Schneider, P.C.

880 N STREET, SUITE 202
ANCHORAGE, ALASKA 99501-3298

AREA CODE 907
277-4551

January 30, 1990

VIA FAX AND MAIL

Representative Dave Donley
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

Re: CS for House Bill 178: "An Act Relating to Indemnity
of Foster Parents and Foster Parents' Uninsured Property
Losses Related to Foster Children."

Dear Representative Donley:

The most recent draft of this bill (received by me on January 29, 1990), does not appear to immunize the state of Alaska or foster parents from liability to those who are injured or damaged as a result of negligent conduct. Because this bill, in its present form, does not appear to limit victims' rights, I have no objection to the present form of the bill.

Thanks for your consideration.

Sincerely yours,

MESTAS & SCHNEIDER, P.C.


Michael J. Schneider

kc

cc: Kent Dawson (via fax)

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



P.O. BOX V, JUNEAU 99811
(907) 465-3759

STATEMENT ON HB 178
by the
HOUSE HESS COMMITTEE

House Bill 178 "tort liability related to foster care", was introduced as one of a package of measures proposed or supported by the House HESS Committee, as a result of the Committee's interim comprehensive review of the state's child protection and foster care systems. This bill responds to testimony presented at hearings in the fall of 1988 regarding the effectiveness of the state's foster care system.

HB 178 is similar to HB 258 which was heard by the House HESS Committee in the last legislature. It incorporates several suggested amendments to that bill. This measure is designed primarily to aid in the recruitment and retention of foster parents.

Section one relieves foster parents, state employees and representatives of the state of most civil liability associated with the care of foster children, except civil damages resulting from gross negligence or reckless or intentional misconduct.

Section two guarantees that property damages in excess of \$100 dollars caused intentionally by a foster child will be covered by the state, if there is otherwise no insurance coverage for such losses. The state may continue to cover losses up to \$100.

POSITION PAPER

HOUSE BILL NO. 178

For an Act entitled: "An Act relating to civil liability and uninsured property losses related to foster children".

Section 1 of this bill provides foster parents, state employees, and representatives of the state with immunity from liability for acts or omissions of a foster child placed in care of the foster parent. The bill also provides immunity from liability for negligent acts or omissions of the foster parents, state employees, or representatives of the state that result in harm to a child placed in a foster parent's care under AS 47.

Section 1 would relieve foster parents, state employees, and representatives of the state of virtually all liability for their own acts or omissions, except those which were intentional or grossly negligent. The Department supports this section of the proposed legislation.

Section 2 mandates the Department to reimburse a licensed foster parent for lost or damage exceeding \$100 on uninsured tangible property that was harmed by the intentional misconduct of a foster child in the foster home.

The ability of foster parents to obtain and afford insurance and to collect because of loss damage to property is erratic at best, creating a hardship. Should a foster parent's natural child destroy property, the insurance company will pay. If foster children destroy property, foster parents are finding it more difficult, if not impossible, to collect damages. Should they be able to collect for damages, the foster parents can expect their insurance rates to increase.

Additionally, the issue of potential property losses by foster parents has been problematic to the Department because of the costs involved and as a factor increasing the difficulty of recruiting and retaining foster parents. Foster parents generally have been told by their insurance companies that they are not protected from loss or damage to their property caused intentionally by a foster child in their care. The Department of Administration, Division of Risk Management has verbally advised the Department of Health and Social Services that this may be incorrect, but to date it has not been tested through litigation, and there is no definitive answer.

In the absence of a definitive answer to this problem, and in the face of refusal of private insurers to cover such claims, the Department has chosen to reimburse foster parents for their documented losses upon request. Though the Department has been under no legal obligation to reimburse foster parents for such losses and has received advice against the practice, a policy

Position Paper
House Bill No. 178
Page 2

decision was made to continue doing so in order to facilitate retention of qualified foster parents. However, there is no statutory basis or dedicated funding for making such reimbursements. Currently, reimbursement for foster parent losses is made from funds budgeted to meet the needs of children in foster care. Use of these funds to cover foster parent losses causes several problems, including:

1. decreased money available to meet the needs of children in care;
2. several limitations on the amount of funds available to cover losses; and
3. inequity in reimbursement because, although these funds are used for dual purposes, they must be allocated between regions based on child foster care placements and needs of children rather than on the basis of unpredictable foster parent losses, with the result that losses in one region may not be covered because of insufficient funds, while losses in another region are reimbursed.

This mechanism has been functionally unsatisfactory and potentially insufficient to deal with even a single large universal property loss (such as destruction of a foster family home by an intentionally set fire). Fortunately, recent losses have been relatively small when compared to potential loss. However, the Department cannot estimate the cost, should this bill become law. There will be an increase in claims, the degree of which cannot be determined at this point.

While not intentional, Section 2 of the bill, in fact, creates an adversarial relationship between foster child and foster parent, if the only way a foster parent can collect for damages is by proving the child's intentional misconduct contributed to the loss of or damage to the property. This places the foster parent in the position of proving the foster child's behavior was deliberate. In some cases it will be the foster child's word against the word of the foster parent. It is not necessary nor desirable to place foster children and foster parents into an adversarial relationship. In addition, recovery by foster parents for damages to their property will be limited. Eliminating the requirement

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House Bill No. 178
Page 3

that the damage was intentional will allow the foster parent to claim for accidental damages.

The Department recommends that additional funds be budgeted specifically to reimburse foster parents for their losses, with administration of these funds and determinations on reimbursement to be made by the Division of Risk Management commensurate with accepted insurance practice.

DEPARTMENT POSITION

The Department supports Section 1 of HB 178, which would extend immunity protection to state employees, representatives of the state, and foster parents. However, because the delicate relationship between those being cared for and those caring for children in out-of-home placement would deteriorate or be destroyed with the necessity of proving intentional damage to property, the Department recommends that Section 2 be deleted from HB 178 and that funding be appropriated to pay for damages based on accepted insurance practice. Administration of these funds and determination of reimbursement is most appropriate in the Division of Risk Management, Department of Administration.

RECOMMENDED: *Yvonne M. Chase*
Yvonne M. Chase, ACSW
Director
Division of Family
and Youth Services

DATE: 3/8/89

APPROVED: *Myra M. Munson*
Myra M. Munson
Commissioner
Department of Health
and Social Services

DATE: 3/8/89

State of Alaska

HB 178

Committees

CO-CHAIR, HOUSE JUDICIARY
VICE-CHAIR, HOUSE LABOR AND COMMERCE
HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES



P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4712
465-4968/4986
(SESSION)

914 CLAY COURT
ANCHORAGE, ALASKA 99503
(907) 276-6844

Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

MEMORANDUM

TO: Members of the HB 178 Working Group
FROM: Max Gruenberg *MFG*
DATE: March 7, 1990
RE: Soliciting comments on proposed draft of HB 178.

I would very much appreciate it if you would review the enclosed draft of HB 178. I have identified some problems areas with the draft as written, but I think this is a good starting point from which to start discussion on the bill.

Please contact me or my staff attorney Mark Handley at 465-4968 if you have any questions or comments by 5:00 p.m. Monday, March 12.

Thank you.

6-0752D
Lauterbach
2/10/90

Original sponsor(s): HESS Committee

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 178 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to liability and insurance for acts
7 or omissions of or harm to children in the custody of
8 the state; and providing for an effective date."

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

10 * Section 1. AS 21.36.090(c) is amended to read:

11 (c) A person may not make or permit arbitrary or unfair dis-
12 crimination between insureds or property having like insuring or risk
13 characteristics, in the premium or rates charged for a policy or
14 contract of property, casualty, surety, marine, wet marine or trans-
15 portation insurance, or in the dividends or other benefits payable on
16 the insurance, or in the selection of it, or in any other of the terms
17 and conditions of the insurance. Arbitrary or unfair discrimination
18 prohibited under this subsection includes consideration of the pres-
19 ence of foster children in a home as being a different risk charac-
20 teristic than the presence of natural children in a home in relation
21 to property or casualty insurance of a foster parent.

22 * Sec. 2. AS 47.35 is amended by adding new sections to read:

23 Sec. 47.35.110. INDEMNIFICATION OF FOSTER PARENTS. (a) The
24 state shall indemnify a foster parent, a state employee, and a rep-
25 resentative of the state for uninsured civil damages that are a result
26 of

27 (1) acts or omissions by a foster child that occur while
28 the child is under the care of the foster parent under this title; or
29 (2) negligent acts or omissions by the foster parent, state

1 employee, or representative of the state that result in harm to a
 2 foster child placed in the care of the foster parent under this title
 3 if the acts or omissions occur while the child is under the care of
 4 the foster parent.

5 (b) This section does not apply to civil damages that are a
 6 result of wilful or intentional misconduct of a foster parent, state
 7 employee, or representative of the state.

8 (c) For purposes of indemnification for damages for harm to the
 9 foster child caused by an act or omission of the foster parent occur-
 10 ring while the foster child is in the foster parent's care under this
 11 title, "intentional misconduct of a foster parent" under (b) of this
 12 section includes intentionally allowing a foster child to engage in an
 13 activity prohibited by the department in regulations adopted under (e)
 14 of this section.

15 (d) Notwithstanding AS 09.17.080(d), the state is liable for
 16 full civil damages for personal injury to a foster child under (a)(2)
 17 of this section if the injury is the result of intentional misconduct
 18 of the foster parent as described in (c) of this section. The state
 19 may seek indemnification from the foster parent for damages it pays
 20 under this subsection to the extent that the foster parent's inten-
 21 tional misconduct contributed to the child's injury.

22 (e) The department shall by regulation specify activities in
 23 which a foster child may not engage. The regulations must be detailed
 24 in nature, specifically describing or naming the prohibited activity.

25 Sec. 47.35.120. UNINSURED PROPERTY LOSS. (a) Subject to (c) of
 26 this section, the division of risk management, Department of Adminis-
 27 tration, shall reimburse a licensed foster parent for the uninsured
 28 loss of, or uninsured damage to, tangible property under the lawful
 29 control of a foster parent to the extent that the loss or damage

1 exceeds \$100 if the loss or damage resulted from the misconduct of a
2 child in the custody of the state who was placed in the care of the
3 foster parent under this title.

4 (b) Under the conditions described in (a) of this section and
5 subject to (c) of this section, the division of risk management may
6 reimburse a foster parent for an uninsured loss or uninsured damage
7 that does not exceed \$100.

8 (c) In order to be reimbursed under (a) or (b) of this section,
9 the foster parent shall provide evidence satisfactory to the division
10 that the loss or damage was caused by an act or omission of the child
11 that occurred while the child was in the custody of the foster parent.
12 Before reimbursing a foster parent under (a) or (b) of this section,
13 the division may also require the foster parent to report the loss or
14 damage to appropriate law enforcement authorities.

15 * Sec. 3. AS 34.50.020(b) is repealed.

16 * Sec. 4. The Department of Health and Social Services shall notify the
17 revisor of statutes and the lieutenant governor in writing when it has
18 adopted regulations under AS 47.35.110(e), enacted by sec. 2 of this Act.
19 The notice must specify the effective date of the regulations.

20 * Sec. 5. AS 47.35.110(c) and (d), enacted by sec. 2 of this Act, take
21 effect on the effective date of the regulations adopted by the Department
22 of Health and Social Services under AS 47.35.110(e), enacted by sec. 2 of
23 this Act.



Alaska Foster Parents Association

P. O. BOX 140651 • ANCHORAGE, ALASKA 99508



POSITION PAPER HB 178 LIABILITY OF FOSTER PARENTS

Alaska Foster Parent Association supports this legislation which would address civil liability and uninsured property losses of foster parents. The importance of this legislation is far reaching and will positively impact the entire foster care system.

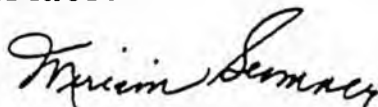
Limiting the liability of foster parents is a national priority whose time has come. Fear of liability has severely limited the recruitment and retention of foster homes. Valuable foster parents have been lost when they realize that they could be liable for acts or omissions and are possibly jeopardizing their income and property by volunteering to be foster parents. It is difficult to recruit foster homes when they have no liability protection or liability insurance.

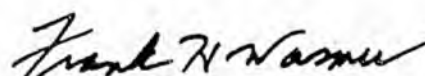
We do want recognition that foster parents may make mistakes, but do not want to exempt foster parents from negligent acts. Therefore, we suggest deletion of the word negligent on line 16.

Reimbursement to foster parents for loss or damage is important, especially when foster parents are reimbursed only for cost of care. Since many of the children and youth are emotionally damaged, they "act out" their anger, hurt, and frustrations in many ways, including damage. This is not intentional misconduct, but a normal reaction to the rage found in abused and neglected youngsters. We suggest deletion of the word "intentional" on line 27.

At some time, the \$100.00 limit needs to be addressed and defined. Does this \$100.00 limit refer to each incident or to an accumulation over a set time frame? Some youth create damage or loss that clearly exceeds this \$100.00 limit, while others are regularly destructive. Each incident may be relatively minor but could amount to several hundred dollars per month.

We feel an additional section needs to be added to this bill to provide for coverage of costs to the foster parents for medical attention or psychological intervention needed to correct problems caused by a foster child in state custody. This might be for medical attention for a foster youth assaulting a foster parent or their children. Or it might be therapy and/or medical treatment if a foster youth physically or sexually abuses a member of the foster family. Although these occasions are not common, the damage is disastrous and a real financial burden to foster parents.


Miriam Sumner
President


Frank H. Wasmer
Vice President

MEMORANDUM

State of Alaska

TO: The Honorable Johnny Ellis
Chairperson
House HESS

DATE: March 16, 1989

FILE NO: 790/10755

TELEPHONE NO: 465-3170

THRU:

SUBJECT: Committee Request

FROM: Yvonne M. Chase, ACSW *YMC*
Director
Division of Family
and Youth Services
Department of Health
and Social Services

During the hearings in foster care week, the HESS committee requested copies of the Division's policy and procedural manual for the youth corrections section of this agency. This manual has recently been revised; the family services section's manual is in the final stages of revision and will be sent to the printer before the end of March. I would also be happy to provide the committee with copies of that manual as soon as they are available. I have attached a memo from Richard Illias, the field administrator for youth corrections, which addresses the specific question of the committee.

YMC:jsd

Attachments

MEMORANDUM

State of Alaska

TO: Yvonne Chase, Director
Family & Youth Services


DATE: March 19, 1989

FILE NO:

TELEPHONE NO:

THRU:

SUBJECT: Special Needs

FROM: Dick Illias 
Youth Corrections Administrator

I understand that foster parents recently raised a concern during a legislative hearing that Youth Corrections required them to provide a police report before approving a special needs request for damages or loss. That is not true.

The Youth Corrections policy and procedure manual covers this issue in the last paragraph of page 153 and in sub-paragraph #5 on page 154. If the financial loss was caused by theft or criminal mischief, the foster parent must report the incident to the local law enforcement agency. Foster parents are not required to produce a copy of the police report. The requirement to report the loss to a local law enforcement agency is contained on the instructional sheet accompanying DFYS form #06-3440, titled "Foster Parent Report of Stolen/Damaged Property or Personal Injury". The documentation is provided in a section of the foster parent report. A copy of the report form and instructions is contained in the Youth Corrections procedure manual appendix, page #5.a.1 & 2.

A request for special needs will not be denied because a foster parent is unable to document the police report number. If a foster parent documents the date, time, and police agency notified; Youth Corrections staff may accept that information as documentation or may directly request additional information from the law enforcement agency. Ordinarily we would request additional information because the police investigation report may provide evidence to determine the foster child's responsibility.

Prior to final approval of a special needs request to reimburse a foster parent for damages or loss, it must be determined if the youth in foster care was responsible for the loss or damage. The potential for the youth to directly reimburse the foster parents through restitution is also examined as an alternative to special needs approval. If the loss or damage was the result of a law violation by a foster child, a court order for restitution may be obtained. Approval of a special needs request may be delayed while this information is being gathered by Youth Correction's staff. If there is insufficient evidence to determine that a youth in foster care was

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

MEMORANDUM

State of Alaska

TO: Yvonne Chase, Director
Family & Youth Services

DATE: March 13, 1989

FILE NO:

TELEPHONE NO:

THRU:

SUBJECT: Special Needs

FROM: Dick Illias 
Youth Corrections Administrator

I understand that foster parents recently raised a concern during a legislative hearing that Youth Corrections required them to provide a police report before approving a special needs request for damages or loss. That is not true.

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Yvonne Chase
3/13/89

Page 2

responsible for damage or loss, then the special needs request may be disapproved. Reference page 134, paragraphs #4 and #7 of the Youth Corrections procedure manual and the instructions on the Foster Parent Report of Stolen/Damaged Property.

DI/br

Legislative Audit continues to support a better management information system for DFYS. Ending the need for maintaining both an antiquated automated payments system and a manual information system would allow overburdened line staff to devote more time to actual social work. The need for timely, accurate, pertinent information is absolutely critical to the effective management of a division as large, complex, and geographically dispersed as DFYS.

Recommendation No. 3

DFYS should develop standardized foster care procedures and encourage compliance through improved training and supervisory review. In addition, DFYS should continue working toward improved relations with foster parents in order to sustain a more viable foster care program.

Foster care costs have increased by more than two-thirds in the last three years to over \$6.3 million in FY 86. Over the last five years, foster care expenditures have almost doubled while there has been little growth in residential care expenditures making foster care even more important to DFYS' service delivery system. The increasing use of foster care has also resulted in more difficult children being placed in the care of foster parents.

Our current review revealed several areas in foster care which would benefit from increased DFYS commitment:

1. Licensing activities are not in compliance with DFYS procedures due to lack of timeliness.
2. Complaints are not classified and investigated consistently and often are not adequately documented.
3. Augmented rates for specialized foster care are not being equitably administered.
4. Training provided varies across the state and is rarely documented in foster parent files.
5. Foster parents are not fully informed about liability and loss which may result from foster care.
6. Relations between DFYS and foster parents are often less than cooperative.

Many of these deficiencies were identified in a 1983 Legislative Audit report. Management should review the situation in each area and act according to DFYS priorities.

Foster parent orientation classes prior to licensing, while others use a home visit and an informal review of the regulations as orientation for foster parents.

During FY 86, DFYS contracted with the Alaska Foster Parent Association to provide statewide ongoing training. The contract required DFYS to jointly participate in implementation, however, DFYS did little to facilitate the successful completion of this contract. The training that was provided was geographically limited and of questionable value to some of the purported beneficiaries.

Foster parents who want training have been obtaining it through their local foster parent associations, college classes, and training sponsored by DFYS. In recent years, DFYS has been considering the possibility of requiring a certain amount of training to receive and maintain a foster care license. Those foster parents receiving augmented rates under the Youth Services program are currently required to have a certain amount of training. In our review of foster home license files across the state, we found only Southcentral Youth Services files to reflect a record of training received.

Increased DFYS commitment to foster parent training would not only promote better relations between foster parents and DFYS, but would also provide DFYS with a more qualified pool of foster parents. A multi-media self-study program such as that being developed by Southcentral Youth Services may be a cost-effective method for providing statewide training. Maintaining a record of training received in each foster home file would make it easier for those making placements to match the child's needs with the qualifications of the foster home.

Foster Parent Liability

Liability is currently an extremely volatile issue for foster parents. In 1981, DFYS made efforts to define areas of responsibility for various types of liability or losses resulting from foster care. The Foster Parents' Handbook tells foster parents that they are protected by the State against legal actions for accidental injury to the child and against suit for damages caused to third parties by the child.

In an effort to address foster parents' current concerns over liability, DFYS has contacted the Attorney General's Office and the Division of Risk Management. Discussions with Risk Management confirm that in the absence of gross negligence, foster parents will be protected by the State

for both injury to the child and to third parties. However, this assurance is not echoed in a recent memo from the Attorney General's Office which concludes:

foster parents will generally be shielded from liability for injury to a child where they have attempted, in good faith, to conduct themselves reasonably. There is no insurance protecting a foster parent from the negligence of a child. And, except for the possible protection of AS 34.50.020 there is no protection against suit by third persons against foster parents because of negligent conduct of a child.

The foster care regulations make clear that this liability insurance "will not cover matters for which foster parents are normally expected to have insurance, such as fire insurance for their home." The implication that foster parents' insurance will cover their loss if the foster child burns their home is true only if the act was accidental. As DFYS discovered in their 1981 efforts, deliberate acts by foster children are generally not covered by homeowner's insurance policies.

We recommend that DFYS, in conjunction with the Attorney General and the Division of Risk Management, develop some cohesive guidelines in the area of foster parent liability with regard to third party damages. Once determined, this information should be included in the Foster Parents' Handbook, as should some warning of the limitations of common homeowner's insurance. Foster parents need this information in order to make informed choices in accepting and rejecting placements.

Relations With Foster Parents

In our 1983 audit we noted that DFYS neglected to maintain a cooperative relationship with the foster parent community. In a March 1986 letter to the president of the Alaska Foster Parent Association (AFPA), the director of DFYS states "It would be less than candid of me to not admit that there has been a history of conflict and resentment between AFPA and the division."

The training contract for fiscal year 1986 was a disappointment for both parties. This contract emphasized "joint" responsibility for both DFYS and AFPA, but neither was satisfied with the other's performance. The quality and quantity of training which resulted would likely have increased if DFYS and AFPA had been more cooperative in implementing the terms of the contract.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Health and Social Services
 Title: An Act Relating to Civil Liability and uninsured loss related to foster children
 and uninsured loss related to foster children
 Sponsor: HESS Committee Components: Foster Care
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	50.0	50.0	50.0	50.0	50.0	50.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	50.0	50.0	50.0	50.0	50.0	50.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	50.0	50.0	50.0	50.0	50.0	50.0
FEDERAL FUNDS						
OTHER						
TOTAL	50.0	50.0	50.0	50.0	50.0	50.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) The Department cannot accurately estimate the cost should this bill become law. There will be an increase in claim the degree of which cannot be determined at this point. Claims could be as low as \$5,000 or as high as \$105,000 or more.

Prepared by: Russ Webb Phone: 465-3170
 Division: Family and Youth Services Date: 1/17/90
 Approved by Commissioner: Myra Munson Date: Jan 15, 1990
 Agency: Health and Social Services

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: DFYS
 Title: An Act relating to civil liability and uninsured losses related to foster children BRU: Purchased Services
 Sponsor: _____ Components: Foster Care
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		50,000	50,000	50,000	50,000	50,000
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		50,000	50,000	50,000	50,000	50,000
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		50,000	50,000	50,000	50,000	50,000
FEDERAL FUNDS						
OTHER						
TOTAL		50,000	50,000	50,000	50,000	50,000

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) The Department cannot accurately estimate the cost should this bill become law. There will be an increase in claims, the degree of which cannot be determined at this point. Claims could be as low as \$5,000 or as high as \$105,000 or more.

Prepared by: Yvonne M. Chase, Director Phone: 465-3170
 Division: Family and Youth Services Date: 2/8/89
 Approved by Commissioner: Myra M. Morrison, Commissioner Date: 3/8/89
 Agency: Department of Health and Social Services

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 178
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
Title: An Act relating to civil liability and uninsured property losses related to foster children BRU: Insurance
Sponsor: HESS Committee Components: Operations
Requester: _____

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULLTIME	0	0	0	0	0	0
PARTTIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Bill does not impact the division.

Prepared by: Joan Brown, Administrative Officer
Division: Insurance

Phone: 465-2597
Date: 2-22-89

Approved by Commissioner: Larry Mercurieff
Agency: Department of Commerce & Economic Development

Phone: _____
Date: 4/23/89

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to indemnity of BRU: Risk Management
foster parents.
 Sponsor: HESS Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	325.0	325.0	325.0	325.0	325.0	325.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	325.0	325.0	325.0	325.0	325.0	325.0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

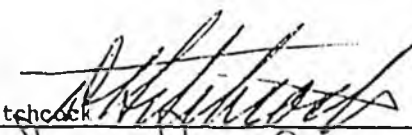

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	325.0	325.0	325.0	325.0	325.0	325.0
TOTAL	325.0	325.0	325.0	325.0	325.0	325.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This fiscal note is very difficult to estimate since the possible loss exposures are "open ended" on an estimated 800 foster homes and past claims experience detail is lacking. The attached explains the reasoning used in arriving at the fiscal note estimate.

Prepared by: Donald J. Hitchcock  Phone: 465-2180
 Division: Risk Management Date: 01/23/90
 Approved by Commissioner: Frank S. Baxter  Date: 1/24/90
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Continuation of Fiscal Note Analysis for CSHB 178 (HESS)

This bill provides for the protection of foster parents against loss or damage to tangible property owned by the foster parent if the loss is not covered by insurance. The protection provided is excess of \$100.00 (\$100.00 deductible) per incident, without limitation, and is "all risk," covering fire, theft, vandalism, or any other type of damage allegedly caused by the foster child. Tangible property includes dwellings, money, jewelry, electrical appliances, furniture, plants, automobiles, etc.--any real or personal property owned or in the custody of the foster parent.

We estimate the average value of a foster home dwelling at least \$150,000 with at least \$75,000 in contents. This fiscal note is designed to respond to one total dwelling loss per year plus an additional \$100,000 for miscellaneous losses and adjusting expenses.

Risk Management has been advised the State has approximately 800 foster homes at present--so we believe this fiscal note may be conservative. The note assumes approximately 25 percent of the foster homes will have miscellaneous losses during a year that could fall within the scope of this new legislation.

Since all Risk Management funding is collected through Reimbursable Services Agreement (RSAs) from the agencies, this request would be added to the Department of Health and Social Services insurance RSA billing from the Division of Risk Management.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
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POUCHY - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HOUSE HESS

May 5, 1987

3:00 pm

April 23, 1987

8:30 AM

April 6, 1989

8:30 AM

January 16, 1990

8:30 AM

Original sponsor: Health, Education and
Social Services Committee

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 178 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to indemnity and uninsured property
7 losses related to foster children."

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

9 * Section 1. AS 47.35 is amended by adding new sections to read:

10 Sec. 47.35.110. INDEMNIFICATION OF FOSTER PARENTS. (a) The
11 state shall indemnify a foster parent, a state employee, and a repre-
12 sentative of the state for civil damages that are a result of

13 (1) acts or omissions by a minor placed in the care of the
14 foster parent under this title; or

15 (2) negligent acts or omissions by the foster parent, state
16 employee, or representative of the state that result in harm to a
17 minor placed in the care of the foster parent under this title.

18 (b) This section does not apply to civil damages that are a
19 result of gross negligence or reckless or intentional misconduct of a
20 foster parent, state employee, or representative of the state.

21 Sec. 47.35.120. UNINSURED PROPERTY LOSS. (a) The division of
22 risk management, Department of Administration, shall reimburse a
23 licensed foster parent for the uninsured loss of, or uninsured damage
24 to, tangible property under the lawful control of a foster parent to
25 the extent that the loss or damage exceeds \$100 if the loss or damage
26 resulted from the misconduct of a child in the custody of the state
27 who was placed in the care of the foster parent under this title.

28 (b) Under the conditions described in (a) of this section, the
29 division of risk management may reimburse a foster parent for an

1 uninsured loss or uninsured damage that does not exceed \$100.
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Original sponsor(s): HESS Committee

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 178 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to liability, indemnification, and
7 insurance in relation to children in the custody of
8 the state who are placed with out-of-home care pro-
9 viders."

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

11 * Section 1. AS 21.36.090(c) is amended to read:

12 (c) A person may not make or permit arbitrary or unfair dis-
13 crimination between insureds or property having like insuring or risk
14 characteristics, in the premium or rates charged for a policy or
15 contract of property, casualty, surety, marine, wet marine or trans-
16 portation insurance, or in the dividends or other benefits payable on
17 the insurance, or in the selection of it, or in any other of the terms
18 and conditions of the insurance. Arbitrary or unfair discrimination
19 prohibited under this subsection includes consideration of the pres-
20 ence in a home or other building of a minor who is in the custody of
21 the state as being a different risk characteristic than the presence
22 of a minor who is not in the custody of the state in relation to
23 property or casualty insurance of an out-of-home care provider, as
24 defined in AS 47.35.130.

25 * Sec. 2. AS 47.35 is amended by adding new sections to read:

26 Sec. 47.35.110. INDEMNIFICATION OF OUT-OF-HOME CARE PROVIDERS.

27 (a) The state shall indemnify a minor's out-of-home care provider for
28 uninsured civil damages, other than punitive damages, that are a
29 result of

1 (1) acts or omissions by the minor that occur while the
2 minor is under the care of the out-of-home care provider; or

3 (2) negligent acts or omissions by the out-of-home care
4 provider that result in harm to the minor placed in the care of the
5 provider if the acts or omissions occur while the minor is under the
6 care of the provider.

7 (b) In order to be eligible for indemnification under (a) of
8 this section, the out-of-home care provider shall offer the state the
9 opportunity to defend the provider in the action for civil damages and
10 shall assist the state in the defense if the state accepts the oppor-
11 tunity to defend the provider.

12 (c) The state may seek to recover from the out-of-home care
13 provider for damages the state pays under (a)(2) of this section to
14 the extent that the provider's wilful or intentional misconduct con-
15 tributed to the minor's injury.

16 Sec. 47.35.120. UNINSURED PROPERTY LOSS. (a) Subject to (c) of
17 this section, the division of risk management, Department of Adminis-
18 tration, shall reimburse an out-of-home care provider for the unin-
19 sured loss of, or uninsured damage to, tangible property under the
20 lawful control of the provider to the extent that the loss or damage
21 exceeds \$100 if the loss or damage resulted from the misconduct of a
22 minor in the custody of the state who was placed in the care of the
23 provider.

24 (b) Under the conditions described in (a) of this section and
25 subject to (c) of this section, the division of risk management may
26 reimburse an out-of-home care provider for an uninsured loss or unin-
27 sured damage that does not exceed \$100.

28 (c) In order to be reimbursed under (a) or (b) of this section,
29 the out-of-home care provider shall provide evidence satisfactory to

1 the division that the loss or damage was caused by an act or omission
2 of the minor that occurred while the minor was in the custody of the
3 provider. Before reimbursing a provider under (a) or (b) of this
4 section, the division may also require the provider to report the loss
5 or damage to appropriate law enforcement authorities.

6 Sec. 47.35.130. DEFINITION. In AS 47.35.110 - 47.35.120, "out-
7 of-home care provider" and "provider" mean an agency or a person,
8 other than the minor's legal parents, with whom the minor is currently
9 placed and who is in the custody of the state under AS 47.10.-
10 080(b)(3), (c)(1), or (c)(3), 47.10.142, or 47.10.230(c), including a
11 foster parent, a relative other than a parent, a person who has peti-
12 tioned for adoption of the minor, or a residential child care facili-
13 ty.

14 * Sec. 3. AS 34.50.020(b) is repealed.
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6-0752H
Lauterbach
1/15/90

Original sponsor(s): HESS Committee

1 IN THE HOUSE

BY THE HESS COMMITTEE

2 CS FOR HOUSE BILL NO. 178 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to indemnity of foster parents and
7 foster parents' uninsured property losses related to
8 foster children."

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

10 * Section 1. AS 47.35 is amended by adding new sections to read:

11 Sec. 47.35.110. INDEMNIFICATION OF FOSTER PARENTS. (a) The
12 state shall indemnify a foster parent for civil damages that are a
13 result of

14 (1) acts or omissions by a minor placed in the care of the
15 foster parent under this title; or

16 (2) negligent acts or omissions by the foster parent that
17 result in harm to a minor placed in the care of the foster parent
18 under this title.

19 (b) This section does not apply to civil damages that are a
20 result of gross negligence or reckless or intentional misconduct of a
21 foster parent.

22 Sec. 47.35.120. UNINSURED PROPERTY LOSS. (a) The division of
23 risk management, Department of Administration, shall reimburse a
24 licensed foster parent for the uninsured loss of, or uninsured damage
25 to, tangible property under the lawful control of a foster parent to
26 the extent that the loss or damage exceeds \$100 per incident if the
27 loss or damage was proximately caused by the acts of a child in the
28 custody of the state who was placed in the care of the foster parent
29 under this title.

1 (b) Under the conditions described in (a) of this section, the
2 department may reimburse a foster parent for an uninsured loss or
3 uninsured damage that does not exceed \$100.
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HB

182

HB 182 FILE

STEVE COWPER, GOVERNOR

**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**

P.O. BOX D-LIC
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2534

DIVISION OF OCCUPATIONAL LICENSING

BOARD OF ARCHITECTS, ENGINEERS AND LAND SURVEYORS

March 6, 1989

The Honorable Dave Donley
Chairman, House Committee on
Labor and Commerce
House of Representatives
P.O. Box V
Juneau, AK 99811

Dear Representative Donley:

Re: Proposed Changes to HB 182 as Drafted by the AELS
Board and Discussed at HL&C Meeting March 2, 1989

Change AS 08.48.331. EXEMPTIONS. (Page 2) to read:

- (6)(a) A person preparing drawings or specifications for garages, buildings, workshops, and similar buildings for private noncommercial applications.

Change Sec. 9. The following new section shall be added:

AS 08.48.332. UNIVERSITY PROFESSORS.

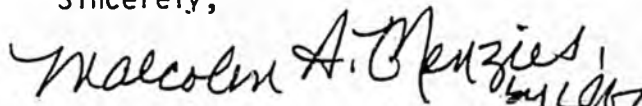
- (a) An out-of-state resident who is hired by an institution of higher learning to teach advanced architectural, engineering or land surveying courses shall have eighteen (18) months from their date of hire to fulfill the registration requirements of this chapter; provided nothing herein shall authorize such a person to perform architectural, engineering or land surveying services other than teaching until such time as such person is registered under this chapter.
- (b) An out-of-state resident not registered under this chapter who is hired by an institution of higher learning as a visiting professor for a period not to exceed one (1)

March 6, 1989

year shall not be in violation of the registration requirements of this chapter for teaching advanced architectural, engineering or land surveying courses at such institution; provided, nothing herein shall authorize such visiting professor to perform architectural, engineering or land surveying services in the state without registration.

Change existing Sec. 9 to Sec. 10

Sincerely,

Handwritten signature of Malcolm A. Menzies in cursive script. The signature includes the name "Malcolm A. Menzies" and a date "by LJB 3/6/89" written below it.

Malcolm A. Menzies, P.E., L.S.
Chairman

MAM/djd9763W
030689a

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 17, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: _____

The LABOR & COMMERCE Committee considered:

HB 182

HOUSE BILL NO. 182 [ARCHITECTS/ENGINEERS/SURVEYORS BOARD]
"An Act relating to, and eliminating certain exemptions from, the regulation of architects, engineers, and land surveyors; extending the termination date of the State Board of Registration for Architects, Engineers, and Land Surveyors; and providing for an effective date."

RECOMMENDS:

- [] replacing with _____ [] the same title
[] a new title
[] the attached amendment(s)
[✓] do pass
[] do not pass
[] no recommendation
[] individual recommendations
[] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- [] fiscal impact
[] zero fiscal note
[] zero with analysis

APPROVES PREVIOUS:

- [] fiscal note(s) published: _____
[] zero fiscal notes(s) published: _____

SIGNING DO PASS:

Handwritten signatures: Karen A. Leman, Paul J. Hitt, C. J. ...

SIGNING OTHER THAN DO PASS: (Do Not Pass, No Recommendation, Amend)

Handwritten signatures: Mark Boyer, Dave Donley with notes: None, NO REC

Handwritten signature: Dave Donley
Chairman's signature

HB 182: An act relating to, and eliminating certain exemptions from, the regulation of architects, engineers, and land surveyors.

In Section 1, HB 182 continues the Board of Registration for Architects, Engineers, and Land Surveyors (hereinafter "AELS Board") through 1992.

In Section 2, the bill makes a number of housekeeping changes, plus eliminates the requirement that the AELS Board publish its code of ethics with its roster of registrants.

Section 3 of HB 182 substantially rewrites the exemption section of the AELS statute (Chapter 48 of Title 8) to clarify the intent of exemptions provided.

Sections 4-6 of the bill amend the definition section to more adequately distinguish between the practice and scope of architecture and engineering. The changes clarify that architects design buildings and engineers apply math and science to the design of structures and define the terms "building" and "structure."

Section 7 repeals the exemption presently available for state employees from the requirement that persons performing professional architectural, engineering, or land surveying services must be licensed before engaging in that service. In addition, this section repeals the requirement that a roster of AELS registrants must be provided to every registrant on an annual basis.

Section 8 sets out a transitional period of four years for state employees who must, as a result of the repeal of the state employee exemption, become licensed. It also provides a similar length of transition for persons to seek licensure who were previously exempt from licensure as an employee of a company for which they were employed and for whom the employees provided architecture, engineering or land surveying services.

Section 9 provides for an immediate effective date.

Because the substantive changes to the exemption section proposed by Section 3 of this bill require repeal and reenactment

rather than simple amendment, a brief analysis of the proposed changes to AS 08.48.331 follows:

Paragraph Number in Current Statute	Proposed Paragraph Number in HB 182	Brief Description of Change
(1)	(1)	No change in intent. Wording changed to reflect nongender specific language and to refer exemptions to persons rather than acts.
(2)	(2)	No change in intent. Changes made reflect removal of gender specific language.
(3)	(3)	No change.
(4)		Exemptions for state employees deleted. We believe that the state should be required to hire licensed architects, engineers, and land surveyors to design its public works projects.
(5)	(4)	No change in intent.
(6)		Deleted as unnecessary.
(7)		Deleted as unnecessary.
(8)	(5)	No change in intent.
(9)(A)	(6)(A)	No change.
(9)(B)	(6)(B)	Deleted word "substantially," as it is too difficult to define.
(9)(C)	(6)(C)	No change.
(9)(D)	(6)(D)	Increased the exemption from 500 sq. feet to 1,000 sq. feet, as present footage is too restrictive.
(10)	(7)	No change in intent.

(11)

(8)

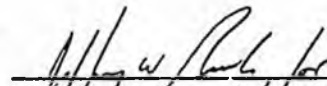
No change in intent.

(12)

Deleted. We believe that any building that is open to or used by the general public must be designed by demonstrably qualified individuals. We believe licensure provides the necessary protection. This exemption is frequently used by a person who builds and owns his own building without utilizing the expertise of licensed architects and engineers. The exemption has been abused and, because of the ambiguity, the Attorney General will not pursue cases against individuals whom the division alleges to have violated this section through risk to the public safety and welfare.

The department has been advised that design professionals affected by this bill are in concurrence with the changes proposed and support its passage.

The department supports the amendments to the AELS Board's statutes and urges passage of the bill.


Larry Mercurieff
Commissioner

3/8/89
Date

RPB/djd9767W
030789b

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
 Title: An Act relating to, and eliminating certain exemptions from, the reg. of architects, eng., and LS... BRU: Occupational Licensing
 Sponsor: Representatives Koponen & Leman Components: All
 Requestor: House Labor and Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
 Division: Occupational Licensing Date: March 6, 1989
 Approved by Commissioner: Larry Mercurieff Date: 3/6/89
 Agency: Commerce and Economic Development

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 13, 1989

SUBJECT: Coverage of transitional provisions
in draft CSHB 182 (L&C)
(Work Order No. 6-0405E)

TO: Representative Dave Donley, Chair
House Labor and Commerce Committee

FROM: Terry Bannister *TB*
Legislative Counsel

This memo accompanies the draft of CSHB 182 (L&C) that you requested relating to the regulation of architects, engineers, and land surveyors.

Please note that I changed the reference to "professors" to "teachers", since "professor" can denote a specific hiring category that might not include all of the persons that you wanted to cover.

Please also note that I changed "plans" to "drawings" in AS 08.48.241(h) in order to be consistent with the other changes to "drawings" that had been requested. Please examine to determine if the change is appropriate.

Finally, please note that the transitional provisions are presently limited to only two deleted exemptions, those in the present AS 08.48.331(4) and (12), although other exemptions have been affected by the bill. Limiting the transition provisions in this way may not satisfy state constitutional equal protection requirements, unless there is a reasonable basis for doing so. You may wish to consider establishing transitional provisions that would cover every person affected by the exemption changes. The transitional provisions are particularly important in this bill, since it has an immediate effective date.

If I may be of further assistance, please advise.

TB:gc
WKG9/055

Enclosure

SEC. 3

HB
182

Sec. 08.48.331. Exemptions. This chapter does not apply to
(1) the execution as a contractor of work designed by a professional architect or engineer, or the supervision of the construction of this work as a foreman or superintendent for a contractor;

(2) superintendents, foremen, inspectors, or building trades craftsmen in the performance of their customary duties;

(3) an officer or employee of the United States government practicing architecture, engineering or land surveying as required by that person's official capacity;

(4) an officer or employee of the state practicing architecture, engineering or land surveying as required by that person's official capacity if registration is not required by that person's job description or by AS 38.95.150 or 38.95.160;

(5) the work of an employee or a subordinate of a person legally registered under this chapter, if the work or service does not include final designs or decisions or surveys, and is done under the direct supervision of and verified by a person legally registered under this chapter;

- 6 * Sec. 3. AS 08.48.331 is repealed and reenacted to read:
7 Sec. 08.48.331. EXEMPTIONS. This chapter does not apply to
8 (1) a contractor performing work designed by a professional
9 architect or engineer or the supervision of the construction of the
10 work as a supervisor or superintendent for a contractor;
- 11 (2) workers in building trades crafts, superintendents,
12 supervisors, or inspectors in the performance of their customary
13 duties;
- 14 (3) an officer or employee of the United States government
15 practicing architecture, engineering, or land surveying as required by
16 the person's official capacity;
- 17 (4) an employee or a subordinate of a person registered
18 under this chapter if the work or service is done under the direct
19 supervision of a person registered under this chapter;

(6) the services ordinarily performed by locomotive, stationary and marine engine men, power plant operators, and manufacturers who supervise the operation of or operate machinery or equipment, or supervise construction within their own plant which affect only the property or interest of the manufacturer, unless the public health or safety is involved;

(7) the practice of any other lawfully recognized profession;

(8) associates, consultants or specialists retained by an individual, a partnership of legally registered individuals, or a corporation authorized under this chapter, in the performance of the professional services offered by the legally registered individual, partnership, or authorized corporation if responsible charge of the work remains with the individual, partnership or designated representative of the corporation;

(9) a person preparing plans, drawings, or specifications for

(A) a building for that person's own use and occupancy unless the public health, safety, or welfare is substantially involved;

(B) farm or ranch buildings unless the public health, safety, or welfare is substantially involved;

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(5) associates, consultants, or specialists retained by a registered individual, a partnership of registered individuals, or a corporation authorized to practice architecture, engineering, or land surveying under this chapter, in the performance of professional services if responsible charge of the work remains with the individual, the partnership, or a designated representative of the corporation;

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(6) a person preparing plans, drawings, or specifications for

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~~(A) a building for the person's own use and occupancy unless the public health, safety, or welfare is substantially involved;~~

delete

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(B) farm or ranch buildings, unless the public health, safety, or welfare is involved;

(C) a building intended to be used only as a residence by not more than four families and not more than two stories high;

(D) a building with a total of not more than 500 square feet of floor space;

(10) a specialty contractor licensed under appropriate Alaska Statutes, while engaged in the business of contracting, designing systems or facilities as otherwise permitted by law for work within the specialty for which the specialty contractor's license was issued to be performed or supervised by the contractor, or any licensed contractor preparing shop or field drawings for work which the specialty contractor has contracted to perform;

(11) a person furnishing, either alone or with subcontractors, labor and materials, with or without plans, drawings, specifications, instruments of service, or other data covering the labor and materials to be used for any of the following:

(A) storefronts (facades), interior alterations or additions, fixtures, cabinetwork, furniture, or other appliances or equipment;

(B) work necessary to provide for installation of an item listed in (A) of this paragraph;

(C) alterations or additions to a building necessary to or attendant upon installation of an item listed in (A) of this paragraph, if the alteration or addition does not change or affect the structural system or safety of the building;

5 (B) a building that is intended to be used only as a
6 residence by not more than four families and that is not more
7 than two stories high;

8 (C) a building that is not ^{used by the} ~~intended for public use~~ and
9 that consists of not more than 1,000 square feet of floor space;
10 ~~unless the public health, safety, or welfare is involved;~~

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11 (7) a specialty contractor licensed under AS 08.18 while
12 engaged in the business of construction contracting or designing
13 systems for work within the specialty to be performed or supervised by
14 the specialty contractor, or a contractor preparing shop or field
15 drawings for work that the specialty contractor has contracted to
16 perform;

17 (8) a person furnishing plans, drawings, specifications,
18 instruments of service, or other data for alterations or repairs to a
19 building that do not change or affect the structural system or the
20 safety of the building, or that do not affect the public health,
21 safety, or welfare.

(12) an officer or employee of an individual, firm, partnership, association or corporation which officer or employee practices architecture, engineering or land surveying when required by that person's official capacity or work duties connected with that person's employment if the individual firm, partnership, association or corporation is not engaged in the business of offering architectural, engineering or land surveying services to the public. (§ 3 ch 179 SLA 1972; am § 2 ch 85 SLA 1981)

Original sponsors: Koponen, Leman,
and Collins

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 182 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to, and eliminating certain exemp-
7 tions from, the regulation of architects, engineers,
8 and land surveyors; extending the termination date of
9 the State Board of Registration for Architects,
10 Engineers, and Land Surveyors; and providing for an
11 effective date."

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

13 * Section 1. AS 08.03.010(c)(15) is amended to read:

14 (15) State Board of Registration for Architects, Engineers,
15 and Land Surveyors (AS 08.48.011) -- June 30, 1993 [1991].

16 * Sec. 2. AS 08.48.111 is amended to read:

17 Sec. 08.48.111. POWER TO REVOKE, SUSPEND, OR REISSUE CERTIFI-
18 CATE. The board may suspend, refuse to renew, or revoke the certifi-
19 cate of or reprimand a registrant or corporation who is found guilty
20 of (1) fraud or deceit in obtaining a certificate; (2) gross negli-
21 gence, incompetence, or misconduct in the practice of architecture,
22 engineering, or land surveying; or (3) a violation of this chapter, a
23 regulation adopted under this chapter [IT], or the code of ethics or
24 professional conduct as adopted by the board. The code of ethics or
25 professional conduct shall be distributed [MADE KNOWN] in writing to
26 every registrant and applicant for registration under this chapter[,
27 AND SHALL BE PUBLISHED WITH THE ROSTER PROVIDED FOR IN AS 08.48.081].
28 This publication and distribution of the code of ethics or profession-
29 al conduct constitutes due notice to all registrants. The board may

1 revise and amend its code and, upon doing so, shall immediately notify
2 each registrant in writing of the revisions or amendments. The board
3 may, upon petition of the registrant or corporation, reissue a certifi-
4 cate if a majority of the members of the board vote in favor of the
5 reissuance.

6 * Sec. 3. AS 08.48.241(h) is amended to read:

7 (h) Drawings [PLANS], specifications, designs and reports, when
8 issued in connection with work performed by a corporation under its
9 certificate of authorization, shall be prepared by or under the
10 responsible charge of and shall be signed by and shall be stamped with
11 the official seal of a person holding a certificate of registration
12 under this chapter.

13 * Sec. 4. AS 08.48 is amended by adding a new section to read:

14 Sec. 08.48.255. TEACHERS. (a) A person who is hired by a post-
15 secondary educational institution for a permanent position to teach
16 advanced architectural, engineering, or land surveying courses has 18
17 months from the date of hire to fulfill the registration requirements
18 of this chapter and may teach the courses during the 18-month period.

19 (b) A person who is not registered under this chapter and who is
20 hired by a postsecondary educational institution as a visiting teacher
21 for a period of up to one year does not violate the registration
22 requirements of this chapter by teaching advanced architectural,
23 engineering, or land surveying courses at the institution during that
24 year.

25 (c) This section does not authorize a person to perform archi-
26 tectural, engineering, or land surveying services other than teaching
27 without being registered under this chapter.

28 (d) In this section, "postsecondary educational institution" has
29 the meaning given in AS 14.48.210.

1 * Sec. 5. AS 08.48.331 is repealed and reenacted to read:

2 Sec. 08.48.331. EXEMPTIONS. This chapter does not apply to

3 (1) a contractor performing work designed by a professional
4 architect or engineer or the supervision of the construction of the
5 work as a supervisor or superintendent for a contractor;

6 (2) workers in building trades crafts, superintendents,
7 supervisors, or inspectors in the performance of their customary
8 duties;

9 (3) an officer or employee of the United States government
10 practicing architecture, engineering, or land surveying as required by
11 the person's official capacity;

12 (4) an employee or a subordinate of a person registered
13 under this chapter if the work or service is done under the direct
14 supervision of a person registered under this chapter;

15 (5) associates, consultants, or specialists retained by a
16 registered individual, a partnership of registered individuals, or a
17 corporation authorized to practice architecture, engineering, or land
18 surveying under this chapter, in the performance of professional
19 services if responsible charge of the work remains with the indi-
20 vidual, the partnership, or a designated representative of the corpo-
21 ration;

22 (6) a person preparing drawings or specifications for

23 (A) a building for the person's own use and occupancy
24 as a single family residence;

25 (B) farm or ranch buildings, unless the public health,
26 safety, or welfare is involved;

27 (C) a building that is intended to be used only as a
28 residence by not more than four families and that is not more
29 than two stories high;

1 (D) a garage, workshop, or similar building that
2 contains less than 2,000 square feet of floor space to be used
3 for a private noncommercial purpose;

4 (7) a specialty contractor licensed under AS 08.18 while
5 engaged in the business of construction contracting or designing
6 systems for work within the specialty to be performed or supervised by
7 the specialty contractor, or a contractor preparing shop or field
8 drawings for work that the specialty contractor has contracted to
9 perform;

10 (8) a person furnishing drawings, specifications, instru-
11 ments of service, or other data for alterations or repairs to a build-
12 ing that do not change or affect the structural system or the safety
13 of the building, or that do not affect the public health, safety, or
14 welfare.

15 * Sec. 6. AS 08.48.341(7) is amended to read:

16 (7) "practice of architecture" means professional service
17 or creative work in the [FUNCTIONAL AND AESTHETIC] design of buildings
18 [STRUCTURES], the teaching of advanced architectural courses in insti-
19 tutions of higher learning, consultation, investigation, evaluation,
20 planning, design, and professional observation of construction of
21 public or private [STRUCTURES,] buildings, works, or projects, and
22 architectural review of drawings [PLANS] and specifications by regu-
23 latory agencies; "practice of architecture" [IT] may by regulation of
24 the board include mechanical, electrical, or structural design of
25 [RELATIVELY] minor importance [TO THE PROJECT AS A WHOLE];

26 * Sec. 7. AS 08.48.341(8) is amended to read:

27 (8) "practice of engineering" means professional service or
28 creative work, the adequate performance of which requires the [APPLI-
29 CATION OF] specialized knowledge of applied mathematics and sciences,

1 dealing with the [FUNCTIONAL AND ECONOMIC] design of [BUILDINGS,]
2 structures, machines, equipment, utilities systems, materials, pro-
3 cesses, works, or projects, public or private; the teaching of ad-
4 vanced engineering courses in institutions of higher learning; [,] the
5 direction of or the performance of engineering surveys, consultation,
6 investigation, evaluation, planning, [DESIGN,] and professional obser-
7 vation of construction of public and private structures, [BUILDINGS,]
8 works, or projects and engineering review of drawings [PLANS] and
9 specifications by regulatory agencies; "practice of engineering" [IT]
10 may by regulation of the board include architectural building design
11 of [RELATIVELY] minor importance [TO THE PROJECT AS A WHOLE], but it
12 does not include comprehensive architectural services;

13 * Sec. 8. AS 08.48.341 is amended by adding new paragraphs to read:

14 (14) "building" means a structure used or intended for
15 human occupancy;

16 (15) "structure" means a system of materials and components
17 that resists horizontal and vertical loads.

18 * Sec. 9. AS 08.48.081 and 08.48.261 are repealed.

19 * Sec. 10. TRANSITIONAL PROVISIONS. (a) If, on the effective date of
20 this Act, a person is an officer or employee of the state, a political
21 subdivision of the state, or a public corporation of the state, and is
22 practicing architecture, engineering, or land surveying as required by the
23 person's official capacity or work duties connected with the employment,
24 and if the person was in the same position on the day before the effective
25 date of this Act and exempt under AS 08.48.331(4) or (12) as those sections
26 read on the day before the effective date of this Act, the person has
27 through December 31, 1993, to satisfy the registration requirements of
28 AS 08.48. In this subsection, "practicing architecture, engineering, or
29 land surveying" has the meaning given in AS 08.48.341 as that section