

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

7780 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

The FY94-FY99 formula impact of the ratable reduction assumes the reduction is not restored retroactively, therefore the maximum APA payment base is lower in subsequent fiscal years.

APA	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
APA Caseload Average Caseload(less Interim Assistance)	9207	9653	10136	10643	11175	11734
* Average Payment reduction for the ratable reduction that is not restored retroactively	\$36.67	\$36.67	\$36.67	\$36.67	\$36.67	\$36.67
TOTAL FY REDUCTION	4051.9	4247.7	4460.2	4683.3	4917.4	5163.4
GF	3815.6	4001.0	4202.0	4412.0	4632.0	4864.0
I/A	236.3	246.7	258.2	271.3	285.4	299.4

*The \$36.67 per year represents the minimum savings as the actual savings would be compounded annually by any subsequent COLAS.

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

**STATE OF ALASKA
 1993 LEGISLATIVE SESSION**

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act Relating to Eligibility BRU: Assistance Payments BRU
for and Payments of Public Assistance. Section 8 5 Component: Adult Public Assistance (APA)
 Sponsor: _____
 Requestor: Governor COMPONENT SERIAL NO. 0222

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE FUND SOURCE						
---------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	434.0	1,016.3	1,076.1	1,135.9	1,195.7	1,255.5
1003 GF Match						
1004 GF	(434.0)	(1,016.3)	(1,076.1)	(1,135.9)	(1,195.7)	(1,255.5)
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

IMPLEMENT INTERIM ASSISTANCE REIMBURSEMENT

Enact Interim Assistance Reimbursement that recovers state Interim Assistance benefits from the retroactive SSI benefits of applicants found eligible for SSI.

The FY94 GF savings is included in the FY94 Gov Budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director *in Randy Moran's acting* Phone: 465-3347
 Division: Division of Public Assistance Date: 12/30/92
 Approved by Commissioner: Theodore A. Mala, MD, MPH *Theodore A. Mala by Jay Luey* Date: 12/31/92
 Agency: Department of Health and Social Services

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

COMMITTEE COPY

Enact Interim Assistance Reimbursement and Eliminate Retroactive APA Payments to Interim Assistance Recipients After SSI Application Approved.

State statute AS 47.25.455 requires the State to pay \$280 per month to persons eligible under this statute while the Social Security Administration is processing their disability applications. SSI regulations allow states to be reimbursed for their Interim Assistance costs out of the retroactive SSI entitlements of applicants who are ultimately found eligible for federal SSI benefits.

Because of concerns that disability assistance can be easily abused, the process of proving or disapproving disability for Social Security purposes has gradually become lengthy and complex. Concerns that people may need help badly while that process is allowed to unfold led to Alaska's enactment of Interim Assistance for APA Aid to the Disabled applicants who are awaiting a disability determination by the Social Security Administration. Although a high proportion (about 60%) of all Disability applicants are ultimately determined to be not legally disabled, an Alaska Supreme Court decision (Moore v. Beirne) determined that AS 47.25.455 requires that the state continue interim assistance until all Social Security administrative processes are complete and all administrative appeal rights have been exhausted.

Under existing state law, Alaska applicants for Adult Public Assistance receive Interim Assistance for an average of 8.8 months before a decision is made on their eligibility for SSI benefits. The Interim Assistance case is converted retroactively to Adult Public Assistance, effective with the date of APA application, after the SSI decision is made. Interim Assistance recipients receive \$280 in Interim Assistance. The proposed change does not eliminate any monthly assistance payments to recipients; it simply recovers Interim Assistance by reducing retroactive windfall payments.

The proposed changes to AS 47.25.455 would enable DHSS to effectively recover Interim Assistance benefits from the retroactive SSI benefits of APA applicants who are found eligible for SSI. APA applicants would be required to agree to have their retroactive SSI benefits paid to DHSS to reimburse the state for the Interim Assistance they would receive. There would be no retroactive entitlement to regular APA benefits.

\$280 of the monthly retroactive SSI benefit would be collected by DHSS, and the remaining \$154 in retroactive SSI would be paid to the client.

	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Cases per month	32	34	36	38	40	42
Average Reimbursement Amount	\$1 30.20	\$2491	\$2491	\$2491	\$2491	\$2491
TOTAL	434.0	1016.3	1076.1	1135.9	1195.7	1255.5

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

No. 5
 Bill Version: HB 67
 (H) Publish Date: 1/15/93

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act Relating to Eligibility BRU: Assistance Payments BRU
for and Payments of Public Assistance. Sections 1, 7, 10 Component: Aid to Families with Dependent
 Sponsor: _____ Children (AFDC)
 Requestor: Governor COMPONENT SERIAL NO. 0220

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(1,944.4)	(2,713.4)	(2,849.0)	(2,992.1)	(3,141.4)	(3,299.0)
MISCELLANECUS						
TOTAL OPERATING	(1,944.4)	(2,713.4)	(2,849.0)	(2,992.1)	(3,141.4)	(3,299.0)

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

REVENUE FUND SOURCE						
---------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	(972.2)	(1,356.7)	(1,424.5)	(1,496.1)	(1,570.7)	(1,649.5)
1003 GF Match	(972.2)	(1,356.7)	(1,424.5)	(1,496.0)	(1,570.7)	(1,649.5)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	(1,944.4)	(2,713.4)	(2,849.0)	(2,992.1)	(3,141.4)	(3,299.0)

POSITIONS:

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

AFDC BASIC NEED STANDARDS FOR AFDC-UP AND AFDC INCAP

Formula AFDC program savings by amending pay to AFDC-UP and Incap cases on the same standard used for AFDC-Basic cases.

The FY94 reduction is included in the FY94 Gov Budget. DO NOT Duplicate.

Prepared by: Jan L. Hansen, Director for Rankin, acting
 Division: Division of Public Assistance

Phone: 465-3347
 Date: 12/30/92

Approved by Commissioner: Theodore A. Mala, MD, MPH
 Agency: Department of Health and Social Services

Date: 12/31/92

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

Use AFDC Basic Need Standards for AFDC-UP and AFDC-Incap

AS 47.25.320(e) sets the AFDC need standards for AFDC-UP payments at the same level as the standards for AFDC INCAP cases that are set in state regulations. This proposes that the statute be amended to pay AFDC-UP and INCAP cases on the same standard used for AFDC-BASIC cases, i.e., to set the increment for the second parent at the same level as the increment for an additional child in an AFDC-BASIC case. This would result in a payment reduction of \$90 for a typical AFDC-UP and INCAP case.

This change eliminates the inequity between existing payment standards for single-parent and two-parent AFDC households of the same size. It also makes the AFDC-UP program a less attractive alternative to working by reducing payment levels, thus tending to reduce the dependency of intact families on welfare payments. Increased Food Stamp benefits will partially offset the reduction in cash benefits.

Assumptions used in fiscal note computations:

1. AFDC-UP and AFDC-INCAP caseloads increase at an average annual rate of 5%
2. AFDC-UP and AFDC-INCAP payment level is the same standard used for AFDC-Basic cases.
3. The adjustment in payments is effective October 1, 1993 (9 month impact in FY94).

The FY94-FY99 formula impact of the standards change for AFDC-UP and AFDC-INCAP assumes the reduction is not restored retroactively, therefore the maximum AFDC payment base is lower in subsequent fiscal years.

AFDC	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Projected Average AFDC-UP and INCAP Caseload	2476	2599	2729	2866	3009	3160
Average Payment reduction for the base change that is not restored retroactively	\$87.26	\$87	\$87	\$87	\$87	\$87
TOTAL FY REDUCTION	1944.4	2713.4	2849.0	2992.1	3141.4	3299.0
Federal	972.2	1356.7	1424.5	1496.0	1570.7	1649.5
GFM	972.2	1356.7	1424.5	1496.1	1570.7	1649.5

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

Technical Corrections Needed to HB 67

The House and Senate versions of the Governor's public assistance reduction bill are not identical, apparently as a result of a clerical error. The problem lies with the effective date sections at the end of the bills. The language in Sections 9 and 10 of SB 101 is correct.

The text of HB 67 does not include Section 9 of SB 101, which provides for an immediate effective date for Section 8, giving the Department immediate authority to begin the process of adopting implementing regulations. Section 9 of HB 67 must be reworded to conform to the language of SB 101, and the existing Section 9 of HB 67 must be renumbered to Section 10. The language in Section 8 of HB 67 must be reworded to conform to the establishment of a separate effective date in section 9. With these revisions, Sections 8, 9 and 10 would read:

* **Sec. 8.** Transition for Regulations. Notwithstanding sec. 10 of this Act, the Department of Health and Social Services may proceed to adopt regulations necessary to implement this Act, consistent with federal requirements. The regulations take effect under the Administrative Procedure Act, but not before July 1, 1993.

* **Sec. 9.** Section 8 of this Act takes effect immediately under AS 01.10.070(c).

* **Sec. 10.** Sections 1-7 of this Act take effect July 1, 1993.

There is also a typographical error in a statutory reference in Section 2 of both bills. The reference on line 12, page 2 should read:

* **Sec. 2.** AS 47.25.320(d) is amended to read:

ALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 15, 1993

The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Barnes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to eligibility for and payments of public assistance. The bill represents the Administration's proposal to control the growth of expenditures in formula welfare programs.

Section 1 of the bill would amend AS 47.25.320(a) to require that the maximum monthly amount of aid-to-families-with-dependent-children (AFDC) assistance for a second adult in a two-parent AFDC household be the same as for a second dependent child in a home where there is one adult. Currently, the monthly amount for a three-person household composed of two adults and one child is \$88 more than for a three-person household composed of one adult and two children; this difference increased to \$90 on January 1, 1993. Section 1 also amends the standards for families that include one or more dependent children living with a nonneedy relative, to bring the AFDC program into conformity with federal requirements that the increment for a second child be the same as the increment for any additional children.

The maximum grant amounts in AS 47.35.320(a) were last amended in 1982. However, under AS 47.35.320(d) those maximum amounts have been increased a number of times to reflect cost-of-living increases. Section 1 amends the maximum grant amounts, starting July 1, 1993, to roll back those amounts to the 1991 benefit level. Section 2 of the bill amends AS 47.25.320(d) to provide that the department may not increase those monetary maximums based on an increase in benefits that takes effect anytime during the calendar year that begins on January 1, 1994, nor on an increase in benefits that took effect on or before January 1, 1993.

Section 3 of the bill would allow DHSS to adopt regulations to establish a monthly need standard for AFDC that equals or exceeds the monthly payment standard for AFDC. In combination with the reduction of AFDC grant amounts in sec. 1 of the bill, this provision will provide an incentive for an AFDC family to augment its income within limits without automatically jeopardizing eligibility.

GOV'S TRANSMITTAL LETTER

Department of Health and Social Services
Division of Public Assistance
February 5, 1993

**DISCUSSION PAPER
HOUSE BILL NO. 67**

House Bill 67 is the Administration's response to the problems of welfare dependency and increasing costs in Alaska's cash public assistance programs. This set of changes has the dual goals of producing immediate savings in program costs and curbing the rate of increase in the welfare caseload.

HB 67 achieves substantial cost savings in the Aid to Families with Dependent Children (AFDC) program by reducing benefit payments by 6.3 percent to January 1991 levels, suspending the calendar year 1994 automatic cost-of-living allowance (COLA) adjustment in payment levels, and reducing the payment standards for two-parent AFDC families (AFDC Unemployed Parent and Incapacitated Parent cases) to the same level as the standards for single-parent (AFDC Basic) families.

In addition to saving program dollars, this change establishes payment equity among single-parent and two-parent AFDC families of the same size. HB 67 also makes a cost-neutral adjustment to the payment standards for AFDC families headed by a non-needy relative in order to bring Alaska's AFDC program into conformity with federal requirements that payment standards be incremented equally for each additional child.

HB 67 amends the Adult Public Assistance (APA) statutes to achieve savings in payments to the aged, disabled, and blind. APA benefits are reduced to the level in effect in January 1990, resulting in a net reduction in assistance to individual recipients of 3.7 percent. The scheduled January 1994 COLA increase is suspended. The APA statutes are also amended to allow the State to be reimbursed for Interim Assistance paid to individuals applying for federal Supplemental Security Income (SSI) benefits by collecting the Interim Assistance from their retroactive entitlement to SSI benefits.

SECTIONAL ANALYSIS of HB 67

Section 1 of the bill amends AS 47.25.320(a) to reduce Aid to Families with Dependent Children (AFDC) maximum payment levels by 6.3 percent, effectively rolling them back to the levels in effect on January 1, 1991. The maximum grant amounts specified in the current statute were established in 1982.

SECTIONAL ANALYSIS

CORRECTION

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

ALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 15, 1993

The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Barnes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to eligibility for and payments of public assistance. The bill represents the Administration's proposal to control the growth of expenditures in formula welfare programs.

Section 1 of the bill would amend AS 47.25.320(a) to require that the maximum monthly amount of aid-to-families-with-dependent-children (AFDC) assistance for a second adult in a two-parent AFDC household be the same as for a second dependent child in a home where there is one adult. Currently, the monthly amount for a three-person household composed of two adults and one child is \$88 more than for a three-person household composed of one adult and two children; this difference increased to \$90 on January 1, 1993. Section 1 also amends the standards for families that include one or more dependent children living with a nonneedy relative, to bring the AFDC program into conformity with federal requirements that the increment for a second child be the same as the increment for any additional children.

The maximum grant amounts in AS 47.35.320(a) were last amended in 1982. However, under AS 47.35.320(d) those maximum amounts have been increased a number of times to reflect cost-of-living increases. Section 1 amends the maximum grant amounts, starting July 1, 1993, to roll back those amounts to the 1991 benefit level. Section 2 of the bill amends AS 47.25.320(d) to provide that the department may not increase those monetary maximums based on an increase in benefits that takes effect anytime during the calendar year that begins on January 1, 1994, nor on an increase in benefits that took effect on or before January 1, 1993.

Section 3 of the bill would allow DHSS to adopt regulations to establish a monthly need standard for AFDC that equals or exceeds the monthly payment standard for AFDC. In combination with the reduction of AFDC grant amounts in sec. 1 of the bill, this provision will provide an incentive for an AFDC family to augment its income within limits without automatically jeopardizing eligibility.

GOV'S TRANSMITTAL LETTER

The Honorable Ramona L. Barnes
January 15, 1993
Page 2

Section 4 would amend AS 47.25.430(b), relating to cost-of-living increases in the adult public assistance program, to provide that the department will not increase the maximum state contribution to recipients by any cost-of-living increase that takes effect during the calendar year beginning on January 1, 1994, and to conform to the changes made by sec. 5 of the bill.

Section 5 of the bill requires DHSS to reduce the maximum state contribution to recipients in the adult public assistance program to the 1990 level and to adjust monthly grants of assistance accordingly.

Section 6 of the bill would amend AS 47.25.455 to provide for reimbursement for interim assistance and to eliminate retroactive adult public assistance payments to interim assistance recipients. The existing statute requires DHSS to pay \$280 per month to eligible individuals while the Social Security Administration (SSA) is processing their disability applications; once an individual is determined eligible, the SSA makes a retroactive payment to that person. With this change in AS 47.25.455, an applicant for interim assistance would have to agree at the time of initial application to have retroactive SSI benefits paid to DHSS to reimburse the state for the interim assistance received by the applicant.

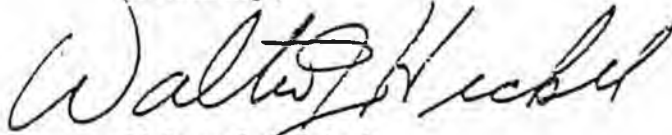
Section 7 repeals AS 47.25.320(e) to conform to the change made in sec. 1 related to reducing grant amounts for two-parent households.

Section 8 provides transitional authority to allow DHSS to adopt regulations before July 1, 1993, but the regulations cannot take effect before that date. This provision should facilitate timely implementation of the new statutory changes.

Sections 9 and 10 provide for an effective date for the bill.

I urge your serious consideration of these proposals to control the growth of the state budget.

Sincerely,

A handwritten signature in cursive script, reading "Walter J. Hickel".

Walter J. Hickel
Governor

Department of Health and Social Services
Division of Public Assistance
February 5, 1993

DISCUSSION PAPER
HOUSE BILL NO. 67

House Bill 67 is the Administration's response to the problems of welfare dependency and increasing costs in Alaska's cash public assistance programs. This set of changes has the dual goals of producing immediate savings in program costs and curbing the rate of increase in the welfare caseload.

HB 67 achieves substantial cost savings in the Aid to Families with Dependent Children (AFDC) program by reducing benefit payments by 6.3 percent to January 1991 levels, suspending the calendar year 1994 automatic cost-of-living allowance (COLA) adjustment in payment levels, and reducing the payment standards for two-parent AFDC families (AFDC Unemployed Parent and Incapacitated Parent cases) to the same level as the standards for single-parent (AFDC Basic) families.

In addition to saving program dollars, this change establishes payment equity among single-parent and two-parent AFDC families of the same size. HB 67 also makes a cost-neutral adjustment to the payment standards for AFDC families headed by a non-needy relative in order to bring Alaska's AFDC program into conformity with federal requirements that payment standards be incremented equally for each additional child.

HB 67 amends the Adult Public Assistance (APA) statutes to achieve savings in payments to the aged, disabled, and blind. APA benefits are reduced to the level in effect in January 1990, resulting in a net reduction in assistance to individual recipients of 3.7 percent. The scheduled January 1994 COLA increase is suspended. The APA statutes are also amended to allow the State to be reimbursed for Interim Assistance paid to individuals applying for federal Supplemental Security Income (SSI) benefits by collecting the Interim Assistance from their retroactive entitlement to SSI benefits.

SECTIONAL ANALYSIS of HB 67

Section 1 of the bill amends AS 47.25.320(a) to reduce Aid to Families with Dependent Children (AFDC) maximum payment levels by 6.3 percent, effectively rolling them back to the levels in effect on January 1, 1991. The maximum grant amounts specified in the current statute were established in 1982.

SECTIONAL ANALYSIS

Under the COLA provision at AS 47.25.320(d), those amounts have been increased annually to reflect cost-of-living increases. The maximum monthly grant amount for one adult and one child is specified in AS 47.25.320(a)(2)(A) as \$500; COLA adjustments have increased this standard to \$845 as of January 1993. Section 1 reduces the standard to \$792.

This section makes a similar adjustment to the payment increment for additional children specified at AS 47.25.320(a)(2)(C). The increment has increased because of COLA adjustments from \$65 in 1982 to \$105 in 1993; HB 67 reduces the increment to \$98 for each additional child.

Section 1 amends AS 47.25.320(a)(3) to reduce by 6.3 percent the maximum grant amount for a pregnant woman in her last trimester or an adult whose only dependent child receives SSI benefits. The maximum grant amount specified for such "Adult-only" AFDC cases is set by regulation at \$530 per month as of January 1993. Section 1 reduces the standard to \$497.

Section 1 also amends and renumbers AS 47.25.320(a)(2)(C) to restructure the payment standards for AFDC Unemployed Parent and Incapacitated Parent families by setting the increment for the second parent at \$98, the same as the increment for a second or additional child. The increment for the second parent is currently set by regulations at 7 AAC 45.520 (a)(2) and statute at AS 45.25.320(e). The January 1993 payment standard for a family of two parents and one child is \$1040. This change reduces the standard to \$890 and adds \$98 for each additional child, the same as the proposed standards for single-parent households of the same size.

Finally, Section 1 restructures the payment standards for AFDC households headed by a non-needy specified relative ("Adult-not-included" cases). This cost-neutral change is necessary to conform the program to federal law. The federal Department of Health and Human Services has cited Alaska's AFDC payment standards for households of this type as out of compliance with the requirement that the payment increment for each child above the base level for one child be the same.

Current law sets the payment standard for one child at \$200, two children at \$400, and the increment for a third or additional child at \$65. COLA adjustments since 1982 have increased these standards to \$335 for one child, \$672 for two, and \$105 for each additional child as of January 1993. Section One sets the standard at \$452 for one child and \$98 for each additional child.

The changes in benefit levels imposed by Section 1 would take effect on July 1, 1993.

Section 2 of the bill amends AS 47.25.320(d) to suspend for calendar 1994 the automatic COLA adjustment to the AFDC payment standards. This adjustment, which is based on the federal SSI COLA, occurs each January and is expected to be approximately 3 percent in January 1994. Section 2 also includes language that directs that the 1994 COLA, as well as the previous AFDC COLAs that are, in effect, rescinded by Section 1, will not be restored after 1994. Under Section 2, the annual AFDC COLA adjustments would resume in calendar 1995.

Section 3 allows the Department of Health and Social Services to use its regulatory authority to set standards of need that exceed the payment standards set in Section 1. Federal law allows the states to pay a reduced percentage (a "ratable reduction") of the amount that is established as necessary for the basic household expenses that the AFDC payment is intended to cover. Alaska has historically paid 100 percent of need.

Ratable reductions may be structured to create a payment "gap" that works as an incentive for recipients to earn income. The administration intends to use the authority provided in Section 3 to establish AFDC need standards that are 6.3 percent above the payment standards set in Section 1, effectively maintaining the January 1993 basic need standards and creating a small payment gap that assures that current AFDC recipients who receive small grants will continue to be eligible for Medicaid and Job Opportunities and Basic Skills Training (JOBS) program services, and providing a small incentive for recipients to work.

The authority provided by Section 3 could also be used, given sufficient appropriations to cover additional AFDC and Medicaid program costs, to create a larger payment gap that allows recipients to retain more of their earnings and earn larger amounts without losing eligibility for AFDC and AFDC-related benefits.

Section 4 amends 47.25.430(b) to suspend the January 1994 COLA increase in Adult Public Assistance benefits. This adjustment, which is based on the federal SSI COLA, is expected to be approximately 3 percent. Section 4 also includes language that directs that the 1994 COLA, as well as the previous APA COLAs that are, in effect, rescinded by Section 5, will not be restored after 1994. Under Section 4, the annual APA COLA adjustments would resume in calendar 1995.

Section 5 amends AS 47.25.430(a) to reduce Adult Public Assistance payments to the levels in effect on January 1, 1990. The January 1993 APA payment to a typical individual who also receives SSI benefits is \$374; Section 5 would reduce that payment to \$331. The payment to a typical couple would be reduced from \$544 to \$484.

Because of increases in the amount of SSI benefits since 1990, the total assistance income of a typical single APA recipient would decrease from \$808 (combined SSI and APA) to \$778 - a reduction of 3.7 percent. A typical couple's combined assistance would be reduced from \$1196 to \$1156 - a 3.3 percent reduction. The APA benefits of recipients who do not receive SSI would be similarly reduced.

The APA need standards are set by regulation at 7 AAC 40.310. Section 5 gives the Department of Health and Social Services the direction and authority to reduce the standards.

The changes in benefit levels imposed by Section 5 would take effect on July 1, 1993.

Section 6 amends AS 47.25.455 to allow the state to be reimbursed for Interim Assistance benefits paid to APA applicants while they are waiting for the Social Security Administration to determine their disability. Social Security typically takes 4 months or longer to make a disability determination. APA applicants must be disabled under SSI standards before they qualify for regular APA and Medicaid benefits; Interim Assistance provides these individuals with a \$280 monthly payment for basic living expenses until they are determined eligible to receive SSI and regular APA benefits.

Once APA applicants are determined to be disabled, they are retroactively eligible for SSI from the date they applied. Such individuals typically receive 4 or more months of retroactive SSI benefits (at up to \$434 per month) for the months they received Interim Assistance. Federal law allows the states to be reimbursed for the Interim Assistance from the applicant's retroactive SSI benefits. Section 6 establishes the authority for Interim Assistance reimbursement in Alaska by requiring applicants to repay the Interim Assistance they receive if they are found eligible for SSI. The Social Security Administration would make the individual's retroactive SSI payment to the Division of Public Assistance. DPA would retain the first \$280 of each month's retroactive SSI benefit and forward the balance to the recipient.

Section 6 also eliminates retroactive eligibility for regular APA benefits to individuals who have received Interim Assistance. Under current law, an Interim Assistance recipient who is found eligible for SSI is retroactively entitled to APA benefits; this entitlement is reduced by the amount of Interim Assistance the individual already received each month. Interim Assistance reimbursement will achieve savings only if the retroactive entitlement is eliminated. Section 6 adds a new subsection (d) to AS 47.25.455 that repeals the retroactive entitlement to APA benefits of Interim Assistance who are found eligible for SSI.

The changes in Section 6 take effect on July 1, 1993.

Section 7 repeals AS 47.25.320(e), which established the payment standards for AFDC Unemployed Parent cases when the AFDC-UP program was enacted in 1990. This change is necessary to conform to the change to AS 47.25.320(a)(2) made in Section 1, establishing the payment standards for two-parent AFDC families at the same level as the standards for single-parent families.

Section 8 provides transitional authority to allow DHSS to adopt implementing regulations for HB 67 before the effective date of the law. The regulations would take effect on the effective date of the legislation. This provision is intended to facilitate timely implementation on the statutory changes included in the bill.

Section 9 provides for an effective date for the bill of July 1, 1993.

DIVISION OF PUBLIC ASSISTANCE

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

AFDC PROGRAM	FY89 ACTUAL	FY90 ACTUAL	FY91 ACTUAL	FY92 ACTUAL	FY93 FULL FORMULA	FY94 FULL FORMULA
AFDC-Basic caseload	7558	7549	8299	9231	10345	11482
AFDC-UP caseload			769	1574	2140	2376
TOTAL AFDC caseload	7558	7549	9068	10805	12485	13858
Caseload rate change vs. respective prior year	-1.3%	-0.1%	20.1%	19.2%	15.5%	11.0%
Expenditure increase vs. respective prior year	\$1,659.5	\$2,655.0	\$16,228.9	\$21,435.0	\$20,092.6	\$17,199.0
TOTAL EXPENDITURE	\$59,790.9	\$62,445.9	\$78,674.8	\$100,109.8	\$120,202.4	\$137,401.4

FY93 AFDC BUDGET SUMMARY

FY93 AFDC INITIAL AUTHORIZATION	111,795.4
1. Restore the reduction for the cost of the FY93 COLA because the COLA suspension in HB 573 did not pass last year's legislative session.	1729.4
2. Add 6677.6 for the cost of AFDC caseload growth that was not planned in the FY93 budget request.	6677.6

FY93 AFDC BUDGET WITH SUPPLEMENTAL	120,202.4
---	------------------

FY94 AFDC BUDGET SUMMARY

FY94 AFDC FULL FORMULA BUDGET	137,401.4
Legislative changes in HB 67 needed to create savings:	
1. Suspend AFDC COLA effective January 1, 1994 13858 AFDC families x \$25.34 Avg payment x 6 months =	(\$2,107.3)
2. Implement ratable reduction of AFDC payment to 1991 maximum levels. 13858 AFDC families x \$51.72 Avg payment reduction x 12 months =	(\$8,600.1)
3. Use the AFDC Basic Need Standard for AFDC-Unemployed Parent and AFDC-Incapacitated. 2483 AFDC families x \$87.01 per month x 12 months =	(\$1,944.4)
TOTAL FY94 SAVINGS	(\$12,651.8)

FY94 AFDC REQUEST	\$124,749.6
--------------------------	--------------------

DIVISION OF PUBLIC ASSISTANCE

ADULT PUBLIC ASSISTANCE (APA)

APA PROGRAM	FY89 ACTUAL	FY90 ACTUAL	FY91 ACTUAL	FY92 ACTUAL	FY93 Full Formula	FY94 Full Formula
Average Caseload	6538	6918	7500	8083	8908	9664
Caseload growth rate vs. respective prior year	8.4%	5.8%	8.4%	7.8%	10.2%	8.5%
APA Expenditure	18,952.3	20,639.0	23,430.2	26,688.1	34,887.0	38918.6
OAA-ALB HH Expenditure	3,403.1	4,262.5	5,066.9	5,803.1	2,194.5	2456.0
TOTAL Program Expenditure	\$22,355.4	\$24,901.5	\$28,497.1	\$32,491.2	\$37,081.5	\$41,374.6
Expenditure increase vs. respective prior year	2,458.4	2,546.1	3,595.6	3,994.1	4,590.3	4293.1

FY93 APA BUDGET SUMMARY

FY93 APA INITIAL AUTHORIZATION	33649.9
1. Restore the reduction for the cost of the FY93 COLA because the COLA suspension in HB 573 did not pass last year's legislative session.	535.7
2. Replace 434.0 federal funding with general fund for Interim Assistance reimbursement that can not be achieved because authorizing legislation in HB 573 did not pass. (424.0) Federal + 434.0 GF	0.0
3. Add 701.4 for the cost of APA caseload growth that was not planned in the FY93 budget request.	701.4

FY93 APA BUDGET WITH SUPPLEMENTAL	34887.0
--	----------------

FY94 APA BUDGET SUMMARY

FY94 APA FULL FORMULA BUDGET	38918.6
Legislative changes in HB 67 needed to create savings:	
1. Suspend APA COLA effective January 1, 1994 9207 APA clients(Interim Assistance cases excluded) x \$11.00 Avg pay reduction x 6 mos =	(\$607.7)
2. Implement ratable reduction of APA payment to 1990 maximum levels. 9207 APA clients(Interim Assistance cases excluded) x \$36.67 Avg pay reduction x 12 mos =	(\$4,051.9)
3. Enact Interim Assistance reimbursement & eliminate retroactive APA payments to Interim Assistance recipients after SSI application. (434.0 Federal replace GF In FY94 base)	\$0.0
Regulation change required to implement:	
4. Prorate APA initial months benefits	(\$475.2)
TOTAL FY94 SAVINGS	(\$5,134.8)

FY94 ADULT PUBLIC ASSISTANCE (APA) REQUEST	\$33,783.8
---	-------------------

FISCAL NOTE

No. 1
 Bill Version: HB 67
 (H) Publish Date: 1/15/93

STATE OF ALASKA
 93 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act Relating to Eligibility BRU: Assistance Payments BRU
 Description: for and Payments of Public Assistance. Sections 1, 2, 3 Component: Aid to Families with Dependent
 Sponsor: _____ Children (AFDC)
 Requestor: Governor COMPONENT SERIAL NO. 0220

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(8,600.1)	(9,035.3)	(9,482.1)	(9,956.3)	(10,454.0)	(10,976.6)
MISCELLANEOUS						
TOTAL OPERATING	(8,600.1)	(9,035.3)	(9,482.1)	(9,956.3)	(10,454.0)	(10,976.6)
CAPITAL						
REVENUE FUND SOURCE						

FUNDING: (Thousands of Dollars)

	FY94	FY95	FY96	FY97	FY98	FY99
1002 Federal Receipts	(3,921.6)	(4,120.0)	(4,324.0)	(4,540.0)	(4,767.0)	(5,005.5)
1003 GF Match	(3,921.6)	(4,120.0)	(4,324.0)	(4,540.0)	(4,767.0)	(5,005.5)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other	(756.9)	(795.3)	(834.1)	(876.3)	(920.0)	(965.6)
TOTAL	(8,600.1)	(9,035.3)	(9,482.1)	(9,956.3)	(10,454.0)	(10,976.6)

POSITIONS:

	FY94	FY95	FY96	FY97	FY98	FY99
FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

IMPLEMENT RATABLE REDUCTION

Formula AFDC program savings from a ratable reduction in AFDC payment level.

The FY94 reduction is included in the FY94 Gov Budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director in Randy Mee, acting Phone: 465-3347
 Division: Division of Public Assistance Date: 12/30/92
 Approved by Commissioner: Theodore A. Mala by Jay L. Hansen Date: 12/31/92
 Agency: Department of Health and Social Services

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

COMMITTEE COPY

FN-HSS-AFDC-RATABLE REDUCTION

Ratable Reduction in AFDC Payment Level

Aid to Families with Dependent Children (AFDC)

This proposes legislation that provides for a ratable reduction of AFDC benefits. A provision of the Medicare Catastrophic Illness Act of 1988 requires, as a condition of future approval of Medicaid State Plans, maintenance of AFDC payment levels at or above those in effect for April 1988.

A ratable reduction of monthly maximum payments to their 1991 benefit level would result in an average payment reduction per family of \$52 for each month of FY94.

Ratable reductions are the single most effective method of immediately reducing program costs. They equitably distribute benefit reductions across the caseload, rather than impact specific groups. Food Stamp benefit increases will partially offset the decreases in cash benefits.

The AFDC reduction can be structured to create a "gap" between the need standard and the payment standard which creates an incentive for earned income by allowing for increased income from earnings without termination of AFDC. "GAP" exists when payments are made at a percentage of the need standard. Reductions in AFDC benefits will also make AFDC a slightly less attractive alternative to work.

Of the 39,911 people who will receive AFDC each month, 24,759 are children under the age of 19. Roughly two-thirds of all AFDC households consist of a parent and one or two children, with no other source of cash income but the PFD. The typical AFDC household in Alaska consists of a mother and one child. In FY94, without the reductions, this household would have expected to receive \$871 per month in AFDC cash assistance, assuming no other source of income. In all months that this family receives assistance, the grant amount will be reduced by \$79 due to imposition of a ratable reduction to the 1991 payment level. The AFDC formula reduction from this reduction is \$8.6 million (\$3.9 million GF).

Assumptions used in fiscal note calculation:

1. AFDC program caseloads increase at an average annual rate of 5%.
2. The ratable reduction to AFDC maximum payment levels is to 1991 levels. This effectively rolls back COLA increases of 3.0% (January 1, 1993) and 3.7% (January 1, 1992).
3. The adjustment in payments is effective July 1, 1993.

Maximum benefit levels are set by AS 47.25.320(a) and 7 AAC 45.520. These benefit levels vary according to the size and composition of the assisted family. In accordance with AS 47.25.320(d), AFDC benefits (funded 50 percent General Fund, 50 percent federal match) are adjusted upward in January of each year by the same percentage as the federal Supplemental Security Income (SSI) program cost-of-living adjustment.

A provision of the Medicare Catastrophic Coverage Act of 1988 requires, as a condition of future approval of Medicaid State Plans, maintenance of AFDC payment levels at or above those in effect for April 1988. The proposed reduction does not conflict with this requirement, so long as payments remain at or above the April 1988 level.

The FY94-FY99 formula impact of the ratable reduction assumes the reduction is not restored retroactively, therefore the maximum AFDC payment base is lower in subsequent fiscal years.

AFDC	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
AFDC Caseload Average Caseload	13858	14558	15278	16042	16844	17686
* Average Payment reduction for the ratable reduction that is not restored retroactively	\$51.71	\$51.72	\$51.72	\$51.72	\$51.72	\$51.72
TOTAL FY REDUCTION	8600.1	9035.3	9482.1	9956.3	10454.0	10976.6
Funding Source						
Federal	3921.6	4120.0	4324.0	4540.0	4767.0	5005.5
GF	3921.6	4120.0	4324.0	4540.0	4767.0	5005.5
I/A	756.9	795.3	834.1	876.3	920.0	965.6

*The \$51.72 per year represents the minimum savings as the actual savings would be compounded annually by any subsequent COLAS.

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

J. 2
 Bill Version: HB 67
 (H) Publish Date: 1/15/93

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act Relating to Eligibility BRU: Assistance Payments BRU
 Description: for and Payments of Public Assistance, Section 4 Component: Adult Public Assistance (APA)
 Sponsor: _____
 Requestor: Governor COMPONENT SERIAL NO. 0222

Expenditures/Revenues:	(Thousands of Dollars)					
	FY94	FY95	FY96	FY97	FY98	FY99
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(607.7)	(1,274.2)	(1,338.0)	(1,404.8)	(1,475.1)	(1,548.8)
MISCELLANEOUS						
TOTAL OPERATING	(607.7)	(1,274.2)	(1,338.0)	(1,404.8)	(1,475.1)	(1,548.8)
CAPITAL						
REVENUE FUND SOURCE						

FUNDING:	(Thousands of Dollars)					
	FY94	FY95	FY96	FY97	FY98	FY99
1002 Federal Receipts						
1003 GF Match						
1004 GF	(572.2)	(1,200.2)	(1,260.4)	(1,323.3)	(1,389.5)	(1,459.0)
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other	(35.5)	(74.0)	(77.6)	(81.5)	(85.6)	(89.8)
TOTAL	(607.7)	(1,274.2)	(1,338.0)	(1,404.8)	(1,475.1)	(1,548.8)

POSITIONS:	FY94	FY95	FY96	FY97	FY98	FY99
FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

SUSPEND APA COLA

Formula APA program savings from suspension of the COLA in FY94.

The FY94 reduction is included in the FY94 Gov Budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director for Randy Murr, acting Phone: 465-3347
 Division: Division of Public Assistance Date: 12/30/92
 Approved by Commissioner: Theodore A. Mala, MD, MPH Date: 12/21/92
 Agency: Department of Health and Social Services

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

Suspend APA COLA

The Division of Public Assistance administers two assistance programs which have statutory provisions for annual cost-of-living payment increases: Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA). Under existing statutes, benefit levels for both of these entitlement programs are increased by the same percentage as any cost-of-living adjustment (COLA) in the federal Supplemental Security Income program. These benefit adjustments are made in January of each year; we currently estimate that the January 1994 adjustments will be 3.0 percent.

This proposes legislation that provides for a suspension of the cost-of-living adjustment in the APA program during fiscal year 1994. The general funds savings by this action would be approximately \$572.2 million.

Suspending the COLAs does not reduce individual benefit amounts; it simply does not award an increase in January, leaves statutory authority in place to award COLAs in future years, and reduces the base on which future COLAs will be awarded. Increased Food Stamp benefits will partially offset loss of COLAs in household budgets.

Since July 1, 1980 AFDC and APA need standards and maximum payment levels have been automatically increased annually by the same percentage of Social Security and SSI benefits increase. In addition to the automatic COLA the legislature approved AFDC and APA benefit level increases in 1981 and 1983.

These increases have maintained formula program maximum payment levels measured as a percentage of the Federal Poverty Guideline for Alaska at approximately 77% for an AFDC family of three and 111% for a single APA client. (125% APA couple)

Assumptions used in fiscal note calculation:

1. The Federal SSI COLA will be 3.0%.
2. APA program caseload increases at an average annual rate of 5%.
3. Proposed legislation provides for suspension of the January 1, 1994 COLA.

Adult Public Assistance payment levels are set in regulation at 7 AAC 40.310, as authorized by AS 47.25.430(b). These benefit levels vary according to the composition of the household and the type of living arrangement. Current statute at AS 47.25.430(b) provides for COLA adjustments at the same percentage as the SSI program. APA payments are funded with 100 percent General Fund monies.

The APA program is essentially supplemental to federal Social Security and SSI benefits; APA applicants are required to apply for payments from the Social Security Administration, and nearly all APA recipients receive federal payments which are subtracted from the APA maximum payment standard to determine the amount of their APA payments. Under current state law, both federal benefit levels and APA benefit levels are adjusted concurrently each January.

Federal rules require, as a condition of federal Medicaid matching funds, maintenance of APA payment levels at least as high as those in effect for March 1983, or maintenance of total APA program expenditures for a calendar year at a level at least as great as the expenditures for the immediately preceding year (Interim Assistance expenditures are not considered in the calculation.) Alaska's compliance is not threatened by a one-year suspension of the APA COLA.

Under this proposed change in the law, the State will pass along the 1/1/94 COLA increase allowed in the federal SSI program, but will not increase the state supplemental contribution to recipients.

The FY94-FY99 formula impact of the COLA assumes the prior suspension of the January 1994 increase is not restored retroactively, therefore the maximum APA payment base is lower in subsequent fiscal years. FY95 is the first full year of impact of suspension of the January 1994 COLA. The impact in FY94 occurs only during the second six months of the fiscal year.

APA	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
APA Caseload Average Caseload (less Interim Assistance)	9207	9653	10136	10643	11175	11734
*Average Payment reduction for the 1/1/94 COLA suspension that is not restored retroactively	\$11	\$11	\$11	\$11	\$11	\$11
TOTAL FY REDUCTION	607.7	1274.2	1338.0	1404.8	1475.1	1548.8
GF	572.2	1200.2	1260.4	1323.3	1389.5	1459.0
I/A	35.5	74.0	77.6	81.5	85.6	89.8

*The \$11 per year represents the minimum savings as the actual savings would be compounded annually by any subsequent COLAS.

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

No. 3
 Bill Version: HB 67
 (H) Publish Date: 1/15/93

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

Effective Date: _____ Dept. Affected: Health and Social Services
 Title: An Act Relating to Eligibility BRU: Assistance Payments BRU
 Description: for and Payments of Public Assistance. Sections 4, 5 Component: Adult Public Assistance (APA)
 Sponsor: _____
 Requestor: Governor COMPONENT SERIAL NO. 0222

Expenditures/Revenues: (Thousands of Dollars)

	FY94	FY95	FY96	FY97	FY98	FY99
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(4,051.9)	(4,247.7)	(4,460.2)	(4,683.3)	(4,917.4)	(5,163.4)
MISCELLANEOUS						
TOTAL OPERATING	(4,051.9)	(4,247.7)	(4,460.2)	(4,683.3)	(4,917.4)	(5,163.4)
CAPITAL						

REVENUE FUND SOURCE

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(3,815.6)	(4,001.0)	(4,202.0)	(4,412.0)	(4,632.0)	(4,864.0)
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other	(236.3)	(246.7)	(258.2)	(271.3)	(285.4)	(299.4)
TOTAL	(4,051.9)	(4,247.7)	(4,460.2)	(4,683.3)	(4,917.4)	(5,163.4)

POSITIONS:

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

IMPLEMENT RATABLE REDUCTION

Formula APA program savings from a ratable reduction in APA payment level.

The FY94 reduction is included in the FY94 Gov Budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director *hansen* Phone: 465-3347
 Division: Division of Public Assistance Date: 12/30/92
 Approved by Commissioner: Theodore A. Mala, MD, MPH *(P) Mala by J. J. J.* Date: 12/31/92
 Agency: Department of Health and Social Services

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

COMMITTEE COPY APA RATABLE REDUCTION

Ratable Reduction in APA Payment Level

Adult Public Assistance (APA)

Federal rules require, as a condition of federal Medicaid funding, APA payment levels at least as high as those in effect for March 1983 or maintenance of total program expenditures for the immediately preceding year. A reduction to the 1990 APA maximum payment level would result in an average payment reduction per client of approximately \$37 for each month of FY94. Ratable reductions are the single most effective method of immediately reducing program costs. They equitably distribute benefit reductions across the caseload, rather than impact specific groups.

Food Stamp benefit increases will partially offset decreases in cash benefits.

In FY94, the maximum state supplemental payment for an APA individual living independently is \$384. A ratable reduction to the 1990 payment level would reduce the state payment to an individual APA client by \$53 each month. The APA payment is currently 111% of poverty and would be reduced to 104% of poverty. The APA formula reduction from the ratable is 3.8 million GF.

Assumptions used in fiscal note calculation:

1. APA program caseloads increase at an average annual rate of 5%.
2. The ratable reduction to APA maximum payment levels is to 1990 levels. This rolls back COLA increases of 3.0% (January 1, 1993) 3.7% (January 1, 1992) and 5.4% (January 1, 1991).
3. The adjustment in payments is effective July 1, 1993.

Adult Public Assistance payment levels are set in regulation at 7 AAC 40.310, as authorized by AS 47.25.430(b). These benefit levels vary according to the composition of the household and the type of living arrangement. Current statute at AS 47.25.430(b), provides for COLA adjustments at the same percentage as the SSI program. APA payments are funded with 100 percent General Fund monies.

The APA program is essentially supplemental to federal Social Security and SSI benefits; APA applicants are required to apply for payments from the Social Security Administration, and nearly all APA recipients receive federal payments which are subtracted from the APA maximum payment standard to determine the amount of their APA payments. Under current state law, both federal benefit levels and APA benefit levels are adjusted concurrently each January.

Federal rules require, as a condition of federal Medicaid matching funds, maintenance of APA payment levels at least as high as those in effect for March 1983, or maintenance of total APA program expenditures for a calendar year at a level at least as great as the expenditures for the immediately preceding year (Interim Assistance expenditures are not considered in the calculation.) Alaska's compliance is not threatened by this proposed ratable reduction in APA payments.

The FY94-FY99 formula impact of the ratable reduction assumes the reduction is not restored retroactively, therefore the maximum APA payment base is lower in subsequent fiscal years.

APA	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
APA Caseload Average Caseload (less Interim Assistance)	9207	9653	10136	10643	11175	11734
* Average Payment reduction for the ratable reduction that is not restored retroactively	\$36.67	\$36.67	\$36.67	\$36.67	\$36.57	\$36.67
TOTAL FY REDUCTION	4051.9	4247.7	4460.2	4683.3	4917.4	5163.4
GF	3815.6	4001.0	4202.0	4412.0	4632.0	4864.0
I/A	236.3	246.7	258.2	271.3	285.4	299.4

*The \$36.67 per year represents the minimum savings as the actual savings would be compounded annually by any subsequent COLAS.

The FY 4 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act Relating to Eligibility BRU: Assistance Payments BRU
 Description: for and Payments of Public Assistance, Section 6 Component: Adult Public Assistance (APA)
 Sponsor: _____
 Requestor: Governor COMPONENT SERIAL NO. 0222

Expenditures/Revenues: (Thousands of Dollars)

	FY94	FY95	FY96	FY97	FY98	FY99
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE FUND SOURCE						

FUNDING: (Thousands of Dollars)

	FY94	FY95	FY96	FY97	FY98	FY99
1002 Federal Receipts	434.0	1,016.3	1,076.1	1,135.9	1,195.7	1,255.5
1003 GF Match						
1004 GF	(434.0)	(1,016.3)	(1,076.1)	(1,135.9)	(1,195.7)	(1,255.5)
1005 GF/Program Receipts						
1005 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0
POSITIONS:						
FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

IMPLEMENT INTERIM ASSISTANCE REIMBURSEMENT

Enact Interim Assistance Reimbursement that recovers state Interim Assistance benefits from the retroactive SSI benefits of applicants found eligible for SSI.

The FY94 GF savings is included in the FY94 Gov Budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director *in Ranbyman: acty-* Phone: 465-3347
 Division: Division of Public Assistance Date: 12/30/92
 Approved by Commissioner: Theodore A. Mala, MD, MPH *(PA) Theodore A Mala by Gasling* Date: 12/3/92
 Agency: Department of Health and Social Services

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

Enact Interim Assistance Reimbursement and Eliminate Retroactive APA Payments to Interim Assistance Recipients After SSI Application Approved.

State statute AS 47.25.455 requires the State to pay \$280 per month to persons eligible under this statute while the Social Security Administration is processing their disability applications. SSI regulations allow states to be reimbursed for their Interim Assistance costs out of the retroactive SSI entitlements of applicants who are ultimately found eligible for federal SSI benefits.

Because of concerns that disability assistance can be easily abused, the process of proving or disproving disability for Social Security purposes has gradually become lengthy and complex. Concerns that people may need help badly while that process is allowed to unfold led to Alaska's enactment of Interim Assistance for APA Aid to the Disabled applicants who are awaiting a disability determination by the Social Security Administration. Although a high proportion (about 60%) of all Disability applicants are ultimately determined to be not legally disabled, an Alaska Supreme Court decision (Moore v. Beirne) determined that AS 47.25.455 requires that the state continue interim assistance until all Social Security administrative processes are complete and all administrative appeal rights have been exhausted.

Under existing state law, Alaska applicants for Adult Public Assistance receive Interim Assistance for an average of 8.8 months before a decision is made on their eligibility for SSI benefits. The Interim Assistance case is converted retroactively to Adult Public Assistance, effective with the date of APA application, after the SSI decision is made. Interim Assistance recipients receive \$280 in Interim Assistance. The proposed change does not eliminate any monthly assistance payments to recipients; it simply recovers Interim Assistance by reducing retroactive windfall payments.

The proposed changes to AS 47.25.455 would enable DHSS to effectively recover Interim Assistance benefits from the retroactive SSI benefits of APA applicants who are found eligible for SSI. APA applicants would be required to agree to have their retroactive SSI benefits paid to DHSS to reimburse the state for the Interim Assistance they would receive. There would be no retroactive entitlement to regular APA benefits.

\$280 of the monthly retroactive SSI benefit would be collected by DHSS, and the remaining \$154 in retroactive SSI would be paid to the client.

	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Cases per month	32	34	36	38	40	42
Average Reimbursement Amount	\$1130.20	\$2491	\$2491	\$2491	\$2491	\$2491
TOTAL	434.0	1016.3	1076.1	1135.9	1195.7	1255.5

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

FISCAL NOTE

No. 5
 Bill Version: HB 67
 (H) Publish Date: 1/15/93

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act Relating to Eligibility BRU: Assistance Payments BRU
 Description: for and Payments of Public Assistance. Sections 1, 7 Component: Aid to Families with Dependent Children (AFDC)
 Sponsor: _____
 Requestor: Governor COMPONENT SERIAL NO. 0220

Expenditures/Revenues:	(Thousands of Dollars)					
	FY94	FY95	FY96	FY97	FY98	FY99
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(1,944.4)	(2,713.4)	(2,849.0)	(2,992.1)	(3,141.4)	(3,299.0)
MISCELLANEOUS						
TOTAL OPERATING	(1,944.4)	(2,713.4)	(2,849.0)	(2,992.1)	(3,141.4)	(3,299.0)
CAPITAL						
REVENUE FUND SOURCE						

FUNDING:	(Thousands of Dollars)					
1002 Federal Receipts	(972.2)	(1,356.7)	(1,424.5)	(1,496.1)	(1,570.7)	(1,649.5)
1003 GF Match	(972.2)	(1,356.7)	(1,424.5)	(1,496.0)	(1,570.7)	(1,649.5)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	(1,944.4)	(2,713.4)	(2,849.0)	(2,992.1)	(3,141.4)	(3,299.0)

POSITIONS:						
FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

AFDC BASIC NEED STANDARDS FOR AFDC-UP AND AFDC INCAP

Formula AFDC program savings by amending pay to AFDC-UP and Incap cases on the same standard used for AFDC-Basic cases.

The FY94 reduction is included in the FY94 Gov Budget. DO NOT Duplicate.

Prepared by: Jan L. Hansen, Director for Rankin, acting Phone: 465-3347
 Division: Division of Public Assistance Date: 12/30/92
 Approved by Commissioner: Theodore A. Mala, MD, MPH Date: 12/31/92
 Agency: Department of Health and Social Services

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

Use AFDC Basic Need Standards for AFDC-UP and AFDC-Incap

AS 47.25.320(e) sets the AFDC need standards for AFDC-UP payments at the same level as the standards for AFDC INCAP cases that are set in state regulations. This proposes that the statute be amended to pay AFDC-UP and INCAP cases on the same standard used for AFDC-BASIC cases, i.e., to set the increment for the second parent at the same level as the increment for an additional child in an AFDC-BASIC case. This would result in a payment reduction of \$90 for a typical AFDC-UP and INCAP case.

This change eliminates the inequity between existing payment standards for single-parent and two-parent AFDC households of the same size. It also makes the AFDC-UP program a less attractive alternative to working by reducing payment levels, thus tending to reduce the dependency of intact families on welfare payments. Increased Food Stamp benefits will partially offset the reduction in cash benefits.

Assumptions used in fiscal note computations:

1. AFDC-UP and AFDC-INCAP caseloads increase at an average annual rate of 5%
2. AFDC-UP and AFDC-INCAP payment level is the same standard used for AFDC-Basic cases.
3. The adjustment in payments is effective October 1, 1993 (9 month impact in FY94).

The FY94-FY99 formula impact of the standards change for AFDC-UP and AFDC-INCAP assumes the reduction is not restored retroactively, therefore the maximum AFDC payment base is lower in subsequent fiscal years.

AFDC	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Projected Average AFDC-UP and INCAP Caseload	2476	2599	2729	2866	3009	3160
Average Payment reduction for the base change that is not restored retroactively	\$87.26	\$87	\$87	\$87	\$87	\$87
TOTAL FY REDUCTION	1944.4	2713.4	2849.0	2992.1	3141.4	3299.0
Federal	972.2	1356.7	1424.5	1496.0	1570.7	1649.5
GFM	972.2	1356.7	1424.5	1496.1	1570.7	1649.5

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

No. 6
 Bill Version: HB 67
 (H) Publish Date: 1/15/93

FISCAL NOTE

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act Relating to Eligibility BRU: Assistance Payments BRU
 Description: for and Payments of Public Assistance, Section 2 Component: Aid to Families with Dependent
 Sponsor: _____ Children (AFDC)
 Requestor: Governor COMPONENT SERIAL NO. 0220

Expenditures/Revenues: (Thousands of Dollars)

	FY94	FY95	FY96	FY97	FY98	FY99
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)
MISCELLANEOUS						
TOTAL OPERATING	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)

CAPITAL						
REVENUE FUND SOURCE						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	(960.9)	(2,017.5)	(2,118.5)	(2,224.4)	(2,335.5)	(2,452.5)
1003 GF Match	(960.9)	(2,017.5)	(2,118.5)	(2,224.4)	(2,335.5)	(2,452.5)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other	(185.5)	(389.4)	(408.7)	(429.2)	(450.9)	(473.0)
TOTAL	(2,107.3)	(4,424.4)	(4,645.7)	(4,878.0)	(5,121.9)	(5,378.0)

POSITIONS:

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary)

SUSPEND AFDC COLA

Formula AFDC program savings from suspension of the COLA in FY94.

The FY94 reduction is included in the FY94 Gov Budget. DO NOT Duplicate Reduction.

Prepared by: Jan L. Hansen, Director for Policy/Plan, acting Phone: 465-3347
 Division: Division of Public Assistance Date: 12/30/92
 Approved by Commissioner: Theodore A. Mala, MD, MPH Date: 1/31/93
 Agency: Department of Health and Social Services

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

Suspend AFDC COLA

The Division of Public Assistance administers two assistance programs which have statutory provisions for annual cost-of-living payment increases: Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA). Under existing statutes, benefit levels for both of these entitlement programs are increased by the same percentage as any cost-of-living adjustment (COLA) in the federal Supplemental Security Income program. These benefit adjustments are made in January of each year; we currently estimate that the January 1994 adjustments will be 3.0 percent.

This proposes legislation that provides for a suspension of the cost-of-living adjustment in the AFDC program during fiscal year 1994. The general fund savings by this action would be approximately \$960.9 million.

Suspending the COLAs does not reduce individual benefit amounts; it simply does not award an increase in January 1994, leaves statutory authority in place to award COLAs in future years, and reduces the base on which future COLAs will be awarded.

The COLA percentage could be awarded in the AFDC standard of need, and not in AFDC payment calculations, creating a payment gap that serves as an incentive to work. Increased Food Stamp benefits will partially offset the loss of the COLA in household budgets.

Since July 1, 1980 AFDC and APA need standards and maximum payment levels have been automatically increased annually by the same percentage of Social Security and SSI benefits increase. In addition to the automatic COLA the legislature approved AFDC and APA benefit level increases in 1981 and 1983. These increases have maintained formula program maximum payment levels measured as a percentage of the Federal Poverty Guideline for Alaska at approximately 77% for an AFDC family of three and 111% for a single APA client (125% APA couple).

Assumptions used in fiscal note calculation:

1. The January 1, 1994 Federal SSI COLA will be 3.0%.
2. AFDC program caseloads increase at an average annual rate of 5%.
3. Proposed legislation provides for suspension of the January 1, 1994 COLA.

Currently maximum benefit levels are set by AS 47.25.320(a) and 7 AAC 45.520. These benefit levels vary according to size and composition of the assisted family. In accordance with AS 47.25.320(d), AFDC benefits (funded 50% General Fund, 50 percent federal match) are adjusted upward in January of each year by the same percentage as the federal Supplemental Security Income (SSI) program cost-of-living adjustment.

The FY94-FY99 formula impact of the COLA assumes the suspension of the January 1994 increase is not restored retroactively, therefore the maximum AFDC payment base is lower in subsequent fiscal years. FY95 is the first full year of impact of suspension of the January 1994 COLA. The impact in FY94 occurs only during the second six months of the fiscal year.

AFDC	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
AFDC Caseload Average Caseload	13858	14550	15278	16042	16844	17686
* Average Payment reduction for the 1/1/94 COLA suspension that is not restored retroactively	\$25.34	\$25.34	\$25.34	\$25.34	\$25.34	\$25.34
TOTAL FY REDUCTION	2107.3	4424.4	4645.7	4878.0	5121.9	5378.0
Funding Source						
Federal	960.9	2017.5	2118.5	2224.4	2335.5	2452.5
GF	960.9	2017.5	2118.5	2224.4	2335.5	2452.5
I/A	185.5	389.4	408.7	429.2	450.9	473.0

* The \$25.34 per year represents the minimum savings as the actual savings would be compounded annually by any subsequent COLAS.

The FY94 reduction is included in the FY94 agency budget request. Do not duplicate reduction.

H B

7 8



Alaska State Legislature
House of Representatives
COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

DATE: FEBRUARY 8, 1993

PLACE: Capitol Room 106

SUBJECT OF MEETING:

- *HB 114: DRUG DISPENSING; ADV. NURSE PRACT
- *HB 2: DRUG TESTING FOR SCHOOL BUS DRIVE
- *HB 78: TESTIMONY OF MINORS IN CRIMINAL T
- *HB 97: PARENTAL CARE FOR CHILD IN STATE
- *HB 100: PROSECUTION OF JUVENILE FELONS

BILLS HELD OVER FROM PREVIOUS CALENDERS

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Eomaine Korico	Dept. of Education	811 W. 10th St. Juneau	99801		465-8652	Y	N	Amille AR 2
Peter Nakamura	Dept. of Health	A D B			4653090	(Y)	N	HB 114
VINCENT USERA	AGO				465-2399	Y	N	if needed HB 79
KARL Luob	DCED	Director Occupational Licensing			5-2538	Y	(N)	only if needed HB 114
Kathy Wetzlin	sup	10000 AMERICAN CENTER 10000 AMERICAN CENTER 10014 U.S. Hwy. Juneau, Alaska			463-1854	Y	N	HB 100
Deborah	DFVS				465-3191	(Y)	N	HB 97
						Y	N	
RENA BUKOVICH					-6872	Y	N	
JERRY LUCKHAUPT		GLADWIN ALASKA			-2450	Y	N	
						Y	N	
						Y	N	



Alaska State Legislature
House of Representatives
COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

DATE: FEBRUARY 8, 1993

PLACE: Capitol Room 106

SUBJECT OF MEETING:

- *HB 114: DRUG DISPENSING; ADV. NURSE PRACT
- *HB 2: DRUG TESTING FOR SCHOOL BUS DRIVE
- *HB 78: TESTIMONY OF MINORS IN CRIMINAL T
- *HB 97: PARENTAL CARE FOR CHILD IN STATE
- *HB 100: PROSECUTION OF JUVENILE FELONS

BILLS HELD OVER FROM PREVIOUS CALENDERS

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Sherrie, Gori	RUSIA'S WOMEN'S LOBBY	P.O. Box 22156, Juneau	99802		463-6744	(Y)	N	HB 100
Chris Eaddy	DIVERSIFIED SVCS DIV	P.O. Box 20345, JNL	99802		586-5365	Y	(N)	HB 700
GARY BADER	DOF	801 W. 10th Juneau	99802		465-8650	(Y)	N	HB 2
						Y	N	
Deborah Wetzlin						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	

**** ORDER SUMMARY ****

SPONSOR: HHES HOUSE HEALTH, EDUCATION AND SOCIAL SERVI CHAIRS: TOOHEY
PURPOSE: PUB PUBLIC HEARING BUNDE
CONTACT: LYNN SMITH TEL#: (907)465-6825
CHAIRING SITE: JUNEAU CAPITOL CAP106
TOLL FREE: DIAL-UP: LIO: (800)478-9908

SPONSOR REMARKS(PUB): TESTIMONY:Y ALLOWED 5 MINUTE LIMIT

SPONSOR REMARKS(LIO): BACKUP MATERIAL:N MEETING IN PROGRESS:N MAX. SITES: 5
FOR HB 97, DIANE OLSEN, DEPT. OF LAW WILL BE IN ANCHORAGE TO TESTIFY BY INVITE
TCN REQUESTED ON 02/03/93 AND HAS 4 UPDATES

**** AGENDA ****

- 1 HB 114 DRUG DISPENSING:ADV. NURSE PRACTITIONERS
- 2 HB 97 PARENTAL CARE FOR CHILD IN STATE CUSTODY
- 3 (BY INVITATION ONLY)

**** PARTICIPATING LIOS ****

ANC ANCHORAGE	3111 C STREET	LOCATION STAFF
BAR BARROW	COURTHOUSE #305	LOCATION STAFF
* JNU JUNEAU	CAPITOL CAP106	LOCATION STAFF
MAT MATSU	165 E PARKS HWY.	LOCATION STAFF

PARTICIPANTS IN:ANCHORAGE

ANC

- | | | | |
|---|-----------------------|------------------|------------------------|
| 1 | PATRICIA HONG | AK NURSE ASSOC | TSFY. HB 114 |
| | 237 E THIRD, NO 3 | ANCHORAGE | AK 99501 (907)274-0827 |
| 2 | DARYL YOUNG | UAA | TSFY. HB 114 |
| | 3211 PROVIDENCE DRIVE | ANCHORAGE | AK 99508 (907)786-4040 |
| 3 | SUE ANNE JENKENSEN | AK NURSE PRACTIT | TSFY. HB 114 |
| | 237 E THIRD | ANCHORAGE | AK 99501 (907)274-0827 |
| 4 | GAIL MCGUILL | | TSFY. HB 114 |
| | 3601 C STREET | ANCHORAGE | AK 99503 (907)561-2878 |
| 5 | DIANNE OLSEN | | TSFY. HB 97 |
| | 1031 W 4TH AVE | ANCHORAGE | AK 99501 (907)269-5139 |
| 6 | STAN THOMPSON | | OBSV. HB 114 |
| | 1018 W 73RD | ANCHORAGE | AK 99518 (907)344-5149 |
| 7 | KAY LAHDENPERA | MOA/DHHS | TSFY. HB 114 |
| | P.O. BOX 196650 | ANCHORAGE | AK 99519 (907)343-4624 |

PARTICIPANTS IN:JUNEAU

JNU

- | | | |
|---|--------------|------------------|
| 1 | REP TOOHEY | TSFY. HB 114 |
| | | AK (907)000-0000 |
| 2 | REP BUNDE | TSFY. HB 114 |
| | | AK (907)000-0000 |
| 3 | REP G. DAVIS | TSFY. HB 114 |
| | | AK (907)000-0000 |
| 4 | REP VEZEY | TSFY. HB 114 |
| | | AK (907)000-0000 |
| 5 | REP KOTT | TSFY. HB 114 |
| | | AK (907)000-0000 |
| 6 | REP OLBERG | TSFY. HB 114 |
| | | AK (907)000-0000 |
| 7 | REP B. DAVIS | TSFY. HB 114 |

PARTICIPANTS IN:MATSU

MAT

- | | | | |
|------|-------------|-----------------|------------------------|
| 1 MS | DIXIE LIGHT | IS FOR THE BILL | TSFY. HB 114 |
| | POB 382 | HOUSTON | AK 99694 (907)892-8804 |

SPONSOR STATEMENT

HB 78

Representative Eileen P. MacLean

Under current law, in a criminal proceeding involving a child victim or witness, at the request of the court or guardian ad litem, the court can order the testimony of the child be taken by closed circuit television or through one-way mirrors if it determines that the child's testimony under normal procedures would result in the child's inability to effectively communicate. This bill would allow the court to extend those privileges to children under the age of 16, up from the current age 13.

The constitution forbids denying the accused face-to-face confrontation with an accuser in a criminal trial without specific evidence and an express finding that the probable effect of the defendant's presence on the witness would significantly impair the substance of the witness's testimony. The U.S. Supreme Court has ruled that the right of a criminal defendant to confront his accuser is not absolute. In certain situations the right of confrontation can be limited where the court makes a case specific finding of necessity that limitations on the right of confrontation are necessary. The U.S. Supreme Court has approved procedures like current AS 12.45.046 as long as the decision to employ the procedure is made on a case specific finding of necessity that determines that requiring the child to testify in the courtroom in the presence of the defendant will result in the child suffering severe emotional distress such that the child cannot reasonably testify.

The attached memorandum from the Legal Services Division examines other states procedural provisions limiting the confrontation clause. There is no single age limit that serves as a benchmark for special treatment. The range is from ages 10 to 16, with the latter being the upper limit that states have set for use of special proceedings to take testimony through videotaped testimony or one-way mirrors.

Section 2 makes the bill retroactive and applicable to criminal offenses occurring before the effective date of the bill. This will make the age limit enacted in HB 78 applicable to offenses that occur before the effective date of the bill but which are prosecuted after the effective date.

Sponsor Statement

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM

January 20, 1993

SUBJECT: Draft bill to amend the procedures applicable to obtaining the testimony of children in certain criminal proceedings (Work Order No. 18-LS0133\A)

TO: Representative Eileen MacLean
ATTN: Rena Bukovich

FROM: Jerry Luckhaupt *JEL*
Legislative Counsel

State law authorizes trial courts to protect children appearing as witnesses in criminal proceedings by allowing their testimony to be taken out of the presence of the defendant, using closed circuit television or one-way mirrors. AS 12.45.046. ^{1/} The statute sets the maximum age of a child-witness or child-victim to whom these procedures may be applied at 13. The attached bill draft would increase the maximum age to 16.

The constitutional provision that bears upon the consideration of this statute is the so-called "confrontation clause," the Sixth Amendment to the United States Constitution ^{2/} and its counterpart, article I, section 11 of the Alaska Constitution. ^{3/}

^{1/} Such a procedure was found to be constitutional by the United States Supreme Court in Maryland v. Craig, 497 U.S. 836, 110 S.Ct. 3157, 111 L.Ed.2d 666 (1990), as long as the decision to employ the procedure is made on "a case-specific finding of necessity" that requiring the child to testify in the courtroom in the presence of the defendant would result in the child suffering severe emotional distress such that the child could not reasonably communicate. See also Cov v. Iowa, 487 U.S. 1012, 108 S.Ct. 2798, 101 L.Ed.2d 857 (1988).

^{2/} The provision reads, in relevant part:

In all criminal prosecutions, the accused shall enjoy the right . . . to be confronted with the witnesses against him

^{3/} The confrontation clause of the state constitution reads:

In all criminal prosecutions, the accused . . . is entitled . . . to be confronted with the witnesses against him;

Legislative Legal Memo

At least half the states have similar procedural provisions applicable to child victims or witnesses of crimes similar to those covered by the Alaska statute. ^{4/} My review of the applicable statutes indicates that there is no single maximum age that serves as a benchmark. The range generally is from ages 10 (Minnesota) to 16 (five states: Alabama, Florida, Mississippi, Hawaii, and New Jersey). In one state, Pennsylvania, a statute sets the maximum age at 17 but its use for children age 16 or 17 would only occur under exceptional circumstances.

The Pennsylvania statute ^{5/} in question is interesting. Under it, a videotaped deposition may be taken of a child victim or witness if the child has not reached the age of 18. The statute then establishes rebuttable presumptions for the taking and use of videotaped testimony of child victims and witnesses who are between 14 and 18:

In the case of an individual from 14 to 15 years of age, there shall be a rebuttable presumption that the individual will benefit from the use of procedures in section 5984 (relating to videotaped depositions) and 5985 (relating to testimony by closed circuit television). In the case of an individual from 16 to 17 years of age, there shall be a rebuttable presumption that the individual will not benefit from [these] procedures.

In other words, while Pennsylvania allows the use of videotaped or closed-circuit television for evidentiary purposes of children up to age 18--and is apparently the only state to do so--the presumption changes as to the ability to use these techniques for children who are older, 16 or 17. ^{6/}

From my research, age 16 ^{7/} seems to have become the upper limit that the states have set for use of special proceedings to take testimony through videotaped testimony or using one-way mirrors. But, as the Pennsylvania statute shows, age 16 is not necessarily an absolute maximum limitation, and I haven't found a decision in

^{4/} In addition, roughly two-thirds of the states also authorize the use of a child's videotaped testimony.

^{5/} Pa. Cons. Stat. Ann. title 42 § 5984.

^{6/} A Pennsylvania trial court has apparently found the Pennsylvania statute unconstitutional insofar as it requires only a "good cause" showing to permit a child to testify outside the presence of a defendant. Instead, the court imposes a requirement of a particularized finding by the trial court that the child witness was in need of special protection. It does not appear that the child's age was a factor in the decision.

^{7/} In the only jurisdiction that I was able to find where the use of the special evidentiary methods may be applied to persons older than 16, Pennsylvania, the deposition or testimony of a child 16 or 17 may be videotaped only if the proponent of taping--the state--satisfies the rebuttable presumption that the individual will not benefit from the use of the special procedure.

Representative Eileen MacLean

January 20, 1993

Page 3

which the courts have set aside a child victim or child witness protection statute due solely to the legislature's choice of a maximum age to which the protection statute may apply. Apparently the courts are willing to leave to the legislature the final decision as to the maximum age level for which these special procedures for the taking of testimony from witnesses may apply.

The courts are, of course, vigorous in assuring that the special procedures are made available, if they are used at all, only in circumstances in which specific evidence and an express finding are entered in the record that the child's personal appearance as a witness would significantly impair the substance of the child's testimony. Blume v. State, 797 P.2d 664, 674 (Ak. App. 1990).

My guess is that you could extend the ceiling under Alaska law from 13 to 16 without raising any real question as to whether the change in age alone would present a problem of constitutional magnitude. Since it is not the child's age but rather the impairment of the child's ability to communicate testimony that is the essence of the exceptional treatment, you might be able to raise the ceiling to 18. However, regardless of what age the ceiling is raised to, the test that the court must follow is the one enunciated in Blume, namely that the court summarize in the record both specific evidence and an express finding that the child's personal appearance as a witness would significantly impair the substance of the child's testimony. For children who have passed their 16th birthday, that would seem to be a tough requirement. Even with this statutory change, most older children should have to expect to confront the criminal defendants in open court.

In any event, in conjunction with the attached draft, you should consider for inclusion in the bill draft findings that set out the reasons why you believe the change should be made.

JPL:pl
93-030.plm

Attachment

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM

February 8, 1993

SUBJECT: Sectional Summary of HB 78 (Work Order No. 8-LS0133\A)

TO: Representative Eileen MacLean
Attn: Rena

FROM: Jerry Luckhaupt *JL*
Legislative Counsel

You have requested a sectional summary of the above described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill - the bill itself is the best statement of its contents.

Section 1 of the bill amends AS 12.45.046(a) by providing that if a child victim or witness, in a criminal proceeding, is under the age of 16, the court may order the testimony of the child be taken by closed circuit television or by way of one-way mirrors. The current age limit is 13 years of age or younger.

Section 2 of the bill provides that the amendment in section 1 of the bill is retroactive and applies to criminal prosecutions, that occur after the effective date of the act, of criminal offenses that occurred prior to the effective date of the act.

Section 3 of the bill provides an effective date.

GPL:lmb
93-036.lmb

Sectional Summary

Chukchi Campus
UNIVERSITY OF ALASKA FAIRBANKS

P.O. Box 297 • Kotzebue, Alaska 99752 • (907) 442-3400

25 January, 1993

Representative Eileen MacLean
State Capitol
Juneau, AK 99801

Dear Rep. MacLean:

I am writing in support of HB 78. I have worked, as a therapist, with numerous adolescent victims of abuse and adults abused as children, who expressed that the disclosure and prosecution of the abuse was more traumatic than the actual abuse itself.

I applaud the State of Alaska's efforts to protect in a healthy manner the physical, emotional, and spiritual rights of our children.

Respectfully:

Barbara R. Wilson ACSW
Barbara R. Wilson ACSW
Asst. Prof. of Social Work
University of Alaska Fairbanks
Chukchi College

Support Letters

Maniilaq Association

P.O. Box 256
Kotzebue, Alaska 99752
(907) 442-3311

December 8, 1992

Representative Eileen Panigeo MacLean
Alaska State Legislature
P.O. Box V, Rm. 128, Capitol
Juneau, Alaska 99811


Dear Eileen,

Greetings during this joyous season! I pray that you and your family have a wonderful holiday.

Shirley Goldy brought to my attention a situation that I believe warrants your assistance. It seems that children over the age of 13 must face their abusers in court and cannot be videotaped similar to what is done with younger children. This seems very cruel and unnecessary. Other states have 16 or 18 as age limits for court appearances. I believe that Alaska needs to change the age limit to at least 16 years old, if not 18 years old.

By sponsoring legislation to raise the age limit to 16 or 18, you would ensure that our children are not abused a second time by the system. I look forward to hearing from you.

Most sincerely,



Susan L. Adams,
Deputy Administrator
Social and Regional Services

cc: Shirley Goldy, Group Home
Marge West, Family Services
Ruth Apgar, DFYS

EILE/MAC/TXTIVA

MEMBER VILLAGES

Ivisaappaat, Nunatchiaq, Ipnatchiaq, Katyaak, Kivaliniq, Laugviik, Qikiqtaruk, Nautaaq, Nuurvik, Akuligaaq, Isinnaq

Rep. Eilean MacLean
Alaska Capital Legislature
State Capital Room 507
Juneau, Alaska 99801 -1182

2/5/93

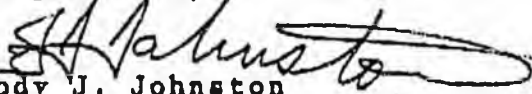
Dear Rep. MacLean,

We are sending this letter in support of House Bill #78
"An act relating to the testimony of children in certain
proceedings; and providing for an effective date"

We in the field of Social Services must support efforts to
protect the children. This bill will expand the ages of
protection for victims, children, who were unfortunately
traumatized by crimes. They do not need multiple interviews
in public court, they have been traumatized enough.

Thank you for your hard work and courage to introduce this
important bill. Vote yes for House Bill #78

Respectfully,


Jody J. Johnston
Maniilaq Alcohol Program
Box 256, Building F.R.F.
Kotzebue, Alaska 99752
1-800-478-3312

Kerrig M. Hunt / DATA INTAKE COORDINATOR
Lori Russell / Youth Prevention Coordinator
Sue Reyes - Aftercare Counselor Coordinator
Shonda Hunter, Placement Coordinator

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO: HB 78

Revision Date: _____ Dept. Affected: Public Safety
 Title: " An act relating to the testimony
of children in certain criminal proceedings " BRU: Alaska State Troopers
 Component: Detachments
 Sponsor: Representative MacLean
 Requestor: House HESS COMPONENT SERIAL NO. 799

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

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
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 FUND SOURCE:	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

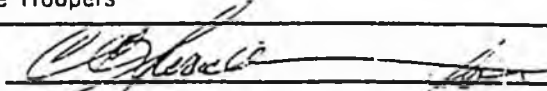
POSITIONS:

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

Estimate of current year (FY 93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary.)

No significant fiscal impact on the Alaska State Troopers is anticipated.

Prepared By: Francis C. Allan Phone: 269-5691
 Division: Alaska State Troopers Date: 02/04/93
 Approved by Commissioner:  Date: 2/4/93
 Agency: Richard L. Burton, Dept. of Public Safety

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

For further distribution information call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 78

Revision Date: _____ Dept. Affected: Department of Administration
 Title: "An Act relating to the testimony of children in certain criminal proceedings..." BRU: Public Defender Agency
 Sponsor: Representatives MacLean, Toohy Component: Public Defender Agency
 Receptor: _____ COMPONENT SERIAL NO. 1631

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
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	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
----------------	---	---	---	---	---	---

REVENUE FUND SOURCE:	0	0	0	0	0	0
-----------------------------	---	---	---	---	---	---

FUNDING:

(Thousands of Dollars)

	FY94	FY95	FY96	FY97	FY98	FY99
1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

	FY94	FY95	FY96	FY97	FY98	FY99
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: John Salemi, Public Defender
 Division: Public Defender Agency
 Approved by Commissioner: Nancy Bear Usher
 Agency: Administration

Phone: 279-7541
 Date: February 8, 1993
 Date: _____

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

For further distribution information call the Governor's Legislative Office

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 78

This proposal has as its purpose the minimization of emotional trauma to minors at least 13 years of age but less than 16 years old who are called on to testify in criminal proceedings. This proposal expands the right of the state to present the testimony of children in criminal cases by closed circuit television. (There are other provisions in the bill, such as the appointment of a guardian ad litem, which will not be discussed in this fiscal analysis).

The Public Defender Agency recognizes that the state has a legitimate interest in minimizing emotional injury with respect to minor witnesses in criminal cases. But because the use of closed circuit television for this purpose has a significant impact on the constitutional rights of accused individuals in criminal proceedings, any expansion of said use must be based on a compelling state interest. This legal language establishes the test to determine how competing interests are balanced. Absent a showing of a compelling state interest to extend the use of closed circuit television to minor witnesses who are 13, 14, or 15 years old such a law suffers constitutional infirmity.

A defendant in a criminal case has an absolute right to confront the witnesses who are called against him/her. This right of confrontation is explicit in the U.S. and state constitutions. See the Sixth and Fourteenth Amendments to the United States Constitution. See also Article 1, Section 11 of the Alaska Constitution.

A.S. 12.45.046 currently allows closed circuit television testimony for children under the age of 13 (or testimony by one-way mirror). As a prerequisite to use of this procedure the court must determine that the normal court practice of requiring the witness to testify in court would inhibit effective communication.

It must be understood that any testimony by a witness, minor or adult, has the potential to create emotional trauma. Using closed circuit television or one-way mirrors does not reduce the trauma of having to recall significant events of a potentially painful nature and relating them to a judge or jury. The only legitimate issue here is whether having to recall those events in a courtroom, in the presence of the accused, creates substantially more trauma. To make such a finding would in most instances be highly speculative. It must be remembered that courtroom proceedings are very solemn and formal. The defendant does not get to address a witness directly. Questions are asked through attorneys. Security is in place in criminal cases whenever needed. Courtrooms are typically fairly large and the distance between defendant and the witness stand substantial. Therefore defendant-generated trauma is minimized by the very nature of court proceedings.

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 78

For this law to pass constitutional muster the state would have to show that any emotional injury or trauma the minor witness might suffer by testifying "live" would be generated solely by the defendant's presence in the same courtroom. Making such a showing will be difficult, highly speculative and could involve such things as psychological evaluations. It is the understanding of the Public Defender Agency that under present law these procedures are rarely used. It is questionable whether such an expansion of this procedure is necessary.

In the final analysis this bill must strike the delicate balance between the constitutional rights of the accused and preventing emotional injury to young witnesses. Because the testimony of a minor witness in a criminal case can often be the pivotal evidence in that case, using unusual procedures to present the evidence can cause problems. A jury will see all of the other testimony live. They very well may draw negative inferences about the defendant when the testimony of a young witness is presented by television or one-way mirrors. This alone cuts against the very important concept of the presumption of innocence.

While there will be no distinct fiscal impact on the Public Defender Agency it is likely an extension of the statute will eventually be subject to a constitutional challenge.

H B

7 9



Alaska State Legislature

House of Representatives

COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

DATE: FEBRUARY 8, 1993

PLACE: Capitol Room 106

SUBJECT OF MEETING:

- HB 114: DRUG DISPENSING: ADV. NURSE PRACT
- HB 2: DRUG TESTING FOR SCHOOL BUS DRIVE
- HB 78: TESTIMONY OF MINORS IN CRIMINAL T
- HB 97: PARENTAL CARE FOR CHILD IN STATE
- HB 100: PROSECUTION OF JUVENILE FELONS

BILLS HELD OVER FROM PREVIOUS CALENDERS

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Esmayne Karsen	Dept of Education	801 W. 10th St Juneau	99801		465-8652	Y N	Amiille HB 2
Peter Nakamura	Dept of Health	A.D.B.			465-3090	(Y) N	HB 114
VINCENT USERA	AGO				465-2399	Y N	if needed HB 78
KARL Lueck	DCED	Director Occupational Licensing			5-2558	Y (N)	only if needed HB 114
KARL WELTZIN	self	STUDENT ASSISTANCE COUNCIL RURAL DISTRICTS MANAGE SCHOOL JUNE 1991 10014 W. 10th Juneau			463-1855	Y N	HB 100
Deborah	DFYS				465-3191	(Y) N	HB 97
RENA BUKAVICH					-6872	Y N	
JERRY LUCKHART		GLADWIN ALA JUNEAU, AK 9			-2450	Y N	
						Y N	
						Y N	

Page 1 of 42



Alaska State Legislature

House of Representatives

COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

DATE: FEBRUARY 8, 1993

PLACE: Capitol Room 106

SUBJECT OF MEETING:

- HB 114: DRUG DISPENSING: ADV. NURSE PRACT
- HB 2: DRUG TESTING FOR SCHOOL BUS DRIVE
- HB 78: TESTIMONY OF MINORS IN CRIMINAL T
- HB 97: PARENTAL CARE FOR CHILD IN STATE
- HB 100: PROSECUTION OF JUVENILE FELONS

BILLS HELD OVER FROM PREVIOUS CALENDERS

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
SHERIFF, Gail	ALASKA WOMEN'S LEAGUE	P.O. Box 22156, Fairbanks	99802		463-6744	(Y) N	HB 100
Chris EADDY	DIVERSIFIED SVCS DIV	P.O. Box 20945, JUNEAU	99802		586-5865	Y (N)	HB 700
GARY BADER	DOF	801 W. 10th JUNEAU	99802		465-9650	(Y) N	HB 2
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	

Page 2 of 42

**** ORDER SUMMARY ****

SPONSOR: HHES HOUSE HEALTH, EDUCATION AND SOCIAL SERVI CHAIRS: TOOHEY
PURPOSE: PUB PUBLIC HEARING BUNDE
CONTACT: LYNN SMITH TEL#: (907)465-6825
CHAIRING SITE: JUNEAU CAPITOL CAP106
TOLL FREE: DIAL-UP: LID:(800)478-9908

SPONSOR REMARKS(PUB): TESTIMONY:Y ALLOWED 5 MINUTE LIMIT

SPONSOR REMARKS(LID): BACKUP MATERIAL:N MEETING IN PROGRESS:N MAX. SITES: 5
FOR HB 97, DIANE OLSEN, DEPT. OF LAW WILL BE IN ANCHORAGE TO TESTIFY BY INVITE
TCN REQUESTED ON 02/08/93 AND HAS 4 UPDATES

**** AGENDA ****

- 1 HB 114 DRUG DISPENSING:ADV. NURSE PRACTITIONERS
- 2 HB 97 PARENTAL CARE FOR CHILD IN STATE CUSTODY
- 3 (BY INVITATION ONLY)

**** PARTICIPATING LIOS ****

ANC ANCHORAGE	3111 C STREET	LOCATION STAFF
BAR BARROW	COURTHOUSE #305	LOCATION STAFF
* JNU JUNEAU	CAPITOL CAP106	LOCATION STAFF
MAT MATSU	165 E PARKS HWY.	LOCATION STAFF

PARTICIPANTS IN:ANCHORAGE

ANC

- | | | | |
|---|-----------------------|------------------|------------------------|
| 1 | PATRICIA HONG | AK NURSE ASSOC | TSFY. HB 114 |
| | 237 E THIRD, NO 3 | ANCHORAGE | AK 99501 (907)274-0827 |
| 2 | DARYL YOUNG | UAA | TSFY. HB 114 |
| | 3211 PROVIDENCE DRIVE | ANCHORAGE | AK 99508 (907)786-4040 |
| 3 | SUE ANNE JENKENSEN | AK NURSE PRACTIT | TSFY. HB 114 |
| | 237 E THIRD | ANCHORAGE | AK 99501 (907)274-0827 |
| 4 | GAIL MCGUILL | | TSFY. HB 114 |
| | 3601 C STREET | ANCHORAGE | AK 99503 (907)561-2878 |
| 5 | DIANNE OLSEN | | TSFY. HB 97 |
| | 1031 W 4TH AVE | ANCHORAGE | AK 99501 (907)269-5139 |
| 6 | STAN THOMPSON | | OBSV. HB 114 |
| | 1018 W 73RD | ANCHORAGE | AK 99518 (907)344-5149 |
| 7 | KAY LAHDENPERA | MOA/DHHS | TSFY. HB 114 |
| | P.O. BOX 196650 | ANCHORAGE | AK 99519 (907)343-4624 |

PARTICIPANTS IN:JUNEAU

JNU

- | | | |
|---|--------------|------------------|
| 1 | REP TOOHEY | TSFY. HB 114 |
| | | AK (907)000-0000 |
| 2 | REP BUNDE | TSFY. HB 114 |
| | | AK (907)000-0000 |
| 3 | REP G. DAVIS | TSFY. HB 114 |
| | | AK (907)000-0000 |
| 4 | REP VEZEY | TSFY. HB 114 |
| | | AK (907)000-0000 |
| 5 | REP KOTT | TSFY. HB 114 |
| | | AK (907)000-0000 |
| 6 | REP OLBERG | TSFY. HB 114 |
| | | AK (907)000-0000 |
| 7 | REP B. DAVIS | TSFY. HB 114 |

PARTICIPANTS IN:MATSU

MAT

- | | | | |
|------|-------------|-----------------|------------------------|
| 1 MS | DIXIE LIGHT | IS FOR THE BILL | TSFY. HB 114 |
| | POB 382 | HOUSTON | AK 99694 (907)892-8804 |



House of Representatives

Sponsor Statement

House Bill 79

Relating To Recovery From A Parent Or Legal Guardian Of Willful
Or Malicious Destruction Of Property By A Minor.

Within recent years, the nation's legislatures have begun using their legislative powers to encourage parental responsibility through statute.

The following are examples of parental liability legislation that have been instituted within the past few years:

- California: Parents can be fined or jailed for allowing their children to participate in gangs.
- Wisconsin: Parents can be forced to pay child support when their children have babies.
- Arkansas: Parents can be fined when their children skip school.
- Florida: Parents can be jailed if a child hurts another with a gun left accessible by the parent.

In light of the legislation in other states, I am requesting we update AS 34.50.020. It was last updated in 1967. The states of Washington and Delaware also have statutes similar to Alaska's; however, the maximum recoverable is higher than what is currently allowed in Alaska's statute.

The primary purpose of this bill is to revise the current version of the law by increasing the amount recoverable from \$2000.00 to the maximum amount recoverable in district court, which is presently \$50,000.00.

Under the current terms of the law, owners of property damaged by minors, regardless of the amount of damage can claim a maximum of \$2000.00 from

SPONSOR STATEMENT

the parents or legal guardians. If damages are in excess of \$2000.00, the amount above this limit is not recoverable.

Therefore, with the passage of HB 79, property owners victimized by minors will be able to recover a greater portion of their damages.

I have included a copy of the bill, a copy of the statute and several accompanying departmental fiscal notes.

Sec. 34.50.010. Action for injury to the inheritance. A person seized of an estate in remainder or reversion may maintain a civil action for an injury done to the inheritance, notwithstanding an intervening estate for life or years. (§ 22-1-5 ACLA 1949)

Collateral references. — 51 Am. Jur. 31 C.J.S. Estates, §§ 85, 107, 111.
2d, Life Tenants and Remaindermen,
§§ 2, 3, 22, 98.

Sec. 34.50.020. Liability for destruction of property by minors. (a) A person, municipal corporation, association, village, school district, or religious or charitable organization, incorporated or unincorporated, may recover damages in a civil action in an amount not to exceed \$2,000 and court costs, from either parent or both parents or the legal guardian or person having the legal custody of an unemancipated minor under the age of 18 years, who maliciously or wilfully destroys real or personal property belonging to the person, municipal corporation, association, village, school district, or religious or charitable organization.

(b) A state agency or its agents, including a person working in or responsible for the operation of a foster, receiving, or detention home, or children's institution, is not liable for the acts of unemancipated minors in its charge or custody. (§ 1 ch 98 SLA 1957; am § 1 ch 107 SLA 1967)

Collateral references. — 59 Am. Jur. Parents' liability for injury or damage
2d, Parent and Child, § 123. intentionally inflicted by minor child. 54
67A C.J.S., Parent and Child, §§ 123, ALR3d 974.
163.

Chapter 55. Uniform Land Sales Practices Act.

Section	Section
04. Administration	24. Cease and desist orders
06. Fraudulent and prohibited practices	26. Revocation
08. Prohibitions on dispositions of interests in subdivisions	28. Penalties
10. Application for registration	30. Civil remedy
12. Public offering statement	32. Jurisdiction
14. Inquiry and examination	34. Interstate rendition
16. Notice of filing and registration	36. Service of process
18. Annual report	38. Uniformity of interpretation
20. General powers and duties	42. Exemptions
22. Investigations and proceedings	44. Definitions
	46. Short title

Pranksters purloin holiday decorations

ANCHORAGE DAILY NEWS
By DONNA FREEDMAN
Daily News reporter
12/17/92

More than two dozen Anchorage teen-agers took part in what police called a holiday season scavenger hunt early Wednesday, vandalizing several homes around Dimond High School before they were caught in the school parking lot.

Police found 25 juveniles at the school piling up plastic Nativity scenes, snowmen, Santa Clauses and other Christmas ornaments

lifted from area yards. City street signs, advertising banners and construction barricades were also among the stolen decorations. Other youths involved in the hunt got away, police said.

The holiday pilfering came just two days after local furniture dealer Jim Lowe was convicted of manslaughter in the shooting death of another teen involved in a scavenger hunt in May. The youth was with a group trying to steal an

advertising balloon from the roof of Lowe's downtown store.

Police did not identify the youths caught in Wednesday's scavenger hunt.

"It was reported as a theft in progress, but once the officers got out there and found cars running all over the place, it was clearly a scavenger hunt," said police spokeswoman JoAnn Brandlen. "The officers described it as a scavenger hunt, and they got the

students to say as much."

Dimond High principal Gail Opalinski disagreed, calling the event an early senior prank. She said she had talked with some students who were believed to have been involved.

"They decided they were going to decorate the high school with Christmas decorations," Opalinski said. "I would imagine some of

Please see Page B-3, PRANK

PRANK: Teen-agers steal decorations during a holiday scav

Continued from Page B-1

them picked up street signs while they were at it."

She stressed that the hunt was not sanctioned or approved by the school district.

"We very much regret it," she said. "We're concerned about the safety of the kids, and about the property damage done. Kids this age don't always use their best judgment."

It isn't known how many homes were hit, since not all of the decorations had been claimed by late Wednesday afternoon.

For David and Carol Jensen, this was the second time their home on Greenhill Way had been vandalized this holiday season.

The Jensen yard is famous in the neighborhood for its elaborate decorations, which include a trio of penguins warming themselves by a

campfire, several snowmen and Santa Clauses, a small wooden Santa's Workshop filled with toy animals, thousands of lights, and signs with rhymes like the old Burma Shave ads.

David Jensen said a large toy soldier was stolen from the yard last week. After that, they tied all their decorations together with steel cable and installed motion detectors around the displays.

Those detectors woke them early Wednesday. The couple turned on the lights and saw teens piling into a pickup truck.

The Jensens found two plastic Santa Clauses and a homemade wooden sleigh, with electric lights, missing. They later retrieved them at Dimond High.

The youths had apparently tried to take the penguins and some gingerbread men, but "they were wired in so

well they couldn't have done it without taking a tree along with them," David Jensen said.

The vandals also destroyed strings of lights, extension cords and two hand made wooden moose. Jensen said it will cost about \$350 to fix or replace the damaged decorations.

Another Dimond area resident, Arthur Anderson, was luckier. He found a plastic candy cane and snowman

scavenger hunt

stolen from his yard at the high school.

The theft was an inconvenience. But what chilled Anderson was that police told him it was part of a scavenger hunt.

"The Jim Lowe case just got decided. Evidently these kids aren't familiar with what's happening around town," Anderson said. "They're setting themselves up for another incident like that."

NEWS CLIPPING

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB79

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: "An Act relating to recovery from a parent or legal guardian of damages by minor" BRU: Purchased Services
 Sponsor: Representative Bunde Component: Foster Care & Residential Child Care
 Requestor: _____ COMPONENT SERIAL NO. 0252 & 0253

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE FUND SOURCE						
---------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)

There would be no program or fiscal impact for the Department if this bill were to become law.

Prepared by: Dborah R. Wing, Director
 Division: Department of Health & Social Services

Approved by Commissioner: Theodore A. Mala, MD, MPH
 Agency: Department of Health & Social Services

Phone: 465-3191
 Date: 01/27/93

Date: 2/2/93

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

FN-HSS

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 79

Revision Date: _____
Title: An Act relating to recovery from a parent or legal guardian . . .
Sponsor: Representatives Bunde, Toohy
Requestor: (H) HES

Department Affected: Administration
BRU: Risk Management
Component: Risk Management
COMPONENT SERIAL NO. 71

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
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	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE:	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Donald J. Hitchcock, Director
Division: Risk Management

Phone: 465-2180
Date: 1-28-93

Approved by Commissioner: Nancy Bear Usura
Agency: Administration

Date: 1/27/93

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

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 79

Revision Date: January 26, 1993
Title: "...relating to recovery from a parent or legal guardian
...destruction of property by a minor."
Sponsor: Representative Bunde
Requestor: Representative Bunde

Department Affected: Department of Law
BRU: Legal Services
Component: Operations
COMPONENT SERIAL NO. 0093

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

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

Estimate of current year (FY93) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

Please see the attached analysis.

Prepared by: Richard I. Pegues, Director
Division: Administrative Services Division

Phone: 465-3672
Date: January 26, 1993

Approved by Commissioner: Charles E. Cole, Attorney General

Agency: Department of Law Date: January 26, 1993

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

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 79

ANALYSIS (Continued):

This bill amends AS 34.50 to provide that a person, municipal corporation, association, village, school district, or religious or charitable organization may recover damages in an amount not to exceed \$50,000, plus costs, interest and attorney fees, from either parent or both parents or the legal guardian or person having legal custody of an unemancipated minor under the age of 18 years, who maliciously or wilfully destroys real or personal property belonging to the above parties seeking recovery. Currently, the maximum amount that may be recovered is \$2,000. This bill deals with the recovery remedies of parties other than the state and, consequently, there will not be a fiscal impact for the Department of Law.

H B

8 2

HOUSE COMMITTEE REPORT

(9)

Date Referred: January 22, 1993

FURTHER REFERRALS:

Finance

Date of Committee Action: 3-29-93

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 82

HOUSE BILL NO. 82

SCHOOL CONSTRUCTION & MAINTENANCE GRANTS

"An Act relating to school construction grants and major maintenance grants to school districts; providing for school district participation in the cost of school construction and major maintenance; creating a major maintenance grant fund; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 82 (HESS) the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADDITIONS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) Education 1/22/93

zero fiscal note _____

zero fiscal note(s) Revenue DOT/PF 1/22/93

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Don Bunde</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>	<input checked="" type="checkbox"/>		
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>Betty Davis</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
		<i>[Signature]</i>		<input checked="" type="checkbox"/>	
		<i>[Signature]</i>		<input checked="" type="checkbox"/>	
		<i>[Signature]</i>		<input checked="" type="checkbox"/>	

Don Bunde

CHAIRMAN'S SIGNATURE

3/29/93

LTN1100-R01
04/01/93

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 01
18:20:16

TCN: 30443 DATE & TIME: 03/29/93 15:00 TO 17:00 STATUS:7 STATS. IN

**** ORDER SUMMARY ****

SPONSOR: HSES HOUSE HEALTH, EDUCATION AND SOCIAL SERVI CHAIRS: TOOHEY
PURPOSE: PUB PUBLIC HEARING BUNDE
CONTACT: LYNNE SMITH TEL#: (907)465-6825
CHAIRING SITE: JUNEAU CAPITOL CAP106

SPONSOR REMARKS(PUB): TESTIMONY:Y ALLOWED 5 MINUTE LIMIT
PUBLIC TESTIMONY ON HB 82 AND HB 83 = PART 2.
2 PART TELECONFERENCE / PART 1= CONFIRMATION HEARING. NO SITES ON LINE.
TCN REQUESTED ON 03/29/93 AND HAS 9 UPDATES

**** AGENDA ****

- 1 ***** PART 2 *****
- 2 HB 82 SCHOOL CONSTRUCTION & MAINTENANCE GRANTS
- 3 HB 83 APPROP: SCHOOL CONSTRUCTION GRANT FUND
- 4 ***** PART 1 *****
- 5 CONFIRMATION HEARING ON BURTON MILLER
- 6 FOR THE BOARD OF DENTAL EXAMINERS.

**** PARTICIPATING LIOS ****

ANC ANCHORAGE	3111 C STREET	LOCATION STAFF
GLN GLENNALLEN	COMMUNITY LIB.	LOCATION STAFF
* JNU JUNEAU	CAPITOL CAP106	LOCATION STAFF
SOL KEN/SOL	34824 KALIFONSKY	LOCATION STAFF
TOK TOK LIO	MP 1314 AK. HWY	LOCATION STAFF
VAL VALDEZ	STATE BLDG. #13	LOCATION STAFF

**** VOLUNTEER & OFFNET SITES ****

ZZZ OF1 OFFNET 1	ANCHORAGE	BURTON MILLER	(907)337-4590
ZZZ OF2 OFFNET 2	KUSPUK	KUSPUK SCHOOL	(907)675-4250
ZZZ OF3 OFFNET 3	TANANA	RON DELAY	(907)366-7201
ZZZ OF4 OFFNET 4	GALENA	BILL MILLER	(907)636-1250

PARTICIPANTS IN GLENNALLEN

GLN

~~1 MR. GORDON TOPE~~ ~~C.R.S.D.~~ ~~OBSV. HB 82~~
P.O. BOX 108 GLENNALLEN AK 99588 (907)822-3235

(MORE)

PARTICIPANTS IN: JUNEAU

JNU

1	REP	BUNDE		TSFY. ***** PART 2
			AK	(907)000-0000
29	2	OBSERVE		OBSV. ***** PART 2
			AK	(907)000-0000
30	2	OBSERVE		OBSV. ***** PART 2
			AK	(907)000-0000
31	2	OBSERVE		OBSV. ***** PART 2
			AK	(907)000-0000
32	2	OBSERVE		OBSV. ***** PART 2
			AK	(907)000-0000
33	2	OBSERVE		OBSV. ***** PART 2
			AK	(907)000-0000

PARTICIPANTS IN: KEN/SOL

SOL

1 MR. RICHARD SWARNER (HB82.83) KPBSD OBSV. ***** PART 2

LTN1100-R01

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 03

04/01/93

18:20:16

TCN: 30443 DATE & TIME: 03/29/93 15:00 TO 17:00 STATUS:7 STATS. IN

PARTICIPANTS IN: KEN/SOL

SOL

148 N. BINKLEY SOLDOTNA AK 99669 (907)262-5846

PARTICIPANTS IN: TOK LIO

TOK

1 MS.	CATHERINE WILSON	AGSD	OBSV. HB 82
	P.O. BOX 226	TOK	AK 99780 (907)883-5151
2 MR.	JEFF DARTT	AGSD REG. BOARD	OBSV. HB 82
	P.O. BOX 166	TOK	AK 99780 (907)883-5568

PARTICIPANTS IN: VALDEZ

VAL

1 MR. GREG WILLIAMS KCHU OBSV. HB 82
 BOX 467 VALDEZ AK 99686 (907)835-4665

PARTICIPANTS IN: OFFNET 1

ZZZ OF1

1 BURTON MILLER ANCHORAGE AK TSFY. ***** PART 2
 (907)337-4590

PARTICIPANTS IN: OFFNET 2

ZZZ OF2

1 KUSPUK SCHOOL KULPUK AK OBSV. ***** PART 2
 (907)675-4250

PARTICIPANTS IN: OFFNET 3

ZZZ OF3

1 RON DELAY TANANA AK OBSV. ***** PART 2
 (907)366-7201

PARTICIPANTS IN: OFFNET 4

ZZZ OF4

1 BILL MILLER GALEANA AK OBSV. ***** PART 2
 (907)656-1250

H/HESS ROLL CALL FORM

BILL CSHB 82 DATE 3/29/93
 TAPE 93-50 NUMBER 466
 SUBJECT OF VOTE To change to 25, 30, 35%

MEMBER	YEA	NAY	ABS.	
Rep. Cynthia Toohey	—	X	—	AV cut Lr 4-12 (3) N v x x x x x x 7-1 N 4(AV)
Rep. Con Bunde	—	X	—	
Rep. Gary Davis	X	—	—	
Rep. Al Vezey	—	X	—	
Rep. Pete Kott	—	—	—	
Rep. Harley Olberg	—	X	—	
Rep. Bettye Davis	X	—	—	
Rep. Irene Nicholia	X	—	—	
Rep. Tom Brice	X	—	—	
TOTAL	<u>4</u>	<u>4</u>	—	

FAILED

+++++

BILL HR 82 DATE _____
 TAPE 93- NUMBER 514
 SUBJECT OF VOTE To put \$0-100,000 in 5% bracket

MEMBER	YEA	NAY	ABS	
Rep. Con Bunde	—	X	—	TB Am... - to allow... wave (4) N x x x x x x x 7-1
Rep. Gary Davis	—	X	—	
Rep. Al Vezey	—	X	—	
Rep. Pete Kott	—	—	—	
Rep. Harley Olberg	X	—	—	
Rep. Bettye Davis	X	—	—	
Rep. Irene Nicholia	X	—	—	
Rep. Tom Brice	X	—	—	
Rep. Cynthia Toohey	—	X	—	
TOTAL	<u>4</u>	<u>4</u>	—	

H/HESS ROLL CALL FORM

BILL _____ DATE _____
 TAPE 93- _____ NUMBER _____
 SUBJECT OF VOTE _____

MEMBER	YEA	NAY	ABS
Rep. Cynthia Toohey	<u>✓</u>	—	—
Rep. Con Bunde	<u>✓</u>	—	—
Rep. Gary Davis	—	—	—
Rep. Al Vezey	<u>✓</u>	—	—
Rep. Pete Kott	<u>✓</u>	—	—
Rep. Harley Olberg	<u>✓</u>	—	—
Rep. Bettye Davis	—	<u>✓</u>	—
Rep. Irene Nicholia	—	—	—
Rep. Tom Brice	—	<u>✓</u>	—
TOTAL	<u>5</u>	<u>2</u>	—

PASSER

+++++

BILL CS HB 82 DATE 3/31/93
 TAPE 93-52 NUMBER 108
 SUBJECT OF VOTE _____

MEMBER	YEA	NAY	ABS
Rep. Con Bunde	<u>✓</u>	—	—
Rep. Gary Davis	<u>✓</u>	—	—
Rep. Al Vezey	—	—	—
Rep. Pete Kott	—	—	—
Rep. Harley Olberg	—	—	—
Rep. Bettye Davis	—	—	—
Rep. Irene Nicholia	—	—	—
Rep. Tom Brice	—	—	—
Rep. Cynthia Toohey	—	—	—
TOTAL	—	—	—

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

STATE CAPITOL, JUNEAU 99801
(907) 465-3759

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



DATE 5/17
NUMBER 417

BILL CS HB 82

TAPE 93-

SUBJECT OF VOTE

TO INCREASE MIN HS FUNDING

MEMBER YEA NAY ABS

MEMBER	YEA	NAY	ABS
Rep. Gary Davis	X		
Rep. Al Vezey	X		
Rep. Pete Kott	X		
Rep. Harley Olberg	X		
Rep. Bettye Davis	X		
Rep. Irene Nicholas	X		
Rep. Tom Brice	X		
Rep. Cynthia Toohy	X		
Rep. Con Bunde	X		

TOTAL

7-2

+++++

BILL CS HB 83

TAPE 93-

SUBJECT OF VOTE

INC TRAIL APPROV BY

NUMBER 496

DATE

for \$109,444,663

MEMBER YEA NAY ABS

MEMBER	YEA	NAY	ABS
Rep. Al Vezey	X		
Rep. Pete Kott	X		
Rep. Harley Olberg	X		
Rep. Bettye Davis	X		
Rep. Irene Nicholas	X		
Rep. Tom Brice	X		
Rep. Cynthia Toohy	X		
Rep. Con Bunde	X		
Rep. Gary Davis	X		

TOTAL

7-1

PASSED

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES

STATE CAPITOL, JUNEAU 99801
(907) 465-3759



BILL _____

DATE _____

TAPE 93- _____

NUMBER 773

SUBJECT OF VOTE _____

MEMBER	YEA	NAY	ABS
Rep. Pete Kott	—	✓	—
Rep. Harley Olberg	—	✓	—
Rep. Bettye Davis	—	✓	—
Rep. Irene Nicholia	—	✓	—
Rep. Tom Brice	✓	—	—
Rep. Cynthia Toohey	—	✓	—
Rep. Con Bunde	—	✓	—
Rep. Gary Davis	—	✓	—
Rep. Al Vezey	✓	—	—
 TOTAL	 —	 —	 —

+++++

BILL _____

DATE _____

TAPE 93- _____

NUMBER 023

SUBJECT OF VOTE PA _____

MEMBER	YEA	NAY	ABS
Rep. Harley Olberg	✓	—	—
Rep. Bettye Davis	✓	—	—
Rep. Irene Nicholia	✓	—	—
Rep. Tom Brice	—	✓	—
Rep. Cynthia Toohey	✓	—	—
Rep. Con Bunde	✓	—	—
Rep. Gary Davis	✓	—	—
Rep. Al Vezey	✓	—	—
Rep. Pete Kott	✓	—	—
 TOTAL	 8	 1	 —

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES

STATE CAPITOL, JUNEAU 99801
(907) 465-3759



BILL _____

DATE _____

TAPE 93- _____

NUMBER _____

SUBJECT OF VOTE _____

MEMBER	YEA	NAY	ABS
Rep. Bettye Davis	___	___	___
Rep. Irene Nicholia	___	___	___
Rep. Tom Brice	___	___	___
Rep. Cynthia Toohey	___	___	___
Rep. Con Bunde	___	___	___
Rep. Gary Davis	___	___	___
Rep. Al Vezey	___	___	___
Rep. Pete Kott	___	___	___
Rep. Harley Olberg	___	___	___
TOTAL	___	___	___

+++++

BILL _____

DATE _____

TAPE 93- _____

NUMBER _____

SUBJECT OF VOTE _____

MEMBER	YEA	NAY	ABS
Rep. Irene Nicholia	___	___	___
Rep. Tom Brice	___	___	___
Rep. Cynthia Toohey	___	___	___
Rep. Con Bunde	___	___	___
Rep. Gary Davis	___	___	___
Rep. Al Vezey	___	___	___
Rep. Pete Kott	___	___	___
Rep. Harley Olberg	___	___	___
Rep. Bettye Davis	___	___	___
TOTAL	___	___	___

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES

STATE CAPITOL, JUNEAU 99801
(907) 465-3759



BILL _____

DATE _____

TAPE 93- _____

NUMBER _____

SUBJECT OF VOTE _____

MEMBER	YEA	NAY	ABS
Rep. Tom Brice	---	---	---
Rep. Cynthia Toohey	---	---	---
Rep. Con Bunde	---	---	---
Rep. Gary Davis	---	---	---
Rep. Al Vezey	---	---	---
Rep. Pete Kott	---	---	---
Rep. Harley Olberg	---	---	---
Rep. Bettye Davis	---	---	---
Rep. Irene Nicholia	---	---	---
 TOTAL	 ---	 ---	 ---

+++++

BILL _____

DATE _____

TAPE 93- _____

NUMBER _____

SUBJECT OF VOTE _____

MEMBER	YEA	NAY	ABS
Rep. Cynthia Toohey	---	---	---
Rep. Con Bunde	---	---	---
Rep. Gary Davis	---	---	---
Rep. Al Vezey	---	---	---
Rep. Pete Kott	---	---	---
Rep. Harley Olberg	---	---	---
Rep. Bettye Davis	---	---	---
Rep. Irene Nicholia	---	---	---
Rep. Tom Brice	---	---	---
 TOTAL	 ---	 ---	 ---

WALTER J. HICKEL, GOVERNOR

OFFICE OF THE GOVERNOR
OFFICE OF MANAGEMENT AND BUDGET

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
PHONE: (907) 465-3568
FAX: (907) 465-2090

HB 82
HB 83

March 9, 1993

The Honorable Cynthia Toohey
The Honorable Con Bunde
Co-Chairs, House Health, Education and Social Services Committee
Alaska State Legislature
Capital Room 104
Juneau, AK 99801

Dear Representatives Toohey and Bunde:

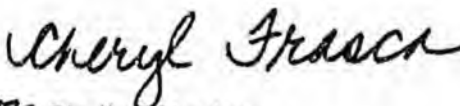
On behalf of the Governor, I am requesting an amendment to House Bill 83 to reflect full funding for the Ketchikan High School project. The amendment would increase the high school's funding from \$6,651,000 to \$9,501,600.

The original intent of both House Bill 82 and 83 was to set up a school funding program that included a local match for state funded projects. The full amount for Ketchikan Gateway Borough's request was \$9,501,600. The amount reflected in House Bill 83 was reduced by is \$2,850,500, which reflects the community match amount.

It should be noted that this project has been ongoing for several years. Based on additional information presented to the Department of Education by the Ketchikan Gateway Borough, it is clear the Borough has already satisfied any match that may be required as a result of this legislation. It is therefore requested that the amount for the Ketchikan High School project be amended to \$9,501,600 in House Bill 83.

Thank you for your consideration of this request.

Sincerely,


for J. Shelby Stastny
Director

cc: Jerry Covey, Commissioner, Department of Education
Richard Clevenger, Superintendent, Ketchikan Gateway Borough Schools

GOVERNOR'S PROPOSALS - HB-83

There are 122,094 students currently enrolled in K-12 educational programs in the State of Alaska. The student distribution in percent of total student population, by area and HB-83 allocations are delineated below.

The urban area of the State of Alaska has 84,009 students, which are 69% of the total student population. The following figures show the respective distribution of funds for construction, major maintenance and repair, as proposed in the Governor's bill HB-83.

<u>School District</u>	<u>Construction</u>	<u>%</u>	<u>Major Maint.</u>	<u>%</u>
Anchorage	\$ 980,000	.09%	2,100,000	4.9%
Fairbanks	\$8,816,800	8%	\$5,001,400	12%
MAT-SU	\$3,260,600	3%	\$0.00	0%
Kenai	\$ 98,400	.03%	\$2,053,900	4.9%

The Boroughs and Cities of the State of Alaska have 10,779 students which is 9% of the total student population. The figures cited below show the respective distribution of funds for construction, major maintenance and repair, as proposed in the Governor's bill HB-83.

14 Districts	\$18,200,000	17%	\$3,880,400	9%
--------------	--------------	-----	-------------	----

REAA's have 13,076 students, which is 11% of the total state student population. The Governor's bill, HB-83 allocates the following respective amounts to REAA's.

18 Districts	\$60,124,000	56%	\$15,544,400	61%
--------------	--------------	-----	--------------	-----

Southeast region school, is comprised of 17 districts, including Juneau, which have 14,230 students or 12% of the total student population. The figures shown below show the respective distribution of funds for construction, major maintenance and repair in the Governor's version of HB-83.

17 Districts	\$15,544,400	14%	\$2,868,000	7%
--------------	--------------	-----	-------------	----

PROPORTIONAL FUNDING

If school funding were a function of population, here is how the money would break down.

DISTRICT	STUDENT POP.	% of STATE	TOTAL FUNDING
Anchorage	48,115	39%	\$58,500,000
Fairbanks	15,608	13%	\$19,500,000
Mat-Su	10,689	9%	\$13,500,000
Kenai	9,597	8%	\$12,000,000
<u>BOROUGHES AND CITIES</u>			
	10,779	8.8%	\$13,200,000
<u>REGIONAL EDUCATIONAL ATTENDANCE AREAS</u>			
	13,076	10.8%	\$16,200,000
<u>SOUTHEAST ALASKA DISTRICTS</u>			
	14,230	11.6%	\$17,400,000
			\$150,000,000

Boroughs and Cities are defined as the following districts:

Aleutians East, Bristol Bay, Dillingham, Galena, Kodiak, Lake & Peninsula, Nenana, Nome, North Slope, NW Arctic, St. Mary's, Tanana, Unalaska and Valdez.

REAA's are defined as the following districts:

Adak, Alaska Gateway, Aleutian Region, Bering Strait, Chugach, Copper River, Delta Greely, Denali, Iditarod, Kashunamuit, Kuspuk, Lower Kuskokwim, Lower Yukon, Pribilof, Southwest Region, Yukon Flats, Yukon-Koyukuk and Yupiit.

Southeast Alaska Districts are defined as the following districts:

Chatham, Yakutat, Haines, Skagway, Juneau, Pelican, Hoonah, Sitka, Kake, Petersburg, Wrangell, Southeast Island, Klawock, Craig, Ketchikan, Hydaburg and Annette Islands.



Alaska State Legislature
 House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

DATE: FEBRUARY 9, 1993

PLACE: Capitol Room 106

SUBJECT OF MEETING:

- *HB 82: SCHOOL CONSTRUCTION
- *HB 83: APPROP: SCHOOL CONSTRUCTION GRANT FUND

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
HP Gazaway	Self	1521 W 14 Ave Anch AK	99501	277-2573		Y <input checked="" type="radio"/> N	
Louise Johnson	R. Gilbozi	9478 Liveland Junction	94801		463-3375	Y <input checked="" type="radio"/> N	
JERRY COVEY, DOE COMMISSIONER						Y N	
GARY BADER, DOE						Y N	
DUANE GILEY, DME						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	



KENAI PENINSULA BOROUGH

144 N. BINKLEY • SOLDOTNA, ALASKA 99669
PHONE (907) 262-4441

DON GILMAN
MAYOR

POSITION PAPER
KENAI PENINSULA BOROUGH
SB 59 and SB 60
HB 82 and HB 83
School Construction Grants
February 8, 1993

The Kenai Peninsula Borough Assembly has not taken a position on SB 59/60 and HB 82/83. However, the Assembly has consistently been on record as supporting matching grant programs with the local match requirement of 30% or less. The following comments are from the Kenai Peninsula Borough Administration and I believe generally reflect the feelings of both the Assembly and School Board.

1. The Kenai Peninsula Borough supports the concepts embodied in SB 59 and HB 82 with the following exceptions:
 - A. The percentage of participation should be fixed; i.e. 15%, 30%, etc. instead of a sliding scale from 30% up to 55%. The simpler the program, the easier it is to explain to voters when they are asked to approve bonds for school construction. The program that was in place for many years was a reimbursement program which was not fixed. Communities could never, with certainty, tell voters how much the school projects were going to cost. We do not object to an ability to pay schedule.
 - B. The construction grant fund and the major maintenance grant fund make imminent sense; the use of current HB 37 criteria does not. It is our feeling that the priority process, the plan review and approval process, and the design criteria from which the state will pay should all be revisited and the HB 37 evaluation process should be scrapped.

SB 59 and SB 60
HB 82 and HB 83
2/8/93
Page 2

2. The Kenai Peninsula Borough supports SB 60 and HB 83 if a decision has been reached by the administration and legislature that school construction programs should be achieved with use of cash instead of bonds. It is our opinion that there is not enough money in regular general fund revenues and various other fund balances to carry out a \$600 million program over a four-year period without using the undistributed income account. Further, it is our opinion that if the undistributed income account is going to be used for anything, education construction is probably a preferred area for expenditure.

The Kenai Peninsula Borough does not oppose a bonding program. Bonding is an entirely different topic than what is embodied in SB 59 and HB 82.

If we can be of assistance to you or your staff on this important matter, please feel free to call upon us.

