

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

7809 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

ANALYSIS (cont.):

FY 96

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office space		9.6
	Regulations contract		15.0
	<u>Evaluation Contract</u>		<u>20.0</u>
	Total		159.1

FY 97 - FY 98 (per year):

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office space		9.6
	<u>Evaluation Contract</u>		<u>20.0</u>
	Total		144.1

FY 99:

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office space		9.6
	<u>Evaluation Contract</u>		<u>50.0</u>
	Total		174.1

Position Title Project Coordinator			No. of Positions 1	Range/Step 19A	Bargaining Unit GGU
Time Status PFT	Staff Months 9 months		Location Juneau		Election District
TYPE of EXPENDITURE		AMOUNT	Justification House Bill 409 authorizes DHSS to design and operate a demonstration project under the authority of section 1115(b) of the Social Security Act. Project management staff will be necessary to operate the demonstration. This is a request for the project manager position. This position will be responsible for overall project design and management. Project development and management include planning, negotiating, and preparing the demonstration project application(s), including requesting waiver of the pertinent federal law provisions. Development also includes coordinating the necessary program and system changes and dealing with requests for information about the project as well as negotiation and administration of the evaluation contract and monitoring of the project. The project manager will also be responsible to oversee the operation and monitoring of the project and maintain the necessary relationships with federal officials throughout its duration.		
Salary		46.9			
Benefits					
Premium Pay					
Other					
Total Personal Services		46.9			
Travel					
Contractual		3.6			
Commodities					
Equipment		4.5			
Other					
Total Cost		55.0			
FUNDING SOURCE for TOTAL COST					
1002	Federal Receipts				
1003	GF Match	55.0			
1004	General Fund				
1005	GF/Program Receipts				
1006	GF/Mental Health Trust				
1007	I/A Receipts				
1061	CIP Receipts				
Other					

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

FY95

Page 1 of 1
 Revised Date:

Position Title Project Assistance			No. of Positions 1	Range/Step 16A	Bargaining Unit GGU
Time Status PFT	Staff Months 9 months		Location Juneau	Election District	
TYPE of EXPENDITURE		AMOUNT	<p>Justification</p> <p>House Bill 409 authorizes DHSS to design and operate a demonstration project under the authority of section 1115(b) of the Social Security Act. Project management staff will be necessary to operate the demonstration. This is a request for a position to function as assistant to the project manager. This position will assist the project manager with overall project design and management.</p> <p>Project development and management include planning, negotiating, and preparing the demonstration project application(s), including requesting waiver of the pertinent federal law provisions. Development also includes coordinating the necessary program and system changes and dealing with requests for information about the project as well as negotiation and administration of the evaluation contract and monitoring of the project. Project management will also be necessary to oversee the operation and monitoring of the project and maintain the necessary relationships with federal officials throughout its duration.</p> <p>The project assistant will be assigned to the Juneau project manager during pre-implementation development and planning. This position will be relocated to the Anchorage field operations management office as a field project liaison once the project becomes operational in January 1996.</p>		
Salary		39.0			
Benefits					
Premium Pay					
Other					
Total Personal Services		39.0			
Travel					
Contractual		3.6			
Commodities					
Equipment					
Other		4.5			
Total Cost		47.1			
FUNDING SOURCE for TOTAL COST					
1002	Federal Receipts				
1003	GF Match				
1004	General Fund	47.1			
1005	GF/Program Receipts				
1006	GF/Mental Health Trust				
1007	I/A Receipts				
1061	CIP Receipts				
Other					

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

Page 1 of 1

Revised Date:

FY95

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSIONBILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program BRU: PA Administration
 Component: PA Data Processing
 Sponsor: Hanley
 Requestor: _____ COMPONENT SERIAL NO. 0240

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	260.5	347.3	169.5	169.5	169.5	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	21.6	28.8	14.4	14.4	14.4	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	27.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	309.1	376.1	183.9	183.9	183.9	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE

(Thousands of Dollars)

	FY95	FY96	FY97	FY98	FY99	FY00
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	309.1	376.1	183.9	183.9	183.9	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	309.1	376.1	183.9	183.9	183.9	0.0

POSITIONS:

FULL-TIME	6	6	6	6	6	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 creates a need for major modifications to the Division of Public Assistance Eligibility Information System. Operation of a federally approved demonstration project will require that the DPA apply two different, parallel sets of eligibility rules to cases which are part of the demonstration project and cases which fall under normal AFDC program rules. Demonstration project methodology will also require special collection and compilation of data for program monitoring and evaluation purposes.

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S.
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 2/7/94
 Date: 2/10/94

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H+SS - PA Administration - PA Data Processing

ANALYSIS (cont.):

The EIS is fundamental to DPA's administration of public assistance. Full automation of the demonstration project will be necessary to comply with federal requirements and to minimize the need for additional field staff to operate the project.

Modifications to the EIS system will require extensive programming and testing by PA data processing staff. This is a major systems development project which must be completed within a very short timeline. Once the programming modifications are in place, a reduced level of staff effort will be required to maintain the special programming, generate monitoring data, and produce the information necessary for completion of the final project evaluation.

Assumptions:

HB 409 is enacted effective July 1, 1994. The EIS modification project begins as soon as possible thereafter, presuming federal approval of the demonstration project.

Project staff is hired effective October 1, 1994.

Demonstration project evaluation is performed by a contractor. PA data processing staff are responsible to generate data needed for the evaluation.

EIS programming for demonstration project is on-line January 1, 1996. Full system staffing is necessary through FY 96 to complete system de-bugging and complete development of monitoring components.

From FY 97 through FY 99, 3 PA data processing positions will be needed to maintain the system, generate monitoring reports, and produce data for the program evaluation.

ANALYSIS (cont.):

Calculations:

FY 95: (9 months)

1	Project Manager	AP V	R21	53.1
1	Lead Programmer	APIV	R19	46.9
2	Programmers	APIII	R17	82.5
2	Testers/Analysts	PAAI	R1C	78.0
	Equipment			27.0
	Office Space			<u>21.6</u>
	Total			309.1

FY 96:	1	Project manager	AP V	R21	70.8
	1	Lead Programmer	APIV	R19	62.5
	2	Programmers	APIII	R17	110.0
	2	Testers/Analysts	PAAI	R16	104.0
		Office space			<u>28.8</u>
		Total			376.1

FY 97:	1	Lead Programmer	APIV	R19	62.5
	1	Programmer	APIII	R17	55.0
	1	Tester/Analyst	PAAI	R16	52.0
		Office space			<u>14.4</u>
		Total			183.9

FY 98:	1	Lead Programmer	APIV	R19	62.5
	1	Programmer	APIII	R17	55.0
	1	Tester/Analyst	PAAI	R16	52.0
		Office space			<u>14.4</u>
		Total			183.9

FY 99:	1	Lead Programmer	APIV	R19	62.5
	1	Programmer	APIII	R17	55.0
	1	Tester/Analyst	PAAI	R16	52.0
		Office space			<u>14.4</u>
		Total			183.9

Position Title Analyst/Programmer V		No. of Positions 1	Range/Step 21/B	Bargaining Unit SS
Time Status Full Time	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		53.1		
Benefits				
Premium Pay				
Other				
Total Personal Services		53.1		
Travel				
Contractual		3.6		
Commodities				
Equipment		4.5		
Other				
Total Cost		61.2		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	61.2		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>The EIS requires maintenance on a daily basis to implement federal mandates, make corrections, implement performance enhancements, and ensure accurate daily issuances. Existing staff levels are necessary to perform the operational duties. This project will require complex modifications to the existing system and extensive acceptance testing to ensure accurate tracking of results.</p> <p>This position is the project manager for system development necessary to operate the AFDC demonstration project authorized by HB 409.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: PA Administration
 COMPONENT: PA Data Processing

FY95

Page 1 of 1

Revised Date:

Position Title Analyst/Programmer IV		No. of Positions 1	Range/Step 19/B	Bargaining Unit GG
Time Status Full Time	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		46.9		
Benefits				
Premium Pay				
Other				
Total Personal Services		46.9		
Travel				
Contractual		3.6		
Commodities				
Equipment		4.5		
Other				
Total Cost		55.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	55.0		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification:</p> <p>The EIS requires maintenance on a daily basis to implement federal mandates, make corrections, implement performance enhancements, and ensure accurate daily issuances. Existing staff levels are necessary to perform the operational duties. This project will require complex modifications to the existing system and extensive acceptance testing to ensure accurate tracking of results.</p> <p>This position is a lead programmer analyst to research each system impact involved and work with lower level programmers on the system development necessary to operate the demonstration project authorized by HB 409.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: PA Administration
 COMPONENT: PA Data Processing

FY95

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Revised Date:

Position Title Analyst/Programmer III		No. of Positions 2	Range/Step 17/B	Bargaining Unit GG
Time Status Full Time	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		82.5		
Benefits				
Premium Pay				
Other				
Total Personal Services		82.5		
Travel				
Contractual		7.2		
Commodities		1.0		
Equipment		8.0		
Other				
Total Cost		98.7		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	98.7		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>The EIS requires maintenance on a daily basis to implement federal mandates, make corrections, implement performance enhancements, and ensure accurate daily issuances. Existing staff levels are necessary to perform the operational duties. This project will require complex modifications to the existing system and extensive acceptance testing to ensure accurate tracking of results</p> <p>These positions are journeyman-level programmers necessary for development of the system modifications needed to operate the demonstration project authorized by HB 409.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

BRU: PA Administration

COMPONENT: PA Data Processing

FY95

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Revised Date:

Position Title Public Assistance Analyst I		No. of Positions 2	Range/Step 16/B	Bargaining Unit GG
Time Status Full Time	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		78.0		
Benefits				
Premium Pay				
Other				
Total Personal Services		78.0		
Travel				
Contractual		7.2		
Commodities		1.0		
Equipment		8.0		
Other				
Total Cost		94.2		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	94.2		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
		Justification		
		<p>The EIS requires maintenance on a daily basis to implement federal mandates, make corrections, implement performance enhancements, and ensure accurate daily issuances. Existing staff levels are necessary to perform the operational duties. This project will require complex modifications to the existing system and extensive acceptance testing to ensure accurate tracking of results.</p> <p>These positions are user level analysts/testers that are necessary for the development of the system modifications necessary to operate the demonstration project authorized by HB 409.</p>		

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

BRU: PA Administration

COMPONENT: PA Data Processing

Page 1 of 1

Revised Date:

FY95

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program BRU: PA Administration
 Component: Alaska Work Programs
 Sponsor: Hanley
 Requestor: _____ COMPONENT SERIAL NO. 0238

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	39.0	52.0	52.0	26.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	106.7	137.3	137.3	68.7	0.0
SUPPLIES	0.0	0.2	0.2	0.2	0.1	0.0
EQUIPMENT	0.0	10.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	155.9	183.5	189.5	94.8	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	155.9	189.5	189.5	94.8	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	155.9	189.5	189.5	94.8	0.0

POSITIONS:

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

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 generates a need for recruitment, development, monitoring and maintenance of unpaid-community work sites for AFDC recipients participating in the workfare activity set out in section 6 of the bill.

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Margaret R. Lowe
 Agency: Department of Health & Social Services

Phone: 465-2580
 Date: 2/8/94
 Date: 2/10/94

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H+SS - PA Administration - Alaska Work Programs

ANALYSIS (cont.):

Assumptions:

AFDC recipients without paid employment will be required to participate in unpaid (uncompensated) work activities at least 21 hours per week.

Unpaid-work sites need to be developed, monitored, and maintained in two urban and one rural area for client referrals in FY96-99.

One Project Assistant position will develop, monitor, and maintain agreements with unpaid-work sites in the 2 urban areas.

Development, monitoring, and maintenance of rural project sites will be conducted by a contractor.

Development of work sites begins 10/1/1995, then continues with monitoring of placement agreements; recruitment of new sites to replace filled or discontinued sites; and termination with end of project 12/31/1999.

The state-equivalent insurance for Workmen's Compensation must be maintained for each work site, providing medical for accidental injury, death, and dismemberment.

Participants of Workfare will require intensive 4-hr employment assistance workshops, covering resumes, interviewing skills and work ethics.

Development and presentation of Workfare Workshops in all 3 areas will be contracted out to the Department of Labor, to include development, materials, travel, and personal services.

ANALYSIS (cont.):Costs:**FY95**

No Costs

FY96

Personal Services (9 months Project Assistant)	\$ 39.0
Contractual (9 months Facilities)	1.7
Contractual (6 months Insurance)	18.0
Contractual (6 months Dept. Labor)	12.0
Contractual (Rural Project Development & Management)	75.0
Supplies	.2
Equipment	<u>10.0</u>
	\$155.9

FY97

Personal Services (12 months Project Assistant)	\$ 52.0
Contractual (12 months Facilities)	2.3
Contractual (12 months Insurance)	36.0
Contractual (12 months Dept. Labor)	24.0
Contractual (Rural Project Development & Management)	75.0
Supplies	<u>.2</u>
	\$189.5

FY98

Personal Services (12 months Project Assistant)	\$ 52.0
Contractual (12 months Facilities)	2.3
Contractual (12 months Insurance)	36.0
Contractual (12 months Dept. Labor)	24.0
Contractual (Rural Project Development & Management)	75.0
Supplies	<u>.2</u>
	\$189.5

FY99

Personal Services (6 months Project Assistant)	\$ 26.0
Contractual (6 months Facilities)	1.2
Contractual (6 months Insurance)	18.0
Contractual (6 months Dept. Labor)	12.0
Contractual (Rural Project Development & Management)	37.5
Supplies	<u>.1</u>
	\$ 94.8

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program BRU: PA Administration
 Component: Child Care Benefits
 Sponsor: Hanley
 Requestor: _____ COMPONENT SERIAL NO. 1897

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	614.4	1,228.8	1,228.8	614.4	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	614.4	1,228.8	1,228.8	614.4	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	614.4	1,228.8	1,228.8	614.4	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	614.4	1,228.8	1,228.8	614.4	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 (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 generates a need for child care services for AFDC recipients who are participating in the workfare activity set out in section 6 of the bill. Subsection (c) (1) requires that DHSS pay for child care services necessary for an individual to participate in workfare.

Under current AFDC program operations, the Department does not pay for child care services for individuals who are participating in unpaid work activities unless the individual is participating in the JOBS program

Prepared by: Jan L. Hansen, Director Phone: 465-2680
 Division: Division of Public Assistance Date: 2/7/94
 Approved by Commissioner: Margaret R. Lowe Date: 2/10/94
 Agency: Department of Health & Social Services

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H+SS - PA Administration - Child Care Benefits

ANALYSIS (cont.):

Assumptions:

Workfare participants will be required to work 21 hours per week.

300 urban families and 20 rural families per month will require child care services to participate in workfare.

Need for child care begins on January 1, 1996 and ends December 31, 1998. FY 96 and FY 99 costs represent 6 months' benefits.

Calculations:

FY 95: No child care benefits paid, workfare not operational.

FY 96: 320 families x \$320 per family/month x 6 months = \$614.4.

FY 97-

FY 98: 320 families x \$320 per family/month x 12 months = \$1,228.8/year.

FY 99: 320 families x \$320 per family/month x 6 months = \$614.4.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program - ratable reductions BRU: Assistance Payments
 Component: AFDC
 Sponsor: _____
 Requestor: _____ COMPONENT SERIAL NO. 0220

Expenditures/Revenues: (Thousands of Dollars)

	FY95	FY96	FY97	FY98	FY99	FY00
OPERATING						
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(1,160.0)	(2,437.0)	(2,559.0)	(2,687.0)	(2,821.0)	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(1,160.0)	(2,437.0)	(2,559.0)	(2,687.0)	(2,821.0)	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(526.6)	(1,106.4)	(1,161.8)	(1,219.9)	(1,280.7)	0.0
1003 GF Match	(526.7)	(1,106.4)	(1,161.8)	(1,219.9)	(1,280.8)	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Receipts	(106.7)	(224.2)	(235.4)	(247.2)	(259.5)	0.0
TOTAL	(1,160.0)	(2,437.0)	(2,559.0)	(2,687.0)	(2,821.0)	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 (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

Section 1 of HB 409 reduces AFDC maximum payment levels by approximately 1.7 percent below the current payment levels. This benefit reduction becomes effective upon federal approval of the AFDC waivers contained in Section 4 of this bill.

(Please see page 2 for additional information)

Prepared by: Jan L. Hansen, Director Phone: 465-2680
 Division: Division of Public Assistance Date: 2/8/94
 Approved by Commissioner: Margaret R. Lowe Date: 2/10/94
 Agency: Department of Health & Social Services

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H+SS- Assistance Payments - AFDC

ANALYSIS (cont.):

Section 2 of HB 409 restores AFDC payment maximums to current levels at the end of the AFDC demonstration project described in section 5 of the bill. Section 11 establishes an effective date of June 30, 1999 for section 2.

Assumptions:

Reductions in AFDC payment maximums produce a 1.7 percent savings in AFDC formula costs effective January 1, 1995.

Ratable reductions are imposed statewide.

Savings for FY95 represent 6 months of benefit reductions.

AFDC caseload size will increase by 5 percent each year.

The average amount of the monthly AFDC benefit decrease as a result of ratable reductions will be \$13.00.

Calculations:

	<u>Average AFDC Caseload</u>	<u>Average monthly payment reduction</u>	<u>Total FY Reduction</u>
FY95	14,882	\$13	\$1160.0
FY96	15,626	\$13	\$2437.0
FY97	16,407	\$13	\$2559.0
FY98	17,228	\$13	\$2687.0
FY99	18,089	\$13	\$2821.0
FY00	18,993	\$0	\$ 0.0

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSIONBILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: No Act proposing a special demonstration project within the AFDC program BRU: Assistance Payments
 Component: Adult Public Assistance
 Sponsor: Hanley
 Requestor: _____ COMPONENT SERIAL NO. 0222

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(321.4)	(674.9)	(708.7)	(744.1)	(781.3)	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(321.4)	(674.9)	(708.7)	(744.1)	(781.3)	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY95	FY96	FY97	FY98	FY99	FY00
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(302.8)	(635.8)	(667.6)	(700.9)	(736.0)	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1007 I/A Receipts	(18.6)	(39.1)	(41.1)	(43.2)	(45.3)	0.0
TOTAL	(321.4)	(674.9)	(708.7)	(744.1)	(781.3)	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 (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

Section 3 of HB 409 reduces Adult Public Assistance benefits by setting the amount of the maximum state contribution to Adult Public Assistance recipients at 1.7 percent less than the amount payable on January 1, 1992. This benefit reduction becomes effective upon federal approval of the AFDC waivers contained in Section 4 of this bill, and is repealed effective June 30, 1999. (See page 2 for additional information.)

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Margaret R. Lowe
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 2/8/94
 Date: 2/10/94

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H + SS - Assistance Payments - Adult Public Assistance

ANALYSIS (cont.):**Assumptions:**

- APA benefit reductions will become effective January 1, 1995. Savings for FY 95 represent 6 months of benefit reductions.
- Benefit reductions are imposed statewide.
- The average amount of the monthly APA benefit decrease will be \$5.45. The APA benefit payment to an individual SSI recipient will be \$6 less per month.
- APA caseload size will increase by 5 percent each year.
- Recipients of APA Interim Assistance payments will not be affected by the benefit reductions.

Calculations:

	<u>Average APA Caseload</u>	<u>Average monthly payment reduction</u>	<u>Total FY Reduction</u>
FY95	9,829	\$5.45	\$321.4
FY96	10,320	\$5.45	\$674.9
FY97	10,836	\$5.45	\$708.7
FY98	11,378	\$5.45	\$744.1
FY99	11,947	\$5.45	\$781.3
FY00	12,544	\$0.00	\$ 0.0

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program BRU: PPD Hold Harmless
 Component: PPD Hold Harmless
 Sponsor: Hanley
 Requestor: _____ COMPONENT SERIAL NO. 0225

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	'98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	0.0
MISCELLANEOUS						
TOTAL OPERATING	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY95	FY96	FY97	'98	FY99	FY00
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
1050 PFD Fund	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	0.0
TOTAL	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	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 (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

PPD Hold Harmless payments replace AFDC and Adult Public Assistance benefits when receiving the dividend causes individuals to lose eligibility or to have benefits reduced. The rateable reductions provided for in HB 409 reduce costs in the AFDC and APA assistance payments BRUs. PPD Hold Harmless costs change in direct proportion to the costs of the programs held harmless. (See page 2 for additional information.)

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S.
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 2/7/94
 Date: 2/10/94

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H+SS - PFD Hold Harmless - PFD Hold Harmless

ANALYSIS (cont.):

Assumption:

PFD Hold Harmless costs for AFDC and APA benefits will decrease in direct proportion to the decreases produced by the reductions in AFDC and APA expenditures for each fiscal year.

Calculations:

PFD HOLD HARMLESS SAVINGS PRODUCED BY HB 409

	<u>AFDC</u>	<u>APA</u>	<u>PFDHH</u>
FY95	(\$106.7)	(\$18.6)	(\$125.3)
FY96	(\$224.2)	(\$39.1)	(\$263.3)
FY97	(\$235.4)	(\$41.1)	(\$276.5)
FY98	(\$247.2)	(\$43.2)	(\$290.4)
FY99	(\$295.5)	(\$45.3)	(\$304.8)
FY00	\$ 0.0	\$ 0.0	\$ 0.0

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. House Bill 409

Revision Date: _____ Dept. Affiliated: Health and Social Services
 Title: An Act relating to the maximum amount BRU: Medical Assistance
of assistance that may be granted under the adult public ... Component: Medicaid Non-Facility
 Sponsor: HANLEY, Therriault
 Requestor: _____ COMPONENT SERIAL NO. 229

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	(15.8)	(284.7)	(503.3)	(465.2)	(360.2)
MISCELLANEOUS						
TOTAL OPERATING	0.0	(15.8)	(284.7)	(503.3)	(465.2)	(360.2)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	(7.9)	(142.3)	(251.6)	(232.6)	(180.1)
1003 GF Match	0.0	(7.9)	(142.4)	(251.7)	(232.6)	(180.1)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	(15.8)	(284.7)	(503.3)	(465.2)	(360.2)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)

Reduction in Medicaid spending would result from adults being removed from AFDC cases due to sanctions and losing Medicaid eligibility as a consequence and from families leaving the AFDC caseload due to employment and adult family members and some children losing Medicaid eligibility as a result. Some children losing eligibility may have incomes below or near the poverty level.

See attached page for additional analysis.

Prepared by: Jon Sherwood
 Division: Medical Assistance

Phone: 465-3355
 Date: 02/10/94

Approved by Commissioner: Margaret R. Lowe
 Agency: Department of Health & Social Services

Date: 2/10/94

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H+SS - Medical Assistance - Medicaid Non-Facility

ANALYSIS (cont.):**Assumptions:**

Average Annual Cost of Medical Assistance – FY 93

AFDC Adult	\$2,560
AFDC Child	\$1,573

Growth = 11% per year

Adults ineligible due to sanctions remain off Medicaid for the whole year, except FY 96 and FY 99. In FY 96 the program starts midyear and the sanction is projected to last for 3 months. In FY 99, the program ends mid year and the sanction is projected to last six months.

No adults or children will drop off Medicaid in FY 96 as a result of dropping off the AFDC caseload because of Transitional Medicaid providing extended coverage for one year. The average length of time without Medicaid benefits for other fiscal years is one-half year.

Number of Clients Affected

	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>
Sanctioned Adults	0	18	33	33	33	0
Adults Going Off Caseload	0	0	51	101	98	98
Children Going Off Caseload	0	0	48	108	103	103

Savings

Sanctioned Adults	\$0	\$15,755	\$128,247	\$142,354	\$79,006	\$0
Adults Going Off Caseload	\$0	\$0	\$99,100	\$217,844	\$234,625	\$260,434
Children Going of Caseload	\$0	\$0	\$57,310	\$143,132	\$151,521	\$99,812
TOTAL SAVINGS	<u>\$0</u>	<u>\$15,755</u>	<u>\$284,657</u>	<u>\$503,330</u>	<u>\$465,152</u>	<u>\$360,246</u>

Note: Assumptions for the number of people losing eligibility for Medicaid and for how long are based on estimates provided by the Division of Public Assistance.

TCR: 40390 DATE & TIME: 02/28/94 15:00 TO 17:00 STATUS:7 STATS. IN

PARTICIPANTS IN: JUNEAU JNU

4	REP	P	KOTT		TSFY, ALL ITEMS
		JUNEAU		AK	(907)000-0000
5	REP	T	BRICE		TSFY, ALL ITEMS
		JUNEAU		AK	(907)000-0000
6	REP	I	NICHOLIA		TSFY, ALL ITEMS
		JUNEAU		AK	(907)000-0000
7	REP	A	VEZEY		TSFY, ALL ITEMS
		JUNEAU		AK	(907)000-0000
8	REP	M	HANLEY		TSFY, ALL ITEMS
		PRESENTING CS		AK	(907)000-0000
9	MS.	JAN	HANSEN		TSFY, ALL ITEMS
		DIV. OF PUBLIC ASSISTANC E		AK	(907)000-0000
10	MR.	PATRICK	CUNNINGHAM		TSFY, ALL ITEMS
		NAT'L ASSOC. OF SOCIAL W ORKERS		AK	(907)000-0000
11	MS.	SHERRY	GOLL		TSFY, ALL ITEMS
		AK WOMEN'S LOBBY/KIDPAC		AK	(907)000-0000
12		TO	OBSERVE		OBSV. ALL ITEMS
13		TO	OBSERVE		OBSV. ALL ITEMS
14		TO	OBSERVE		OBSV. ALL ITEMS
15		TO	OBSERVE		OBSV. ALL ITEMS
16		TO	OBSERVE		OBSV. ALL ITEMS
17		TO	OBSERVE		OBSV. ALL ITEMS
18		TO	OBSERVE		OBSV. ALL ITEMS
19		TO	OBSERVE		OBSV. ALL ITEMS
20		TO	OBSERVE		OBSV. ALL ITEMS
21		TO	OBSERVE		OBSV. ALL ITEMS
22		TO	OBSERVE		OBSV. ALL ITEMS
23		TO	OBSERVE		OBSV. ALL ITEMS
24		TO	OBSERVE		OBSV. ALL ITEMS
25		TO	OBSERVE		OBSV. ALL ITEMS
26		TO	OBSERVE		OBSV. ALL ITEMS
27		TO	OBSERVE		OBSV. ALL ITEMS
28		TO	OBSERVE		OBSV. ALL ITEMS
29		TO	OBSERVE		OBSV. ALL ITEMS
30		TO	OBSERVE		OBSV. ALL ITEMS
31		TO	OBSERVE		OBSV. ALL ITEMS

PARTICIPANTS IN: KOTZEBUE KOT

1	MR.	VICTOR	KARHUN	SELF	OBSV. HB 409
		BOX 343		KOTZEBUE	AK 99752 (907)442-2779
2	MS.	LORETTA	THOMPSON	PUBLIC ASSIST.	OBSV. HB 409
		BOX 994		KOTZEBUE	AK 99752 (907)442-3451

PARTICIPANTS IN SEWARD SEW

1	MR.	KENNETH	BLATCHFORD	SELF	TSFY, HB 409
		PO BOX 1816		SEWARD	AK 99664 (907)224-5679

TCN: 40390 DATE & TIME: 02/28/94 15:00 TO 17:00 STATUS:7 STATS. IN

**** ORDER SUMMARY ****

SPONSOR: HHES HOUSE HEALTH, EDUL. ION AND SOCIAL SERVI CHAIRS: TOOHEY
PURPOSE: PUB PUBLIC HEARING LEGISLATIVE BUNDE
CONTACT: LYNNE SMITH TEL#: (907)465-3759
CHAIRING SITE: JUNEAU CAPITOL CAP103

SPONSOR REMARKS(PUB): TESTIMONY:Y ALLOWED 4 MINUTE LIMIT
TCN REQUESTED ON 02/28/94 AND HAS 3 UPDATES

**** AGENDA ****

1 HB 409 AFDC DEMO PROJECT AND DECREASE

**** PARTICIPATING LIOS ****

ANC ANCHORAGE	716 W 4TH. #200	LOCATION STAFF
FBX FAIRBANKS	119 N CUSHMAN ST	LOCATION STAFF
* JNU JUNEAU	CAPITOL CAP106	LOCATION STAFF
KOT KOTZEBUE	333 FRONT STREET	LOCATION STAFF
SEW SEWARD	2901 SEWARD HWY	LOCATION STAFF

PARTICIPANTS IN: ANCHORAGE

ANC

1 REP	BETTYE DAVIS	TSFY. HB 409
		AK (907)000-0000
2	PUDGE KLEINKAUF	TSFY. HB 409
	4201 MACINNES ANCHORAGE	AK 99508 (907)561-7113

PARTICIPANTS IN: FAIRBANKS

FBX

1 MS.	ANN SWIFT	WOMEN VOTERS	TSFY. HB 409
	3181 ANELLA AVE.	FAIRBANKS	AK 99709 (907)479-2524
2 MS.	RENECCA ROSSON		TSFY. HB 409
	330 3RD AVE. #310	FAIRBANKS	AK 99701 (907)458-7257
3 MS.	ROBIN WICKHAM		TSFY. HB 409
	3550 AIRPORT RD. #3	FAIRBANKS	AK 99709 (907)479-7940
4 MS.	LOUISE CHARLES		TSFY. HB 409
	1609 MADISON DR.	FAIRBANKS	AK 99701 (907)452-8251
5 MR.	DAN LABROSSE		TSFY. HB 409
	1405 KELLUM ST.	FAIRBANKS	AK 99701 (907)456-5913
6 MR.	MIKE DEPOUR		ORSV. HB 409
	330 3RD AVE. #210	FAIRBANKS	AK 99701 (907)452-1944
7 MS.	VIVJAN HULL		ORSV. HB 409
	330 3RD AVE. #303	FAIRBANKS	AK 99701 (907)452-3966
8 MR.	DAVE HARRINGTON		ORSV. HB 409
	805 AIRPORT WAY	FAIRBANKS	AK 99701 (907)456-8901
9 MR.	TIME PARKER	DAILY NEWS MINER	ORSV. HB 409
	200 N. CUSHMAN	FAIRBANKS	AK 99701 (907)456-6661
10 MS.	JUDY BUSH		ORSV. HB 409
	1648 CUSHMAN SUITE 300	FAIRBANKS	AK 99701 (907)452-5181

PARTICIPANTS IN: JUNEAU

JNU

1 REP	C TOOHEY	TSFY. ALL ITEMS
	JUNEAU	AK (907)000-0000
2 REP	C BUNDE	TSFY. ALL ITEMS
	JUNEAU	AK (907)000-0000
3 REP	G DAVIES	TSFY. ALL ITEMS
	JUNEAU	AK (907)000-0000

H/HESS ROLL CALL FORM

BILL HB 4101 DATE 3/2/94
TAPE 94-34 NUMBER 453

SUBJECT OF VOTE move to drop back DATABLES
SID ORIGINAL - DATE IF DEMO PROJECT IS DECONTINUED

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	—	—	EXCUSED
Rep. Irene Nicholia	✓	—	—
Rep. Tom Brice	✓	—	—
TOTAL	—	—	—

+++++

BILL HB 4109 DATE 3/2/94
TAPE 94-~~34~~34 NUMBER 0391

SUBJECT OF VOTE TO PASS HB 4109 OUT OF COMMITTEE

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

A M E N D M E N T

OFFERED IN THE HOUSE
TO: HB 409

BY REPRESENTATIVE LANLEY

Page 3, lines 6 - 7:

Delete "If the federal government approves only part of the project, the department shall implement that part."

Insert "To the extent that the federal government approves the necessary waivers, the department shall implement the project."

(((This amendment is intended to address DHSS's concern that there was no clear direction in sec. 4 to implement the project.)))

A M E N D M E N T

OFFERED IN THE HOUSE
TO: HB 409

BY REPRESENTATIVE HANLEY

Page 3, line 9, after "determining the":

Insert "initial or continued"

Page 3, line 10, after ",":

Insert "and when determining the amount of assistance to which an assistance unit in the project area is entitled,"

Page 3, lines 11 - 12:

Delete "after the date of the assistance unit's application for AFDC"

Page 3, line 14, after ";":

Insert "for an assistance unit that applies for AFDC after this paragraph has been implemented, this 24 months begins with the month for which the assistance unit is first granted AFDC; for an assistance unit that is already receiving assistance when this paragraph is implemented, this 24 months begins with the first month during which this paragraph is implemented;"

((This amendment is intended to address DHSS's concern that the new income disregard provisions seem directed only at applicants.)))

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: HB 409

Page 3, line 25, after "activity":

Insert "if"

Page 3, line 26:

After "assigned":

Insert "to the activity"

After ".":

Insert "The department shall assess the availability of activities that satisfy the purposes of this subsection in each part of the project area and attempt to develop additional activities where necessary."

((This amendment is intended to address DHSS's concern about the availability of workfare slots and the lack of clear direction to DHSS to develop workfare slots.)))

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: HB 409

Page 5, line 9:

Delete "and secs."

Insert "is repealed January 1, 2000."

* Sec. 11. Sections"

Renumber the following bill sections accordingly.

Page 5, line 11:

Delete "June 30, 1999"

Insert "January 1, 2000"

Page 5, lines 13 - 16:

Delete all material and insert:

** Sec. 14. Sections 1 and 3 of this Act take effect January 1, 1996.

* Sec. 15. Sections 5 - 9 of this Act take effect upon the approval of, and to the extent that approval is received for, applicable waivers applied for under sec. 4 of this Act. The commissioner of health and social services shall promptly notify the revisor of statutes as to when any waivers applied for under sec. 4 of this Act are approved and the sections of this Act to which the approved waivers apply."

((This amendment is intended to address DHSS's concerns about the preparation costs that will precede project implementation.)))



Alaska State Legislature

House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

SUBJECT OF MEETING:
 HB 409: AFDC DEMO PROJECT AND DECREASE

DATE: 2/28/94

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Patrick M. Cunningham	National Assoc. of Soc Wkrs	4 AA - Dept of Soc Wk 3211 Prov. Dr. Anch.	99508	337-8690	786-1255	<input checked="" type="radio"/> Y <input type="radio"/> N	HB 409
Angela Salerno	NASW	1727 Wickersham Dr. Anchorage, AK	99507	563-4502	520.2	<input type="radio"/> Y <input checked="" type="radio"/> N	HB 409
Mayjore Stusch	NASW	1620 WASHINGTON DR #6 76KS, AK	99701	474-8124	N/A	<input type="radio"/> Y <input checked="" type="radio"/> N	HB 409
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	



Alaska State Legislature

House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

SUBJECT OF MEETING:

DATE:

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
SHERRIE GOU-	RK. Womens Lobby	P.O. Box 22156 Jno	99802		463-6744	<input checked="" type="radio"/> Y	<input type="radio"/> N	HB 409
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	
						<input type="radio"/> Y	<input type="radio"/> N	

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: CSHB 409(); Draft 8-LS1211NR

Page 3, line 4, after "APPLICATION.":

Insert "(a)"

Page 3, after line 7:

Insert a new subsection to read:

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

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

(2) report to the legislature its recommendations for changes in its statutory authority that may be needed in order to authorize implementation of a fiscally responsible project in light of the changes in federal statutes or regulations."

STATE OF ALASKA
1994 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO. HB 409

DPA #1

Revision Date: 2/25/94 Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program - project costs BRU: Assistance Payments
 Sponsor: Haaley Component: AFDC
 Requestor: House HES COMPONENT SERIAL NO. 0220

Expenditures/Revenues:		(Thousands of Dollars)					
OPERATING	FY95	FY96	FY97	FY98	FY99	FY00	
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0	
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0	
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0	
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0	
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0	
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0	
GRANTS, CLAIMS	0.0	(163.4)	(1,553.7)	(2,051.7)	(2,531.0)	(2,411.5)	
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL OPERATING	0.0	(163.4)	(1,553.7)	(2,051.7)	(2,531.0)	(2,411.5)	
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	
CHANGES IN REVENUES	0	0	0	0	0	0	

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0	
1007 I/A Rcpts.	0.0	(163.4)	(1,553.7)	(2,051.7)	(2,531.0)	(2,411.5)	
TOTAL	0.0	(163.4)	(1,553.7)	(2,051.7)	(2,531.0)	(2,411.5)	

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 (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 impacts the AFDC program in several ways. Section 5 of the bill makes certain changes in AFDC eligibility provisions for purposes of operating a demonstration project as directed under section 4. Section 5 provides for an increase in the AFDC earned income disregard from the current time-limited disregard of \$30 and one third of the remainder to \$200 plus one third of the remainder for 24 months.

Prepared by: Jan L. Hansen, Director Phone: 465-2680
 Division: Division of Public Assistance Date: 2/27/94
 Approved by Commissioner: Margaret R. Lowe Date: 2-28-94
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):

Section 5 also provides for waiver of the AFDC Unemployed Parent "100-hour rule" and increases the total amount of equity in vehicles a family may own. These modified requirements apply only to AFDC families living in the project area defined by section 7. The requirements of section 5 are repealed at the end of FY 99 under the sunset provision in section 10.

Section 6 of the bill establishes requirements for AFDC recipients in the demonstration project to participate in workfare activities for 21 hours per week. Individuals who are required to participate in workfare are subject to fiscal sanction if they do not comply with the requirement. The requirements of section 6 are repealed at the end of FY 99 under the sunset provision in section 10.

Assumptions:**Basis of project:**

Federal approval is secured to operate an AFDC demonstration project under the authority of section 1115 (b) of the Social Security Act, including all of the provisions of sections 4 - 7 of HB 409.

Project is operational effective January 1, 1996.

Field operation of the project ends 12/31/98.

For purposes of this analysis, the project area is assumed to include the Municipality of Anchorage, the Matanuska Susitna Borough, and the Northwest Arctic Borough. 65% of AFDC families in Anchorage and Mat-Su are included in project experimental group, 35% in control group. Control group members participate under normal AFDC rules. 100% of recipients in rural project area included in experimental group.

Federal financial participation is available only for total project costs which do not exceed baseline costs of operating the AFDC program without the demonstration project.

Cost and Savings:**Savings Assumptions:**

The increased earned income disregards, waiver of the 100-hour rule, and the workfare requirement will cause the number of AFDC recipients who are working to increase over the course of the project. We project that the following numbers of recipients will become employed as a result of the demonstration provisions: 397 in FY 96, 281 more in FY 97, and 46 more in FY 98. At the end of the three-year demonstration, a total of 724 recipients who would not otherwise be employed are expected to be receiving regular earnings.

ANALYSIS (cont.):

The average monthly earnings of AFDC recipient families in the project area as of September 1993 are as follows:

	AFDC-Basic	AFDC-UP
Anchorage	\$547.49	\$541.03
Mat-Su Borough	\$450.21	\$431.92
NW Arctic Borough	\$281.17	\$551.66

We assume that the earnings of recipients in the project area will be at these levels, adjusted by 2.5 percent per year to account for inflation.

The benefit costs for these newly working recipients will decrease because their earnings will reduce their AFDC grant amounts. The total savings because of such benefit reductions is projected at about \$7.2 million over the three-year term of the demonstration.

These program modifications are also expected to cause some families which would otherwise remain on AFDC to leave the rolls each year during the project: 21 in FY 96, 51 in FY 97, 42 in FY 98, and 25 more in FY 99. This reduction in the caseload is expected to generate a total savings of about \$4.1 million over the term of the demonstration.

Sanction penalties for failure to participate in workfare will also generate savings. We assume that 3 percent of the total number of families subject to workfare would be subject to sanction each month. Most cases required to participate would be AFDC Unemployed Parent cases where both parents would be required to participate. The average sanction per case is projected at \$350.00 per month.

After the demonstration project ends, we project a reduction in the number of recipients who are working as a result of the demonstration. The decrease in the earned income disregards will cause some individuals to leave work. Other individuals will leave work to avoid becoming ineligible because of the reimposition of the unemployed parent 100 hour-rule. In the last 6 months of FY 99, we project that the average monthly number of working recipients will decrease by 319. We project that the average monthly number of working individuals will decrease by 293 in FY00.

ANALYSIS (cont.):

Savings Calculations:

AFDC BENEFIT SAVINGS						
	FY95	FY96	FY97	FY98	FY99	FY00
\$200 + 1/3 Earned Income Disregard & 100- Hour Rule	0	(626.8)	(2097.4)	(2298.4)	(1990.9)	(1205.7)
Clients off AFDC (# persons)	0	(98.1)	(595.1)	(992.3)	(1205.8)	(1205.8)
	0	21	72	114	139	139
Workfare Sanction Penalties	0	(34.7)	(138.6)	(138.6)	(69.3)	0
Total Gross Savings	0	(759.6)	(2831.1)	(3429.3)	(3266.0)	(2411.5)

- Cost Assumptions: -

AFDC recipients who are already working will receive increased benefits because the amount of the existing earned income disregard increases from 4 months at \$30 + 1/3 of the remainder and 8 months at \$30 to 2 years at \$200 + 1/3 of the remainder.

AFDC benefits to recipients who go to work as a result of the increased disregards will cost more than they would under the existing rules. These increased costs are partially offset by the savings generated through grant reductions and terminations. Those savings are accounted for above.

Approximately 886 families in the project area have at least one member who is working now. We project that the same proportion of the caseload, or 1025 families, will have a working member at the beginning of the project in January 1996. We expect that the proportion of working families would remain constant in the absence of the waiver provisions, with the baseline number of working families increasing as the caseload increases.

We project that an additional 397 recipients will go to work in FY 96 as a result of the policy waivers, that an additional 281 will go to work in FY 97, and an additional 46 in FY 98.

ANALYSIS (cont.):

On average, cases receiving normal \$30 and one third of remainder disregard receive 2 months per year of 1/3 of remainder disregard and 6 months per year of \$30 disregard.

On average, cases receiving extended \$200 and one third of remainder disregard under demonstration waiver receive the full disregard for 8 months of each year.

Cost Calculations:

AFDC BENEFIT COSTS						
\$200 + 1/3 EARNINGS DISREGARD						
	FY95	FY96	FY97	FY98	FY99	FY00
Recipients Already Working	972	1025	1092	1160	1230	1300
Additional Working Recipients	0	397	678	724	724	361
Total Working Recipients in project area	972	1422	1770	1884	1954	1661
Total AFDC Benefit Costs	0	596.2	1277.4	1377.6	735.0	0

Automobile value allowance increase:

Federal law currently allows exclusion of the first \$1500 of the equity of one vehicle. Remaining equity is applied toward the \$1000 maximum asset limit. HB 409 provides for application of a federal waiver in the project area to increase the vehicle equity exclusion to \$5000 and allow it to be applied to any number of vehicles necessary for specific purposes.

We project that the vehicle provision will result in an average of 12 additional families per month being eligible for AFDC benefits over the period of the demonstration. An equal number of families is expected, as a result of their improved transportation resources, to earn enough to leave the AFDC rolls each month during the course of the demonstration.

The benefit costs are expected to be offset by benefit savings. No net change in program costs is anticipated as a result of the vehicle value provision.

ANALYSIS (cont.):

Net AFDC Savings produced by HB 409:

TOTAL AFDC BENEFIT COSTS AND SAVINGS						
	FY95	FY96	FY97	FY98	FY99	FY00
Gross Savings	0.0	(759.6)	(2831.1)	(3429.3)	(3266.0)	(2411.5)
Gross Costs	0	596.2	1277.4	1377.6	735.0	0
Net Benefit Savings	0.0	(163.4)	(1553.4)	(2051.7)	(2531.0)	(2411.5)

FISCAL NOTE

DPA #2

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: 2/25/94 Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the AFDC program BRU: PA Administration
 Component: Eligibility Determination
 Sponsor: Haaley
 Requestor: House HES COMPONENT SERIAL NO. 0236

Expenditures/Revenues:		(Thousands of Dollars)					
OPERATING	FY95	FY96	FY97	FY98	FY99	FY00	
PERSONAL SERVICES	0.0	415.7	554.1	554.1	554.1	0.0	
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0	
CONTRACTUAL	0.0	67.2	67.2	67.2	67.2	0.0	
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0	
EQUIPMENT	0.0	63.0	0.0	0.0	0.0	0.0	
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0	
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0	
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL OPERATING	0.0	545.9	621.3	621.3	621.3	0.0	
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	
CHANGES IN REVENUES	0	0	0	0	0	0	

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	
1004 GF	0.0	545.9	621.3	621.3	621.3	0.0	
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0	
Other	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL	0.0	545.9	621.3	621.3	621.3	0.0	

POSITIONS:							
FULL-TIME	0	10	10	10	10	0	
PART-TIME	0	3	3	3	3	0	
TEMPORARY	0	0	0	0	0	0	

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers. Staff will also spend time informing applicants about the demonstration and their options under it.

Prepared by: Jan L. Hansen, Director Phone: 465-2680
 Division: Division of Public Assistance Date: 2/27/94
 Approved by Commissioner: Margaret R. Lowe Date: 2-28-94
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):Assumptions:**Urban project sites**

Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for 4 additional urban eligibility worker positions.

Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for 2 additional urban eligibility worker positions.

In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for one half-time urban eligibility worker position.

Seven additional eligibility worker positions produce a need for an urban eligibility supervisor (ET IV) position and 1.5 urban clerical support positions.

Rural project site

Need for rural project staff is based on the same basic assumptions used to analyze need at urban sites, adjusted downward to reflect the generally lower caseload sizes managed by rural eligibility workers because of the additional complexity of rural casework. We assume for purposes of this analysis that there will be an average of about 200 families in the rural site who are either employed as a result of the project or subject to Workfare. This produces a need for two eligibility case managers and one half-time support clerk.

ANALYSIS (cont.):

Calculations:

FY 96: Eligibility case managers/support staff (9 months)

Urban

1	Eligibility Tech IV	R16	39.0
2	Eligibility Tech III	R15	73.2
4	Eligibility Tech II FT	R14	137.0
1	Eligibility Tech II HT	R14	17.2
1	Clerk III FT	R08	24.9
1	Clerk III HT	R08	12.5

Rural

1	Eligibility Tech III	R15	49.6
1	Eligibility Tech II	R14	45.8
1	Clerk III HT	R08	16.5

Equipment			63.0
Office space			<u>67.2</u>
Total			545.9

FY 97 -

FY 99: Urban eligibility case managers/support staff (per year)

1	Eligibility Tech IV	R16	52.0
2	Eligibility Tech III	R15	97.4
4	Eligibility Tech II FT	R14	182.8
1	Eligibility Tech II HT	R14	22.9
1	Clerk III FT	R08	33.2
1	Clerk III HT	R08	16.6

Rural

1	Eligibility Tech III	R15	66.1
1	Eligibility Tech II	R14	61.1
1	Clerk III HT	R08	22.0

Office space			<u>67.2</u>
Total			621.3

Position Title Eligibility Technician IV		No. of Positions 1	Range/Step R16	Bargaining Unit SS
Time Status FT	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE:		Justification		
Salary		House Bill 409 produces a need for a Jditional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.		
Benefits				
Premium Pay				
Other				
Total Personal Services		39.0		
Travel		4.8	Staff will also spend time informing applicants about the demonstration and their options under it.	
Contractual				
Commodities		4.5	This request is for an Eligibility Technician supervisor	
Equipment				
Other				
Total Cost		48.3	Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.	
FUNDING SOURCE for TOTAL COST		Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.		
1002	Federal Receipts	48.3	In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.	
1003	GF Match		Seven additional eligibility worker positions produce a need for an urban eligibility supervisor (ET IV) position and 1.5 urban clerical support positions.	
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
BRU: Public Assistance Administration
COMPONENT: Public Assistance Administration

Page 1 of 1
Revised Date:

FY96

Position Title Eligibility Technician III		No. of Positions 1	Range/Step R15	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Anchorage	Election District	
TYPE of EXPENDITURE		AMOUNT		
Salary		36.6		
Benefits				
Premium Pay				
Other				
Total Personal Services		36.6		
Travel		4.8		
Contractual				
Commodities				
Equipment		4.5		
Other				
Total Cost		45.9		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	45.9		
1003	GF Match			
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1001	CIP Receipts			
Other				
<p>Justification</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for an Eligibility Technician leadworker/caseworker.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.</p>				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

FY96

Page 1 of 1

Revised Date:

Position Title Eligibility Technician II		No. of Positions 4	Range/Step R14	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Anchorage		Election District
TYPE of EXPENDITURE		Justification		
Salary		<p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for four Eligibility Technician caseworkers.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.</p>		
Benefits				
Premium Pay				
Other				
Total Personal Services	137.0			
Travel		19.2		
Contractual				
Commodities		18.0		
Equipment				
Other				
Total Cost		174.2		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts		<p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.</p>	
1003	GF Match			
1004	General Fund	174.2		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

FY96

Page 1 of 1

Revised Date:

Position Title Clerk III	No. of Positions 1	Range/Step H08	Beginning Unit GGU
Time Status FT	Staff Months 9 months	Location Anchorage	Election District
TYPE of EXPENDITURE	AMOUNT	Justification	
Salary	24.9	House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.	
Benefits			
Premium Pay			
Other			
Total Personal Services	24.9	Staff will also spend time informing applicants about the demonstration and their options under it. This request is for one clerical support staff.	
Travel			
Contractual	4.8		
Commodities			
Equipment	4.5	Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions. Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions. In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.	
Other			
Total Cost	34.2		
FUNDING SOURCE for TOTAL COST			
1002 Federal Receipts			
1003 GF Match			
1004 General Fund	34.2		
1005 GF/Program Receipts			
1006 GF/Mental Health Trust			
1007 I/A Receipts			
1061 CIP Receipts			
Other			

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

FY96

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Revised Date:

Position Title Eligibility Technician III		No. of Positions 1	Range/Step R15	Organizing Unit GGU
Time Status FT	Staff Months 9 months	Location Wasilla	Election District	
TYPE of EXPENDITURE		AMOUNT		
Salary		36.6		
Benefits				
Premium Pay				
Other				
Total Personal Services		36.6		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		45.9		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	45.9		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
		<p>Justification</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for an Eligibility Technician leadworker/caseworker.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.</p>		

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
BRU: Public Assistance Administration
COMPONENT: Public assistance Administration

FY96

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Revised Date:

Position Title Eligibility Technician II		No. of Positions 1	Range/Step R14	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Wasilla		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		17.2		
Benefits				
Premium Pay				
Other				
Total Personal Services		17.2		
Travel				
Contractual		4.0		
Commodities				
Equipment		4.5		
Other				
Total Cost		26.5		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	26.5		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for one half time Eligibility Technician caseworker.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half-time urban eligibility worker position.</p>				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

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 Revised Date:

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Position Title Eligibility Technician III		No. of Positions 1	Range/Step III5	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Belhel		Election District
TYPE of EXPENDITURE		Justification		
Salary		Urban project sites		
Benefits		House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.		
Premium Pay		Staff will also spend time informing applicants about the demonstration and their options under it.		
Other		This request is for an Eligibility Technician leadworker/caseworker.		
Total Personal Services	49.6	Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.		
Travel		Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.		
Contractual	4.8	In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.		
Commodities				
Equipment	4.5			
Other				
Total Cost	58.9			
FUNDING SOURCE for TOTAL COST				
1002 Federal Receipts				
1003 GF Match				
1004 General Fund	58.9			
1005 GF/Program Receipts				
1006 GF/Mental Health Trust				
1007 I/A Receipts				
1061 CIP Receipts				
Other				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
BRU: Public Assistance Administration
COMPONENT: Public Assistance Administration

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Printed Date:

Position Title Eligibility Technician III		No. of Positions 1	Range/Step R15	Bargaining Unit GGU	
Time Status FT	Staff Months 9 months	Location Bethel		Election District	
TYPE of EXPENDITURE		Justification			
Salary		<p>Rural project site</p> <p>Need for rural project staff is based on the same basic assumptions used to analyze need at urban sites, adjusted downward to reflect the generally lower caseload sizes managed by rural eligibility workers because of the additional complexity of rural casework. We assume for purposes of this analysis that there will be an average of about 200 families in the rural site who are either employed as a result of the project or subject to Workfare. This produces a need for two eligibility case managers and one half-time support clerk.</p>			
Benefits					
Premium Pay					
Other					
Total Personal Services	0.0				
Travel					
Contractual					
Commodities					
Equipment					
Other					
Total Cost	0.0				
FUNDING SOURCE for TOTAL COST					
1002	Federal Receipts				
1003	GF Match				
1004	General Fund				
1005	GF/Program Receipts				
1006	GF/Mental Health Trust				
1007	I/A Receipts				
1061	CIP Receipts				
Other					

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

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Revised Date

Position Title Eligibility Technician II		No. of Positions 1	Range/Step R14	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Belhel		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		45.8		
Benefits				
Premium Pay				
Other				
Total Personal Services		45.8		
Travel				
Contractual		4.0		
Commodities				
Equipment		4.5		
Other				
Total Cost		55.1		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	55.1		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>Urban project sites</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, enforcing, and monitoring workfare participation will be a labor-intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for an Eligibility Technician caseworker.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.</p>				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

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Position Title Eligibility Technician II		No. of Positions 1	Range/Step B14	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Belhel		Election District
TYPE of EXPENDITURE		Justification		
Salary		Rural project site		
Benefits		Need for rural project staff is based on the same basic assumptions used to analyze need at urban sites, adjusted downward to reflect the generally lower caseload sizes managed by rural eligibility workers because of the additional complexity of rural casework. We assume for purposes of this analysis that there will be an average of about 200 families in the rural site who are either employed as a result of the project or subject to Welfare. This produces a need for two eligibility case managers and one half-time support clerk.		
Premium Pay				
Other				
Total Personal Services		0.0		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		0.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

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 Revised Date:

Position Title Clerk III		No. of Positions 1	Range/Step R08	Bargaining Unit GGU
Time Status FT	Staff Months 9 months	Location Bethel		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		16.5		
Benefits				
Premium Pay				
Other				
Total Personal Services		16.5		
Travel				
Contractual		4.8		
Commodities				
Equipment		4.5		
Other				
Total Cost		25.8		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund	25.8		
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>Urban project sites</p> <p>House Bill 409 produces a need for additional Eligibility Determination staff beginning in October 1995. This need is generated largely by the time needed to administer the workfare component. Placing, entering, and monitoring workfare participation will be a labor intensive activity. We project that eligibility specialists with workfare caseloads will be able to handle AFDC caseloads approximately half as large as those handled by a regular maintenance worker. The anticipated increase in the number of working AFDC recipients also produces additional need for caseworkers.</p> <p>Staff will also spend time informing applicants about the demonstration and their options under it.</p> <p>This request is for one half time clerical support staff.</p> <p>Current urban caseloads average 250 AFDC families per eligibility worker. Caseload sizes for families involved in the workfare activities will be reduced to 125 AFDC families per worker. This additional workload produces the need for approximately 4 additional urban eligibility worker positions.</p> <p>Workfare and the offering of an option between finding and accepting employment or participating in unpaid work is expected to increase the number of urban working recipients who are not involved in workfare by approximately 1,000. Processing cases which receive earned income demands considerably more time and exposes the state to high liability for potential payment error. Caseload sizes for urban working recipients currently average around 150 per eligibility worker. This increased workload produces a need for approximately 2.5 additional urban eligibility worker positions.</p> <p>In the project area, intake eligibility workers will be required to inform each applicant for AFDC of the demonstration project and its provisions. We assume that each such interaction will require an average of 10 additional minutes of staff time, producing a need for slightly more than one half time urban eligibility worker position.</p>				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration

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 Revised Date

Position Title Clerk III		No. of Positions 1	Range/Step R08	Bargaining Unit GGU
Time Status HT	Staff Months 9 months	Location Bethel		Election District
TYPE of EXPENDITURE		Justification		
Salary		Rural project site		
Benefits		Need for rural project staff is based on the same basic assumptions used to analyze need at urban sites, adjusted downward to reflect the generally lower caseload sizes managed by rural eligibility workers because of the additional complexity of rural casework. We assume for purposes of this analysis that there will be an average of about 200 families in the rural site who are either employed as a result of the project or subject to Workfare. This produces a need for two eligibility case managers and one half-time support clerk.		
Premium Pay				
Other				
Total Personal Services		0.0		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		0.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				

REQUEST for
NEW POSITION

AGENCY: Health and Social Services
BRU: Public Assistance Administration
COMPONENT: Public Assistance Administration

FY96

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Revised Date:

FISCAL NOTE

DFA #3

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: 2/25/94 Dept. Affected: Health and Social Services
 Title: An Act proposing a special demonstration project within the APDC program BRU: PA Administration
 Component: PA Administration
 Sponsor: Haaley
 Requestor: House HES COMPONENT SERIAL NO. 0233

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	85.9	114.5	114.5	114.5	114.5	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	47.2	44.6	29.6	29.6	59.6	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	9.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	76.6	169.9	177.4	92.8	0.0
TOTAL OPERATING	142.1	235.7	314.0	321.5	266.9	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	66.0	72.0	10.0	10.0	25.0	0.0
1003 GF Match	76.1	87.1	134.1	134.1	149.1	0.0
1004 GF	0.0	76.6	169.9	177.4	92.8	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	142.1	235.7	314.0	321.5	266.9	0.0

POSITIONS:

FULL-TIME	2	2	2	2	2	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 authorizes DHSS to design and operate a waiver project under the authority of section 1115 (a) of the Social Security Act.

Prepared by: Jan L. Hansen, Director
 Division: Division of Public Assistance
 Approved by Commissioner: Margaret R. Lowe
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 2/27/94
 Date: 2-28-94

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ANALYSIS (cont.):

Project development and management include planning, negotiating, and preparing the demonstration project application(s), including requesting waiver of the pertinent federal law provisions. Development also includes coordinating the necessary program and system changes and dealing with requests for information about the project as well as negotiation and administration of the evaluation contract and monitoring of the project. Project management staff would also be responsible to oversee the operation and monitoring of the project and maintain the necessary relationships with federal officials throughout its duration.

The project assistant will be assigned to the Juneau project manager during pre-implementation development and planning. This position will be reassigned to the Anchorage field operations management office as a field project liaison once the project becomes operational in January 1996.

The federal Department of Health and Human services requires that a demonstration project evaluation be performed by an independent contractor. The evaluation would test the effects of the demonstration on program costs and recipient outcomes. The Clinton administration is adamant in its insistence that demonstration project designs meet scientific standards for experimental design and statistical analysis.

This bill also requires DHSS to pay transportation costs for individuals who need it to participate in workfare. — —

Assumptions:

An independent contractor will review project design, review the design and evaluation of similar projects in other states, construct the evaluation design, coordinate EIS programming necessary to comport with evaluation design parameters, and produce interim and final reports of project results. Total estimated evaluation cost of \$140,000. is based on what other states have paid for evaluation of projects of similar scope.

Regulatory authority will be necessary for DHSS to operate the project in compliance with the Administrative Procedure Act. The services of a private law firm will be retained to develop regulation language, prepare the necessary documents, analyze public comments, and prepare the regulations for submission to the Attorney General.

Transportation costs are needed by 75 percent of participants in workfare. Average monthly costs per recipient = \$15.50.

Costs for project start-up and evaluation are federally matchable. PA Admin personnel costs in FY95 and first half of FY96 are federally matchable at 50 percent state/50 percent federal. Evaluation contract costs are matchable at 50 percent state/50 percent federal each year.

ANALYSIS (cont.):

Calculations:

FY 95 (9 months):

1	Project Coordinator	R19	46.9
1	Project Assistant	R16	39.0
	Equipment		9.0
	Office space		7.2
	Regulations contract		10.0
	<u>Evaluation contract</u>		<u>30.0</u>
	Total		142.1

FY 96

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office space		9.6
	Regulations contract		15.0
	Evaluation Contract		20.0
	<u>Workfare Transportation</u>		<u>76.6</u>
	Total		235.7

FY 97

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office space		9.6
	Evaluation Contract		20.0
	<u>Workfare Transportation</u>		<u>169.9</u>
	Total		314.0

FY 98

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office Space		9.6
	Evaluation Contract		20.0
	<u>Workfare Transportation</u>		<u>177.4</u>
	Total		321.5

FY 99

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Office space		9.6
	Evaluation Contract		50.0
	<u>Workfare Transportation</u>		<u>92.8</u>
	Total		266.9

FISCAL NOTE

DPA #4

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 409

Revision Date: 2/25/94 Dept. Affected: Health and Social Services
 Title: No Act proposing a special demonstration project within the AFDC program BRU: PA Administration
 Component: PA Data Processing
 Sponsor: Hanley
 Requestor: House HES COMPONENT SERIAL NO. 0240

Expenditures/Revenues:		(Thousands of Dollars)					
OPERATING	FY95	FY96	FY97	FY98	FY99	FY00	
PERSONAL SERVICES	260.5	347.3	169.5	169.5	169.5	0.0	
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0	
CONTRACTUAL	21.6	28.8	14.4	14.4	14.4	0.0	
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0	
EQUIPMENT	27.0	0.0	0.0	0.0	0.0	0.0	
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0	
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0	
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL OPERATING	309.1	376.1	183.9	183.9	183.9	0.0	
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	
CHANGES IN REVENUES	0	0	0	0	0	0	

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	154.5	188.0	91.9	91.9	91.9	0.0	
1003 GF Match	154.6	188.1	92.0	92.0	92.0	0.0	
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0	
Other	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL	309.1	376.1	183.9	183.9	183.9	0.0	

POSITIONS:							
FULL-TIME	6	6	6	6	6	0	
PART-TIME	0	0	0	0	0	0	
TEMPORARY	0	0	0	0	0	0	

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

House Bill 409 creates a need for major modifications to the Division of Public Assistance Eligibility Information System. Operation of a federally approved demonstration project will require that the DPA apply two different, parallel sets of eligibility rules to cases which are part of the demonstration project and cases which fall under normal AFDC program rules. Demonstration project methodology will also require special collection and compilation of data for program monitoring and evaluation purposes.

Prepared by: Jan L. Hansen, Director *Jan L. Hansen* Phone: 465-2680
 Division: Division of Public Assistance Date: 2/27/94
 Approved by Commissioner: Margaret R. Lowe *Margaret R. Lowe* Date: 2-28-94
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):

The EIS is fundamental to DPA's administration of public assistance. Full automation of the demonstration project will be necessary to comply with federal requirements and to minimize the need for additional field staff to operate the project.

Modifications to the EIS system will require extensive programming and testing by PA data processing staff. This is a major systems development project which must be completed within a very short timeline. Once the programming modifications are in place, a reduced level of staff effort will be required to maintain the special programming, generate monitoring data, and produce the information necessary for completion of the final project evaluation.

Assumptions:

HB 409 is enacted effective July 1, 1994. The EIS modification project begins as soon as possible thereafter, presuming federal approval of the demonstration project.

Project staff is hired effective October 1, 1994.

Demonstration project evaluation is performed by a contractor. PA data processing staff are responsible to generate data needed for the evaluation.

EIS programming for demonstration project is on-line January 1, 1996. Full system staffing is necessary through FY 96 to complete system de-bugging and complete development of monitoring components.

From FY 97 through FY 99, 3 PA data processing positions will be needed to maintain the system, generate monitoring reports, and produce data for the program evaluation.

ANALYSIS (cont.):

Calculations:

FY 95: (9 months)

	1	Project Manager	AP V	R21	53.1
	1	Lead Programmer	APIV	R19	46.9
	2	Programmers	APIII	R17	82.5
	2	Testers/Analysts	PAAI	R16	78.0
		Equipment			27.0
		Office Space			<u>21.6</u>
		Total			309.1
FY 96:	1	Project manager	AP V	R21	70.8
	1	Lead Programmer	APIV	R19	62.5
	2	Programmers	APIII	R17	110.0
	2	Testers/Analysts	PAAI	R16	104.0
		Office space			<u>28.8</u>
		Total			376.1
FY 97:	1	Lead Programmer	APIV	R19	62.5
	1	Programmer	APIII	R17	55.0
	1	Tester/Analyst	PAAI	R16	52.0
		Office space			<u>14.4</u>
		Total			183.9
FY 98:	1	Lead Programmer	APIV	R19	62.5
	1	Programmer	APIII	R17	55.0
	1	Tester/Analyst	PAAI	R16	52.0
		Office space			<u>14.4</u>
		Total			183.9
FY 99:	1	Lead Programmer	APIV	R19	62.5
	1	Programmer	APIII	R17	55.0
	1	Tester/Analyst	PAAI	R16	52.0
		Office space			<u>14.4</u>
		Total			183.9

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. House Bill 409

Revision Date: 02/25/94 Dept. Affected: Health and Social Services
 Title: An Act relating to the maximum amount BRU: Medical Assistance
of assistance that may be granted under the adult public ... Component: Medicaid Non-Facility
 Sponsor: HANLEY, Th riault
 Requestor: House HESS COMPONENT SERIAL NO. 229

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	(15.8)	(267.0)	(453.3)	(413.4)	(312.1)
MISCELLANEOUS						
TOTAL OPERATING	0.0	(15.8)	(267.0)	(453.3)	(413.4)	(312.1)

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	(7.9)	(133.5)	(226.6)	(206.7)	(156.0)
1003 GF Match	0.0	(7.9)	(133.5)	(226.7)	(206.7)	(156.1)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	(15.8)	(267.0)	(453.3)	(413.4)	(312.1)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)

Reduction in Medicaid spending would result from adults being removed from AFDC cases due to sanctions and losing Medicaid eligibility as a consequence and from families leaving the AFDC caseload due to employment and adult family members and some children losing Medicaid eligibility as a result. Some children losing eligibility may have incomes below or near the poverty level.

See attached page for additional analysis.

Assumptions provided by Division of Public Assistance for 2/10/94 fiscal note have changed. All other assumptions remain constant.

Prepared by: Jon Sherwood
 Division: Medical Assistance
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S.
 Agency: Department of Health & Social Services

Phone: 465-3355
 Date: 02/28/94
 Date: 2-28-94

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ANALYSIS (cont.):**Assumptions:**

Average Annual Cost of Medical Assistance -- FY 93

AFDC Adult \$2,560

AFDC Child \$1,573

Growth = 11% per year

Adults ineligible due to sanctions remain off Medicaid for the whole year, except FY 96 and FY 99. In FY 96 the program starts midyear and the sanction is projected to last for 3 months. In FY 99, the program ends mid year and the sanction is projected to last six months.

No adults or children will drop off Medicaid in FY 96 as a result of dropping off the AFDC caseload because of Transitional Medicaid providing extended coverage for one year. The average length of time without Medicaid benefits for other fiscal years is one-half year.

Number of Clients Affected

	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>
Sanctioned Adults	0	18	33	33	33	0
Adults Going Off Caseload	0	0	45	87	85	85
Children Going Off Caseload	0	0	43	93	89	89

Savings

Sanctioned Adults	\$0	\$15,755	\$128,247	\$142,354	\$79,006	\$0
Adults Going Off Caseload	\$0	\$0	\$87,441	\$187,648	\$203,501	\$225,886
Children Going of Caseload	\$0	\$0	\$51,340	\$123,253	\$130,926	\$86,245
TOTAL SAVINGS	<u>\$0</u>	<u>\$15,755</u>	<u>\$267,028</u>	<u>\$453,255</u>	<u>\$413,433</u>	<u>\$312,131</u>

Note: Assumptions for the number of people losing eligibility for Medicaid and for how long are based on estimates provided by the Division of Public Assistance.

8-LS1211NR
Lauterbach
2/25/94

CS FOR HOUSE BILL 409()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES HANLEY, Therriault

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to the maximum amount of assistance that may be granted
2 under the adult public assistance program and the program of aid to families
3 with dependent children; proposing a special demonstration project within the
4 program of aid to families with dependent children and directing the Department
5 of Health and Social Services to seek waivers from the federal government to
6 implement the project; and providing for an effective date."

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

8 * Section 1. AS 47.25.320(a) is amended to read:

9 (a) The department shall determine the amount of assistance for a dependent
10 child, and the relative with whom the dependent child is living, with regard to the
11 resources and necessary expenditures of the family and the condition existing in each
12 case. Assistance is sufficient if, when added to all other income and support available
13 to the child, the child and relative have reasonable subsistence compatible with

1 decency and health. However, the amount of assistance may not exceed the following:

2 (1) dependent child living with nonneedy relative: for a dependent child
3 who is living in the home of a nonneedy relative, \$451 [S452], plus \$100 [S102] for
4 each additional child;

5 (2) dependent child living with parent:

6 (A) for a parent and one dependent child, a maximum of
7 \$806 [S821];

8 (B) for each additional dependent child, or for a second parent,
9 \$100 [S102] a month per individual;

10 (3) pregnant woman who is otherwise eligible for assistance under this
11 section, or a single-person household that does not consist of a dependent child:

12 \$505 [S514] a month.

13 * Sec. 2. AS 47.25.320(a) is repealed and reenacted to read:

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15 child, and the relative with whom the dependent child is living, with regard to the
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28 section, or a single-person household that does not consist of a dependent child: \$514
29 a month.

30 * Sec. 3. AS 47.25.430 is amended by adding a new subsection to read:

31 (f) Notwithstanding other provisions of AS 47.25.430 - 47.25.615, the monthly

1 state contribution to a recipient under AS 47.25.430 - 47.25.615 may not exceed the
2 amount of state assistance granted to a similarly situated recipient for the month of
3 January 1992, reduced by 1.7 percent.

4 * Sec. 4. WAIVER APPLICATION. The Department of Health and Social Services shall
5 seek appropriate waivers from the federal government to implement the AFDC demonstration
6 project described in secs. 4 - 9 of this Act. To the extent that the federal government
7 approves the necessary waivers, the department shall implement the project.

8 * Sec. 5. EARNED INCOME DISREGARD; WAIVER OF "100-HOUR" RULE; AUTO
9 ALLOWANCE. When determining the AFDC eligibility of an assistance unit in the project
10 area and when determining the amount of assistance to which an assistance unit in the project
11 area is entitled, the department shall

12 (1) disregard, for 24 months, \$200 plus one-third of the remainder of the
13 earned income of each person in the assistance unit unless federal regulations require that
14 more earned income of a person must be disregarded; for an assistance unit that applies for
15 AFDC after this paragraph has been implemented, this 24 months begins with the month for
16 which the assistance unit is first granted AFDC; for an assistance unit that is already receiving
17 assistance when this paragraph is implemented, this 24 months begins with the first month
18 during which this paragraph is implemented;;

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

22 (3) allow the exclusion of \$5,000 of the combined equity of motor vehicles
23 used by the assistance unit for basic family transportation, transportation of a disabled child
24 in the household, or transportation of a member of the assistance unit to or from employment,
25 training, or participation in an activity required under sec. 6 of this Act; if the combined
26 equity of vehicles described in this paragraph exceeds \$5,000, the department shall apply the
27 excess equity amount toward the asset limit otherwise applicable to the assistance unit.

28 * Sec. 6. WORKFARE. (a) Each member of an assistance unit in the project area who
29 is 18 years of age or older shall participate for 21 hours a week in an uncompensated activity
30 if assigned to the activity by the department. The department shall assess the availability of
31 activities that satisfy the purposes of this subsection in each part of the project area and

1 attempt to develop additional activities where necessary. The department shall penalize the
2 assistance unit for failure of a person to comply with this subsection by disregarding that
3 person as a member of the unit for purposes of determining the amount of AFDC assistance
4 given to the unit.

5 (b) The requirement to participate in an uncompensated activity under (a) of this
6 section does not apply to a person who

7 (1) has paid employment of at least 10 hours a week; a person who has paid
8 employment of less than 10 hours a week shall participate in an uncompensated activity
9 assigned under (a) of this section for the number of hours that, when added to the hours of
10 paid employment, equals 21;

11 (2) is participating in an activity under AS 47.25.421 - 47.25.429 (JOBS
12 program);

13 (3) is participating in an activity under a program operated by an Indian or
14 Native organization under 42 U.S.C. 682(i) unless the Indian or Native organization agrees
15 to the person's inclusion in the project;

16 (4) is exempt from participating in an activity under AS 47.25.421 - 47.25.429
17 (JOBS program); or

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

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

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

25 (2) other expenses, such as transportation expenses, determined by the
26 department to be necessary for the person's participation in the activity.

27 * Sec. 7. PROJECT AREA. The department shall determine the area in which the project
28 will be implemented by choosing three municipalities as follows:

29 (1) the municipality that had the highest number of households receiving
30 AFDC in fiscal year 1992;

31 (2) a municipality contiguous to the municipality determined under (1) of this

1 section; and

2 (3) a municipality in an area not connected by road to the Anchorage-Fairbanks
3 road system, whose boundaries are substantially coextensive with an area served by a Native
4 organization under 42 U.S.C. 682(i).

5 * Sec. 8. COOPERATION. State agencies shall cooperate with the department to the
6 extent necessary to implement secs. 4 - 9 of this Act.

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12 modifications of sec. 5 of this Act and the work requirements of sec. 6 of this Act, to the
13 extent that the federal government approves those modifications and requirements;

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15 of this Act.

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17 repealed July 1, 1999.

18 * Sec. 11. Section 2 of this Act takes effect July 1, 1999.

19 * Sec. 12. Sections 1 and 3 of this Act take effect January 1, 1995.

20 * Sec. 13. Section 4 of this Act takes effect immediately under AS 01.10.070(c).

21 * Sec. 14. Sections 5 - 9 of this Act take effect upon the approval of, and to the extent that
22 approval is received for, applicable waivers applied for under sec. 4 of this Act. The
23 commissioner of health and social services shall promptly notify the revisor of statutes as to
24 when any waivers applied for under sec. 4 of this Act are approved and the sections of this
25 Act to which the approved waivers apply.

8-LS12110
Lauterbach
2/23/94

CS FOR HOUSE BILL NO. 409()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES HANLEY, Therriault

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24 when any waivers applied for under sec. 4 of this Act are approved and the sections of this
25 Act to which the approved waivers apply.

**REVISED COST/SAVINGS ANALYSIS
HOUSE BILL 409**

Prepared by the Department of Health and Social Services
Division of Public Assistance
FEBRUARY 22, 1994

	FY95	FY96	FY97	FY98	FY99	TOTAL
OPERATING EXPENDITURES						
AFDC Payments - Project	0.0	(163.4)	(1,553.7)	(2,051.7)	(2,531.0)	(6,299.8)
Eligibility Determination	0.0	545.9	621.3	621.3	621.3	2,409.8
PA Administration	142.1	235.7	314.0	321.5	266.9	1,280.2
PA Data Processing	309.1	376.1	183.9	183.9	183.9	1,236.9
Alaska Work Programs	0.0	155.9	189.5	189.5	94.8	629.7
Child Care Benefits	0.0	614.4	1,228.8	1,228.8	614.4	3,686.4
Medical Assistance	0.0	(15.8)	(266.6)	(451.8)	(399.9)	(1,134.1)
Gross Project Cost	451.2	1,748.8	717.2	41.5	(1,149.6)	1,809.1
Less Federal Receipts for Project Costs	(220.5)	(260.0)	(101.9)	(101.9)	(116.9)	(801.2)
Net Project Cost	230.7	1,488.8	615.3	(60.4)	(1,266.5)	1,007.9
Less Ratable Reduction GF/GF Match Savings	(829.5)	(1,742.2)	(1,829.4)	(1,920.8)	(2,016.7)	(8,338.6)
Net GF Budget Impact	(598.8)	(253.4)	(1,214.1)	(1,981.2)	(3,283.2)	(7,330.7)

RATABLE REDUCTION SAVINGS						
AFDC - GF Match	(526.7)	(1,106.4)	(1,161.8)	(1,219.9)	(1,280.7)	(5,295.5)
APA - GF	(302.8)	(635.8)	(667.6)	(700.9)	(736.0)	(3,043.1)
Total GF	(829.5)	(1,742.2)	(1,829.4)	(1,920.8)	(2,016.7)	(8,338.6)
AFDC - Federal Receipts	(526.6)	(1,106.4)	(1,161.8)	(1,219.9)	(1,280.7)	(5,295.4)
AFDC/APA - I/A Receipts (PFD Hold Harmless)	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	(1,260.3)

Explanation of Changes from February 10, 1994 Fiscal Note Analysis

AFDC Payments:

New assumption: 65 percent of AFDC families in Anchorage and Mat-Su are included in project experimental group, 35 percent in control group. Control group members participate under normal AFDC rules. 100 percent of recipients in rural project area included in experimental group.

Projected savings reduced based on fewer additional working recipients in smaller experimental group. Revised caseload impacts shown below:

	FY95	FY96	FY97	FY98	FY99
Recipients Already Working	972	1025	1092	1160	1230
Additional Working Recipients	0	397	678	724	724
Total Working Recipients in project area	972	1422	1770	1884	1954

Projected costs of increased earnings disregard reduced substantially because of discovery of major flaw in previous calculation methodology.

Correction: We assume that field operation of the project ends on December 31, 1998. This assumption was inadvertently omitted from the original fiscal note.

Eligibility Determination:

Need for project eligibility determination staff reduced by one half-time eligibility technician because of reduction in cases with earned income.

Revised Cost/Savings Analysis
House Bill 409
February 22, 1994
Page 3

PA Administration:

New assumption: Costs for project start-up and evaluation are federally matchable. PA Admin personnel costs in FY 95 and first half of FY 96 are federally matchable at 50 percent state/50 percent federal. Evaluation contract costs are matchable at 50 percent state/50 percent federal each year.

Correction: Costs for transportation needed by workfare participants was inadvertently omitted in original fiscal note and are added here. Costs are:

FY 96: 76.6 FY 97: 169.9 FY 98: 177.4 FY 99: 92.8

PA Data Processing:

New Assumption: All PA Data Processing costs are for either project start-up or evaluation and as such are federally matchable at 50 percent state/50 percent federal.

Medical Assistance:

Projected savings reduced based on fewer additional working recipients in experimental group.

Net Project Costs:

Projected federal receipts based on revised assumptions about federal participation in project start-up and evaluation costs are now reflected in net project costs.



Alaska State Legislature

House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

DATE: 2/11/94

PLACE: Capitol Room 106

SUBJECT OF MEETING:
 HB 84 : IMPLEMENTING AK 2000 RECOMMENDATIONS
 *HB 409: AFDC DEMO PROJECT AND DECREASE
 (* INDICATES FIRST PUBLIC HEARING)

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Vernon Marshall						<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	HB 84
						<input type="checkbox"/> Y <input type="checkbox"/> N	
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Alaska State Legislature

Please enter into the record my testimony to the HESS
committee name

committee on HB409, dated 2-22-94
bill/subject

Good Afternoon. My name is Joni Whitmore -- I am the Child Care Programs Coordinator for South Peninsula Women's Services, in Homer. I administer the Day Care Assistance Program, the At-Risk Assistance Program, the Transitional Child Care benefits program, and the Child care food program for the lower kenai peninsula.

With respect to this bill:

- I believe the largest impediment to moving families off welfare is the loss of health insurance. Minimum wage jobs and child care assistance will not afford parents the ability to purchase private health insurance - and many will stay on welfare until this choice/dilemma changes.
- I do believe however it is important for welfare recipients to have an opportunity to garner wages from meaningful work experiences - experience they can begin to build a bridge to a higher paying occupation and a career.
- I do believe waivers may be appropriate - standards for those waivers are appropriate - but flexibility for individual case management is essential to decisions in the recipients best interest.
- I don't support creating another regulatory bureaucracy to move legislation like this beyond a pilot projet. As a lesson to us... the TCCB has enormous potential to give working parents a jump start off welfare. As program administrator however, my experience has been that the red tape surrounding the application process(ing) has prevented us from serving very many people thus far (at considerable expense given all the agencies involved).
- I believe it is most appropriate and cost effective for local communities to administer any such workfare projects and to determine work projects as needed by the community.
- the lack of licensed child care will be a problem for workfare recipients who will be using DCAP I assume (ARA, TCCB do not allow welfare recipient participation).
- fulltime students working for degree/or increased employability should be waived.

Signed: Joni Whitmore Joni Whitmore

Testifier

South Peninsula Women's Services

Representing (Optional)

3776 Lake St. Suite 100

Address

907 235-7712

Phone No.

COSTS VS. SAVINGS COMPARISON OF FISCAL NOTES FOR HB 409

	FY 95 (0 Mo.)	FY 96 (6 Mo.)	FY 97 (12 Mo.)	FY 98 (12 Mo.)	FY 99 (6 Mo.)	FY 00	Totals
AFDC Benefit Costs							
\$200 +1/3 Eamed Income Disregard & 100 Hr. Rule	\$0.0	\$1,498.5	\$4,104.6	\$4,461.8	\$2,301.1	\$0.0	\$12,366.0
Workfare Costs							
Child Care	0.0	614.4	1,228.8	1,228.8	614.4	0.0	3,686.4
Transportation	0.0	76.6	169.9	177.4	92.8		516.7
Benefit Costs	\$0.0	\$2,189.5	\$5,503.3	\$5,868.0	\$3,008.3	\$0.0	\$16,569.1
Administration							
Waiver	142.1	159.1	144.1	144.1	174.1	0.0	763.5
Data System Programming	309.1	376.1	183.9	183.9	183.9	0.0	1,236.9
Field Operation	0.0	719.0	833.6	833.6	738.9	0.0	3,125.1
Admin Costs	\$451.2	\$1,254.2	\$1,161.6	\$1,161.6	\$1,096.9	\$0.0	\$5,125.5
Total Cost	\$451.2	\$3,443.7	\$6,664.9	\$7,029.6	\$4,105.2	\$0.0	\$21,694.6
AFDC Benefit Savings							
\$200 +1/3 Eamed Income Disregard & 100 Hr. Rule	\$0.0	(\$1,047.2)	(\$3,530.5)	(\$3,856.7)	(\$2,956.3)	(\$2,043.0)	(\$13,433.7)
Clients Going Off AFDC	0.0	(140.1)	(849.3)	(1,424.1)	(1,728.8)	(1,728.8)	(5,871.1)
Workfare Sanction Penalties	0.0	(34.7)	(138.6)	(138.6)	(69.3)	0.0	(381.2)
1.7% Ratable Reduction	(633.4)	(1,330.6)	(1,397.2)	(1,467.1)	(1,540.3)	0.0	(6,368.6)
Medicaid	0.0	(7.9)	(142.4)	(251.7)	(232.6)	(180.1)	(814.7)
Adult Public Assistance	(321.4)	(674.9)	(708.7)	(744.1)	(781.3)	0.0	(3,230.4)
Net Savings	(\$954.8)	(\$3,235.4)	(\$6,766.7)	(\$7,882.3)	(\$7,308.6)	(\$3,951.9)	(\$30,099.7)
Net Result	(\$503.6)	\$208.3	(\$101.8)	(\$852.7)	(\$3,203.4)	(\$3,951.9)	(\$8,405.1)
PFD Hold Harmless	(\$125.3)	(\$263.3)	(\$276.5)	(\$290.4)	(\$304.8)	\$0.0	(\$1,260.3)

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"The Dangerous Samaritans: How We Unintentionally Injure the Poor"

by Michael Bauman

Professor of Theology and Culture, Hillsdale College

Michael Bauman is a professor of theology and culture and director of Christian Studies at Hillsdale College. He is also a lecturer and tutor in Renaissance literature and theology as well as associate dean at the Centre for Medieval and Renaissance Studies in Oxford. He has been book review editor for *The Journal of the Evangelical Theological Society* for seven years.



Formerly an editorial assistant at *Newsweek*, a pastor, chairman of the general education program at Northeastern Bible College, and associate professor of religion at Fordham University, Dr. Bauman is the author of more than 30 articles and eight books, including *Pilgrim Theology*

Taking the Path: of Theological Discovery (Zondervan, 1992); *Roundtable: Conversations with European Theologians* (Baker, 1990); *A Scripture Index to John Milton's De Doctrina Christiana* (MRTS, 1989); *Milton's Arianism* (Verlag Peter Lang, 1987); and editor or co-editor of *Are You Politically Correct? Debating America's Cultural Standards* (Prometheus, 1993), *The Best of the Manion Forum* (MRUP, 1991), and Hillsdale's Christian Vision series. ▲

Preview: As Dr. Michael Bauman reminds us, it is not enough to want to help others—we must help them in the right way, lest we do them harm. The last 30 years of welfare and other government aid to the poor demonstrate how we have forgotten this simple lesson.

Dr. Bauman's remarks were presented at Hillsdale College's Center for Constructive Alternatives seminar, "Morality and the Marketplace," in September of 1993. Other published versions have appeared in the *St. Croix Review* and *Welfare Reformed: A Compassionate Approach* (Nashville: Adroit/PER, 1993).

We think we are doing the right thing.

We think that if we pass laws to raise their wages and lower their rent, if we give generously to help support mothers without husbands and children without fathers, we can aid the poor in their flight from poverty and alleviate much of their distress.

We are wrong.

We forget that good intentions are not enough, and that massive government programs carry unintended consequences. We forget that aiming is not hitting, and that meaning well is not necessarily doing well.

Minimum Wage Laws

First, we think that if we pass laws mandating higher wages for the lowest paid workers, we can increase their income. We forget that the lowest paid workers are normally those with the least skill

and experience and that in the marketplace they are the least desirable of all workers. By artificially elevating their wages, we make them even more undesirable, and make it increasingly unlikely that they can get or keep a job. We forget that a wage is not merely a selling price for a worker; it is a purchase price for an employer. So we pass laws preventing the least desirable workers from selling their services at a price their prospective employers can afford to pay.

We also forget that all workers work not merely for their employer, but for the consumer, and that consumers wisely try to make the most of their money. Nevertheless, due to our desire to be moral and compassionate people, we pass laws requiring employers to pay higher wages to their least desirable workers while, as good stewards of the resources God has given us, we choose not to buy the over-priced products of those who do as the law demands. We put them out of business, which creates more unemployed workers and more poor, when we then foolishly try to help with more minimum wage laws.

Imagine if we decided to prop up the profits of the weakest auto manufacturer in Detroit by passing a law that put a minimum price of \$25,000 on each vehicle it sold. This would dramatically increase the profits it enjoys from every sale. But, despite our good intentions, indeed *because* of our good intentions, that manufacturer would soon go out of business. No matter how much consumers might want to "buy American," very few can or will pay \$25,000 for automobiles comparable to those available elsewhere at half the legally mandated price. The same principle

holds true when that which is being sold is not an automobile but an unskilled employee's over-priced labor. When minimum wage laws are in effect, the choice often is not between the legally mandated wage and some other wage, but between the legally mandated wage and no wage at all.

To such well-intentioned but harmful legislative conniving, no thinking Christian or other religious believer ought to consent. If we want to make the marketplace more moral, or if we want to be agents of effective compassion, minimum wage laws are not the answer. Instead, as Hillsdale College economist Charles Van Eaton argues, we ought to encourage more entrepreneurship. Look at the examples of the late Ray Kroc and Dave Thomas. Far more than any government program ever has or could, the businesses they established—McDonald's and Wendy's—aid the poor as consumers by providing affordable, enjoyable meals outside the home—a privilege once reserved for the wealthy. They aid the poor as workers by providing all-important entry level jobs that allow experience to be gained and critical marketplace lessons to be learned, from the importance of appearance, punctuality, deference, teamwork, integrity and dependability to more sophisticated management and public relations skills. They also offer a modest wage to boot.

Entrepreneurs like Kroc and Thomas understand that you *cannot climb the ladder of success without first getting on the ladder*. They invite the poor to step onto the first rung and begin climbing. Hundreds of thousands of people prosper in precisely this way, all without spending even one tax dollar. Quite the opposite: These novice workers, as they rise from poverty, actually pay into public coffers. At one time or another, nearly *one-eighth* of the entire American work force has been employed by the fast food industry, and of that number, many previously poor workers have gone on to better jobs and a level of prosperity that otherwise would have remained unattainable.

Some even have gone on to own fast food franchises themselves, which in turn help others stepping onto that first rung.

Housing Laws

Second, we think that if we pass laws holding down the costs of urban housing, we can aid the poor by making more inexpensive lodgings available to them, perhaps diminishing homelessness in the process. We forget that a purchase price for a renter is a selling price for a landlord. The more attractive a



"Entrepreneurs like Kroc and Thomas understand that you *cannot climb the ladder of success without first getting on the ladder.*"

price is for the one, the less attractive it is for the other. When landlords are forced to reduce their rents in the face of burgeoning tax and maintenance costs, those landlords wisely decide to allocate their investments in other ways. For example, when rent control ceilings make it unprofitable for landlords to rent their apartments, they often sell those apartments as condominiums and thus escape real estate taxes and the high cost of upkeep. Because the supply of condominiums increases, their selling price tends to go down, thereby aiding wealthy urban dwellers, the only ones who can afford to purchase them. Meanwhile, the price of the apartments still remaining on the market rises because their supply has shrunk.

In order to prevent this from happening, we occasionally pass laws prohibiting land-

lords from taking recourse to condominium conversion. This legislative ban proves counter-productive because it often means: (1) that landlords seek additional payments under the table from their renters, thus making life more difficult for the poor, who can scarcely afford the extra cost; (2) that landlords defer needed maintenance on their decaying buildings, again making life more difficult for the poor; and (3) that landlords get out of the housing business altogether, tear down their apartments and build parking lots—low-maintenance, high-yield investments that serve only those wealthy enough to afford the high cost of owning, operating, and insuring an automobile in an urban location.

We forget that human nature being what it is, people respond to incentives. Instead of passing rent control laws in order to aid our poorer neighbors, we ought to give substantially reduced public utility rates and increased tax breaks to those who establish urban rental housing. This would make such housing more plentiful, more affordable, and more comfortable. In short, if we do anything at all by means of the state, we should do all we can to promote the supply side of the supply and demand equation.

The greater the incentives for property owners, the better it is for landlords. The better it is for landlords, the greater the supply of apartments. The greater the supply of apartments, the lower the price. The lower the price, the better it

is for the poor. And the subsequent increase in urban rental units not only results in lower rental prices for renters but also provides more jobs for those who construct apartment buildings, as well as for those who service them and maintain them.

Welfare Laws

Third, we think that by transferring money as generously as we can afford to the mothers of illegitimate children, we can soften the pains of youngsters without fathers and of mothers without husbands. We forget what insurance companies call the "moral hazard," which is insuring against a disaster in a way that encourages it to happen.

Insurance companies know all too well