

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

7810 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

that people respond to incentives. If the fire insurance policy on a floundering business pays more money to the owner than the owner can get from operating it, that business may go up in smoke—literally. Likewise, if a life insurance policy pays off so lucratively that the insured's beneficiaries are bet-

"As long as we pay the poor to continue doing the very things that help make them poor in the first place, poor they shall remain."

ter off if the insured is dead, death sometimes results. If medical insurance covers too great a portion of medical expenses, people tend to apply for treatment of illnesses that are hardly illnesses at all, thus tying up doctors and hospitals with relatively trivial cases. In other words, when we reach the point of moral hazard, fire insurance causes fires, life insurance causes death, and medical insurance causes illness. Not surprisingly, insurance companies always try very hard to avoid the moral hazard inherent in insurance.

We don't.

In our rush to do well for households without a male bread-winner, we forget that welfare is poverty insurance, and, as a result, we actually help cause the problem we intend to alleviate. By making illegitimate children a credential for increased financial support, we make certain more illegitimate children are born. And we do so in a particularly amoral way. As Patty Newman, author of *Pass the Poverty*, relates: "Can you imagine my shock when I went into a welfare department and said, 'Do you mean to tell me that a woman can come in here every nine months and begin to get checks for another illegitimate child?' The welfare man said, 'Oh, no, Mrs. Newman, she has to claim a different man as father every time or else she doesn't get the money.'"

And the more illegitimate children a woman has, the more deeply she becomes mired in poverty, and the less likely it is that she can ever extricate herself, despite the money she is given by government. Welfare is, in the words of Robert Rector, an incentive program from Hell. As long as we pay the poor to continue doing the very things that help make them poor in the first place, poor they shall remain.

Put differently, what you pay for is what you get. Because single motherhood is what

we decide to pay for with our tax money, more single mothers are what we get. The tragic fact is that in the last decade or so in America, more than 80 percent of the children born in the urban black underclass were born out of wedlock and without an adult male to accept any financial responsi-

bility for them. Of course, rising illegitimacy is neither a distinctively black nor a distinctively American problem. Sweden, for example, which subsidizes its unwed mothers even more generously than we do, has the highest rate of illegitimacy in the world. Just as when you tax something, you get less of it, when you subsidize it, you get more. Today, we are subsidizing immoral behavior on a grand scale. As a result, immoral behavior flourishes all around us, while those who practice it are harmed. This is no way to bring morality to the marketplace.

Another unintended consequence of our efforts to aid single mothers and their children is that low income husbands are made extraneous. Welfare actually drives them from the home. The average total relief package for a single mother with three children is more than \$19,000 a year—tax free. By comparison, a traditional two-parent family of four with a higher income of, say \$22,500, has only about \$18,000 left after taxes. Poor women might be poor, but they are not stupid. Neither are poor young men, many of whom quickly realize that by their own efforts and means they are unable to provide as well for their families as does their rich Uncle Sam in Washington.

Uncle Sam is exceedingly tough competition. Too many mothers decide not to marry the fathers of their children; they marry welfare instead. Thus government makes cuckolds of millions of American men. As George Gilder, author of *Wealth and Poverty*, once observed, the modern welfare state has persuaded poor fathers that they are dispensable. They believe it; so do the mothers of their children. By means of our so-called compassion and generosity, we send the signal to many thousands of women—especially poor, young women eager to get out of their parents' home and away from their parents' control—that men are most useful

as procreators, not as providers.

To men—especially, poor, young men who tend to live more for the moment than the future—that same signal has a different but equally devastating effect. We teach them that, if they want it, sex is a game they can play for free. No longer is there heavy pressure upon them to face up to the consequences of sex outside marriage. No longer do they feel compelled to work long hours at difficult jobs in order to provide food, clothing, and shelter for the new lives they create or for the financially dependent women who help create them. That tab, young men quickly learn, will be picked up by the government, *provided that they do nothing to help the mother or to assume responsibility.*

With no compelling need to channel time and energy into acquiring useful skills and into applying those skills profitably in the marketplace, increasing numbers of young men simply take to the streets, where life gets boring and then gets much worse. Without work there is no economic prosperity, and without incentives there is no work.

In our misguided efforts to help those lying in the ditch of poverty—to be good Samaritans—we forget that whatever undermines traditional family values, traditional family roles, and traditional family ties undermines society itself. To such moral and social degeneration, we ought never to subscribe. Our first priority, as well as the first priority of any government program of poverty relief, ought to be to stabilize traditional family roles and responsibilities.

False Charity

Fourth, by giving money to the poor, we think we simply are aiding and comforting the unfortunate in their time of difficulty. We forget that giving good gifts is an exceedingly difficult endeavor and that poverty is not always itself the problem; it is often the symptom of another prior problem. That is, if poverty (the lack of money) really were what ails the poor, supplying vast amounts of money surely would alleviate it. But after thirty years of Great Society-style, "War on Poverty" welfare programs—programs that have transferred (in 1990 dollars) more than \$3.6 trillion to the poor—poverty is still winning. We ought to think about that for a minute: In the last thirty years, we gave a million dollars to America's poor nearly

four million times over, yet all the while poverty got worse. If the money earmarked for poverty relief in this year's federal budget alone were given to the poor directly, we would have enough funds to raise every man, woman, and child in America above the poverty line and have a cool \$60 billion left over to celebrate our victory.

Poverty is *not* primarily a lack of money; it is a lack of something else. While we throw record amounts of money at the problem, we forget that of the many reasons why people are poor, relatively few truly lie outside their own control or require external remedy. And because of this lapse, we fail to convince the poor that the surest way to get ahead in modern America is precisely the way their forefathers did it: Get a good education (which includes a mastery of English and math); work hard; save money; and invest.

Instead, we tell the poor that in order to get ahead they need to demand more money from government, as if financial improvement were a public entitlement, not a pri-

work, diligence, ingenuity, sacrifice, and postponed gratification.

At our hands, then, the poor are convinced that they are poor primarily because of reasons they cannot change and over which they have no control. We teach the poor to be prejudiced themselves—prejudiced against the prosperous. That prejudice proves morally and economically debilitating. We blame poverty on prejudice and then promote prejudice among the poor. It is no wonder that many of the poor simply give up.

We forget not only that ideas have consequences, but that bad ideas have bad consequences. We forget that real poverty is at least as much a state of mind as it is a state of income. We also forget to tie our charity more securely to the sincere efforts of the recipient. We mistakenly decide to give aid to all the poor rather than to the deserving and industrious poor, that is, to those who are poor through no fault of their own, or whose escape from poverty can never be accomplished by their own efforts. In doing

the deserving and the undeserving poor, we teach others that poverty is an entitlement, a credential, and that the blessings of life and labor are ours for the asking or for the demanding, regardless of our contribution. People who believe this perverse message can never grow to be productive citizens. They are doomed to be mere wards of the state, forever impoverished in spiritual as well as material terms.

True Charity

The welfare state not only tempts its recipients with nearly irresistible perverse incentives, it seduces those outside it as well, especially those who seek to administer it and those who pay for it. The German economist Wilhelm Röpke wrote:

"To expand the welfare state is not only easy, but it is also one of the surest means for the demagogue to win votes and political influence, and it is for all of us the most ordinary temptation to gain . . . a reputation for generosity and kindness. The welfare state is the favorite playground of a cheap sort of moralism that only thoughtlessness shields from exposure. . . . Cheap moralism is anything but moral."

We appear to be virtuous when we really are rather lazy "do-gooders" content to let the welfare bureaucrats handle all that "poverty unpleasantness" for us. We say, "Ah, but at least we 'feel good about ourselves.'" More frequently than we care to admit, our poverty programs are thinly veiled efforts to enhance our self-esteem and to assuage our consciences by means of state programs. To imagine that by such shallow and self-gratifying efforts we can eliminate human poverty is shameless hubris, not charity and grace. The size of the federal budget is by no means an indicator of Christian compassion.

On many fronts and in many ways, our poverty programs fail to reduce poverty. What is worse, they tend to injure the very persons they are designed to aid. Because we fail to incarnate our good intentions with effective, well-conceived public policy, because, in the words of George Mason University economist Walter Williams, we fail to realize that truly compassionate public policy requires dispassionate analysis, and because we choose to think with our hearts instead of our brains, much of the blame is

"The size of the federal budget is by no means an indicator of Christian compassion."

vate achievement, and as if the modern poor were somehow incapable of succeeding by using the same means countless other Americans have used in the past. Then, apparently in an effort to waive the responsibility of the poor to make their own lives better and to lighten the "burden" such responsibility entails, we tell the poor that they are poor because the wealthy oppress them. In other words, we teach the poor to blame their poverty on prejudice.

In a perverse sort of way, of course, we are right. Indeed, prejudice *does* lead to poverty, though not always in the way we expect or explain. We convince the poor that the prosperous prosper only at someone else's expense and usually by deceit and because of greed. Not only are such insulting generalizations untrue and instances of bearing false witness against our neighbors, they are crippling to the poor. If the poor believe that most wealthy people are exploiters and thieves who squash other people into poverty for personal gain, they will not be likely to climb the ladder of economic success. They will remain poor because they do not respect or try to emulate the achievement of others and because they are blind to the real path the wealthy typically take to success—hard

so, we ignore St. Paul's prudent scriptural principle: "If a man will not work, he shall not eat." (2 Thess. 3: 10, NIV).

We should remember that Christian love does not squander either its resources or itself in reckless disregard of individual character and actions. By obliterating the distinction between the deserving and the undeserving poor, we run contrary to the will and practice of God, who treats the undeserving poor as objects not of mercy but of wrath. In other words, we forget that real love helps those who cannot help themselves, and that it refuses to subsidize sluggardliness or indolence by doing for others what they can and ought to do for themselves. Christian love operates upon the premise that the defeat of poverty is a joint effort, or common endeavor, between the "haves" and the "have nots," not a unilateral thrust by the "haves" only. The recipients of Christian charity ought to be either diligent workers or else unable. The undeserving poor must get nothing from their Christian neighbors but exhortation. To subsidize them is to make way for dependency and indolence, not prosperity. Worse, it is to do them moral injury.

As long as we fail to distinguish between



Alaska State Legislature

Please enter into the record my testimony to the HSSS
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 earn 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 project. 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.

RECEIVED 2/11/94



Representative Mark Hanley
Alaska State Legislature

MEMORANDUM

TO: Representative Cynthia Toohey, Chair
House Health, Education & Social Services Committee

FROM: Representative Mark Hanley *MA*

RE: HB 409 "A bill relating to public assistance"

DATE: February 4, 1994

This memo is to respectfully request a hearing on HB 409 in the House Health, Education & Social Services Committee at your earliest possible convenience.

It's been said the best way to reform welfare is to get people off welfare. What most Americans want from the welfare system and what most welfare families want, are the same things -- job training and work, self-sufficiency and pride. According to a recent survey by the state Department of Health and Social Services, 88% of AFDC clients in Alaska said they'd rather work than be on welfare.

HB 409 is intended to be a vehicle for discussion on welfare reform. The bill removes disincentives to work in the welfare program and provides positive incentives in their place. It directs the Department of Health and Social Services to apply for a waiver from the usual provisions governing AFDC programs to experiment with changing behavior. To that end, HB 409 establishes a "workfare" demonstration project. Able-bodied recipients must work for pay, perform community service or their benefits are reduced. The bill includes such things as higher income disregards, higher vehicle allowances and child care assistance to make it easier for welfare recipients to work.

The bill's language on the demonstration project does not change state law. It simply guides the Department of Health and Social Services in exercising its authority to apply for waivers to the welfare program. Also included in the bill is an adjustment to the benefit formulas to control rising costs.

America is ready to "end welfare as we know it". Other states are using waiver projects to develop alternative welfare programs. It's time for Alaska, with its growing welfare rolls and dwindling revenues, to step up to the plate.

HB 409 is an important piece of legislation -- a step toward rewarding hard work and breaking the cycle of dependence on welfare. Your earliest possible attention to scheduling HB 409 in House HESS, would be greatly appreciated.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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

MEMORANDUM

January 31, 1994

SUBJECT: Sectional Summary of HB 409, a bill relating to public assistance. (8-LS1211(K))

TO: Representative Mark Hanley

FROM: Terri Lauterbach
Legislative Counsel 

JAN 31 1994

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1.

Decreases payment rates for aid to families with dependent children (AFDC).

Sec. 2.

Returns the payment rates for AFDC to their current levels in 1999 (when the demonstration project of secs. 4 - 9 is also ended.) (See sec. 11 for the 1999 effective date for this section.)

Sec. 3.

Decreases payment rates for adult public assistance (APA).

Sec. 4.

Directs the Department of Health and Social Services to seek waivers from the federal government to implement as much of the demonstration project as possible.

Sec. 5.

Describes the types of waivers DHSS must apply for in relation to earned income disregards, the "100-hour rule" for unemployed parents, and automobile allowances.

Sectional Summary - Legal Services

Sec. 6.

Describes the type of "workfare" program that the department must seek a waiver to implement.

Sec. 7.

Describes the type of municipalities the department must choose to operate the demonstration project in.

Sec. 8.

Requires state agencies to cooperate with the department.

Sec. 9.

Contains definitions for important terms.

Sec. 10.

Repeals the demonstration program and the changes in adult public assistance rates in 1999.

Sec. 11.

Operates to repeal the changes in AFDC payment rates in 1999.

Sec. 12.

Gives an immediate effective date to the section under which the department is directed to apply for waivers.

Sec. 13.

Makes the demonstration project and the decreases in AFDC and APA rates effective upon receipt of federal approval of the waivers applied for by the department under sec. 4.

Sectional Analysis
House Bill 409
Prepared by the Department of Health and Social Services
Division of Public Assistance
February 9, 1994

House Bill 409 amends existing statutes for the Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA) programs. This legislation authorizes the Department of Health and Social Services to seek federal approval to operate an AFDC demonstration project under the authority of section 1115 (b) of the Social Security Act, authorizes imposition of certain modified AFDC eligibility criteria and establishment of a mandatory, uncompensated work program in the project area, and establishes ratable reductions in benefit payments in the AFDC and APA programs.

Section 1 establishes ratable reductions of about 1.8 percent in the maximum monthly AFDC payment to most families. Maximum payments for children living with a non-needy relative are reduced by a lesser amount to avoid reducing payments for 2 children below the federally established minimum of \$550 (the amount payable to such family units in May, 1988).

Section 2 restores the AFDC payment maximums to current levels at the end of the project. Section 11 establishes an effective date of June 30, 1999 for section 2.

Section 3 establishes a reduction of 1.7 percent in the amount of Adult Public Assistance payable to a needy aged, blind, or disabled recipient who also receives federal Supplementary Security Income benefits. Benefits to APA recipients who do not receive SSI benefits would be reduced by the same dollar amount as payments to a similarly situated SSI recipient.

Section 4 directs DHSS to seek authority from the federal government to operate a demonstration project. This section provides for a demonstration incorporating only the approved provisions if the federal government does not approve all of the provisions of the proposed project.

Section 5 makes certain changes in AFDC eligibility provisions for purposes of operating the demonstration project authorized under section 4:

Subsection 1 provides for an increase in work incentives for AFDC family members by increasing the current federally-set earnings disregard from the current short-term earnings disregard of \$30 plus one-third of the remainder disregard to \$200 plus one third of the remainder for 24 months.

Subsection 2 waives the federal AFDC-Unemployed Parent "100-hour rule" that currently disqualifies two-parent families with a full-time worker regardless of the family's income.

Sectional Analysis - Prepared by DHSS

Subsection 3 waives the federal vehicle equity limit that disqualifies families who own a single vehicle worth more than \$2500, and substitutes a modified rule that allows AFDC families to own a combination of vehicles worth up to \$5,000 before their value is counted in the \$1000 maximum resource (asset) test.

These modified requirements of section 5 apply only to AFDC families living in the project area defined by section 7.

Section 5 is repealed at the end of FY 99 under the sunset provision in section 10.

Section 6 establishes a "Workfare" requirement as part of the demonstration project.

Subsection (a) requires adult AFDC recipients in the demonstration project to participate in Workfare activities for 21 hours per week and requires DHSS to penalize individuals who fail to participate as required by deleting their needs from the AFDC payment.

Subsection (b) establishes exemptions from the Workfare requirements for certain individuals, including:

- Individuals who are employed at least 10 hours per week (if working less than 10 hours, work time is credited toward the 21 hour requirement)
- Individuals who are participating in a Job Opportunities and Basic Skills training (JOBS) activity operated under the state JOBS program or a JOBS program operated by an Alaska Native organization
- Individuals who are exempt from participating in the state JOBS program
- Individuals determined by DHSS to be physically or mentally incapable of performing Workfare activities.
- Subsection (c) prohibits DHSS from requiring individuals to participate in Workfare unless DHSS agrees to pay for any necessary child care and transportation expenses.

The requirements of section 6 are repealed at the end of FY 99 under the sunset provision in section 10.

Section 7 defines the project area for the demonstration.

Section 8 requires other state agencies to cooperate with DHSS to

implement the demonstration project.

Section 9 defines basic terms, defines the basic scope of the project, and authorizes DHSS to establish the project area within the constraints of section 7.

Section 10 sunsets the project and the APA ratable reductions at the end of FY 99.

Section 11 restores the current AFDC maximum payment levels at the end of FY 99.

Section 12 provides an immediate effective date for section 4, which directs DHSS to seek federal authority to operate the project.

Section 13 makes the effective date for the reductions in benefit level and the operation of the demonstration project contingent upon federal approval of the demonstration.

FISCAL NOTE ANALYSIS
HOUSE BILL 409

Prepared by the Department of Health and Social Services
Division of Public Assistance
February 9, 1994

	FY95	FY96	FY97	FY98	FY99	TOTAL
OPERATING EXPENDITURES						
AFDC Payments - Project	0.0	276.5	(413.8)	(957.6)	(2453.3)	(3,548.2)
PA Administration	142.1	159.1	144.1	144.1	174.1	763.5
Eligibility Determination	0.0	563.1	644.1	644.1	644.1	2,495.4
PA Data Processing	309.1	376.1	183.9	183.9	183.9	1,236.9
Child Care Benefits	0.0	614.4	1228.8	1228.8	614.4	3,686.4
Alaska Work Programs	0.0	155.9	189.5	189.5	94.8	629.7
Medical Assistance	0.0	(15.8)	(284.7)	(503.3)	(465.2)	(1,269.0)
Net Project Expenditures (General Fund)	451.2	2,129.3	1,691.9	929.5	(1,207.2)	3,994.7
RATABLE REDUCTION SAVINGS						
AFDC/APA - GF Match /GF	(829.5)	(1742.2)	(1829.4)	(1920.8)	(2016.7)	(8,338.6)
AFDC - Federal Receipts	(526.6)	(1106.4)	(1161.8)	(1219.9)	(1280.7)	(5,295.4)
AFDC/APA - I/A Receipts (PFD Hold Harmless)	(125.3)	(263.3)	(276.5)	(290.4)	(304.8)	(1,260.3)

WALTER J. HICKEL, GOVERNOR

Theodore A. Mala, Commissioner

DEPARTMENT OF HEALTH AND
SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

P.O. BOX 110640
JUNEAU, ALASKA 99811-0640
PHONE: (907) 465-3347

February 9, 1994

FEB 9 1994

The Honorable Mark Hanley
House of Representatives
State Capitol Building, Room #515
Juneau, AK 99801-1182

Dear Representative Hanley:

We have reviewed House Bill 409 and we offer the following comments and suggestions with regard to the language of the bill:

Section 4: This section directs DHSS to implement the project if only part of a request to operate it is approved. There is no direction to operate a project if all aspects of the proposed demonstration are approved.

Furthermore, there is no provision for the Department to use discretion in the event of partial approval. Partial approval could conceivably result in a set of approved criteria that do not make sense. We would prefer to have the authority to exercise discretion in the event that some aspects of the project are not approved.

Section 5: In subsection (1), the phrase "after the date of the assistance unit's application for AFDC" seems to direct DHSS to apply the increased disregards only to new or recent applicants. If that is your intention, the language appears adequate. If your intention is to have the increased disregard apply to all applicants and recipients living in the project area, this phrase should be deleted.

Section 6: The language in subsection (a) of appears to require DHSS to mandate Workfare participation by all individuals not exempted under subparagraphs (b) or (c).

The Honorable Mark Hanley
February 9, 1994
Page 2

DHSS does not expect to have a suitable Workfare assignment available to all such individuals at all times, and may wish to require certain other activities (such as job search) prior to assigning people to Workfare. We would prefer language which requires individuals to participate if assigned by DHSS. You may also wish to include language that requires DHSS to develop the workfare slots.

Section 7: In defining the project area, the bill uses the term municipality. To the best of my understanding, the only municipalities in the state are Anchorage, the City and Borough of Sitka, and the City and Borough of Juneau. You may wish to amend this language.

Section 11: This section restores AFDC maximum payment levels at the termination of the project. We presume you wish this change to take effect at the beginning of FY 00. If so, the correct effective date would be July 1, 1999.

Section 13: This section sets the effective dates of both the demonstration policy waiver provisions and the AFDC and APA benefit reductions as the date of federal approval of the application to operate the demonstration project. This section creates questions about project funding and implementation.

After discussion with your staff about your intent, we have developed our fiscal notes based on an assumed effective date for the ratable reductions of January 1, 1995 and an assumed effective date for the operation of the demonstration of January 1, 1996.

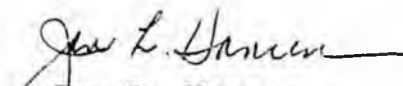
It is our understanding that you desired the savings produced by the ratable reductions to offset project costs each year, beginning with FY 95 costs. It is therefore essential that the ratable reductions be imposed in FY 95. You may also wish to include a provision to repeal the ratable reduction before FY 00 if for any reason the project does not become operational.

Because we cannot predict when final federal approval of the demonstration might be secured, and because substantial time for pre-implementation system and policy development will be essential, we established a January 1, 1996 as a feasible start date for field operation of the project. We would prefer to see the language of the bill modified to take development time into account.

The Honorable Mark Hanley
February 9, 1994
Page 3

Child care costs: We have identified what appears to be a major oversight in the costing of the project. We plan to have over 500 additional recipients working in FY 96, and over 1000 working in FY 98. A significant number of these families will need child care assistance in order to work. We have not planned for any additional funding for child care benefits for working recipients. I would be pleased to discuss with you possible approaches to this problem.

Sincerely,


Jan L. Hansen
Director

Welfare in Alaska—Help or Hindrance to Self-Sufficiency?

by Cristina Klein

There is a simple but revealing tale set in Japan which explores the nature of truth. In this story, the tale of Rashomon, four individuals witness the same event—a death on the road which they are traveling. Later, when these witnesses recount what they have seen to the police, four vastly different stories emerge. Was it a suicide or murder? If murder, by whom?

Beliefs about welfare and how it should work are like the contrasting "truths" in the tale of Rashomon.

A working person who has never applied for welfare may see the system as an unfair dole to people too lazy to work. Someone without skills and with little work experience, newly separated, with two young children, may see welfare as her salvation, keeping her family off the streets. An eligibility technician in a welfare office with a growing caseload may see welfare as a frustrating complex of regulations to wade through while attempting to help clients. And in the various states, policy makers express their views about welfare in poli-

Cristina Klein is a Project Coordinator with the Alaska Department of Health & Social Services. She has previously worked as a Labor Economist for DOL/Research and Analysis, and as a writer, social worker, business owner and Peace Corps Volunteer. Her article, "Is There a Nurse in the House?" appeared in the December 1987 *Alaska Economic Trends*.

Welfare in Alaska

Aid to Families with Dependent Children (AFDC) is known simply as welfare. Some facts about welfare in Alaska:

- * The AFDC program provides support to needy children. Grants are given to families because this is the most efficient way to deliver financial aid.
- * The AFDC-Basic program helps low income families deprived of one or both parents. AFDC-Unemployed Parent (UP) provides cash assistance to families with both parents in the home.
- * AFDC participation makes members of households eligible for Medicaid and energy assistance.
- * In 1993, a household comprised of a mother and two children receives \$950 a month or 79% of the federal poverty level for Alaska.
- * \$814 was the average AFDC payment in August 1992.
- * Each month in 1992, about 11,000 families in Alaska received AFDC assistance. Family members included about 12,000 adults and about 20,600 children, a total of about 32,600 individuals.
- * Between FY 84 and FY 91, roughly 67% of AFDC families received AFDC for less than two years.
- * In FY91, 45% of all AFDC families served had only one child. Only 9% of AFDC families had more than three children.
- * Child support payments for AFDC families reimburse state and federal AFDC programs and partially fund the Alaska Department of Revenue's Child Support Enforcement Division. AFDC clients are allowed the first \$50 of child support payments as a collection incentive.
- * The federal government pays 50% of the Alaska AFDC program costs for both clients' benefits and for program administration.
- * The federal government requires states to provide education, employment and training services to AFDC recipients. Alaska provides these services through the Job Opportunities and Basic Skills (JOBS) program.
- * AFDC-UP was federally mandated for all states by October 1, 1990. Alaska began including two parent households in AFDC on October 1, 1990.

Table 1

**AFDC Caseload and Expenditures
August 1992**

	AFDC-Basic Cases	AFDC-UP Cases	AFDC Total Cases	AFDC Avg. Expenditure	AFDC Total Expenditure
<i>*SC/South Central includes Kodiak, Dillingham, Nome, Kotzebue and Aleutian Chain.</i>	Anchorage	458	4,566	\$826	\$3,772,077
	Fairbanks	151	1,212	793	961,518
	Wasilla	232	1,219	838	1,021,887
<i>**NW/Northern Region includes Fairbanks, Ft. Yukon and surrounding areas.</i>	Southwest Region	315	938	808	757,641
	Kenai	111	751	800	601,133
	Juneau	66	537	754	404,834
<i>Source: Alaska Department of Health & Social Services, Division of Public Assistance.</i>	South Central Field*	68	478	781	373,366
	Ketchikan	48	480	809	388,428
	Northern Region Field**	78	390	850	331,477
	Nome	55	260	833	216,495
	Kotzebue	52	236	762	179,928
	Sitka	11	97	825	80,384
	Total	1,645	11,164	\$814	\$9,089,168

AFDC Self-Sufficiency Project

The Alaska Department of Health and Social Services/Division of Public Assistance is conducting the Aid to Families with Dependent Children Self-Sufficiency Project, a one year study of strategies for helping AFDC clients become self-sufficient. The project is also looking at ways to reduce or to contain AFDC program costs.

The study is composed of:

- 1) A survey of AFDC clients' and staff's perceptions of barriers to self-sufficiency. Forty AFDC clients were interviewed in person, another forty were interviewed by phone, and over 1,000 randomly selected clients were mailed an extensive questionnaire. This statistically valid survey focused on barriers to employment, ideas for changing the welfare system, and the kind of help clients need to get jobs and move off welfare.

AFDC clients returned 48% (485) of the mailed questionnaires.

All eligibility technicians, JOBS staff and Native JOBS staff were mailed questionnaires with questions about clients' barriers to self-sufficiency. About 50% (181 questionnaires) were returned.

- 2) Focus group meetings. The project coordinator held eleven focus group meetings on the barriers to self-sufficiency. Meetings were held with AFDC clients and staff, JOBS clients and staff, and Native JOBS clients and staff. Meetings were held in Juneau and Anchorage. About 175 people attended these meetings.
- 3) An analysis of the federal process (called a Section 1115 Waiver) which Alaska would have to undertake in order to run a demonstration project exempt from the usual federal provisions governing the AFDC program.
- 4) An analysis of the AFDC waiver demonstrations proposed or carried on by other states.
- 5) A review of rural job possibilities for AFDC clients that might be developed with other agencies.

The Self-Sufficiency Project will produce an interim report in early 1993.

cies which range from the innovative to the punitive.

Self-Sufficiency project seeks answers

The Alaska AFDC Self-Sufficiency Project set out in May of 1992 to find out about welfare. Does it create a group of dependent people with no incentive to work? Is the system a nightmare of regulations and forms? How can the welfare system help recipients get jobs and become independent of the system? And how can the system reduce or maintain costs in a time of growing caseloads—a problem fit for a sage to ponder.

The project surveyed AFDC clients and staff and looked at the innovative programs which other states are undertaking to find new ways to promote self-sufficiency.

Table 1 gives the number of AFDC clients and program costs by district in August, 1992. Table 2 shows AFDC recipients' length of stay in the program.

Poverty is growing in Alaska and the U.S.

According to the U.S. Bureau of the Census annual poverty report, *Poverty in the United States: 1991*, the number of poor is at its highest level since anti-poverty programs began in the mid-1960s. The number of Americans living below the poverty line in 1991 was 35.7 million, or 1 in every 7 Americans. In 1991, 35.4 million Americans (14.1%) had no medical insurance.

One of the primary reasons given for the national increase in poverty is the increasing number of people in low wage jobs which do not provide medical benefits. In the 1960s and 1970s, the earnings of a full-time, year-round worker in a minimum wage job typically exceeded the poverty level for a family of three. In the 1980s, that changed.

Nationally, the minimum wage for a full time worker would have to be raised to \$5.40 to equal the poverty level for a family of three. In Alaska, the minimum wage would have to be raised to \$7.20 for a family of three in order to equal the poverty level (\$1,205) set for that family size by the federal government. At the current minimum wage level of \$4.75 in Alaska, a wage earner with two dependents would be earning just 66% of the poverty level.

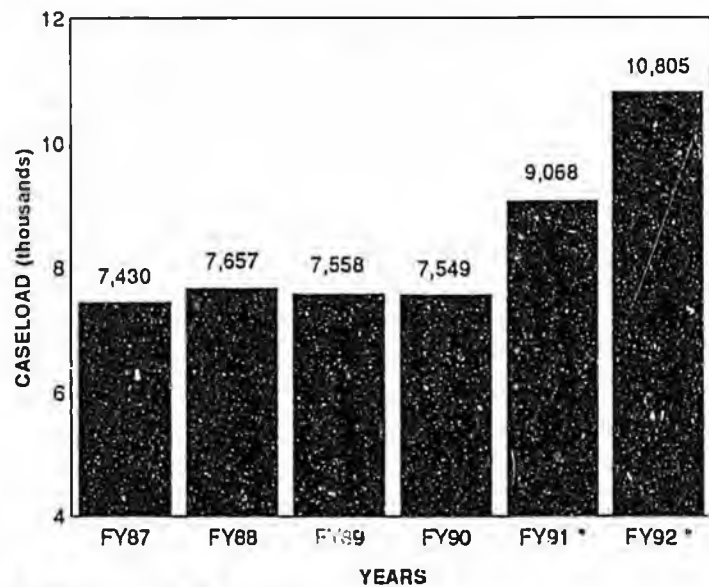
Length of Stay Summary
January 1, 1992

Length of Time on AFDC	# of Clients	Percentage
1-12 Months	2,800	28.9
13-24 Months	1,997	20.6
25-36 Months	1,183	12.2
37-60 Months	1,716	17.7
Greater than 60 Months	2,007	20.7
Total	9,703	

Source: Alaska Department of Health & Social Services, Division of Public Assistance.

Figure • 1

AFDC Program Average Caseload in Alaska
by Fiscal Year—1987 to 1992



*AFDC-UP (two parent) added in October 1990.

Source: Alaska Department of Health & Social Services, Division of Public Assistance.

Table • 3

**AFDC-UP in Alaska and Western States
(As a % of total AFDC)**

State	Recipients				Families			
	AFDC-UP	% of Total	Basic	% of Total	UP	% of Total	Basic	% of Total
Alaska	6,645	22.2	23,245	78.8	1,449	14.3	8,710	85.7
California	480,611	21.3	1,775,530	78.7	114,213	14.5	647,097	85.5
Oregon	15,884	13.6	100,897	86.4	3,826	9.2	37,708	90.8
Washington	58,469	21.7	210,666	78.3	13,827	14.6	80,974	85.4

Source: Alaska Department of Health & Social Services, Division of Public Assistance.

In 1991, 11.8% of Alaskans were living below the poverty line. About 5% of Alaskans, or less than half of those living below the poverty line, were recipients of AFDC.¹

due to both the growth of Alaska's population and to the national recession. The growth in Alaska's caseloads correlates closely with a national trend of increasing caseloads.

¹AFDC-UP added in October, 1990.

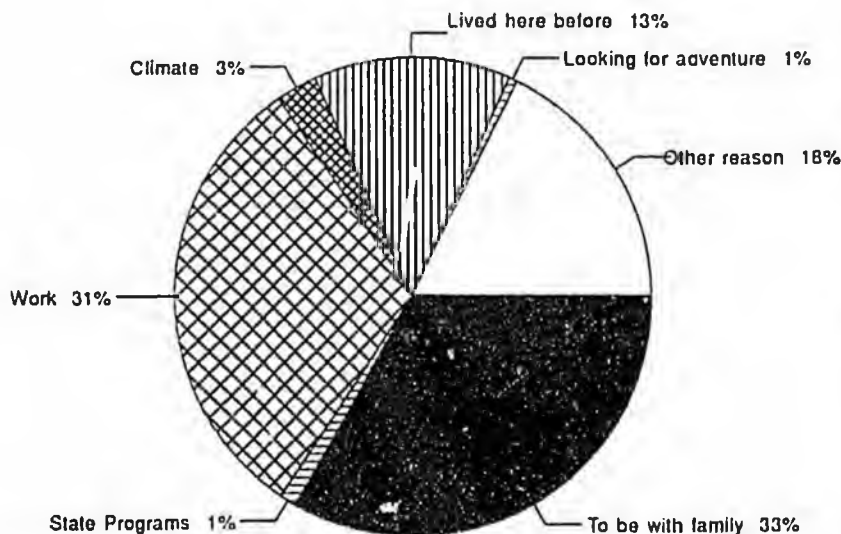
AFDC caseloads on the rise

Alaska is experiencing a phenomenon common to most other states. AFDC caseloads have been growing dramatically since 1990. This increase is

Another significant reason for the increase in caseloads has been the federally mandated addition of two parent households (AFDC-UP) in October, 1990. This mandate was contained in the Family Support Act (FSA) of 1988, a major package of federal welfare reform legislation designed to promote family self-sufficiency. About half the states were providing AFDC to two parent families before the mandate of the Family Support Act in 1988.

Figure • 2

**Primary Reason for Coming to Alaska
Field Operations Client Survey**



Note: Although 13% gave "lived here before" as primary reason, 24% of total respondents had actually lived in Alaska before.

Source: Alaska Department of Health & Social Services, Division of Public Assistance.

Alaska's addition of AFDC-Unemployed Parent (UP) households in October, 1990, accounted for over half the increase in the state's caseloads in 1991-92. Average AFDC caseloads grew by 43% from the 1989 level to the 1992 average caseload level. AFDC caseloads in virtually every other state grew during this period. (Nationally, there were 4,973,200 families receiving AFDC in June, 1992.)

Sustained caseload increases correlate closely with periods of economic downturn in Alaska. Following the boom of the oil pipeline construction which ended in 1976, the Alaskan economy went into a recession. AFDC caseloads at this time (1977-80) increased dramatically. From 1981 until 1984, AFDC caseloads decreased. When oil revenues fell in 1985, AFDC caseloads again increased sharply until 1988. Caseloads then leveled off and decreased in 1989.

Figure 1 shows the average caseload growth of AFDC in Alaska from 1987 through 1992. Table 3 shows that AFDC-UP makes up about the same percent of AFDC costs for Alaska, Washington, Oregon and California.

Are people coming to Alaska to collect welfare?

Two studies say no.

Two recent surveys have been conducted by the Alaska Department of Health and Social Services/Division of Public Assistance. The first is an anonymous questionnaire given to new applicants for AFDC to find out if AFDC applicants are coming to Alaska to collect benefits.

This survey shows that being with family, previous residence in Alaska and work are the primary reasons new applicants give for coming to Alaska. Figure 2 gives the results of the field survey.

The second confidential questionnaire was given to over 1,000 clients through the AFDC Self-Sufficiency Project in July, 1992. The primary reasons given for coming to Alaska were that recipients used to live here, that their families live in Alaska, that the quality of life in Alaska is better than in other places, and that work is abundant in the state. Figure 3 shows the results for both rural and urban clients.

Does Alaska pay too much to welfare clients?

That depends on who you ask. Ask a typical client, a mother with two children, who is trying to pay rent and expenses on \$950 a month, and surely the answer will be no. Ask a government employee whose job provides the security of a reasonable wage, excellent medical coverage, and a pension plan. The answer may well be yes.

But the reality which continues to emerge from the Self-Sufficiency Project study is not that welfare pays too much. Rather, it is that low paid jobs simply do not pay enough for a family to live on. And this situation is exacerbated by the lack of medical coverage.

Alaska pays about 79% of the federally determined poverty level to a typical AFDC family of three. Approximately 50% of the funds for grants to recipients and for administration of the AFDC

program is paid by the federal government. About 60% of these recipients also receive food stamp assistance, and about a third of AFDC families receive housing assistance.

Figure 4 compares the federal poverty level for Alaska with AFDC grants in the state in 1993. Figure 5 compares maximum AFDC benefits for a family of three in the ten states which pay the highest AFDC grants. Table 4 gives the American Chamber of Commerce Research Association (ACCRA) Cost of Living Index.

Does welfare discourage work?

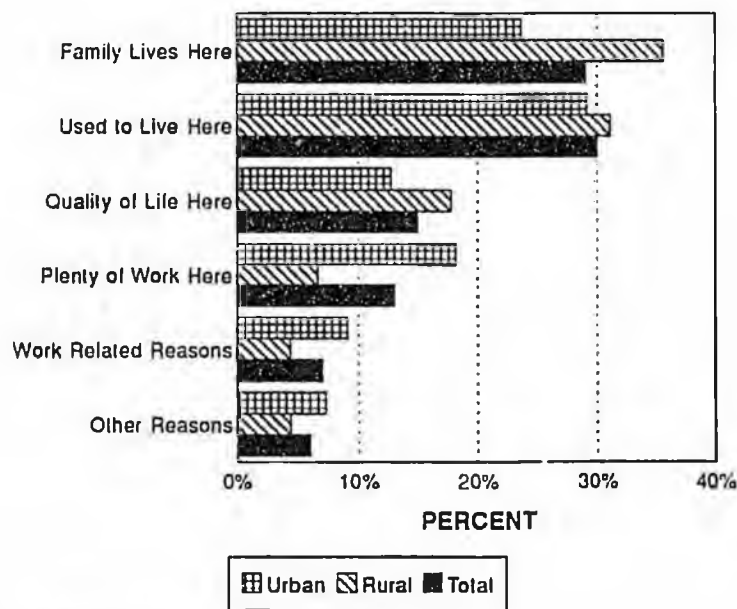
In some ways it does.

Some federal regulations are an albatross around the state's neck because they discourage work. These regulations are:

- ✓ The 100-hour rule. This rule limits an unemployed parent in a two parent (UP) household to 100 hours of work a month in order to remain eligible for AFDC. If the parent starts working full time, he or she becomes ineligible for AFDC and Medicaid even if she or he earns less than the AFDC grant.

Figure 3

Primary Reason for Moving to Alaska Client Survey/Self-Sufficiency Project



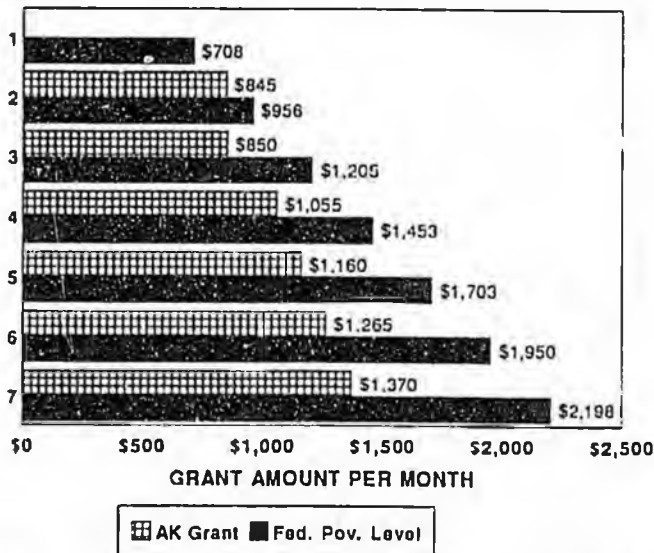
Note: Based on 485 client responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance Self-Sufficiency Project.

Figure • 4

Alaska* Grants Below Federal Poverty Level

FAMILY SIZE

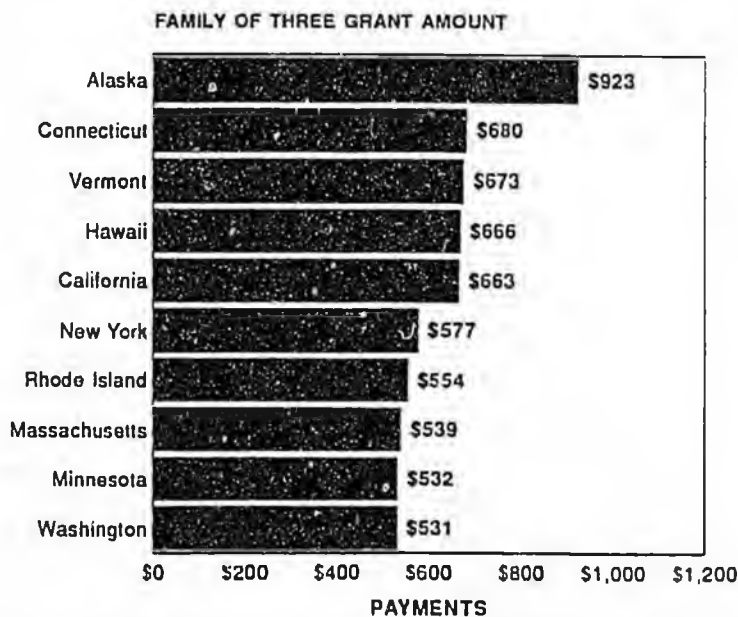


*The Alaska Legislature has appropriated an annual Cost of Living Allowance (COLA). These figures revised November 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance.

Figure • 5

AFDC Benefits in States with Highest Grant Levels—January 1992



Source: Congressional Resource Service, Center on Budget and Policy Priorities, Center on Social Welfare Policy and Law.

✓ The resource limit. AFDC clients can only have assets or cash holdings of up to \$1,000. This low savings limit puts clients in a precarious position when leaving the security of the AFDC program. Some states have sought waivers from this regulation while other states are creating escrow accounts to allow recipients to save funds which can only be tapped after they leave AFDC.

✓ The vehicle limit. Families are allowed to own one vehicle worth no more than \$2,500 (if family has no assets). Such vehicles are in frequent need of costly repairs. Unreliable transportation is also a barrier to recipients seeking and keeping jobs and getting children to day care.

✓ Low earned income "disregards". These disregards are earnings which are not counted against the AFDC grant when a recipient works. For AFDC clients working at jobs paying close to the amount of the AFDC grant, this policy provides little incentive to work. Some states are operating demonstrations which allow recipients to keep more of their earned income without losing their grant. These policies encourage work and make the transition from AFDC to work easier.

✓ Transitional medical benefits. Welfare recipients who become employed are now eligible for one year of transitional Medicaid coverage as they leave the AFDC program. Some states are allowing target groups of recipients two years of transitional Medicaid rather than the current one year. The loss of medical coverage is a major concern of AFDC clients when they try to leave the AFDC program.

Most clients want to work

On the Self-Sufficiency Project questionnaire, 88% of clients responding said they would prefer working to receiving AFDC.

In focus groups, clients said the same thing.

AFDC recipients want to work, but they stress that the available jobs pay too little and usually do not offer medical coverage. The cost of day care, generally about \$400 per child, is another barrier for AFDC clients who want to work.

ACCRA Cost of Living Index
First Quarter 1992—10 High Cost Urban Areas

City	Index	Grocery	Housing	Util.	Trans.	Health
1. New York, NY	219.1	141.4	394.2	196.1	127.9	209.9
2. ANCHORAGE, AK	131.0	132.1	141.1	98.5	106.9	178.5
3. KODIAK, AK	145.7	160.6	156.8	172.8	112.2	171.4
4. FAIRBANKS, AK	129.8	125.5	123.2	149.7	115.7	189.9
5. JUNEAU, AK	133.1	137.7	131.7	157.6	129.9	182.2
6. Los Angeles/Long Beach, CA	132.6	107.7	185.3	80.0	119.6	136.5
7. Palm Springs, CA	120.3	106.5	136.8	107.2	118.1	132.9
8. Baltimore, MD	122.3	136.0	118.1	145.8	126.0	126.4
9. Washington, DC	134.4	118.6	175.8	113.7	130.4	142.2
10. Albany, NY	114.2	110.8	119.8	128.2	104.4	112.5

Source: American Chamber of Commerce Research Association (ACCRA).

Common barriers to employment

Figure 6 shows what AFDC clients consider to be the primary barriers to employment. (There may be other barriers to employment such as substance abuse which were under-reported by AFDC clients on the survey results.)

Focus groups were held in Anchorage and Juneau on the topic of AFDC clients' obstacles to work. AFDC clients and staff, AFDC/JOBS clients and staff, and AFDC/Native JOBS clients and staff stated the same points over and over again:

- ✓ Jobs don't pay enough.
- ✓ Clients fear the loss of medical coverage.
- ✓ Day care is too expensive and often unreliable.
- ✓ Clients need basic education, skills and experience.
- ✓ There are no jobs available in rural Alaska.

JOBS training program comprehensive

The Job Opportunities and Basic Skills (JOBS) Training Program, created by the Family Support

Act (FSA) of 1988, addresses the need for skills training, basic education, and work experience which AFDC clients list as primary barriers to becoming employed and getting off welfare. The JOBS program is a federally mandated welfare-to-work program which is currently funded to serve a small percentage of AFDC clients.

JOBS case managers work with participants to identify employment goals and needed job skills. Personal and family needs are also identified and addressed in support groups and with supportive services.

Natives have their own JOBS program

The Family Support Act offered Alaska Native regional corporations the option of operating their own JOBS programs with 100% federal funding. (The JOBS program is required to match federal funds with state funds.) In 1992 there were eleven Native regional corporation grantees which received \$814,470 in federal funds. The largest Native JOBS grantee is Cook Inlet Tribal Council (CITC).

Alaska JOBS and CITC JOBS are working with the Alaska Department of Education and the Mat-Su School District to provide case management

and other special services to teen parents at an alternative school in Wasilla.

JOB'S faces difficult task

The Family Support Act mandates states to provide JOB'S services to an increasing number of AFDC clients each year. By 1995, JOB'S must serve 20% of nonexempt (mandatory) AFDC-Basic (single parent) clients and 50% of AFDC-UP (two parent) clients while federal allocations do not increase proportionally.

The JOB'S program is financed by a state appropriation that matches a "capped" allocation of federal funds. Alaska's FY93 share of the national JOB'S allocation is \$1.7 million. Alaska appropriates state general funds in excess of this federal match for adult basic education and alternative high school projects.

In focus groups JOB'S participants stressed that the program gave them skills, basic education, help with problems like substance abuse and help in finding work. Intensive case management helped participants with a variety of problems. JOB'S participants repeatedly stated that the program provided them with the basic life skills which they lacked.

Both AFDC clients and AFDC/JOB'S participants were asked in focus groups and on questionnaires about their expectations for becoming employed and leaving AFDC. JOB'S participants responded that the program had prepared them for work and helped them overcome multiple obstacles to becoming self-sufficient. AFDC clients, on the other hand, were frustrated because growing caseloads mean that eligibility technicians are less and less able to provide AFDC clients with the support and resource referrals they need to find jobs and become self-sufficient. The AFDC staff echoed this frustration.

What are other states doing?

Fourteen states have created task forces and commissions to study how to help AFDC clients reach self-sufficiency. Some of these groups are on a parallel course with Alaska's Self-Sufficiency Project, using focus groups and questionnaires to survey AFDC clients and staff. States are watching closely to see what succeeds in other parts of the country. There is an encouraging exchange of information and ideas as the states tackle the same problems—a tight job market, clients with multiple needs, and growing caseloads.

All of the states are in the process of implementing and refining their JOB'S programs. Some of the states are allocating additional money to their JOB'S programs so that they can serve more participants and provide more support services.

Some states are using federal waivers from the usual provisions governing AFDC programs to experiment with changing behavior and/or with changing the system.

What are waivers?

Simply put, waivers are exemptions from the usual federal provisions governing a state's AFDC program.

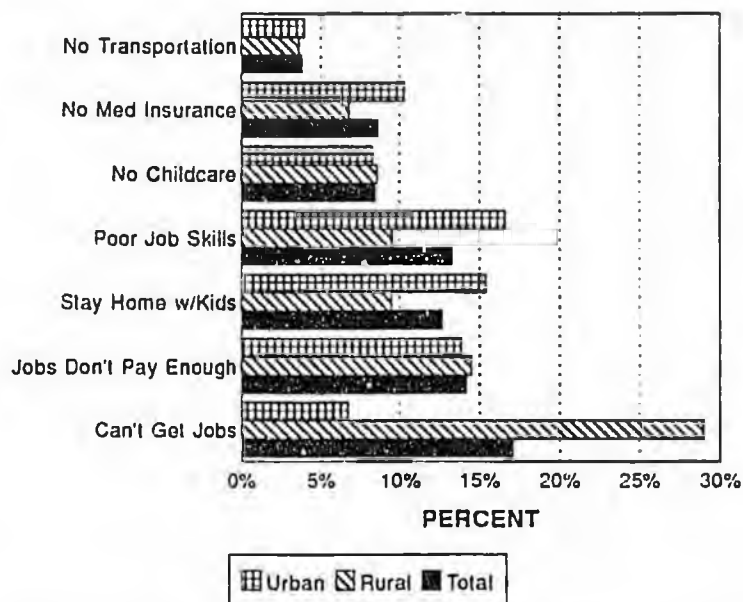
In recent years twelve states have conducted waiver demonstration

Figure 6

Primary Reason for Being on AFDC in Alaska Client Survey/Self-Sufficiency Project

Note: Based on 485 client responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance Self-Sufficiency Project.



projects: California, Florida, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, Ohio, Pennsylvania, Washington and Wisconsin.

The waiver approval process was accelerated in 1992. As of December 1, 1992, "accelerated" waivers had been approved for eight states: Wisconsin, Maryland, California, Oregon, New Jersey, Michigan, Utah and Missouri. Virginia's proposal was pending.

Waiver projects run the gamut

Demonstrations range from those which attempt to change behavior with either positive or negative incentives to those which undertake a complete restructuring of the welfare system and its regulations.

The primary types of behavior encouraged are: school attendance (LEARNFARE), preventive health measures (HEALTHFARE), marriage (WEDFARE or BRIDEFARE), employment (WORKFARE) and not having children while on welfare (FAMILY CAP). Penalties in the form of grant reductions or incentives in the form of bonuses are used to influence behavior.

Some states are trying to discourage migration from other states with two-tiered payment systems. An AFDC client is paid the grant amount of the previous state (if lower) until a recipient is considered a resident of the new state (6 to 12 months).

Some states are proposing to tie benefits to employment, community work or training.

A few states are attempting to save money by reducing grants to earlier levels, by time limiting grants and by limiting eligibility.

Other states are using waiver projects to develop what amounts to alternative welfare programs. Examples of these are New York's Child Assistance Program (CAP), Minnesota's Family Investment Program (FIP), Michigan's "To Strengthen Michigan Families", and Utah's "Single Parent Employment Program."

Waivers Must Meet Two Conditions:

Experimental design and rigorous evaluation is the first condition. A demonstration project must include a rigorous evaluation conducted by an outside evaluator. The cost of this evaluation is shared by the state and federal government and is

Facts about JOBS:

* JOBS serves hard-to-employ AFDC recipients targeted by federal and state law. These parents are:

Under 24 and lack a high school diploma or have little work experience

On welfare 36 of last 60 months

Parents whose youngest child is 16 years or older

* 73% of all JOBS participants in Alaska in August 1992 were targeted, long-term, or likely to become long-term welfare recipients with multiple barriers to employment.

* 460 AFDC recipients were participating at least 20 hours per week in JOBS education, training or employment activities in June, 1992, while a total of 808 were participating in JOBS at some level.

* During August, 1992, 97 JOBS participants were employed for wages.

* In August 1992, 37 JOBS participants were gaining work experience in Job Sampling, an unpaid work experience activity. During the first nine months of 1992, a total of 86 participants had participated in Job Sampling.

* In any month, 18-28% of JOBS participants need adult basic education services before they are "training ready."

* JOBS achieved a 15.5% federally measured participation rate in FY91, double the 7% requirement.

* 341 children were served by JOBS Child Care in July 1992; 65% of JOBS parents needed child care to participate in JOBS.

exempt from the second required condition, cost neutrality. Control and experimental groups are typically required in such experiments. Cost estimates by states run from \$20,000 for a simple waiver project to several million dollars for more complicated projects.

Cost neutrality is the second condition. When a state undertakes a waiver project, it must show that total federal costs are no higher than they would have been without the demonstration project. The state must assume any fiscal risk if the project turns out to cost more than anticipated.

Pros and cons of some waivers for Alaska

The Self-Sufficiency Project has reviewed various waiver demonstrations to see if they are appropriate for Alaska. To date, Alaska has not submitted any waiver applications.

Some of the more noteworthy demonstrations:

The Family CAP Program reduces or eliminates increases in the AFDC grant for children conceived after a parent is on welfare. New Jersey has a Family CAP program and Wisconsin's Supreme Court is reviewing the Family CAP program for constitutionality. In 1992, thirteen state legislatures rejected Family CAP proposals.

The two main arguments for Family CAP are that the traditional grant increase for additional children encourages welfare parents to have children and that working people do not receive salary increases for the birth of a child.

The arguments against this policy are that only a small percentage of AFDC clients have large families (9% with over three children in Alaska); that the birthrate for AFDC and non-AFDC families is about the same; that the grant increase is small (\$102 per month for an additional child in Alaska); that the program was created to serve children, not penalize them; that working parents do in fact get an "incentive" in the form of additional tax deductions for additional children.

The two-tiered benefit program pays a lower grant to new AFDC clients to a state if the state of previous residence had a lower AFDC grant. Usually clients receive the lower grant for 6-12 months, until they become residents of the new state.

Results of two surveys show that people are not coming to Alaska for the AFDC benefits. Some anecdotal stories persist, however, and there is an occasional AFDC recipient who has moved to Alaska to collect AFDC benefits.

The primary disadvantage of the two-tiered program is that clients may be unable to live on the interim amount provided while in a state such as Alaska with much higher costs. Again, it may well be the children who suffer.

New Jersey and Maryland have two-tiered payment programs which began in 1992. Wisconsin's two-tiered benefit payment program is scheduled to commence in 1994.

Learnfare is aimed at keeping children in school to help break the welfare cycle. After a child misses school a certain number of times, the family may be penalized with a reduction in their grant. Other states use a bonus system to encourage children to go to school.

Other Subsidies Available to Recipients

Medicaid is a medical payment program funded about equally by the federal government and by the state. Medicaid is provided to low income individuals. In September 1992 there were about 28,100 Medicaid cases. All AFDC recipients (about 11,000 cases or 32,600 recipients) are eligible to receive Medicaid. About 660 adults are receiving one year of transitional Medicaid benefits as they leave the AFDC program. The balance of Medicaid recipients is made up of the aged, blind and disabled and poverty level children and pregnant women.

Food Stamps are fully funded by the federal government. Recipients must meet certain federal guidelines which include income and resource limits. The maximum amount which a household of three can receive per month is \$376 in urban areas and between \$479 and \$583 in rural areas. Benefits are made in the form of food coupons. In September 1992, approximately 13,600 households received Food Stamps in Alaska. About 8,000 of these were AFDC households.

Housing Assistance in the form of low rent housing, Native rent subsidies and Section 8 assistance is used by about 30% of AFDC clients statewide. After deductions for each child in the family and for utility costs, a housing subsidy recipient pays 30% of their income as rent.

Energy Assistance is available to households in the state with an income less than 140% of the poverty level. This program makes payments to renters for home heating costs. The Energy Assistance Program served 11,380 households in 1991-92. An estimated 3,400 of these were AFDC households. The yearly grant averaged \$380 but varied from region to region in the state.

Initial results from a University of Wisconsin, Milwaukee, study show that children in the counties studied actually missed school more often than those not targeted for a benefit reduction. Wisconsin plans to do a more rigorous evaluation of the program to check the results of the first study.

One criticism of this program is that attendance in itself does not guarantee learning. Another is that the program adds a substantial administrative burden to schools and AFDC agencies.

Healthfare programs encourage preventive health-care through grant reductions (Maryland) or through grant bonuses (Virginia). These programs are administratively complex. Results are not available on their impact.

Wedfare/Bridefare programs encourage marriage with bonuses or penalties. Wisconsin is experimenting with this program which tests the hypothesis that encouraging marriage will cause single mothers to leave the welfare rolls.

Alternate welfare systems are New York's Child Assistance Program (CAP), Michigan's program and Minnesota's Family Investment Program (FIP) which have been mentioned earlier in this article. These programs, unlike the demonstrations which isolate types of behavior and attempt to change them, allow clients to keep more of their earned income (earned income disregards) and to accumulate more resources.

New York's Cap program allows participants to own a vehicle of any value. Participants in these programs are usually exempt from the 100 hour rule.

Utah has also designed a program which waives some of the regulations which discourage work. Iowa is designing a program which moves from income maintenance to an asset-based policy which encourages AFDC clients to save and invest in the state's economic development.

What do these waiver demonstrations show?

Most of these projects are still in the planning stage or have just commenced. For example, Wisconsin's much publicized Family Cap which cuts benefits for children born on AFDC is still under review by the Wisconsin Supreme Court. There is data available on some early projects which indicates that the waiver of the 100-hour rule (Fresno and Merced Counties, California) encourages work. Alternate welfare systems like New York's Child Assistance Program (CAP) appear to foster self-sufficiency by making the transition off welfare easier for clients.

Other projects may not require waivers

There are two other types of projects which provide work experience and which encourage employment. Depending on how the programs are designed, they may or may not require federal waivers.

Community Work Experience (CWEP) creates unpaid public sector jobs for AFDC clients so that they will gain work experience. These jobs could provide useful community services which are not currently provided. But again, the cost of running such a program would be high, and an administra-

Self-Sufficiency Project Survey Highlights

The Self-Sufficiency Project survey elicited the following information from clients and staff:

- 88% of AFDC clients responding said that they would rather work than receive welfare.
- 94% of clients responding said that AFDC regulations about such items as asset limits and transitional benefits should be changed.
- 78% of clients responding said that they would do community or volunteer work to gain experience.
- Lack of medical coverage is a major barrier to self-sufficiency.
- Day care is too costly, often unavailable, sometimes unreliable.

AFDC clients and staff and JOBS/Native JOBS participants and staff were asked a variety of questions about barriers to employment, the help needed to get off welfare, and changes which should be made to the welfare system. Some interesting information provided by the survey is found in Charts 7 through 12.

tive structure would need to be created for the program.

Work Supplementation pays part of the cost of an employee so that employers are encouraged to hire AFDC clients. The employee's AFDC grant makes up the balance of the employee's wage. The principal disadvantage of such a program is that it may take jobs from non-AFDC workers. On the positive side, employers might be encouraged to add additional staff because the cost for the added employee would be low.

Should Alaska do a waiver demonstration?

As a welfare reform coordinator in another state put it, "Welfare reform ain't cheap."

The Self-Sufficiency Project has looked at demonstration projects and waiver proposals in other states. Those projects which eliminate federal regulations discouraging work and which make the transition off welfare easier for clients have merit. But waivers cost money and they only affect a target group of AFDC clients.

Project design and application costs, computer system redesign, and additional staff to monitor and collect data required for the evaluation are some of the additional costs which a state faces in conducting a waiver project. Another cost is the outside evaluation which runs from \$20-30,000 for a simple waiver to several million dollars for more complex waivers. States with large AFDC populations have the advantage of a larger administrative budget to absorb these costs. Alaska's AFDC population is relatively small compared to other states.

A waiver would require that some AFDC recipients are treated differently than others. Since waiver demonstrations are intended to gain research data, clients are divided into experimental and control groups. Different sets of program rules would be applied to experimental and control groups over the life of the demonstration project.

The Alaska Division of Public Assistance is assessing the costs and benefits of experimental projects which would create increased incentives to work.

What is Alaska doing?

A great deal.

One of the key strategies for helping AFDC clients attain self-sufficiency is the JOBS program. The JOBS program, a federally mandated welfare-to-work program for AFDC clients, provides basic education and skills to a small percentage of AFDC clients with multiple barriers to self-sufficiency.

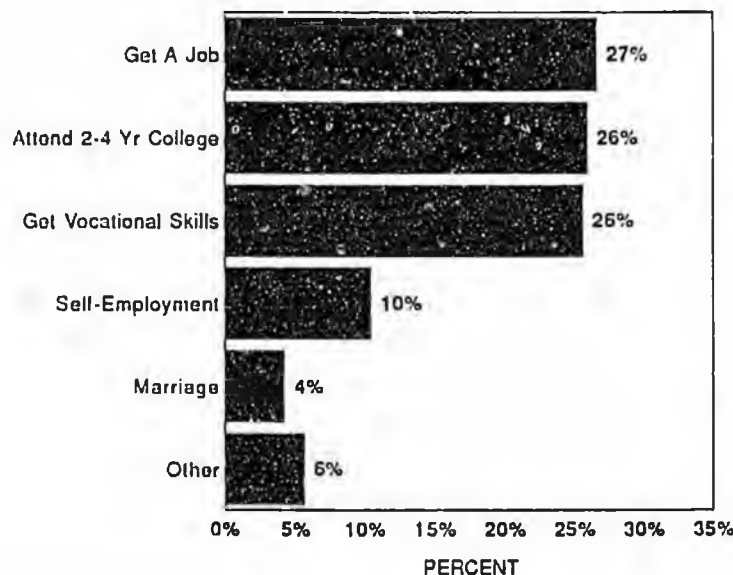
The JOBS program was created by the Alaska State Legislature, the Department of Health and Social Services, and the Departments of Labor, Community and Regional Affairs, and Ed-

Figure 7

AFDC Clients' Plans for Self-Sufficiency in Alaska

Note: Based on 485 client responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance Self-Sufficiency Project.



education. The legislature has appropriated additional funds to the JOBS program for adult basic education and teen parent services. Preliminary results show that this program is effective in moving long term dependent clients into jobs and off welfare.

The Child Support Enforcement Division of the Department of Revenue is establishing and enforcing child support orders at a dramatically increasing rate.

Several agencies are working together to explore the creation of rural jobs. The Department of Health and Social Services has awarded contracts to private agencies to provide homecare services in six of ten regions statewide, enabling clients to stay in their homes. Individuals in rural communities can train to become Personal Care Attendants. (See insert.)

The Alaska Housing Finance Corporation (AHFC), Public Housing Division is initially targeting the Anchorage area for the Family Self-Sufficiency Program. (See insert.)

Alaska is looking at the coordination of social services so that AFDC clients are provided with increased access to mental health and substance abuse programs.

Alaska will also watch closely the waiver projects conducted by other states to see what works in helping clients get off AFDC and become self-sufficient.

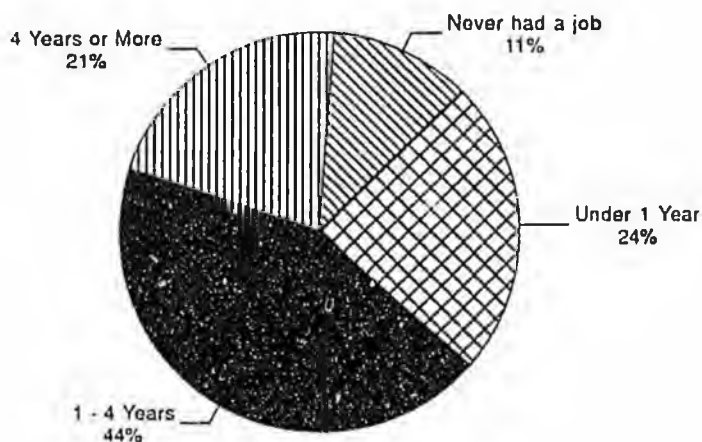
Self-Sufficiency Project Client and Staff Survey

A comprehensive questionnaire was sent out in July, 1992 to over 1,000 AFDC clients in a statistically valid survey. Another 40 clients were interviewed by phone and 40 clients were interviewed in depth during Quality Control interviews. Random sampling was done for each of these questionnaires. There were 485 responses received back (49% of questionnaires sent out to clients.)

Clients were asked a number of questions about what they perceived to be their barriers to employment and self-sufficiency, about what help they needed to get work and leave welfare, and about how the welfare system could be changed to better serve clients and promote their self-sufficiency.

Figure • 8

How Long Since AFDC Clients' Last Job? Alaska Self-Sufficiency Project

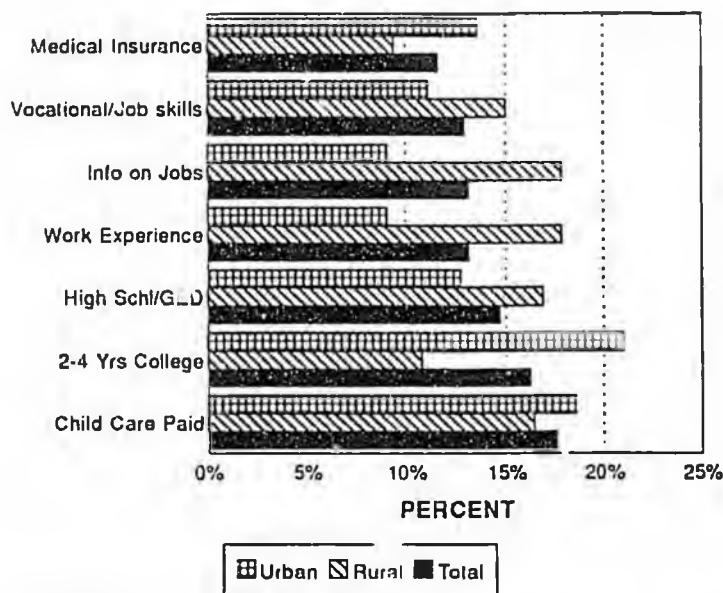


Note: Based on 485 client responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance Self-Sufficiency Project.

Figure • 9

Primary Help Needed to Become Self-Sufficient Client Responses/Alaska Self-Sufficiency Project



Note: Based on 485 client responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance Self-Sufficiency Project.

A questionnaire was also sent out to all eligibility technicians (about 200 staff statewide), and to all JOBS case managers (about seventy staff statewide). Approximately 50% of staff returned these questionnaires. Eligibility technicians and JOBS staff were asked what they perceived to be clients' barriers to employment, what help they thought that clients needed to become self-sufficient, and about changes that could be made to the AFDC program to make it serve clients better and to promote self-sufficiency.

The following charts give some of the information derived from the Self-Sufficiency project survey: Figure 7 gives AFDC clients' plans for becoming self-sufficient; Figure 8 shows how long it has been since AFDC clients' last full time employment; Figure 9 shows the help which clients stated that they needed in order to get jobs; Figure 10 shows how much clients think that they need to earn to leave AFDC; Figure 11 shows what eligibility technicians think is the most important help that clients need to leave AFDC; Figure 12 shows what eligibility technicians perceive to be the primary reason for being on AFDC.

Project held focus groups

Eleven focus group meetings were held by the Self-Sufficiency Project Coordinator in Juneau and Anchorage. Meetings were held with AFDC clients and staff and JOBS/Native JOBS participants and staff. A total of about 175 people participated in these meetings.

"Jobs don't pay enough." One of the issues that surfaced most often was the fact that jobs which AFDC clients are likely to get don't pay enough to live on and do not provide medical benefits. Clients stressed their concerns about losing Medicaid once off AFDC. They also spoke of the high cost of day care. AFDC clients talked about their lack of skills and basic education which hampered them in getting jobs.

"Being an eligibility technician is like putting your head in a washing machine and screaming." Eligibility technicians who work with AFDC clients complained of an overwhelming and growing caseload. They were frustrated at having little time to refer clients to community and job resources. They also criticized federal regulations which discouraged their clients from seeking employment.

"In the villages, we're the new middle class. If AFDC says we have to get married, then that is what we do." Rural clients were frustrated by the lack of jobs in village areas and by their dependence on AFDC.

"The JOBS Program works." JOBS participants spoke of their success at acquiring basic education and skills for jobs. Some mentioned that the intensive case management provided helped them with problems like substance abuse and the need for parenting and general life skills. JOBS staff were pleased with the successes of the participants with whom they worked. Both staff and participants were concerned about a job market that offered JOBS participants mainly low paid service work without benefits like medical insurance.

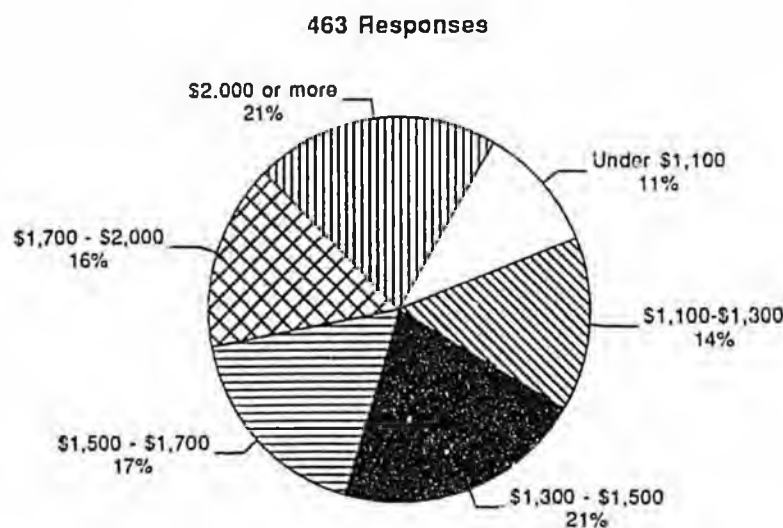
Native JOBS staff and participants were happy with the intensive case management, education, and skills training which they received.

Other Issues Surfaced in Meetings

- Medical insurance is too costly for low income families.

Figure • 10

How Much Pay Do You Need to Get off AFDC* Client Survey



* Per month.

Note: Based on 463 client responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance.

Figure • 11

- Day Care is too costly, often unavailable, sometimes unreliable. Large employers should be required to provide day care.
- The AFDC regulations provide little incentive to work. Regulations which were mentioned repeatedly were the 100-hour rule, the amount of earned income an AFDC client could keep, the amount of assets a client could have (\$1,000), and the value of an automobile that AFDC clients can have (\$1,500 or \$2,500 if no assets).
- AFDC clients need to learn many life skills.
- Pregnancy prevention should be taught in schools.
- More transitional medical benefits should be made available to clients trying to get off AFDC.

Conclusions

The major issues are obvious and shared by all states, but it is the federal government which can act.

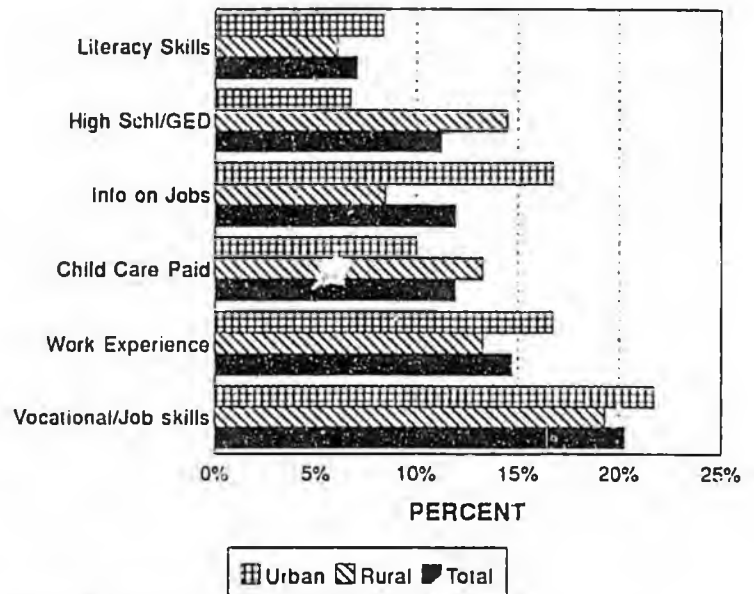
The accelerated waiver process is the federal government's attempt to look for ways to change the welfare system. States, including Alaska, are in agreement that some AFDC changes are obvious ones:

Eliminating the 100-hour rule for AFDC-UP families would encourage work. Under the current provisions, clients are discouraged from taking full time, low paid jobs because they lose benefits like Medicaid. Eliminating the 100-hour rule would allow AFDC-UP eligibility to be based solely on income rather than on income and number of hours worked.

Allowing AFDC clients to retain more of their earned income on a graduated scale over a longer period of time would encourage work. This work incentive could be accomplished by changing the earned income disregard provisions in the AFDC program.

Allowing clients to save more money would provide them with more security when leaving the AFDC system. This work incentive could be accomplished with a change in the resource limit provisions in the AFDC program.

**Most Important Way to Help Get Off AFDC
Eligibility Technician Survey**

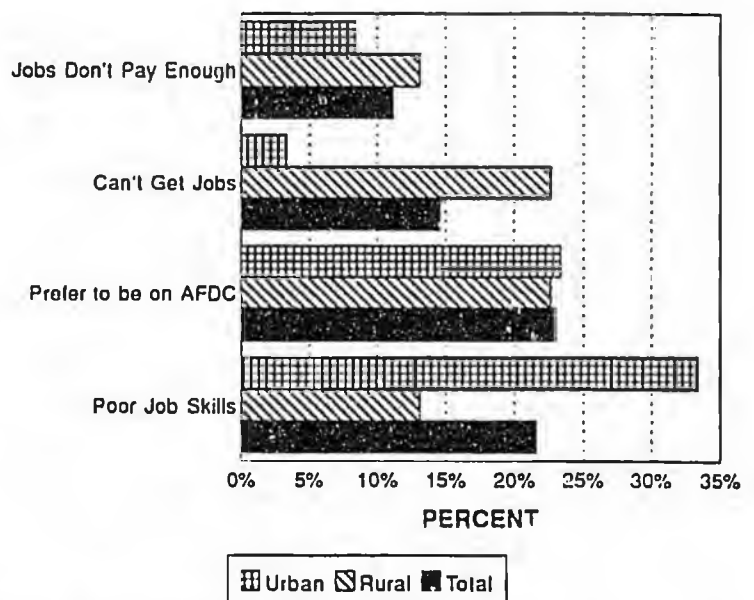


Note: Based on 150 eligibility technician responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance, Self-Sufficiency Project.

Figure • 12

**Primary Reason for Being on AFDC
Eligibility Technician Survey**



Note: Based on 150 eligibility technician responses in August 1992.

Source: Alaska Department of Health & Social Services, Division of Public Assistance, Self-Sufficiency Project.

Providing clients with longer transitional benefits would encourage work. Clients often leave AFDC for jobs which do not provide medical coverage. These clients are now provided with one year of transitional benefits like Medicaid.

And a major national issue remains to be addressed—the lack of medical coverage for a large

part of the U.S. population. AFDC clients in Alaska stated that the lack of medical coverage is a major barrier to leaving AFDC. (See Figure 8.)

Welfare reform staffs in all states agree on one thing—a hope that this time of turmoil, questioning and change will lead to a program that works.

Public Housing and Family Self-Sufficiency

In the National Affordable Housing Act of 1990, Congress mandated that the Public Housing Authorities develop and operate a Family Self-Sufficiency (FSS) Program by October, 1993. The FSS program encourages low income families to pursue education, training and/or supportive services leading to employment. The program uses rent vouchers as an incentive for participation.

Statewide, about 30% of all families in assisted housing are also receiving AFDC. In Anchorage that figure is closer to 40%. The Alaska Housing Finance Corporation (AHFC) is initially targeting the Anchorage area for the FSS program.

The Alaska Departments of Labor, Health and Social Services and the Anchorage JTPA program are working to provide social services for the program.

Homecare Services/Developing Jobs in Rural Communities

The Department of Health and Social Services has awarded contracts to private agencies to provide homecare services in six of ten regions statewide, thus expanding private sector employment.

The purpose of homecare services contracts is the provision of personal care and chore services to elderly and disabled people throughout the state. Homecare services will enable clients to stay in their own homes and communities. The consolidation of the Home Health Aide, Homemaker and Personal Care Attendant programs into one program simplifies access for clients.

Funding will be available through the Department of Community and Regional Affairs for job training for individuals in rural communities to become Personal Care Attendants.

Approximately 700 individuals are served each month in 55 communities throughout the state. About 67% of those communities are considered to be rural.

Unemployment Is Only As Bad As Last Year

by Tom Lane

October's unemployment rate for Alaska represented a mixture of good and bad news. The rate, 9.1%, was 1.5 percentage points higher than the previous month, and much higher than the corresponding 6.8% for the entire country. On the positive side, however, October was the second month in a row not to show a dramatic increase compared to the same month last year.

The rise in the unemployment rate between September and October is typical for the beginning of the state's annual seasonal decline. Unfortunately, in recent years it has also been typical that every month's unemployment rate was greater than the corresponding rate a year before. However, recent months have demonstrated an improving trend with rates approaching those of the prior year. This trend does not mean that the unemployment situation itself has been improving, but simply that it is no longer becoming consistently worse. Rates were still much higher than they were two years ago. (See Figure 1.) Moreover, 677 more Alaskans were unemployed in October 1992 than in the same month in 1991.

While more people in Alaska were unemployed this October than a year ago, quite a few more held jobs than in October of 1991—the state gained a net 2,900 new jobs over the year. The relatively favorable unemployment news applied broadly across the state with some local exceptions. Only one region, the Southwest, had significantly higher unemployment rates than in the prior year.

Retail giants find a new frontier

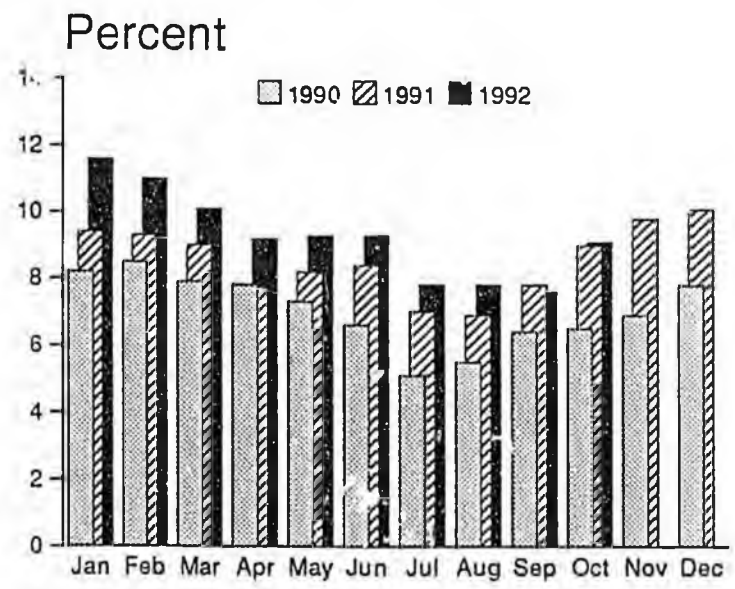
Much of the economic news concerned developments in retail trade. Major retail chains continued to produce a stream of announcements about expansions in Alaska. While most of these expansions focus on the state's urban and more developed areas, the purchase of the historic Alaska Commercial Company by the equally historic North West Company of Canada could greatly affect rural communities. The purchase could revitalize the existing rural retail system with possible expansion of outlets into other communities.

Eagle Hardware opened its big new store in Anchorage at the beginning of November with a staff of about 150. Store management is considering organizing shopping tours from Whitehorse in the Yukon Territory, where some interest in the store

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Figure 1

Monthly Unemployment Rates 1990-1992



Source: Alaska Department of Labor, Research & Analysis Section.

has developed. K-mart began site preparation for its South Anchorage store and is planning additional stores in Kenai, Fairbanks and Juneau with rumors of another store in Anchorage. Each will have about 100-150 workers. Costco recently opened its second Anchorage facility at DeBarr Road, and Pace Membership Warehouse was to open its second Alaska store, in Fairbanks, late in November. Sears has moved up the completion date for expansion of its Anchorage outlet from fall to spring of 1993. Wal-Mart and Toys "R" Us may also be coming to Anchorage and Fred Meyer's has begun site work for a third outlet there.

The wave of new large retail outlet openings and proposals has caused some concerns among existing retailers. Some are planning to strengthen their niche markets and emphasize products not available from the giants. One study, by the Anchorage Economic Development Corp., suggests that while competition will be severe among the large retailers, smaller local concerns might lose little market share. On the other hand, based on the experience with the Pay 'N Save purchase, local wholesale distributing companies could lose out because of an increased emphasis on national distribution systems.

What has led to the large number of expansions? In part, they may result from lesser opportunities in other states. However, advances in distribution technology make it easier to stock Alaska stores and the major chains see potential for replacing catalog sales and shopping trips to other states. Moreover, existing outlets have had some success. The *Alaska Journal of Commerce* reported that the Costco outlet in Anchorage has the second highest sales in the chain of 100 stores. Success in smaller markets in other states has also led retailers to consider Alaska. In planning new stores, Costco generally used a minimum population threshold of 400,000 within sixty miles. It started looking seriously at Alaska after it had success with a store serving 300,000 people.

Several other developments outside the retail sector could have a future impact on Alaska employment. Arco's Kuvlum exploratory well in the Eastern Beaufort Sea has had promising results. Arco and Unocal also recently swapped some properties. While the immediate impact could be a loss of some jobs (up to 100), the swap may lead to more aggressive exploration.

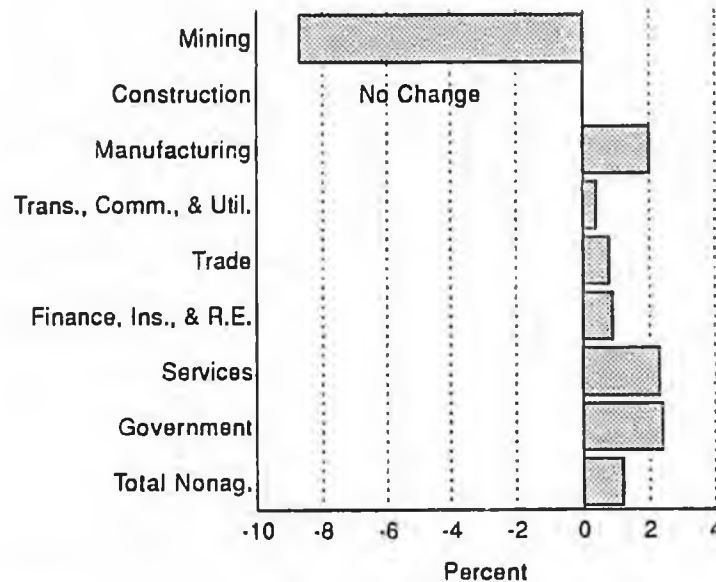
Some major construction projects are planned for the state. The *Alaska Economic Report* indicates that the military in Alaska was authorized to spend \$125 million in capital projects in 1993. Projects include housing renovations at Fort Richardson and aircraft shelters, a fire training facility and a regional hospital at Elmendorf Air Force Base. The hospital, to replace the Clark Air Force Base hospital in the Philippines, will eventually cost \$160 million and will be the biggest Anchorage building project ever. The new administration's views toward this project are not yet known, however. In addition to the military projects, the University of Alaska at Fairbanks began work on a \$5 million recreation center. Also, the Alaska Indus-

Figure • 2

Job Losses in Only One Major Industry Group

Note: Change in employment
October 1991 to October 1992.

Source: Alaska Department of
Labor, Research & Analysis
Section.



Nonagricultural Wage and Salary Employment by Place of Work — Alaska & Municipality of Anchorage

rial Development and Export Authority (AID-EA) will oversee construction of the new Federal Express maintenance hanger in Anchorage. Construction of the facility, which should open in the spring of 1994, will employ about 100 workers.

Some bad news came from Alaska Airlines. As a cost saving measure, it closed its reservations centers in Anchorage and Juneau and transferred their functions to Seattle. On the other hand, and despite its bankruptcy, MarkAir announced it would expand service from Seattle to four other cities in the Lower 48.

A Federal Communications Commission (FCC) advisory panel recommended against approval of the sale of Pacific Telecom's long distance operations to AT&T; the FCC generally follows the advice of the panel. If the sale were approved, however, Pacific Telecom would like to eliminate nearly three hundred jobs from its work force by 1998.

A seasonal downturn, but October employment increased over the year

As usual in Alaska at this time, October employment was down from the previous month. The state lost a

Alaska

			Changes from		
	p/ 10/92	r/ 9/92	10/91	9/92	10/91
Total Nonag. Wage & Salary	247,600	255,700	244,700	-8,100	2,900
Goods-producing	38,000	43,100	38,700	-5,100	-700
Mining	10,500	10,800	11,500	-300	-1,000
Construction	12,200	13,200	12,200	-1,000	0
Manufacturing	15,300	19,100	15,000	-3,800	300
Durable Goods	3,300	3,500	3,800	-200	-500
Lumber & Wood Products	2,500	2,600	2,900	-100	-400
Nondurable Goods	12,000	15,600	11,200	-3,600	800
Seafood Processing	8,400	12,100	7,300	-3,700	1,100
Pulp Mills	900	900	900	0	0
Service-producing	209,600	212,600	206,000	-3,000	3,600
Transportation	22,600	24,000	22,500	-1,400	100
Trucking & Warehousing	2,900	3,200	2,900	-300	0
Water Transportation	1,600	1,900	1,600	-300	0
Air Transportation	7,000	7,300	7,100	-300	-100
Communications	3,600	3,700	3,600	-100	0
Trade	48,100	49,200	47,700	-1,100	400
Wholesale Trade	7,900	8,100	7,800	-200	100
Retail Trade	40,200	41,100	39,900	-900	300
Gen. Merch. & Apparel	7,000	6,700	6,900	300	100
Food Stores	7,500	7,700	7,000	-200	500
Eating & Drinking Places	13,500	14,300	13,500	-800	0
Finance-Ins. & Real Estate	10,800	11,000	10,700	-200	100
Services & Misc.	52,800	54,400	51,600	-1,600	1,200
Hotels & Lodging Places	5,400	6,500	5,400	-1,100	0
Health Services	11,700	11,600	11,100	100	600
Government	75,300	74,000	73,500	300	300
Federal	19,600	19,800	19,100	-200	500
State	21,700	21,700	21,600	0	100
Local	34,000	32,500	32,800	1,500	1,200

Notes: Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear here are definitionally different from those that appear in the Labor Force table.

Benchmark: March 1991
p/ denotes preliminary estimates
r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

Municipality of Anchorage

			Changes from		
	p/ 10/92	r/ 9/92	10/91	9/92	10/91
Total Nonag. Wage & Salary	115,800	117,300	115,200	-1,500	600
Goods-producing	12,300	13,000	13,100	-700	-800
Mining	3,400	3,400	3,800	0	-400
Construction	6,800	7,200	6,800	-400	0
Manufacturing	2,100	2,400	2,500	-300	-400
Service-producing	103,500	104,300	102,100	-800	1,400
Transportation	12,100	12,800	11,900	-700	200
Communications	2,200	2,200	2,200	0	0
Trade	26,500	26,500	26,500	0	0
Wholesale Trade	5,700	5,700	5,800	0	-100
Retail Trade	20,800	20,800	20,700	0	100
Food Stores	3,500	3,600	3,300	-100	200
Finance-Ins. & Real Estate	6,700	6,700	6,600	0	100
Services & Misc.	29,200	29,500	29,100	-300	100
Hotels & Lodging Places	2,400	2,400	2,400	0	0
Health Services	6,100	6,000	6,000	100	100
Government	29,000	28,800	28,000	200	1,000
Federal	11,000	11,100	10,800	-100	200
State	8,200	8,200	8,200	0	0
Local	9,800	9,500	9,000	300	800

Table 2

Nonagricultural Wage and Salary Employment By Place of Work

Southeast Region

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	34,550	36,950	34,000	-2,400	550
Goods-producing	6,550	8,050	6,300	-1,500	250
Mining	350	350	300	0	50
Construction	1,350	1,450	1,300	-100	50
Manufacturing	4,850	6,250	4,700	-1,400	150
Durable Goods	2,100	2,200	2,500	-100	-400
Lumber & Woods Products	2,050	2,150	2,350	-100	-300
Nondurable Goods	2,750	4,050	2,200	-1,300	550
Seafood Processing	1,650	2,900	1,100	-1,250	550
Pulp Mills	900	900	900	0	0
Service-producing	28,000	28,900	27,700	-900	300
Transportation	2,650	2,900	2,750	-250	-100
Trade	5,700	6,100	5,500	-400	200
Wholesale Trade	550	600	550	-50	0
Retail Trade	5,150	5,500	4,950	-350	200
Finance-Ins. & Real Estate	1,150	1,150	1,150	0	0
Services & Misc.	5,750	6,150	5,800	-400	-50
Government	12,750	12,600	12,500	150	250
Federal	2,200	2,350	2,000	-150	200
State	5,500	5,500	5,450	0	50
Local	5,050	4,750	5,050	300	0

Fairbanks North Star Borough

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	29,000	30,000	28,900	-1,000	100
Goods-producing	2,450	2,700	2,550	-250	-100
Mining	250	300	250	-50	0
Construction	1,550	1,700	1,650	-150	-100
Manufacturing	650	700	650	-50	0
Service-producing	26,550	27,300	26,350	-750	200
Transportation	2,150	2,200	2,150	-50	0
Trucking & Warehousing	500	500	500	0	0
Air Transportation	500	500	500	0	0
Communication	300	300	350	0	-50
Trade	6,550	7,000	6,700	-450	-150
Wholesale Trade	800	800	800	0	0
Retail Trade	5,750	6,200	5,900	-450	-150
Gen. Merch. & Apparel	950	950	1,050	0	-100
Food Stores	750	750	850	0	-100
Eating & Drinking Places	2,150	2,550	2,050	-400	100
Finance-Ins. & Real Estate	1,000	1,000	1,050	0	-50
Services & Misc.	6,300	6,600	6,150	-300	150
Government	10,550	10,500	10,300	50	250
Federal	3,300	3,350	3,250	-50	50
State	4,450	4,300	4,150	100	250
Local	2,800	2,850	2,900	0	-50

Anchorage-MatSu Region

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	124,050	125,900	123,300	-1,850	750
Goods-producing	13,000	13,750	13,900	-750	-900
Mining	3,500	3,500	4,000	0	-500
Construction	7,300	7,700	7,250	-400	50
Manufacturing	2,200	2,550	2,650	-350	-450
Service-producing	111,050	112,150	109,400	-1,100	1,650
Transportation	12,900	13,750	12,750	-850	150
Trade	28,550	28,500	28,500	-50	50
Finance-Ins. & Real Estate	7,050	7,050	6,900	0	150
Service & Misc.	30,800	31,350	30,550	-550	250
Government	31,750	31,400	30,700	350	1,050
Federal	11,100	11,150	10,900	-50	200
State	9,050	9,000	9,000	50	50
Local	11,600	11,250	10,800	350	800

Interior Region

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	33,350	34,600	33,300	-1,250	50
Goods-producing	2,750	3,000	2,750	-250	0
Mining	450	500	400	-50	50
Construction	1,600	1,750	1,700	-150	-100
Manufacturing	700	750	650	-50	50
Service-producing	30,600	31,600	30,550	-1,000	50
Transportation	2,500	2,600	2,550	-100	-50
Trade	6,900	7,450	7,100	-550	-200
Finance-Ins. & Real Estate	1,100	1,100	1,150	0	-50
Services & Misc.	6,900	7,450	6,750	-550	150
Government	13,200	13,000	13,000	200	200
Federal	4,000	4,100	4,050	-100	-50
State	4,700	4,550	4,450	150	250
Local	4,500	4,350	4,500	150	0

Table • 2

Nonagricultural Wage and Salary Employment By Place of Work

Northern Region

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	14,900	15,000	14,800	-100	100
Goods-producing	5,750	5,900	5,950	-150	-200
Mining	5,200	5,300	5,350	-100	-150
Service-producing	9,150	9,100	8,850	50	300
Government	4,700	4,450	4,550	250	150
Federal	250	250	250	0	0
State	350	350	350	0	0
Local	4,100	3,850	3,950	250	150

Gulf Coast Region

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	24,350	26,350	24,200	-2,000	150
Goods-producing	6,250	7,700	6,400	-1,450	-150
Mining	1,050	1,200	1,400	-150	-350
Construction	1,200	1,250	1,200	-50	0
Manufacturing	4,000	5,250	3,800	-1,250	200
Seafood Processing	3,150	4,350	2,800	-1,200	350
Service-producing	18,100	18,650	17,800	-550	300
Transportation	2,150	2,250	2,150	-100	0
Trade	4,250	4,550	4,000	-300	250
Wholesale Trade	500	550	450	-50	50
Retail Trade	3,750	4,000	3,550	-250	200
Finance-Ins. & Real Estate	650	650	600	0	50
Services & Misc.	4,900	5,050	4,750	-150	150
Government	6,150	6,150	6,300	0	-150
Federal	600	650	600	-50	0
State	1,800	1,850	1,900	-50	-100
Local	3,750	3,650	3,800	100	-50

Southwest Region

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Total Nonag. Wage & Salary	16,050	16,750	15,300	-700	750
Goods-producing	3,850	4,450	3,450	-600	400
Seafood Processing	3,500	4,050	3,050	-550	450
Service-producing	12,200	12,300	11,850	-100	350
Government	6,700	6,700	6,600	0	100
Federal	1,400	1,450	1,300	-50	100
State	550	550	550	0	0
Local	4,750	4,700	4,750	50	0

Municipality of Anchorage — Other

	p/ 10/92	r/ 9/92	Changes from:		
			10/91	9/92	10/91
Durable Goods	600	600	600	0	0
Nondurable Goods	1,500	1,800	1,900	-300	-400
Trucking & Warehousing	1,700	2,000	1,700	-300	0
Water Transportation	300	400	300	-100	0
Air Transportation	4,400	4,600	4,400	-200	0
Gen. Merch. & Apparel	3,300	3,200	3,300	100	0
Eating & Drinking Places	7,600	7,800	7,600	-200	0

Notes: Prepared in part with funding from the Alaska State Employment Security Division.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear here are definitionally different from those that appear in the Labor Force table.

Benchmark: March 1991

p/ denotes preliminary estimates

r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

net total of 8,100 jobs over the month. Employment declined in the usual seasonal industries including construction, seafood processing, eating and drinking places and hotels and motels. Local government employment, mostly school related, was up significantly over the previous month. An increase in school employment is typical for the season.

Alaska did better on a year-to-year comparison. Jobs increased in October by a net total of 2,900 over the same month in 1991. However, this increase offered some mixed blessings and hid a loss of 700 jobs in the relatively high-paying goods-producing sector. An increase of 3,600 jobs in the generally lower-paying service-producing sector accounted for the jump in employment over the year.

The employment decline in the goods-producing sector reflected a loss of about 1,000 mining and mineral extraction jobs. The employment losses were in the oil and gas industry, particularly in oil field services. Oil companies have narrowed the number of firms that they work with causing a shake-out in the industry. Employment in other mining industries was up slightly over the year, despite low metal prices.

Seafood processing employment was higher than last year. The increase was consistent in all three of the major seafood producing regions (Southeast, Gulf Coast, Southwest) but no single factor appeared to account for the increase. The decline in other nondurable goods manufacturing comes from printing and publishing industry cutbacks: The Anchorage Times ceased operations and Rural Publications of Alaska suspended publication of nine of its chain of ten rural newspapers.

In the service-producing sector, trade employment increased by over 500 jobs from the year before. That increase reflected a gain in food store employment but some decline in automobile related services. The Anchorage-MatSu, Gulf Coast, and Southeast Regions all had gains in trade employment; Fairbanks suffered some loss. The services and miscellaneous category gained over 1,700 new jobs; most of these were in the health services and personal services industries.

Federal government employment increases helped Anchorage and Southeast. At the same time, 1,200 local government jobs were created. Many of those jobs were in Anchorage, particularly in area schools. University employment was also up and provided the most benefit to Fairbanks.

More jobs in every region for the year— but sometimes just barely

The unemployment rate was up slightly from the year before in the Anchorage Mat-Su region and 472 more people were unemployed. The region still gained a net of 750 new jobs over the year. Nevertheless, it lost 900 goods-producing jobs. Oil and gas industry cutbacks (500 jobs lost) and declines in the printing and publications industry (another 500 jobs lost) hit the region harder than the rest of the state. At the same time 1,400 new service-producing jobs were created over the year, with increases in transportation and utilities, food stores, Federal government, and local government (particularly school related).

In the Gulf Coast Region, the unemployment rate was slightly down over the year but still higher than for the state as a whole. While the region had a net employment gain of 150, it lost 350 high paying oil and gas industry jobs over the year. Petroleum industry declines contributed to the relatively high unemployment rates for the Ketchikan Peninsula Borough. Seafood processing employment was up over the year and retail trade had a gain of 200 jobs.

Although the unemployment rate for the Interior Region as a whole was only slightly higher than last year, rates in the rural areas outside the Fairbanks North Star Borough increased. The Borough gained a significant number of University jobs, but lost over a hundred retail jobs. Losses in retail food and general merchandise employment outweighed gains in eating and drinking establishments.

The Northern Region as a whole did better than a year previously in terms of unemployment rates. Oil and gas employment was down over 200 jobs for the year while the number of other mining jobs increased slightly. Service producing jobs also increased slightly. In the Southwest Region, unemployment rates were somewhat higher than the

Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/	r/	10/91	p/	r/	10/91	p/	r/	10/91
	10/92	9/92		10/92	9/92		10/92	9/92	
Mining	\$1,174.73	\$1,271.34	\$1,118.29	49.4	52.6	48.6	\$23.78	\$24.17	\$23.01
Construction	1,138.66	1,119.69	1,135.44	44.9	43.5	45.6	25.36	25.74	24.90
Manufacturing	501.42	496.94	543.05	41.1	45.3	40.8	12.20	10.97	13.31
Seafood Processing	354.89	408.11	402.11	40.1	47.9	41.2	8.85	8.52	9.76
Trans., Comm. & Utilities	617.96	635.01	622.17	34.6	34.7	34.7	17.86	18.30	17.93
Trade	354.90	356.08	352.27	32.5	32.4	32.2	10.92	10.99	10.94
Wholesale	564.98	580.22	583.30	38.2	38.4	38.0	14.79	15.11	15.35
Retail	313.69	312.00	308.20	31.4	31.2	31.1	9.99	10.00	9.91
Finance-Ins. & R.E.	428.49	432.25	413.97	34.5	35.0	34.1	12.42	12.35	12.14

Notes:
p/ denotes preliminary estimates
r/ denotes revised estimates
 Benchmark: March 1991

Averages are based on data for full- and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Source: Alaska Department of Labor, Research & Analysis Section.

year before, but the rate was still much better than for the entire state. Rates were particularly low in the fishing areas. Employment in both the seafood processing industry and the service-producing sector was significantly higher than the same month a year ago.

In the Southeast region, the unemployment rate remained stable over the year. The rate for the Haines Borough dropped to half of what it was the year before—last year's rate reflected the closure of the local sawmill. The region gained 550 new jobs over the year, with increases in mining, construction and seafood processing. U.S. Forest Service employment was up about 150, although lumber and wood products employment declined significantly. Mining employed about 350 people in the region but could become more important in the future—the Kensington Mine near Juneau received its first permit from the Juneau Planning and Zoning Commission.

Summary

While the October unemployment rate for the state approached that of the prior year for the second consecutive month, rates are still high. Nonetheless, the current trend is promising in that the unemployment rate appears no longer to be steadily worsening. Despite some cutbacks in the important oil and gas industry, October's employment data indicated that the state had weathered the last year moderately well. The relatively small growth in jobs was fairly well distributed over the state. However, job growth was mainly in the generally lower-paying service-producing sector and oil and gas industry job losses remain worrisome.

Big changes are occurring in Alaska's retail industry with the expansion of national chains in the state. How well existing retailers will manage to deal with that influx remains problematical. In any case, the Alaskan as consumer should benefit.

Table 4

Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate %			Employment		
	p/ 10/92	r/ 9/92	10/91	p/ 10/92	r/ 9/92	10/91	p/ 10/92	r/ 9/92	10/91	p/ 10/92	r/ 9/92	10/91
Alaska Statewide	261,208	267,465	256,381	23,691	20,307	23,014	9.1	7.6	9.0	237,517	247,158	233,367
Anch.-MatSu Region	136,413	138,215	133,953	11,273	10,122	10,801	8.3	7.3	8.1	125,140	128,093	123,152
Munic. of Anchorage	118,900	120,191	116,954	8,800	8,006	8,451	7.4	6.7	7.2	110,100	112,185	108,503
MatSu Borough	17,513	18,024	16,999	2,473	2,116	2,350	14.1	11.7	13.8	15,040	15,908	14,649
Gulf Coast Region	30,358	31,917	29,981	3,769	3,023	3,797	12.4	9.5	12.7	26,589	28,894	26,184
Kenai Peninsula Borough	19,056	19,796	18,645	2,764	2,092	2,601	14.5	10.6	14.0	16,292	17,704	16,044
Kodiak Island Borough	6,796	7,354	6,918	588	608	805	8.7	8.3	11.6	6,208	6,746	6,113
Valdez-Cordova	4,506	4,767	4,418	417	323	391	9.3	6.8	8.9	4,089	4,444	4,027
Interior Region	36,659	37,460	36,310	3,870	3,225	3,821	10.6	8.6	10.5	32,789	34,235	32,489
Fairbanks North Star Bor.	31,612	32,358	31,279	3,182	2,674	3,108	10.1	8.3	9.9	28,430	29,684	28,171
Southeast Fairbanks	2,110	2,087	2,039	293	190	239	13.9	9.1	11.7	1,817	1,897	1,800
Yukon-Koyukuk	2,937	3,015	2,992	395	361	474	13.4	12.0	15.8	2,542	2,654	2,518
Northern Region	8,413	8,320	8,272	880	829	893	10.5	10.0	10.8	7,533	7,491	7,379
Nome	3,050	3,013	3,031	294	272	332	9.6	9.0	11.0	2,756	2,741	2,699
North Slope Borough	2,984	2,971	2,987	135	138	196	4.5	4.6	6.6	2,849	2,833	2,791
Northwest Arctic Borough	2,379	2,336	2,254	451	419	365	19.0	17.9	16.2	1,928	1,917	1,889
Southeast Region	35,863	37,691	35,123	2,913	2,277	2,859	8.1	6.0	8.1	32,950	35,414	32,264
Haines Borough	874	916	965	91	74	198	10.4	8.1	20.5	783	842	767
Juneau Borough	16,115	17,056	15,639	1,213	1,042	1,049	7.5	6.1	6.7	14,902	16,014	14,590
Ketchikan Gateway Bor.	6,743	6,974	6,514	637	411	535	9.4	5.9	8.1	6,106	6,503	5,979
Pr. of Wales-Outer Ketch.	2,697	2,838	2,770	267	226	391	9.9	8.0	10.1	2,430	2,612	2,379
Sitka Borough	4,080	4,333	4,046	199	161	245	4.9	3.7	6.1	3,881	4,172	3,801
Skagway-Yakutat-Aiagoon	1,719	1,786	1,667	202	155	181	11.8	8.7	10.9	1,517	1,631	1,486
Wrangell-Petersburg	3,635	3,788	3,522	304	208	260	8.4	5.5	7.4	3,331	3,580	3,262
Southwest Region	13,502	13,862	12,742	986	831	843	7.3	6.0	6.6	12,516	13,031	11,899
Aleutians East Borough	935	970	896	19	16	25	2.0	1.6	2.8	916	954	871
Aleutians West	2,637	2,735	2,507	70	63	67	2.7	2.3	2.7	2,567	2,672	2,440
Bethel	5,226	5,336	4,900	482	397	390	9.2	7.4	8.0	4,744	4,939	4,510
Bristol Bay Borough	531	528	490	47	24	30	8.9	4.5	6.1	484	504	460
Dillingham	2,470	2,527	2,318	204	167	163	8.3	6.6	7.0	2,266	2,360	2,155
Wade Hampton	1,703	1,766	1,631	164	164	168	9.6	9.3	10.3	1,539	1,602	1,463

Notes: p/ denotes preliminary estimates

r/ denotes revised estimates

Benchmark: March 1991

- Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey in formulas used to allocate federal funds.
- Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.
- The official definition of unemployment currently in place excludes anyone who has made no attempt to find work in the four-week period up to and including the week that includes the 12th of each month. Most Alaska economists believe that Alaska's rural localities have proportionately more of these discouraged workers.
- The employment numbers that appear above are definitionally different from those that appear in the Nonagricultural Wage & Salary Employment tables.

Source: Alaska Department of Labor, Research & Analysis Section.

The Alaska Economic Trends Index: 1992 Articles

January

Alaska's Worker Injury and Illness Rate Improving

High risk jobs make for high fatality rates. *Mass Layoffs in Alaska Rise in 1990* More people filing unemployment claims. *Employment Scene* - October 1991
Alaska's October employment and unemployment data examined.

February

Innovative Uses of the Occupational Data Base

Targeting training and track career paths are two examples presented. *Employment Scene* - November 1991
Same as above and repeated for each month.

March

How Alaska Compares to Other Oil States

The top oil producing states are compared to Alaska's oil patch. *Employment Scene* - December 1991

April

Gender Gap: No Progress for Alaska Women

Examines the growing gap in pay between women and men in Alaska. *On the Annual Benchmark Revision* Benchmark revision completed for employment estimates for 1990 and 1991. *Employment Scene* - January 1992

May

Slower Growth in 1991

The year in review, 1991, showed continued if slowed growth. *Alaska Forecast: Slow Growth to Continue* Statewide, Anchorage and Fairbanks economics examined. *Employment Scene* - February 1992

June

Industry/Occupation Outlook to 1995

Annual occupational and industry forecasts projected. *Employment Scene* - March 1992

July

Income in Alaska: A Decade of Change

The income of Alaskans from the decennial census in Alaska is interpreted by the state demographer. *Employment Scene* - April 1992

August

The Trends 100

Alaska's Largest Private Employers Listed in 1991. *Employment Scene* - May 1992

September

A Look at Today's Economies in Prince William Sound

Cordova, Whittier, Valdez, Tatidek and Chenega revisited after the oil spill. *Employment Scene* - June 1992

October

A Portrait of Older Alaskans

How elders in Alaska are faring. *Employment Scene* - July 1992

November

Measuring Alaska's Cost of Living

How much does it cost to live in both rural and urban Alaska? *Employment Scene* - August 1992

December

Ketchikan: Southeast's Manufacturing Capital

All the factors of Ketchikan's economy examined. *Employment Scene* - September 1992



STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

Theodore A. Mala, Commissioner

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

P.O. BOX 110640
JUNEAU, ALASKA 99811-0640
PHONE: (907) 465-3347

February 9, 1994

FEB 9 1994

The Honorable Mark Hanley
House of Representatives
State Capitol Building, Room #515
Juneau, AK 99801-1182

Dear Representative Hanley:

We have reviewed House Bill 409 and we offer the following comments and suggestions with regard to the language of the bill:

Section 4: This section directs DHSS to implement the project if only part of a request to operate it is approved. There is no direction to operate a project if all aspects of the proposed demonstration are approved.

Furthermore, there is no provision for the Department to use discretion in the event of partial approval. Partial approval could conceivably result in a set of approved criteria that do not make sense. We would prefer to have the authority to exercise discretion in the event that some aspects of the project are not approved.

Section 5: In subsection (1), the phrase "after the date of the assistance unit's application for AFDC" seems to direct DHSS to apply the increased disregards only to new or recent applicants. If that is your intention, the language appears adequate. If your intention is to have the increased disregard apply to all applicants and recipients living in the project area, this phrase should be deleted.

Section 6: The language in subsection (a) of appears to require DHSS to mandate Workfare participation by all individuals not exempted under subparagraphs (b) or (c).

The Honorable Mark Hanley
February 9, 1994
Page 2

DHSS does not expect to have a suitable Workfare assignment available to all such individuals at all times, and may wish to require certain other activities (such as job search) prior to assigning people to Workfare. We would prefer language which requires individuals to participate if assigned by DHSS. You may also wish to include language that requires DHSS to develop the workfare slots.

Section 7: In defining the project area, the bill uses the term municipality. To the best of my understanding, the only municipalities in the state are Anchorage, the City and Borough of Sitka, and the City and Borough of Juneau. You may wish to amend this language. *Drafters used the word "municipality" -*

Section 11: This section restores AFDC maximum payment levels at the termination of the project. We presume you wish this change to take effect at the beginning of FY 00. If so, the correct effective date would be July 1, 1999.

Section 13: This section sets the effective dates of both the demonstration policy waiver provisions and the AFDC and APA benefit reductions as the date of federal approval of the application to operate the demonstration project. This section creates questions about project funding and implementation.

After discussion with your staff about your intent, we have developed our fiscal notes based on an assumed effective date for the ratable reductions of January 1, 1995 and an assumed effective date for the operation of the demonstration of January 1, 1996.

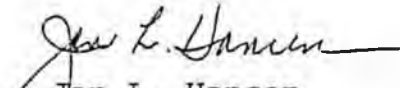
It is our understanding that you desired the savings produced by the ratable reductions to offset project costs each year, beginning with FY 95 costs. It is therefore essential that the ratable reductions be imposed in FY 95. You may also wish to include a provision to repeal the ratable reduction before FY 00 if for any reason the project does not become operational.

Because we cannot predict when final federal approval of the demonstration might be secured, and because substantial time for pre-implementation system and policy development will be essential, we established a January 1, 1996 as a feasible start date for field operation of the project. We would prefer to see the language of the bill modified to take development time into account.

The Honorable Mark Hanley
February 9, 1994
Page 3

Child care costs: We have identified what appears to be a major oversight in the costing of the project. We plan to have over 500 additional recipients working in FY 96, and over 1000 working in FY 98. A significant number of these families will need child care assistance in order to work. We have not planned for any additional funding for child care benefits for working recipients. I would be pleased to discuss with you possible approaches to this problem.

Sincerely,


Jan L. Hansen
Director

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: HB 409

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.)))

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE HANLEY

TO: HB 409

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.)))

HB

412

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

No. 1
Bill Version: HB 412
BI: (H) Publish Date: 1/28/94

Revision Date: December 17, 1993 Dept. Affected: Health and Social Services
Title: Community Care Licensing Statute BRU: Family & Youth Services
Component: Central Office
Sponsor: Rules Committee by request of the Governor
Requestor: _____ COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL	45.0	20.0				
CONTRACTUAL	20.0	15.0				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	65.0	35.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	65.0	35.0				
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	65.0	35.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: _____

ANALYSIS: (Attach a separate page if necessary)
This bill focuses licensing on children and families; removing two types of care -- adult foster homes and adult residential care -- from the licensing statute. It consolidates all the basic licensing procedures into the bill, so that each program regulation will only address the program issues. The existing licensing statute needs to be revised to address significant changes in licensing which have occurred since the statute was first enacted. There is a lot of public interest and support for the licensing of child care facilities.

There will be an 18 month implementation in order to allow the Division time to revise all regulations with appropriate public input. The bill takes full effect on January 1, 1996.

Continued

Prepared by: Deborah R. Wing, Director *Deborah R. Wing* Phone: 465-3191
Division: Division of Family & Youth Services Date: 01/24/94
Approved by Commissioner: Margaret R. Lowe Date: 1-25-94
Agency: Department of Health & Social Services
Margaret R. Lowe, M. Ed., Ed. S.

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ANALYSIS (cont.):

In FY95, the Division will appoint a task force of providers, licensing staff and others to recommend standards for operation. \$65,000 will be needed to begin the implementation of the changes. The \$45,000 in the travel line will fund the task force travel, and travel for staff to conduct public hearings. The \$20,000 contract line will fund a contractor to draft standards for each program area, and to revise the drafts after public comment.

In FY96, the \$35,000 will go toward finalizing the implementation. Contractual money will go for design and publication of forms and guidebooks to implement the standards. \$20,000 will fund regional training for different care types.

It is expected that full implementation of this bill will require more funds than the \$100,000 built into this fiscal note; however, some of the work required for service improvements will be assumed by existing staff and resources. The impact of all the changes required by this bill at one time cannot, however, be assumed by existing staff. The improvements to the licensing program that this bill will accomplish are very important to the citizens of this state.

The revision of the licensing statute will have a major program impact on the Division of Family and Youth Services. There will be immediate need to work with those affected to propose and draft at least six sets of licensing regulations, conduct public hearings, revise drafts and promulgate regulations, develop implementation materials including forms and guidebooks for each type of care, revise the licensing procedures manual for staff, train licensees and licensing staff. The Department of Law advises this must be done within 18 months.

Community participation in the revision of standards is important to ensure that the standards developed are clear and viable, and that there is consensus.

HOUSE COMMITTEE REPORT

(9)

Date Referred: January 28, 1994

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/22/94

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 412

HOUSE BILL NO. 412

COMMUNITY CARE FACILITIES

"An Act relating to facilities for the care of children; to child placement agencies; to maternity homes; to certain residential facilities for adults; and to foster homes for adults; and providing for an effective date."

RECOMMENDATIONS: CS HB 412 (HESS) the same title
 be replaced with CS HB 412 (HESS) a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

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

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact _____

fiscal note(s) H+SS 1/23/94

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>		✓	
Betty Davis	X	<i>[Signature]</i>		X	
		<i>[Signature]</i>		X	
		<i>[Signature]</i>		✓	
		<i>[Signature]</i>		✓	

[Signature]
 CHAIRMAN'S SIGNATURE



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

DATE: 3/22/94

PLACE: Capitol Room 106

SUBJECT OF MEETING:
 * HB 523: ALLOWABLE EFFORT FOR SCHOOL FUNDING
 * HB 521: JUDICIAL REVIEW: TEACHER TENURE DECISIONS
 * HRS 4: SUPPORT MEDICAL SAVINGS ACCOUNT LEGISLATION
 - BILLS HELD OVER -
 HB 412: COMMUNITY CARE FACILITIES
 * INDICATES FIRST PUBLIC HEARING

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
PAT O'BRIEN	HSS				465 2145	(Y) N	HB 412 Answer Question 1
DUANE GUILLEY	DOE	801 WEST 10th ST Ste 201	99501		465-2897	Y N	HB 533 AVAILABLE TO ANSWER QUESTIONS
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y 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?
CLAUDIA DOUGLAS	NCA-ALASKA	114 Second JUNEAU	99801		580-3090	<input checked="" type="radio"/>	N	HB 521
CARL ROSE	AASB	316 W 11th JUNEAU	99801		61083	<input checked="" type="radio"/>	N	HB 521
						<input type="radio"/>	N	
						<input type="radio"/>	N	
						<input type="radio"/>	N	
						<input type="radio"/>	N	
						<input type="radio"/>	N	
						<input type="radio"/>	N	
						<input type="radio"/>	N	
						<input type="radio"/>	N	

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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


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

MEMORANDUM

March 16, 1994

SUBJECT: DHSS Licensing Bill (CSHB 412(HES))

TO: Representative Cynthia Toohey
ATTN: Lynne

FROM: Terri Lauterbach
Legislative Counsel 

Enclosed is the HES draft you requested for HB 412.

Due to oversights by the persons who drafted the original bill for the Governor's Office, we have found it necessary to add sections 1-5 and 19 to the bill. They each deal with technical changes needed because of references to laws repealed in this bill. Please review these sections in particular to see if they comply with the committee's intent.

We have also rewritten Sec. 47.35.810(a). In the original bill, the immunity would have existed only during the contract but a suit could have been filed after the contract expired. The rewritten language provides immunity for acts or omissions during the contract, regardless of when suit is filed. We recommend that you review this subsection further to determine if there should be an exception for gross negligence or intentional misconduct. (See the last sentence of AS 47.35.810(b), for instance.)

If we can be of other assistance, let us know.

TML:pl
94-210.plm

Enclosure



Alaska State Legislature

House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

DATE: 3/14/94

PLACE: Capitol Room 106

SUBJECT OF MEETING:
 CONFIRMATION HEARING: MARGARET LOU
 COMMISSIONER OF HEALTH & SOCIAL SERVICES
 * HB 412: COMMUNITY CARE FACILITIES
 - BILLS HELD OVER -
 HB 356: LIVING WILLS & MEDICAL CARE ORDERS
 * INDICATES FIRST PUBLIC HEARING

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Pat Quigley						Y	N	
Jody Engelman	Juneau Youth Service	P.O. Box 32839 Juneau	99803		789-7610	<input checked="" type="radio"/>	N	HB 412
Pat Quigley	"	"	"		789-7610	Y	<input checked="" type="radio"/>	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	

LPMT100-001
03/27/94

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 01
20:07:47

TCN: #0492

DATE & TIME: 03/14/94 15:00 TO 17:00 STATUS:7 STATS: 1N

*** ORDER SUMMARY ***

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

TESTIMONY WILL BE TAKEN WITH A 5 MINUTE LIMIT,
 TOP REQUESTED ON 03/14/94 AND SAC 2 UPGRADES

*** AGENDA ***

1 - 412 COMMUNITY CARE FACILITIES

*** PARTICIPATING LIOS ***

ANC ANCHORAGE	716 W 4TH, #200	LOCATION STAFF
FBX FAIRBANKS	119 N CUSHMAN ST	LOCATION STAFF
JUN JUNEAU	CAPITOL	LOCATION STAFF
SEW SEWARD	2001 SEWARD HWY	LOCATION STAFF

PARTICIPANTS IN ANCHORAGE

1	LARI	NO LAST NAME	AK ED YNG CHILD	TSFY, HB 412
	1805 BULLER		ANCHORAGE	AK 99503 (907)274-7793
2	BONNIE	NELSON	AKPIRG	OBSV, HB 412
	20615 WHITE BIRCH RD		CHUGIAK	AK 99567 (907)688-3017

PARTICIPANTS IN FAIRBANKS

1 MS.	MARY	JOHNSON		TSFY, HB 412
	751 OLD RICHARDSON HWY		FAIRBANKS	AK 99701 (907)451-2650
2 MS.	MARY	MATTHEWS		TSFY, HB 412
	PO BOX 30195		FAIRBANKS	AK 99708 (907)454-3901
3 MS.	ELIZABETH	TAYLOR	DFYS	OBSV, HB 412
	751 OLD RICHARDSON HWY		FAIRBANKS	AK 99701 (907)451-2650

PARTICIPANTS IN JUNEAU

1 REP	RON	BUNDL		TSFY, ALL ITEMS
				AK (907)000-0000
2 REP	CYNTHIA	TOONEY		TSFY, ALL ITEMS
				AK (907)000-0000
3 REP	PETE	KOTT		TSFY, ALL ITEMS
				AK (907)000-0000
4 REP	AL	VEZEY		TSFY, ALL ITEMS
				AK (907)000-0000
5 REP	HARLEY	OLBERG		TSFY, ALL ITEMS
				AK (907)000-0000
6 REP	GARY	DAVIS		TSFY, ALL ITEMS
				AK (907)000-0000
7 REP	BETTYE	DAVIS		TSFY, ALL ITEMS
				AK (907)000-0000
8 REP	IRENE	NICHOLIA		TSFY, ALL ITEMS
				AK (907)000-0000
9 MS	MARGARET	LOWE		TSFY, HB 412
				AK (907)000-0000
10	TO	OBSERVE		OBSV, ALL ITEMS
11	TO	OBSERVE		OBSV, ALL ITEMS

LINE 100-R01

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 02

03/27/94

20:07:49

ICM: 40492

DATE & TIME: 03/14/94 15:00 TO 17:00

STATUS: 7 STATS. IN

PARTICIPANTS IN JUNEAU

JNU

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

OFFERED TO HESS COMMITTEE IN THE HOUSE

BY: DEPT. H&SS

Amendments to: HB 412

DHSS AMENDMENT # 1

Page 4, line 14 delete existing language and

Insert (2) a facility located on a United States Department of Defense or Coast Guard installation, which is on federal property;

Rationale: Commander Gary Palmer of Legal Services in the US Coast Guard has informed the department that this amendment is necessary to exempt child care on Coast Guard installations from licensure. It was the department's intent to continue the current exemption on Kodiak Island and the exemptions for the large military bases in Anchorage and Fairbanks. The department has agreed to continue to license family child care homes under voluntary provisions on Coast Guard Installations in communities like Cordova and Sitka. Child care is very limited there and the Coast Guard has no means to provide oversight. This licensure will be on a time available basis.

DHSS AMENDMENT # 2

Page 4, following line 27 insert

..."who are unrelated to the resident caregiver."

Rationale: Licensing laws generally do not apply to care from relatives. The amendment is needed to correct a drafting error. Without the amendment a grandmother could not care for her five grandchildren without a license.

DHSS AMENDMENT # 3

Page 7, line 23 after (a)

Insert "Except in an emergency in which a child must be placed,..."

Page 7, line 30

Insert a new subsection to read: "(b) In an emergency in which a child must be placed, the department or the department's designee may authorize issuance of a provisional foster home license for a period up to 90 days, if the department determines that the applicant meets minimal requirements for emergency conditions."

Renumber the following subsections accordingly.

Rationale: As a practical matter usual licensing requirements cannot be met in the middle of the night in a village under emergency conditions. Alaska Native Grantees recommended a straight forward approach in the bill, with additional specifics to be worked out in regulations.

DHSS AMENDMENT # 4

Page 10, line 2

Delete ..., and variances approved by,....

Page 10, line 3

Delete ...and...

Insert new text to read

(8) variances approved by the department for the duration
of the license; and

Renumber the following item as (9)

Page 10, line 9 after "...agency staff."

Insert "A licensee, except a foster home licensee, shall post,
near the license, any variance approved by the department, but
not stated on the license."

Rationale: Issuing a revised license for a variance and then
re-issuing the license within the license period results in
extra paperwork. The licensee could post a shorter term
variance to notify the public.

A M E N D M E N T #1

OFFERED IN THE HOUSE
TO: HB 412

BY REPRESENTATIVE KOTT

Page 4, line 27, after "children":

Insert "unrelated to the care giver;

(8) a facility in which the care giver is a relative of all of the children"

Page 20, line 25, after "grandparent,":

Insert "great grandparent,"

AMENDMENT #2

OFFERED IN THE HOUSE

BY REPRESENTATIVE KOTT

TO: HB 412

Page 19, lines 21 - 22:

Delete "whose parents are not"

Insert "who does not have a parent"

AMENDMENT

#3

OFFERED IN THE HOUSE

BY REPRESENTATIVE KOTT

TO: HB 412

Page 20, line 19:

Delete "have been arrested"

Insert "are under arrest"

CS FOR HOUSE BILL NO. 412(HES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to facilities for the care of children; to child placement
2 agencies; to maternity homes; to certain residential facilities for adults; and to
3 foster homes for adults, and providing for an effective date."

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

5 * Section 1. AS 11.61.195(a) is amended to read:

6 (a) A person commits the crime of misconduct involving weapons in the
7 second degree if the person knowingly

8 (1) possesses a firearm during the commission of an offense under
9 AS 11.71.010 - 11.71.040; or

10 (2) violates AS 11.61.200(a)(1) and is within the grounds of or on a
11 parking lot immediately adjacent to

12 (A) a public or private preschool, elementary, junior high, or
13 secondary school without the permission of the chief administrative officer of
14 the school or district or the designee of the chief administrative officer; or

1 (B) a center, other than a private residence, licensed under
2 AS 47.35 [AS 47.35.010 - 47.35.075] or recognized by the federal government
3 for the care of children.

4 * Sec. 2. AS 11.61.220(a) is amended to read:

5 (a) A person commits the crime of misconduct involving weapons in the fifth
6 degree if the person

7 (1) knowingly possesses a deadly weapon, other than an ordinary
8 pocketknife or a defensive weapon, that is concealed on the person;

9 (2) knowingly possesses a loaded firearm on the person in any place
10 where intoxicating liquor is sold for consumption on the premises;

11 (3) being an unemancipated minor under 16 years of age, possesses a
12 firearm without the consent of a parent or guardian of the minor;

13 (4) knowingly possesses a firearm

14 (A) or a defensive weapon within the grounds of or on a
15 parking lot immediately adjacent to a public or private preschool, elementary,
16 junior high, or secondary school without the permission of the chief
17 administrative officer of the school or district or the designee of the chief
18 administrative officer, except that a person 21 years of age or older may
19 possess

20 (i) an unloaded firearm in the trunk of a motor vehicle
21 or encased in a closed container in a motor vehicle;

22 (ii) a defensive weapon; or

23 (B) within the grounds of or on a parking lot immediately
24 adjacent to a center, other than a private residence, licensed under AS 47.35
25 [AS 47.35.010 - 47.35.075] or recognized by the federal government for the
26 care of children; or

27 (5) possesses or transports a switchblade or a gravity knife.

28 * Sec. 3. AS 18.50.950(4) is amended to read:

29 (4) "child adoption agency" means a child adoption agency licensed
30 under AS 47.35 [AS 47.35.100];

31 * Sec. 4. AS 25.23.185(c) is amended to read:

1 (c) A child adoption agency licensed under AS 47.35 [AS 47.35.100] shall
2 maintain records of the information required to be furnished to the court under this
3 section or under regulations of the commissioner implementing this section. If a child
4 adoption agency ceases to place persons for adoption, it shall transfer its records to the
5 commissioner.

6 * Sec. 5. AS 44.21.240(2) is amended to read:

7 (2) "long term care facility" means a [FOSTER HOME OR OTHER]
8 residential facility for [DEPENDENT] adults that is required to be licensed under
9 AS 47.35 and a nursing home as defined in AS 08.70.180;

10 * Sec. 6. AS 44.47.305(b) is amended to read:

11 (b) To qualify for a grant under (a) or (d) of this section, the child care facility
12 must

13 (1) be currently licensed under AS 47.35 [AS 47.35.010 - 47.35.075]
14 and applicable municipal licensing requirements;

15 (2) participate in the day care assistance program under AS 44.47.250
16 - 44.47.310; and

17 (3) provide care under a payment system as provided in (g) of this
18 section.

19 * Sec. 7. AS 44.47.310(2) is amended to read:

20 (2) "child care facility" means an establishment licensed under
21 AS 47.35 [AS 47.35.010 - 47.35.075], including [BUT NOT LIMITED TO] day care
22 centers, family day care homes, and schools for preschool age children, which provides
23 care for children not related by blood, marriage, or legal adoption to the owner,
24 operator, or manager of the facility;

25 * Sec. 8. AS 44.47.310(4) is amended to read:

26 (4) "day care facility" means a center or home licensed in accordance
27 with the provisions of AS 47.35 [AS 47.35.010 - 47.35.075] or recognized by the
28 federal government for the care of children;

29 * Sec. 9. AS 44.62.330(a)(24) is amended to read:

30 (24) Department of Health and Social Services, relating to denial,
31 involuntary conditioning, or revocation of a license issued under AS 47.35, or

1 suspension of operations or admissions or assessment of an administrative fine
2 under AS 47.35 [RELATING TO BOARDING AND FOSTER HOMES FOR
3 CHILDREN];

4 * Sec. 10. AS 47.35 is amended by adding a new section to read:

5 Sec. 47.35.005. PURPOSE; APPLICABILITY. (a) The purpose of this
6 chapter is to establish and maintain standard levels for services offered to children in
7 child care facilities, foster homes, and residential child care facilities; services offered
8 by child placement agencies; and services offered to pregnant individuals in maternity
9 homes. The legislature recognizes the responsibility of parents to select and monitor
10 caregivers for their children in order to ensure a reasonably safe and developmentally
11 appropriate child care environment. The community care licensing procedures in this
12 chapter are intended to reduce predictable risk of harm to children and to provide
13 support services to those providing child care or services.

14 (b) This chapter and regulations adopted under this chapter apply to facilities
15 and agencies

16 (1) for which licensure is required by or under AS 47.35.015; or

17 (2) that are exempt under AS 47.35.015 from licensure but for which
18 a license is issued under AS 47.35.015(g).

19 * Sec. 11. AS 47.35.010 is amended to read:

20 Sec. 47.35.010. POWERS OF DEPARTMENT. (a) The department may

21 (1) license and supervise [BOARDING HOMES,] foster homes, child
22 care facilities, residential child care facilities, child placement agencies, and
23 maternity [GROUP] homes [, NURSERIES, INSTITUTIONS CARING FOR
24 CHILDREN AND FOSTER HOMES, GROUP HOMES AND INSTITUTIONS
25 CARING FOR DEPENDENT ADULTS];

26 (2) investigate applicants, [AND SUPERVISE] licensees , and persons
27 that the department reasonably believes are operating a facility without a license
28 in violation of this chapter;

29 (3) adopt regulations to implement the provisions of this chapter,
30 including regulations establishing licensure and renewal procedures, [ENFORCE
31 THE] standards, and fees; establishing requirements for operation of facilities or

1 agencies licensed under this chapter; and distinguishing between types of child
2 care facilities [ESTABLISHED BY IT];

3 (4) enter into agreements [CONTRACT] with private entities,
4 municipalities, or individuals [OR MUNICIPAL AGENCIES] to investigate and
5 make recommendations to the department for the licensing and supervision of
6 [BOARDING HOMES,] foster homes, child care facilities, residential child care
7 facilities, child placement agencies, and maternity [GROUP] homes [, NURSERIES,
8 INSTITUTIONS CARING FOR CHILDREN AND FOSTER HOMES, GROUP
9 HOMES AND INSTITUTIONS CARING FOR DEPENDENT ADULTS] under
10 procedures and standards of operation established by the department [; CONTRACTS
11 WITH PRIVATE AGENCIES UNDER THIS PARAGRAPH ARE GOVERNED BY
12 AS 36.30 (STATE PROCUREMENT CODE)].

13 (b) The department shall, within 90 days after receiving a written request that
14 it do so, delegate its powers relating to child care facilities [NURSERIES] under this
15 chapter [SECTION AND UNDER AS 47.35.040 - 47.35.060] to a municipality that
16 has adopted an ordinance providing for child [DAY] care licensing under home rule
17 powers under AS 29.10.010 or as authorized under AS 29.35.200 - 29.35.210. A
18 municipality to which these powers have been delegated may adopt, by ordinance,
19 additional requirements for child care facilities operating within its boundaries
20 if the requirements meet or exceed the requirements adopted [WAIVE OR
21 MODIFY ANY REGULATION OR STANDARD ESTABLISHED] by the department
22 [UNDER THE AUTHORITY OF AS 47.35.010 - 47.35.075 AS IT APPLIES TO
23 NURSERIES OR THE APPLICATION OF ANY SUCH REGULATION OR
24 STANDARD AS IT APPLIES TO A PARTICULAR DAY CARE LICENSEE BUT
25 MUST NOTIFY THE DEPARTMENT OF ANY WAIVER].

26 * Sec. 12. AS 47.35 is amended by adding new sections to read:

27 Sec. 47.35.015. LICENSE REQUIRED; EXEMPTIONS. (a) A person may
28 not operate a child care facility without a license issued under this chapter unless that
29 facility is exempt from licensure. The following facilities are exempt:

30 (1) a facility in which child care is regularly provided and each child's
31 parent is on the premises within reasonable proximity and accessibility to the child;

1 (2) a facility located on a United States Department of Defense or
2 United States Coast Guard installation that is located on federal property;

3 (3) a recreational program that children are allowed to attend and in
4 which the program assumes no responsibility for care of the children;

5 (4) a daytime therapeutic program of supervised, educational, and
6 rehabilitative services for children with special needs or behavioral problems;

7 (5) a program that asserts exemption as primarily educational and that
8 either

9 (A) is certified as a pre-elementary school under Department of
10 Education regulations adopted under AS 14.07.020; or

11 (B) serves children three years of age or older and is exempt
12 from Department of Education regulation;

13 (6) a temporary facility providing care for less than five continuous
14 weeks;

15 (7) a facility regularly providing child care to four or fewer children
16 unrelated to the caregiver;

17 (8) a facility in which the caregiver is a relative of all of the children.

18 (b) A person may not operate a foster home without a license issued under this
19 chapter unless that facility provides care only

20 (1) for relatives and the department does not require licensure under an
21 agreement for services;

22 (2) for one or more children nine years of age or older placed by a
23 parent with either

24 (A) authorization for emergency medical care; or

25 (B) a consent to temporary custody;

26 (3) for one or more exchange students placed by a sponsoring agency
27 in a home evaluated and approved by that sponsoring agency;

28 (4) for one or more children who are the subject of a petition for
29 adoption filed by the caregiver pending a final decree of adoption, if a home study has
30 been completed;

31 (5) for one or more children placed for adoption by a child placement

1 agency licensed under this chapter;

2 (6) for a child for up to 72 hours in a nonsecure attendant care setting
3 authorized by the department; or

4 (7) for a child on a 24-hour basis for a period of no more than 30 days
5 in a licensed child care facility meeting requirements for nighttime care adopted by the
6 department by regulation.

7 (c) A person may not operate a residential child care facility without a license
8 issued under this chapter unless that facility is

9 (1) a juvenile facility operated by the state under AS 47.10.150;

10 (2) a medical facility licensed by the department under AS 18.20;

11 (3) a recreational camp providing recreational experiences of no more
12 than one month's duration for a child; or

13 (4) exempt from licensure for a reason set out in (b)(6) or (7) of this
14 section.

15 (d) A person may not operate a maternity home without a license issued under
16 this chapter.

17 (e) A person may not arrange foster home, residential child care facility,
18 adoptive home, or guardianship placements for a child without a child placement
19 agency license issued under this chapter. The requirement for licensure does not apply
20 to

21 (1) state, federal, or municipal governments;

22 (2) school districts;

23 (3) an Indian organization, as defined in 25 U.S.C. 1903(7), that is
24 authorized to make placement decisions under 25 U.S.C. 1918 or 1919; or

25 (4) a person who places children for adoption by relatives.

26 (f) In addition to facilities and agencies that, under this section, are exempt
27 from licensure, the department, by regulation, may provide for additional exemptions
28 that the department considers appropriate.

29 (g) A person may apply for a license for a facility or agency that is exempt
30 from licensure under this section. The department may issue a license to an applicant
31 under this subsection if the applicant meets the requirements of this chapter and

1 regulations adopted under this chapter.

2 Sec. 47.35.017. APPLICATION FOR LICENSE. (a) Application for a license
3 to operate a foster home, child care facility, residential child care facility, child
4 placement agency, or maternity home, shall be made to the department on a form
5 provided by the department, and shall be accompanied by any applicable fees
6 established by the department under AS 47.35.010(a)(3).

7 (b) An application submitted under this section must contain at least the
8 following information:

9 (1) the name and address of the applicant, and if the applicant is an
10 agency, corporation, partnership, association, or any other form of organization, the
11 name, address, and title of all individuals who have an ownership or management
12 interest in the facility;

13 (2) the name, physical location, and mailing address of the facility or
14 agency for which the license is sought;

15 (3) the name and address of the administrator of the facility or agency,
16 if any;

17 (4) evidence that the administrator or foster parent is an adult with
18 sufficient experience, training, or education to fulfill the duties of an administrator or
19 foster parent;

20 (5) a release for the administrator or foster parent and for each other
21 person, as specified by the department by regulation, who will have contact with
22 individuals served by the facility or agency, authorizing the department to review all
23 federal, state, and municipal law enforcement, medical, licensing, and protective
24 services records, identified in regulations adopted under this chapter, that are relevant
25 to the person who is the subject of the release and to the type of license for which the
26 application has been submitted;

27 (6) for a facility, the number of individuals that will be served in the
28 facility;

29 (7) the type of facility or agency for which the license is sought;

30 (8) copies of all inspection reports and approvals required by state fire
31 prevention and environmental health and safety authorities for operation of the facility

1 or agency, including any variances granted by these authorities;

2 (9) a plan of operation, as required by the department by regulation;

3 (10) a staffing plan that describes the number of people who will work
4 at the facility or agency, staff qualifications, a description of each person's
5 responsibilities, and, for a facility other than a maternity home, a supervision schedule
6 for the children in care that meets the requirements established by the department by
7 regulation;

8 (11) evidence that the applicant has completed orientation or training
9 required by the department, by regulation, for holders of the type of license for which
10 the application was submitted; and

11 (12) other information required by the department, by regulation, in
12 order to monitor compliance with this chapter and regulations adopted under this
13 chapter.

14 * Sec. 13. AS 47.35 is amended by adding new sections to read:

15 Sec. 47.35.023. PROVISIONAL LICENSE; BIENNIAL LICENSE. (a) The
16 department shall issue a provisional license to a new facility or agency that applies
17 under AS 47.35.017 if, after inspection and investigation, the department determines
18 that the application and plan of operation for the facility or agency meet the
19 requirements of this chapter and regulations adopted under this chapter. A provisional
20 license is valid for a period not to exceed one year. The department may extend a
21 provisional license for one additional period not to exceed one year.

22 (b) Notwithstanding (a) of this section, if an emergency exists and a child must
23 be placed immediately, the department or the department's designee may issue a
24 provisional foster home license for a period of 90 days or less if the department or the
25 department's designee determines that the applicant meets minimal requirements for
26 emergency conditions.

27 (c) Before expiration of a provisional license issued under (a) or (b) of this
28 section, the department shall inspect and investigate the facility or agency in order to
29 determine whether the facility or agency is operating under the provisional license in
30 compliance with this chapter and applicable regulations.

31 (d) Before expiration of a provisional license, the department shall issue a

1 biennial license for the facility or agency if (1) after inspection and investigation under
2 (c) of this section, the department finds that the facility or agency is operating in
3 compliance with, and meets the licensure requirements of, this chapter and regulations
4 adopted under this chapter; (2) the ground for revocation set out in AS 47.35.130(a)(2)
5 does not exist; and (3) all applicable fees have been paid. The department shall
6 prepare a summary report of its findings and recommendations for issuance of a
7 biennial license.

8 (e) The issuance of a license by the department does not obligate the
9 department to place or maintain an individual in the facility or through the agency, or
10 to support the facility or agency financially.

11 Sec. 47.35.025. DENIAL OF LICENSE; RIGHT TO APPEAL. (a) If the
12 department denies an application for a license or decides not to issue a biennial
13 license, the department shall hand deliver to the prospective licensee, or mail to the
14 prospective licensee by certified mail, return receipt requested, a notice of denial of
15 licensure. The notice must contain a summary of the department's reasons for denial
16 of the license and a form for requesting a hearing under (b) of this section.

17 (b) A prospective licensee who was denied licensure may appeal the
18 department's decision by requesting a hearing, on the form provided by the
19 department, within 15 days after receipt of the notice of denial of licensure.

20 Sec. 47.35.027. VARIANCES. (a) The department may grant to an applicant
21 for a license under this chapter, or to a licensee, a variance from a requirement of this
22 chapter or a regulation adopted under this chapter if that person submits to the
23 department, on a form provided by the department, a complete variance request as
24 required by this section. A variance may be granted if

25 (1) the applicant or licensee proposes an alternative means, acceptable
26 to the department, to satisfy the intent of the requirement for which the variance is
27 requested; and

28 (2) the health and safety of children is adequately protected.

29 (b) A request for a variance must contain the following information:

30 (1) the statute or regulation from which the variance is sought;

31 (2) the reasons why the variance is needed;

- 1 (3) the period of time for which the variance is requested;
- 2 (4) the proposed alternative means of satisfying the intent of the
- 3 requirement for which the variance is requested;
- 4 (5) a statement as to how the health and safety of children will be
- 5 protected during the period of the variance; and
- 6 (6) assurance that the conditions of the facility or agency do not present
- 7 an imminent danger to the health or safety of individuals served by the facility or
- 8 agency.

9 (c) To evaluate a request for a variance, the department shall take one or more

10 of the following actions:

- 11 (1) investigate the statements in the request;
- 12 (2) inspect the facility or agency;
- 13 (3) schedule a conference with the applicant or licensee regarding the
- 14 variance request.

15 (d) The department's decision approving or denying a variance must be in

16 writing, and the department shall provide a copy of the decision to the person

17 requesting the variance. If the department grants the variance, the decision must state

18 the term of and conditions of the variance.

19 (e) If an applicant or licensee violates a condition of a variance granted under

20 this section, the variance is terminated.

21 Sec. 47.35.029. CONTENT OF LICENSE; POSTING. (a) A license issued

22 under this chapter must state

- 23 (1) the period of time during which the license is in effect;
- 24 (2) the name of the facility or agency;
- 25 (3) the type of facility or agency;
- 26 (4) the name of the licensee;
- 27 (5) the location and mailing address of the facility or agency;
- 28 (6) for a facility other than a maternity home, the number and age
- 29 range of children that the facility may have in care at any time;
- 30 (7) any conditions set by the department;
- 31 (8) variances approved by the department for the duration of the

1 license; and

2 (9) the address and phone number of the nearest department office that
3 is responsible for administering this chapter or of the department representative
4 responsible for evaluating that facility or agency under AS 47.35.010(a)(4).

5 (b) A licensee, except a foster home licensee, shall post the license in a
6 conspicuous place in the facility or agency visible to individuals in care and their
7 families, and to facility or agency staff. If the department has approved a variance that
8 is not stated on the license, the licensee, except a foster home licensee, shall post a
9 copy of the variance near the license. A foster home licensee shall have the facility
10 license available for inspection upon request.

11 * Sec. 14. AS 47.35 is amended by adding a new section to read:

12 Sec. 47.35.033. LICENSES NOT TRANSFERABLE. A license may be issued
13 under this chapter only for the location and person named in the application. A license
14 issued under this chapter may not be transferred to another person or location.

15 * Sec. 15. AS 47.35 is amended by adding new sections to read:

16 Sec. 47.35.037. ORIENTATION AND TRAINING. The department, by
17 regulation, may require that an applicant or licensee complete orientation or training
18 to assist that person in operating under the license.

19 Sec. 47.35.039. RECORDS REQUIRED. (a) In accordance with regulations
20 adopted by the department, a licensee shall keep the records regarding each individual
21 in its care, or that it places, that are necessary to show compliance with this chapter
22 and regulations adopted under this chapter.

23 (b) The department's licensing records, with the names of all individuals in
24 care and parents of minors in care deleted to protect the confidentiality of those
25 individuals, are available for public inspection, except for

26 (1) material made confidential by state or federal statutes or regulations;

27 (2) material that is part of an uncompleted licensing or complaint
28 investigation;

29 (3) records that would deprive an applicant, licensee, or other person
30 of a fair and impartial hearing; and

31 (4) records for which the department determines that disclosure would

1 constitute an unwarranted invasion of personal privacy.

2 (c) A government agency that provides funding to a facility or agency licensed
3 under this chapter may have access to that facility's or agency's records in order to
4 conduct an audit.

5 * Sec. 16. AS 47.35 is amended by adding new sections to read:

6 Sec. 47.35.043. MONITORING; INVESTIGATION. (a) By the first
7 anniversary of the effective date of a biennial license, including a renewed biennial
8 license, the licensee shall submit an annual self-monitoring report to the department.
9 The department shall specify, by regulation, the contents of the report.

10 (b) To encourage parents of children in child care facilities to become involved
11 in day-to-day monitoring of the care provided by the facilities, the department shall
12 require licensees to give to parents of children in child care in the licensee's facility
13 a summary of the regulatory requirements that apply to the facility and the
14 department's or department representative's telephone contact number for reporting a
15 concern regarding child care. The department also may provide notice of the
16 telephone contact numbers for reporting child care concerns.

17 (c) The department may conduct an investigation, including announced or
18 unannounced on-site inspections, for ongoing monitoring or to assist in its review of
19 an annual self-monitoring report.

20 Sec. 47.35.045. BIENNIAL LICENSE RENEWAL. (a) At least 90 days
21 before the expiration date of a biennial license, a licensee who wishes to remain
22 licensed shall submit, on a form provided by the department, an application for
23 renewal of the license and any associated variances.

24 (b) Before expiration of a biennial license, the department or its representative
25 shall inspect a facility or agency that is the subject of a renewal application.

26 (c) The department shall renew a biennial license if the department finds that

27 (1) the licensee

28 (A) either is in compliance with this chapter and regulations
29 adopted under this chapter or is substantially in compliance and has
30 implemented a plan of correction, approved by the department, that is designed
31 to bring the facility or agency into full compliance; and

1 (B) has maintained the facility or agency in good repair and is
2 in compliance with all state fire safety and environmental health and safety
3 code requirements;

4 (2) the ground for revocation set out in AS 47.35.130(a)(2) does not
5 exist; and

6 (3) all applicable fees have been paid.

7 (d) If the licensee submits a renewal application within the time period
8 required by the department by regulation, but the department is unable to complete its
9 review before the expiration date of the biennial license, the license is automatically
10 extended for six months, or until the department completes its review and either
11 approves or denies the application, whichever occurs first.

12 (e) If the department decides to approve an application for renewal, but finds
13 that the applicant is not in compliance with a provision of this chapter, a regulation
14 adopted under this chapter, or a condition on the license, the department, as a
15 condition on the renewed biennial license, shall require the applicant to correct any
16 violations and provide the department with verification of compliance.

17 (f) If the department denies an application for renewal, it shall provide the
18 applicant with a notice of denial of application. The notice must contain a written
19 statement of the reasons for denial and a form for requesting a hearing under (g) of
20 this section.

21 (g) An applicant whose application is denied may appeal the department's
22 decision by requesting a hearing, on the form provided by the department, within 15
23 days after receipt of the notice of denial of application.

24 Sec. 47.35.047. NOTICE OF CHANGES. (a) A licensee shall provide the
25 department with written notice of a change of mailing address at least 14 days before
26 the effective date of the change.

27 (b) A licensee shall notify the department within 24 hours after having
28 knowledge of an indictment or charging by information or complaint of an
29 administrator, foster parent, member of the licensee's household, regular volunteer, or
30 staff person for a felony, for a misdemeanor crime of assault, reckless endangerment,
31 contributing to the delinquency of a minor, or misconduct involving a controlled

1 substance, for the crime of perjury, as defined in AS 11 or the laws of another
2 jurisdiction, or for a sex crime as defined in AS 12.62.035.

3 (c) A licensee shall notify the department at least 20 days before the effective
4 date of a decision to relinquish the license.

5 (d) A licensee shall notify the department at least 20 days before the date on
6 which the licensee wishes to change the number of children in care or hours of
7 operation.

8 (e) A licensee shall notify the department no later than one day after signing
9 a contract for sale of the licensed facility or agency.

10 (f) A licensee shall notify the department at least 30 days before the licensee
11 wishes to change the location of the facility or agency.

12 * Sec. 17. AS 47.35 is amended by adding new sections to read:

13 Sec. 47.35.105. COMPLAINTS. (a) A person who believes that a provision
14 of this chapter, a regulation adopted under this chapter, or a condition of a license
15 issued under this chapter has been violated may file a verbal or written complaint with
16 the department.

17 (b) The department shall investigate all complaints filed under this section
18 unless the department reasonably concludes that the complaint is without merit.

19 (c) After an investigation under this section, the department shall prepare a
20 written report of investigation and shall mail a copy to the licensee or other person
21 who is the subject of the complaint, and to the complainant if requested. If the
22 department determines that a violation of this chapter, a regulation adopted under this
23 chapter, or a condition of a license issued under this chapter has occurred, the
24 department's report of investigation must contain the following:

25 (1) a description of the violation;

26 (2) a citation to the provision of this chapter or the regulation that has
27 been violated, if applicable; and

28 (3) either

29 (A) a date by which the violation must be corrected and a
30 verification of compliance submitted to the department; or

31 (B) a plan of correction.

1 (d) A licensee may submit to the department a written response regarding a
2 report of investigation relating to that facility or agency. The department shall retain
3 the written response in the licensing file.

4 (e) A licensee may not take retaliatory action against a person who files a
5 complaint. A complainant against whom retaliatory action has been taken may recover
6 treble damages in a civil action upon a showing that the actions were taken in
7 retaliation for the filing of a complaint.

8 Sec. 47.35.110. INVESTIGATIONS; SEARCH WARRANTS. (a) An
9 applicant for a license, or a licensee, shall cooperate with the department for purposes
10 of licensing investigations, investigations relating to ongoing monitoring of the facility
11 or agency, or investigations under AS 47.35.105 by

12 (1) permitting representatives of the department to inspect the facility
13 or agency, review records, interview staff, and interview individuals in care; and

14 (2) providing to the department information and documentation
15 requested by the department to determine compliance with this chapter and regulations
16 adopted under this chapter.

17 (b) Following an investigation relating to ongoing monitoring of a facility or
18 agency or relating to a facility that the department believes is operating without a
19 license in violation of this chapter, the department shall prepare and distribute a written
20 report of investigation as described in AS 47.35.105(c), and the facility or agency may
21 submit a response as described in AS 47.35.105(d).

22 (c) The department may seek a search warrant to inspect a facility or agency
23 if the

24 (1) department has probable cause to believe that the facility or agency
25 is operating without a license in violation of this chapter and the facility or agency
26 operator refuses to allow an inspection by the department; or

27 (2) licensee refuses to allow an inspection of the facility or agency by
28 the department.

29 Sec. 47.35.120. ENFORCEMENT ACTIONS. (a) During an investigation
30 under this chapter, the department, by written notice, may suspend operations of the
31 facility or agency if the department has reasonable cause to believe that a violation is

1 occurring that presents an imminent danger to the health or safety of the individuals
2 in care. A suspension under this subsection continues for the time period set by the
3 department and may continue until the department issues a report of investigation
4 under AS 47.35.105(c) or 47.35.110(b).

5 (b) If, after an investigation under this chapter, the department has determined
6 that a violation of this chapter or a regulation adopted under this chapter has occurred
7 or a ground for revocation or nonrenewal set out in AS 47.35.130 exists, has issued
8 a report of investigation under AS 47.35.105(c) or 47.35.110(b), and has determined
9 that voluntary compliance or a plan of correction is not appropriate, the department
10 may take one or more of the following enforcement actions, as the department
11 considers appropriate:

12 (1) delivery of a warning notice to the licensee or other person who is
13 the subject of the investigation;

14 (2) modification of the term of an existing license or reduction of the
15 number of children for whom care can be provided;

16 (3) suspension of operations of the facility or agency for a period of
17 time set by the department;

18 (4) suspension of admissions to the facility for a period of time set by
19 the department;

20 (5) nonrenewal of the license;

21 (6) revocation of the license;

22 (7) issuance of an order requiring immediate closure of the facility or
23 agency;

24 (8) assessment of an administrative fine of up to \$500 for each day a
25 violation continues, not to exceed a total of \$5,000 for a violation.

26 (c) The department shall provide the licensee or other person who is the
27 subject of an investigation with written notice of the department's decision under (b)
28 of this section to take enforcement action. The notice must contain a form for
29 requesting a hearing under (d) of this section and must describe

30 (1) each enforcement action that will be taken;

31 (2) the condition, if any, in the facility or agency that constitutes a

1 violation of this chapter or a regulation adopted under this chapter;

2 (3) the licensee's or other person's right to appeal the department's
3 decision to take an enforcement action described in (b)(2) - (8) of this section.

4 (d) A licensee or other person to whom a notice has been provided under (a)
5 or (c) of this section may appeal the department's decision to impose an enforcement
6 action described in (a) or (b)(2) - (8) of this section by filing a written request for a
7 hearing, on the form provided by the department, within 15 days after receipt of the
8 notice of enforcement action.

9 (e) Unless the violation that prompted enforcement action under (b) of this
10 section presents an imminent danger to the health or safety of the individuals in care,
11 an enforcement action described in a notice provided under (c) of this section may not
12 be imposed until the

13 (1) time period for requesting a hearing under (d) of this section has
14 passed without a hearing being requested; or

15 (2) department makes a final decision following a hearing requested
16 under (d) of this section.

17 (f) If a hearing is requested under (d) of this section, the department's decision
18 following the hearing is a final administrative order.

19 (g) If a hearing is not requested under (d) of this section, the department's
20 notice of enforcement action constitutes a final administrative order, which the
21 department may seek the court's assistance in enforcing.

22 (h) A licensee whose license was revoked or not renewed under this section
23 may not reapply for licensure under this chapter until after the time period, if any, set
24 by the department in its final administrative order. If a time period is not set by the
25 department, the revocation or nonrenewal is permanent, and the former licensee may
26 not again apply for licensure under this chapter.

27 (i) Assessment of an administrative fine under this section does not preclude
28 imposition of a criminal penalty under AS 47.35.820.

29 Sec. 47.35.130. GROUND FOR LICENSE REVOCATION OR
30 NONRENEWAL. (a) In addition to the ground of violation of this chapter or a
31 regulation adopted under this chapter, the department may revoke, or decline to renew,

1 a license issued under this chapter on one or more of the following grounds:

2 (1) failure to submit a timely and complete renewal application;
3 (2) the indictment or charging by information or complaint for, or a
4 criminal conviction within the last 10 years, of the licensee or facility administrator for
5 a felony; a misdemeanor crime of assault, reckless endangerment, contributing to the
6 delinquency of a minor, or misconduct involving a controlled substance; the crime of
7 perjury, as defined in AS 11 or the laws of another jurisdiction; or a sex crime as
8 defined in AS 12.62.035;

9 (3) obtaining or attempting to obtain or retain a license under this
10 chapter by fraudulent means, misrepresentation, or by submitting false information;

11 (4) failure to correct a violation noted in a report of investigation
12 provided under AS 47.35.105(c) or 47.35.110(b);

13 (5) failure to comply with a final administrative order issued by the
14 department under AS 47.35.120.

15 (b) A licensee may voluntarily relinquish the license or withdraw an
16 application for renewal.

17 ARTICLE 2. ADULT FACILITIES.

18 Sec. 47.35.210. POWERS OF DEPARTMENT REGARDING ADULT
19 RESIDENTIAL CARE FACILITIES. The department may

20 (1) license and supervise adult residential care facilities;
21 (2) investigate applicants, licensees, and persons that the department
22 believes are operating an adult residential care facility without a license in violation
23 of AS 47.35.210 - 47.35.250;

24 (3) adopt regulations to implement the provisions of AS 47.35.210 -
25 47.35.250, including regulations establishing licensure and operating standards;
26 application and licensure procedures and fees; license renewal procedures, standards,
27 and fees; procedures and standards for variances; and procedures regarding
28 enforcement actions and appeals;

29 (4) enter into agreements with private or municipal agencies, or with
30 individuals, to investigate and make recommendations to the department for the
31 licensing and supervision of adult residential care facilities under procedures and

1 standards of operation established by the department.

2 Sec. 47.35.220. LICENSE REQUIRED. A person may not operate an adult
3 residential care facility without a license issued under AS 47.35.210 - 47.35.250 unless
4 the facility is a Pioneers' Home operated by the state under AS 47.55.

5 Sec. 47.35.230. APPLICATION FOR LICENSE; LICENSING. Except as
6 otherwise provided in regulations adopted by the department, the procedures and
7 requirements in AS 47.35.017, 47.35.023, 47.35.025, 47.35.027, 47.35.029, 47.35.033,
8 and 47.35.045 apply to application for license for and licensure of an adult residential
9 care facility.

10 Sec. 47.35.240. RECORDS; REPORTS. (a) As required by the department
11 by regulation, the licensee for an adult residential care facility shall

12 (1) keep records regarding adults in care in the facility; and

13 (2) submit reports to the department.

14 (b) The department's licensing records, with the names of adults in care
15 deleted, are available for public inspection, except for material described in
16 AS 47.35.039(b)(1) - (4).

17 (c) A government agency that provides funding to a facility licensed under
18 AS 47.35.210 - 47.35.250 may have access to the facility's records in order to conduct
19 an audit.

20 (d) The provisions of AS 47.35.047(a), (b), (c), (e), and (f), regarding notice
21 to the department of certain changes, apply to an adult residential care facility licensed
22 under AS 47.35.210 - 47.35.250.

23 Sec. 47.35.250. COMPLAINTS; INVESTIGATIONS; ENFORCEMENT
24 ACTIONS. Except as provided otherwise in regulations adopted by the department,
25 the provisions of AS 47.35.105, 47.35.110, 47.35.120, and 47.35.130, regarding
26 complaints, investigations, and enforcement actions, apply to an adult residential care
27 facility.

28 ARTICLE 3. MISCELLANEOUS PROVISIONS.

29 Sec. 47.35.800. ADMINISTRATIVE PROCEDURE. The administrative
30 adjudication provisions of AS 44.62 (Administrative Procedure Act) apply to an appeal
31 from a department decision under this chapter relating to denial, involuntary

1 conditioning, or revocation of a license, suspension of operations or admissions, or
2 assessment of an administrative fine.

3 Sec. 47.35.810. IMMUNITY FROM LIABILITY. (a) A person operating
4 under agreement with the department under AS 47.35.010(a)(4) is immune from civil
5 liability that might otherwise be incurred or imposed for acts or omissions that
6 occurred during the performance of the person's duties on behalf of the department if
7 the person was operating within the scope of the duties delegated to the person under
8 the agreement.

9 (b) The department and its employees are not liable for civil damages as a
10 result of an act or omission in the licensing, monitoring, or supervision of a facility
11 or agency licensed under this chapter. This subsection does not preclude liability for
12 civil damages as a result of gross negligence or reckless or intentional misconduct.

13 Sec. 47.35.820. PENALTY. A person who violates a provision of this chapter
14 or a regulation adopted under this chapter is guilty of a class B misdemeanor.

15 * Sec. 18. AS 47.35.900 is repealed and reenacted to read:

16 Sec. 47.35.900. DEFINITIONS. In this chapter,

17 (1) "administrator" means an individual who has general administrative
18 charge and oversight of a facility or agency;

19 (2) "agency" means a child placement agency;

20 (3) "child" means an individual under 18 years of age, and includes an
21 individual who is a relative of a care provider, administrator, or foster parent;

22 (4) "child care" means, care, supervision, and provision of
23 developmental opportunities, with or without compensation, to a child who does not
24 have a parent present;

25 (5) "child care facility" means a place where child care is regularly
26 provided for children under the age of 12 for periods of time that are less than 24
27 hours in duration unless nighttime care is authorized by the department;

28 (6) "child placement agency" means a person who arranges for
29 placement of a child

30 (A) in a foster home, residential child care facility, or adoptive
31 home; or