

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8523 HOUSE COMMUNITY & REGIONAL AFFAIRS

01/03/96

Position Information Inquiry/Update

13:39:46

Position: 07-07#005	Project: 0	Salary Costs: 25,517.10
Component: 07-06-07-20-05-00	Region: _	Benefits Costs: 11,560.03
Scenario: 4 FY: 97	COLA %= 1.500	Total Costs: 37,077.13

 Actuals not available (Status: UNKNOWN) | Retirement Code: A

00/00/00	Step: A for _6.0 months & Step: B for _6.0 months (total: 12.00)
0	Merit Date; use merit defaults? N (0.0 @ & 0.0 @)
	Class/Sched Prefix: 2 Schedule: 2A (actual:)
	Bargaining Unit: GG Range: 10 (actual:)
	Location Code: EBA Place: ANCHORAGE
	Job Class Code: P1135 Title: ADMINISTRATIVE CLERK III_____
	Seasonal Indic.: F Type: -

 Optional Override Salary Rates:

Monthly Rate: 0.00_____ for _0.0 months & rate of 0.00_____ for _0.0 months
 Hourly Rate: 0.00_____ for _0.0 months Frozen at this rate? (Y/N): N

Press ENTER to update record; enter # or use PF key to go to another screen:
 1=Premium pay info 2=Funding info 4=Code Translations 6=Calculations
 7=MISC NEW POS DATA 8=Detail Report 12=Exit w/o update Selection: 0_

STATE OF ALASKA
1996 LEGISLATIVE SESSION

No. 9

Version: HB 400

Publish Date: 1-8-96

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: Welfare Reform BRU: State Health Services
 Sponsor: Rules Component: Community Health/EMS Services
 Requestor: Tony Knowles, Governor COMPONENT SERIAL NO. 2078
 See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	0.9	0.9	0.9	0.9	0.9	0.9
TRAVEL						
CONTRACTUAL	10.5	0.5	0.5	0.5	0.5	0.5
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	11.4	1.4	1.4	1.4	1.4	1.4

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify) 1007 I/A	11.4	1.4	1.4	1.4	1.4	1.4
TOTAL	11.4	1.4	1.4	1.4	1.4	1.4

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Personal Services Line 100

Most of the reviewing of licensing will be conducted during the renewal period of November through February. During this time, it is estimated that 40 hours of overtime @ \$16.82/hour of an Administrative Clerk III plus benefits will be needed for the additional work. or \$864.61.

Contractual Line 300

\$10.0 will be needed in the first year in professional services to reprogram the EMS certification database.
 \$0.5 will be needed each year for the printing of the temporary licenses and mailing them out.

It is anticipated that these funds will be transferred from the Department of Revenue, Child Support Enforcement Division.

Prepared by: Peter M. Nakamura, MD, MPH
 Division: Public Health

Phone: (907) 465-3090
 Date: 01/04/96

Approved by Com: Karen Perdue, Commissioner
 Agency: Department of Health & Social Services

Date: 1/5/95

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COST/SAVINGS ANALYSIS
Alaska Family Independence Program
 Prepared by the Department of Health and Social Services
 Division of Public Assistance
 1/5/96

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
AFDC	(\$662.6)	(\$8,066.6)	(\$10,694.4)	(\$10,600.8)	(\$10,420.3)	(\$10,420.3)	(\$50,865.0)
PFD Hold Harmless	(119.9)	(632.3)	(893.3)	(902.4)	(894.2)	(894.2)	(4,336.3)
PA Administration	610.0	580.0	580.0	580.0	580.0	580.0	\$3,510.0
Family and Youth Services	100.2	100.2	100.2	100.2	100.2	100.2	\$601.2
Community Health and EMS	11.4	1.4	1.4	1.4	1.4	1.4	\$18.4
Gross Expenditure Change	(\$60.9)	(\$8,017.3)	(\$10,906.1)	(\$10,821.6)	(\$10,632.9)	(\$10,632.9)	(\$51,071.7)
Less I/A Receipts (PFD Hold Harmless Savings)	(119.9)	(632.3)	(893.3)	(902.4)	(894.2)	(894.2)	(4,336.3)
Less PFD Hold Harmless Savings	(119.9)	(632.3)	(893.3)	(902.4)	(894.2)	(894.2)	(4,336.3)
Less GF/Program Receipts Generated (CSED)	1,363.5	2,571.3	2,828.4	3,111.2	3,422.3	3,764.6	17,061.3
Net GF/GF Match Budget Impact	(\$1,184.6)	(\$9,324.0)	(\$11,947.9)	(\$12,128.0)	(\$12,266.8)	(\$12,609.1)	(\$59,460.4)

Knowles Administration Welfare Reform Bill
DHSS Fiscal Note Summary and Explanation
January 5, 1996

The Knowles Administration Welfare Reform bill repeals the existing Aid to Families with Dependent Children and Job Opportunities and Basic Skills Training programs and replaces them with a new Alaska Family Independence Program (AFIP).

The legislation establishes the basic eligibility requirements and program standards for AFIP and requires DHSS to use its regulatory authority to establish the detailed program design.

The Governor's bill also includes amendments to the Child Support Enforcement statutes that will increase the amount of support collected on behalf of AFIP children. The occupational licensing provisions of the child support amendments will generate additional administrative costs for DHSS.

Many of the costs associated with implementing AFIP (including child care costs, work requirements and activities, and automated system development costs) can be met with the Governor's budget.

Throughout this analysis, we assume that federal legislation will convert the existing AFDC and JOBS programs into a capped block grant program for assistance to needy families that gives the states broad discretion to establish their own program rules. We assume that the federal legislation will take effect on October 1, 1996.

The Governor's bill also provides authority for DHSS to implement the AFIP program through the federal waiver process if the pending federal welfare reform, which would enable implementation without recourse to the waiver process, failed to take effect by October 1, 1996. ***This analysis does not reflect the costs of implementing the new program design via the federal waiver/demonstration project process. Implementation costs would be significantly greater and program savings significantly reduced if the program design must be implemented by waivers.***

The DHSS fiscal notes that accompany the Governor's bill:

- Define the savings generated by the department's proposed program design on the AFDC component of the Public Assistance BRU;
- Identify the effect of increased child support collections on funding for the Public Assistance AFDC component;
- Request funds for Safety Net Services, including intensive case management and alternative living arrangements for teen parents as well as emergency food services for families;
- Provide for the costs of investigating the appropriateness of living arrangements for teen parents applying for AFIP benefits; and
- Cover the cost of the child support enforcement occupational licensing provisions on the administration of licenses for emergency medical personnel.

I. AFDC COMPONENT (ALASKA FAMILY INDEPENDENCE PROGRAM)

This legislation will authorize DHSS to implement a new program design to provide assistance to low-income families with children through the Alaska Family Independence program. Elements of the program design that produce significant costs and savings in the AFDC component are discussed here in greater detail than on the fiscal note itself.

Section 2 of the bill authorizes the Alaska Family Independence program. References in this section of the analysis point to sections of the proposed statutory language within section 2.

Seasonal Benefit Reduction for Two-Parent Families - 47.27.010(b)

This section authorizes DHSS to limit the eligibility or adjust the assistance to two-parent families. The Administration plans to use this authority to reduce payments to families that include two able-bodied parents by 50 percent during the months of July, August, and September when work is available.

Savings Assumptions:

- This provision is implemented July 1, 1997.
- In FY 98, an average of 1,702 two-parent families receive assistance during the summer months.
- The number of two-parent families receiving assistance each summer decreases by six percent each year.
- Average savings per case is \$394 per month for three months each year.

See chart at the end of this section for calculation summary

Benefits Based on Household Expenses - 47.27.025(a)

This section provides for the establishment of payment standards that take into account a family's income, assets, and other resources. DHSS will establish standards whereby families with lower living costs will receive smaller benefit payments than similar families paying full market price for living costs.

Savings Assumptions:

- Revised standards are implemented beginning January 1, 1997.
- 2,600 families per month receive a reduced benefit because they have low living expenses.

Benefits Based on Household Expenses - continued

- Implementation is phased in FY 97. In FY 97, the average grant reduction to affected families is \$125 per month for six months. Beginning in FY 98 the average reduction is \$175.

See chart at the end of this section for calculation summary

No Additional Assistance for Second Parent - 47.27.025(a)

This section provides that the amount of the assistance payment shall be based on the number of children in the family. The Administration intends to exercise this authority to eliminate the existing, additional \$102 payment for the needs of the second parent in AFIP two-parent households.

Savings Assumptions:

- Effective October 1, 1996.
- In FY 97 and FY 98 an average of 1,800 cases per month receive a reduced benefit. The two-parent caseload will decrease to 1,600 per month in FY 99, 1,440 in FY 00, and 1,360 beginning in FY 01.
- The number of eligible two-parent families decreases over time as other provisions of this bill take affect.
- Average savings per case is \$102 per month.

See chart at the end of this section for calculation summary

Increased Earned Income Disregards - 47.27.025, 47.27.005(2)

The earned income "disregards" (the amounts of money a family may earn before the earnings are counted against their assistance benefit) are designed to make work pay and encourage AFIP parents to work and gain job experience by allowing working families to keep some of the income they earn. DHSS will use the authority granted in this legislation to increase the earned income disregards.

Increasing the disregards produces increased costs because families with earnings receive larger assistance grants than they do under existing rules. The costs are more than offset by savings that result from increases in the number of families with a working member, increases in the earnings of working families, and from families that lose eligibility because of employment resulting from the increased incentives to work.

Increased Earned Income Disregards - continued

The Administration also plans to discontinue the current federal "100-hour-rule" which limits the number of hours the primary earner in a two-parent household may work without losing eligibility. The removal of this disincentive to work is expected to produce savings as well. Savings resulting from repeal of the 100-hour rule are included in these savings calculations.

Currently, the first \$90 per month of earnings are disregarded for all families. For the first four months an individual has earnings, an additional \$ 30 per month plus one-third of the remainder is disregarded. After the applicable disregards are applied, the remaining income reduces the family's monthly grant by 89.87 cents for every dollar of income.

Under the Administration's plan, the amount of a family's earned income disregard is increased substantially, then phased down slowly over four years, as the family approaches the five-year time limit.

The new earned income disregards will be the first \$300 per month plus 40 percent of the remainder for the family's first year on assistance. \$300 plus 30 percent in the second year, \$300 plus 20 percent in the third year, and \$300 plus 10 percent in years four and five. After application of the disregard, assistance will be reduced dollar-for-dollar by the remaining countable income.

Savings Assumptions:

- 100-hour rule is repealed effective October 1, 1996.
- Increased disregards are implemented January 1, 1997.
- Currently there are 2,367 households with earned income.
- The number of households with earned income will increase by 20 percent in FY 97 and by an additional 5 percent in FY 98 - FY 02.
- Average earnings by working recipients will increase 10 percent over base in FY 97 and rise to 20 percent in the ensuing five years.
- 1.5 percent of the AFIP caseload will leave the caseload because of increased income as a result of the increase work incentives FY 97. There will be a 3 percent caseload reduction in FY 98, reaching a 6 percent caseload reduction that will be sustained from FY 99 through FY 02.

See chart at the end of this section for calculation summary

Automobile Allowance - 47.27.025, 47.27.005(2)

Existing federal AFDC rules require that all but the first \$1,500 in the equity value of a family's vehicle be counted against the \$1000 AFDC asset limit. This policy is a significant disincentive and barrier to work, since families cannot own a reliable car that would help them find a job and keep working.

DHSS plans to use the rulemaking authority provided for in this bill allow families to own one vehicle regardless of value.

This provision incurs some additional costs because some families which would otherwise be ineligible because of the value of a vehicle would become eligible. This provision is expected to generate an indeterminate amount savings in the long term because families will be better equipped to remain employed when they have reliable transportation.

Cost Assumptions:

- This provision is implemented January 1, 1997.
- An average of seventy-six additional families per month become eligible.
- Average monthly cost per case is \$788.

See chart at the end of this section for calculation summary

Diversion Payments - 47.27.026

This provision will give families an alternative to long-term AFIP dependency by offering job-ready AFIP applicants a one-time lump-sum payment in lieu of ongoing eligibility, to meet critical needs while they obtain employment and/or child support.

Families which opt for a diversion payment will have the diversion payment counted as income if they reapply for AFIP within 3 months.

Savings Assumptions:

- This provision is implemented January 1, 1997.
- Currently, an average of 9,384 applications are approved for assistance each year.
- Three percent of the families applying for assistance will meet the criteria for a diversion offer and accept a diversion payment rather than receive AFDC benefits.
- The average diversion payment is \$1,600 per family.
- Fifty-five percent of the families that receive diversion payments will not reapply for AFIP within a year.
- Average monthly savings per case which avoids AFDC is \$788.

See chart at the end of this section for calculation summary

Assistance to Minors - 47.27.027

This section provides that, with specified exceptions, unmarried minor parents must live with a parent, another adult relative, or a legal guardian. If no such safe living arrangement is available, they must live in another adult-supervised living arrangement.

Savings assumptions:

- The new requirements are implemented beginning January 1, 1997
- Approximately 180 applications per year are received from unwed teen parents.
- 40 applications per year are investigated because the teen parent claims that the parents' home is unsafe.
- 16 of the cases referred for investigation are denied benefits because the teen does not cooperate in the investigation or because their parents' income disqualifies them when they live at home.
- Average monthly savings per denied case is \$821.

See chart at the end of this section for calculation summary

Sanctions - 47.27.030, 47.27.035, 47.27.085

The bill sections that require family self-sufficiency plans, participation in work activities, and the general sanction section all impose financial penalties on families that fail to comply with certain program requirements.

Savings assumptions:

- The sanctionable provisions are implemented January 1, 1997
- 9,404 families are subject to developing a self-sufficiency plan and participation in work activities.
- An average of 564 cases per year are sanctioned and receive a reduction in assistance. Average monthly savings per case is \$305.

See chart at the end of this section for calculation summary

Child Support Pass-Through Payments - 47.27.040

This bill section authorizes continuation of the \$50 per month child support pass-through payment.

Current federal law requires that the first \$50 per month of child support collected for children included in a single-parent AFDC case be paid to the AFDC custodial parent as an incentive for the parent to cooperate in the continued location of the absent parent and in the collection of support. Pending federal law changes will eliminate current federal funding for 50 percent of the cost of pass-through payments.

Cost Assumptions:

- Currently, \$1,200.0 per year is distributed as pass-through payments to AFDC families.
- \$600.0 per year is needed to replace the federal share of the cost of pass-through payments.

SUMMARY OF COST IMPACTS - AFDC COMPONENT

Family Independence Pgm	FY97	FY98	FY99	FY00	FY01	FY02	Total
Seasonal Benefits	\$ -	\$ (2,010.9)	\$ (1,891.2)	\$ (1,702.1)	\$ (1,607.5)	\$ (1,607.5)	\$ (8,819.
Benefits based on expenses	\$ (1,560.0)	\$ (5,460.0)	\$ (5,460.0)	\$ (5,460.0)	\$ (5,460.0)	\$ (5,460.0)	\$ (28,860.
No assistance 2nd parent	\$ (1,652.4)	\$ (1,652.4)	\$ (1,468.8)	\$ (1,321.9)	\$ (1,248.5)	\$ (1,248.5)	\$ (8,592.
Earned Income Disregards	\$ 2,276.6	\$ 1,110.4	\$ (1,820.7)	\$ (2,063.1)	\$ (2,050.6)	\$ (2,050.6)	\$ (4,598.
Automobile Allowance	\$ 181.6	\$ 363.2	\$ 363.2	\$ 363.2	\$ 363.2	\$ 363.2	\$ 1,997.
Diversion Payments	\$ (171.6)	\$ (343.2)	\$ (343.2)	\$ (343.2)	\$ (343.2)	\$ (343.2)	\$ (1,887.
Minor Teen Parents	\$ (78.8)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (865.
Sanctions	\$ (258.0)	\$ (516.1)	\$ (516.1)	\$ (516.1)	\$ (516.1)	\$ (516.1)	\$ (2,838.
Child support pass-through	\$ 600.0	\$ 600.0	\$ 600.0	\$ 600.0	\$ 600.0	\$ 600.0	\$ 3,600.
Totals	\$ (662.6)	\$ (8,066.6)	\$ (10,694.4)	\$ (10,600.8)	\$ (10,420.3)	\$ (10,420.3)	\$ (50,865.

II. PFD HOLD HARMLESS COMPONENT

PFD hold harmless program benefits replace public assistance benefits when receiving the dividend causes individuals to lose eligibility or have benefits reduced. PFD hold harmless funds approximately 10 percent of annual AFDC benefit costs. The AFDC component savings produced by this legislation produce proportionate savings in the PFD hold harmless program.

III. PUBLIC ASSISTANCE ADMINISTRATION COMPONENT (SAFETY NET SERVICES)

This legislation creates a need for additional **SAFETY NET SERVICES** for low-income Alaska families in addition to the services provided under the new Alaska Family Independence program.

In Section 2 of the bill, new statutory section 47.27.027 provides that a minor parent must live with a parent or another relative unless no such safe home is available.

Alternate Housing for Teen Parents - \$250.0

Pending federal welfare reform legislation requires states help teen parents find alternate housing if they cannot live at home. The only option the state currently has is foster care, with a limited number of available spaces.

These funds will be used to develop a supply of alternate housing for teen parents who cannot live at home. The contractor will evaluate various options, including foster care private homes, group homes, and "Second Chance Homes", which would provide shelter, as well as parenting, life skills, health and pregnancy prevention services to expectant teen mothers.

Transportation services for teen parents - \$25.0

Teen parents seldom have access to reliable transportation. Transportation assistance is needed to assure that they can attend school and utilize healthy family case management services.

"Healthy Family" case management services for teen families - \$135.0

This will support a collaborative project involving five state agencies and community grantees, which will pool existing resources to merge health, education and social services for pregnant teens and teen parents and their children. The project includes outreach, screening, assessment, and evaluation of services. **Intensive case management** will be used to assure the following **individualized services** in alternate settings to teens living on their own as well as teen parents living at home:

- prenatal medical care
- support services (help filling out paperwork, connecting with existing resources, meeting other pregnant adolescents and adolescent parents)
- screening and assessment for safety, housing, educational/vocational services
- intensive nurturing after birth
- help in completing education/vocation program
- education and treatment for smoking, drugs, and/or alcohol
- child development and parenting classes
- pregnancy prevention education and services
- social and life skills training (assertiveness, negotiating, budgeting, planning, etc.)

Emergency Food Services \$200.0 (FY 97); \$170.0 (FY 98 - 02)

During FY 95, 225 agencies in Alaska distributed or provided 2.24 million pounds of food to needy families and individuals. This community service is an essential part of the state's safety net. Most cash funding for food assistance is through the federal government; this money will be reduced by at least 10% in FY 97. Food donations are from the private sector - individuals as well as corporations and local groups. The State is involved in food assistance as a distributor of federal child care meal funds, school breakfast and lunch programs, food stamps, and commodities. The State does not now, nor does it plan to, distribute food on a local level.

Welfare and other low income families need emergency food in many situations. For example: they are waiting for their first pay check after starting a new job; they are waiting for unemployment benefits after being laid off; they are waiting for their application for assistance to be processed; an unexpected catastrophe happens to them; a veteran's benefit, SSI, welfare or other check is delayed or lost in the mail.

Because of their concern that welfare reform and its federal budget cuts will not only reduce funding for the food network, but also because changes to the welfare system will create additional demand for emergency food, DHSS joined with food distribution groups to organize the agencies in the food network as the *Alaska Food Coalition*. Agencies which distribute food run on extremely tight budgets, and many may have to close when federal cuts eliminate their slim operating budgets.

- In FY 97, \$30.0 will be used to contract with the Food Bank of Alaska, acting as agent for the Alaska Food Coalition, to complete an assessment of hunger in Alaska, which will: gather and analyze data necessary to: identify that portion of Alaska's population experiencing hunger; inventory food assistance programs and outlets in the state; identify areas where hunger needs are not being met; assess the impact of welfare reform on the food coalition agencies and the subsequent impact on Alaskan families; and make recommendations for ways to meet the food and nutrition needs of needy families in the state.
- \$85.0 per year will be granted as "seed money" to local organizations to establish and operate emergency food programs in their communities.
- An additional \$85.0 per year will be used as matching funds for other moneys raised by the coalition to purchase and install a 2,000 square foot \$167,000 freezer-refrigeration for the Anchorage statewide distribution center. Special transportation and installation costs will be another \$150,000. Currently food is turned away because of lack of freezing capacity; the freezer-refrigeration unit is the number one capital priority of the food distribution network. The Food Coalition will raise the remaining funds from other private and public sources.

IV. FAMILY AND YOUTH SERVICES, DFYS CENTRAL OFFICE COMPONENT

Teen Parent Living Arrangement Investigations In Section 2 of the bill, new statutory section 47.27.027 provides that a minor parent must live with a parent or another relative unless no such safe home is available.

These funds are necessary to administer and pay for contract investigations of the appropriateness of the family home when minor parents claim it is unsafe or inappropriate.

V. STATE HEALTH SERVICES, COMMUNITY HEALTH/EMS SERVICES

These funds are necessary to cover the cost of the child support enforcement occupational licensing provisions on the administration of licenses for emergency medical personnel.

REPORT ON THE WELFARE REFORM COMMUNITY MEETINGS



**A Summary of the Alaska Department of Health and Social
Service's Public Process on Welfare Reform**

January 1, 1996

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Executive Summary

The Community Meetings

A key strategy identified in the Governor's Blueprint on Welfare Reform (March 1995) was to seek public opinion. Governor Knowles believes it is vitally important to gather input from local people about how the state can best use available resources to help Alaskans become self-sufficient, while still protecting their health and welfare. In addition, the Department of Health and Social Services (DHSS) felt it critical to communicate to Alaskans these dramatic changes to the welfare system. To support this effort, the Alaska State Legislature appropriated money to DHSS to conduct community meetings on welfare reform over the summer and fall of 1995.

DHSS held a total of fourteen (14) public meetings across the state, and four (4) community call-ins, during August and September, 1995. DHSS also met with various groups of recipients at shelters or community service program locations, participated in several radio call-in programs (some with interpreters in rural areas). DHSS gathered written comments by circulating a questionnaire, and received 400 completed questionnaires by October 31, 1995.

Participants in each community meeting selected two delegates to represent the views of their community at a statewide meeting in Anchorage on October 5th and 6th, which was also open to the public.

What Alaskans Said

People showed strong support for community responsibility for managing welfare, particularly case management functions, yet recognized that existing community resources are already thinly spread. Alaskans believe that the system must change to become one that encourages and rewards work. People placed great emphasis on the need for the new system to foster responsible behavior by welfare recipients and penalize irresponsible behavior.

On the whole, the public endorsed holistic case management, to work with individuals to develop self-sufficiency plans, and to link families to training and support services needed to transition off welfare. Alaskans show great concern that time limits may leave rural families without support. They believe that more job opportunities are essential, with communities and the private sector key to job development. People view local and Alaska hire policies as fundamental to successful job creation. The scarcity of quality, affordable child care is viewed as a major barrier to employment. Alaskans were near-unanimous in their identification of stronger child support enforcement as essential to welfare reform.

OVERVIEW OF WELFARE REFORM COMMUNITY MEETINGS

SUMMARY OF PUBLIC COMMENT

- A. KEY ISSUES AND OUTCOMES OF THE DHSS WELFARE REFORM
COMMUNITY MEETINGS**
- B. COMMON THEMES FROM THE OCTOBER 5-6, 1995 STATEWIDE
WELFARE REFORM PUBLIC MEETING**

Overview of Department of Health and Social Services (DHSS)
community meetings on Welfare Reform
Summer/Fall 1995

Introduction

The reform of welfare and social service programs at the federal level will have sweeping impacts upon the citizens of Alaska. While federal welfare reform means the state will have more flexibility in designing a system unique to Alaskans' needs, it also means we will have substantially less money to work with in serving poor Alaskans. The new welfare system will also mandate that most recipients go to work and that benefits be limited to five (5) years.

A key strategy in the Governor's Blueprint for Welfare Reform is to seek public opinion. We believe it is vitally important to gather input from local people about how the state could best use available resources to help Alaskans become self-sufficient while protecting their health and welfare. In addition, the Department of Health and Social Services felt it critical to communicate to Alaskans these dramatic changes to the welfare system. To support this effort, the Alaska State Legislature appropriated money to DHSS to conduct community meetings on welfare reform over the summer and fall of 1995.

What DHSS Hoped to Accomplish

DHSS designed the community meetings to:

- **Work with** local governments and community organizations to decide how to design Alaska's social service systems.
- **Describe** to Alaskans how we predict the federal changes in welfare will affect the state.
- **Generate** community ideas for how to handle changes, gaps, and reductions of services.
- **Define** the roles of the State, local governments, and community organizations.
- **Speak** with a united voice for a strong, proactive approach towards welfare reform in Alaska.

Report on Welfare Reform Community Meetings

Welfare Reform Community Meetings
Summer/ Fall 1995

<u>Meeting Date</u>	<u>Community</u>	<u>Meeting Site</u>	<u># Attendees</u>
22 August	Anchorage	Fairview Recreation Center	50
23 August	Palmer	Mat-Su Borough Assembly Chambers	20
24 August	Kenai	Kenai Visitor & Cultural Center	25
29 August	Statewide village call-in		5
29 August	Fairbanks	Southside Community Center	40
30 August	Kotzebue	Chukchi Campus	10
31 August	Nome	Nome City Hall	25
12 September	Ketchikan	Ketchikan High School Library	20
13 September	Two Statewide village call-ins		10
13 September	Juneau	Centennial Hall	80
18 September	Fairbanks	Noel Wein Library	60
19 September	Fort Yukon	Native Village of Fort Yukon, IRA Tribal Building	15
20 September	Statewide village call-in		5
20 September	Anchorage	ARCO Towers Building	120
21 September	Bethel	Yupit Piciryarit Cultural Center	35
27 September	Wasilla	Mat-Su Alternative School	35
27 September	Eagle River	Chugiak High School	25
TOTAL			580

Community Meetings

DHSS held a total of fourteen (14) public meetings across the state, and four (4) community call-ins. Approximately five hundred and eighty (580) people participated in the community meetings and call-ins.

In planning the community meetings, DHSS invited local governments and community organizations to co-host the meetings, and to take an active role in publicizing the meetings within their communities and to their clients. DHSS contracted with the University of Alaska's Conferences and Special Events unit to coordinate the logistics of the meetings, and in many cases, community organizations assisted. The University contracted with The Growth Company to facilitate the 2 1/2 hour long public meetings to ensure an interactive, "friendly" process that effectively gathered peoples' ideas about how to design a responsive social service system in their particular community. DHSS did not want to impose a predetermined position about what welfare reform in Alaska should look like. To the contrary, DHSS believes firmly that decisions about the health and welfare of Alaskans must be made in partnership and in communication with Alaskans.

Child care was provided on-site at most of the meetings by local care givers, and refreshments were provided for meeting participants.

DHSS collected written comments by circulating a questionnaire at each community meeting and by distributing them to all Alaska Work Programs offices, Public Assistance offices, and to community organizations for distribution to clients. DHSS received four hundred (400) completed questionnaires by October 31, 1995, the results of which are compiled and presented in Section IV of this report. In addition to the community meetings, DHSS distributed information packets to organizations and individuals expressing interest in welfare reform so they could hold their own meetings and then submit their comments later.

Because the Department felt it critical to speak directly with recipients of public assistance about their opinions regarding welfare reform, Jim Nordlund, Director of the Division of Public Assistance and/or Commissioner Karen Perdue met with four groups of recipients at shelters or community service program locations in meetings sponsored by private organizations. Jim Nordlund also participated in several radio call-in programs (some with interpreters) that enabled people to ask questions and give comment.

Statewide Meeting October 5-6

Participants in the community meetings selected two delegates to represent the views of their community at a statewide meeting in Anchorage on October 5th and 6th. The statewide meeting was also open to the public. Its goals were:

- to fine-tune and clarify the information expressed in the community meetings;
- to seek solutions to problems standing in the way of effective, responsive welfare reform;
- to provide DHSS and the Governor with information upon which to base policy decisions.

The information and recommendations formulated at the statewide meeting were recorded by DHSS, circulated to the statewide meeting participants for comment, and presented to the Governor for use in crafting legislation.

Publicity

DHSS publicized the community meetings through:

- Radio Public Service Announcements
- Newspaper display advertising
- Press Release to Radio, Television, Newspaper
- Media Advisory to Radio, Television, Newspaper
- Flyers to community organizations and business
- Announcement to each recipient of AFDC through MMR
- Radio call-in shows
- Local government and community organization networks

A complete list of media contacts is provided in Appendix II.

Meeting Handouts

DHSS distributed the following materials at the community meetings: a meeting agenda; a letter from the Governor on welfare reform; sample discussion questions; key issues about welfare reform in Alaska; goals of DHSS' community meetings on welfare reform; definitions of terms; the State's core values for welfare reform as expressed in the March 1, 1996 Blueprint for Welfare Reform; myths and facts about welfare in Alaska; the demographics of welfare in Alaska; federal job training funds proposals; and differences between the U.S. House and Senate welfare reform bills. Press packets also included the executive summary and task team consensus points from the Blueprint for Welfare Reform, a complete schedule of the meetings, and a August 18, 1995 press release announcing the community meetings.

Key Issues and Outcomes
DHSS Welfare Reform Community Meetings
August - October 1995

- ◆ Strong support for **community responsibility** for managing welfare, particularly case management functions, coupled with recognition that existing community resources are already thinly spread.
- ◆ Recognition that the system must change to one that **encourages and rewards work**.
- ◆ Great emphasis on need for the new system to **foster responsible behavior** by welfare recipients and **penalize irresponsible behavior**.
- ◆ Endorsement of **holistic case management**, expanding traditional welfare casework to include working with individuals to **develop plans** for self-sufficiency, and link families to **training and support services** needed to get off welfare.
- ◆ Concern that time limits may leave **rural families** without support.
- ◆ Recognition that more **job opportunities** are essential, with communities and the private sector key to job development. **Local / Alaska hire** viewed as fundamental.
- ◆ Scarcity of quality, affordable **child care** viewed as a major barrier to employment.
- ◆ Near-unanimous identification of stronger **child support enforcement** as essential to welfare reform.

Common Themes
Statewide Welfare Reform Public Meeting
October 5-6, 1995

Meeting participants worked in small groups to develop responses to questions posed by DHSS. Questions are marked here with an arrow (⇒) symbol. Common themes in responses are marked with a bullet (•) symbol. Common Themes were items mentioned by at least four of the six small groups - they are not necessarily consensus items.

- ⇒ **1. Which needy Alaskan families with children should be eligible for benefits?** *[Because federal funding will be reduced and capped, Alaska may have to define the eligible welfare caseload more narrowly. Meeting participants were asked to identify categories of recipients and assign priorities for service.]*
- Single parent families
 - People living in areas of chronic high unemployment
 - Children living with a disabled parent
 - Children living with relatives who are not their parents
- ⇒ **2. Should unmarried teen parents receive benefits?** *[Federal legislation may give states the option to refuse benefits to unmarried minors and their children. Meeting participants were asked to submit recommendations.]*
- Yes, on condition they attend school. *[Teens who have not graduated from high school work toward a diploma or GED]*
 - Yes, with benefits in the form of services or vouchers (no cash)
- ⇒ **Should immigrants receive benefits?** *[Federal legislation may give states the option to deny assistance to non-citizens lawfully admitted to the U.S. and authorized to work. Meeting participants were asked to submit recommendations.]*
- Short-term benefits only
 - Limited benefits
- ⇒ **Should benefits be paid for children born to families already on welfare?** *[Federal legislation may give states the option to deny additional benefits for children conceived or born to women who already receive assistance for another child ("family cap"). Meeting participants were asked to submit recommendations.]*

- ⇒ Yes; limited benefits only
- ⇒ Yes; vouchers only, not cash

⇒ **3. Should the state exempt single parents with children under 12 months old from work requirements?** *[Federal legislation may allow states to defer work requirements until a family's youngest child reaches age one. If the State exempts this group, they will not count against the State in meeting minimum federal work-participation requirements for the caseload; nor will the state be required to guarantee child care for those who do work. Meeting participants were asked to submit recommendations.]*

- Yes

⇒ **Should the state exempt non-adult recipients from work requirements?** *[Federal legislation may allow states to exempt minors who have not finished high school from work requirements. This group would then not count toward the State's success in meeting minimum federal work-participation requirements for the caseload. Meeting participants were asked to submit recommendations.]*

- Yes, if they attend school and training programs.

⇒ **Should the state opt to require only 20 hours of work per week for parents with kids under 6?** *[Federal legislation may allow states to limit to 20 hours per week the work activity required of a parent who cares for a child under age six. Meeting participants were asked to submit recommendations.]*

- Yes. Don't require any work activity unless affordable child care is available.

⇒ **4. What should welfare recipients' responsibilities be?** *[Meeting participants were asked to create non-prioritized lists of recipient responsibilities.]*

- Become more self-reliant
- Complete education and training programs
- Improve parenting skills

⇒ **What should be sanctions for failure to comply?** *[Meeting participants were asked to create non-prioritized lists of recipient sanctions for failure to comply with their responsibilities.]*

- Positive reinforcement works better than sanctions
- Use vouchers instead of cash

⇒ **5. There are a number of barriers to employment for recipients such as lack of: a) child care, b) job training and c) transportation. How do we get beyond barriers to employment?** *[Meeting participants were asked to create brainstorm lists]*

- Better public transportation
- Transportation vouchers/bus passes
- Ride-sharing/ ride co-ops
- Local hire
- Employer incentives to hire recipients (tax breaks)*
- Employer-provided on-site child care
- Child care by recipients/ child care co-ops
- Conduct individual needs assessments
- Life skills training
- More education and training opportunities
- Organization networking

⇒ **6. In the next five years, over 6,000 welfare recipients must be working. How can we create jobs in Alaska?** *[Meeting participants were asked to create brainstorm lists]*

- Promote/support AFDC clients in establishing small businesses/ micro-enterprises
- Increase availability of child care
- Promote local hire
- Match job training to local economies
- Develop state incentives to encourage private sector involvement in job training and job development
- Encourage cultural art skills

* Although this option was mentioned by several groups, there was also some strong opposition to incentives specifically for recipients.

⇒ **What should we consider as work?** *[Meeting participants were asked to create brainstorm lists]*

- Education (high school, GED, college)
- Community service volunteering
- Subsistence activities
- Job training (including on-the-job training)
- Vocational training
- Paid employment, self-employment

⇒ **7. Should the state move to a case management approach, where case managers work with recipients to plan out a family budget and target benefit dollars in the most useful way to enable clients to become self-sufficient?** *[Meeting participants were asked to make recommendations.]*

- YES, go to case management, as long as it is not too intrusive.
- Case management services should be provided at local level by local organizations.
- Clients should be assessed and provided the level of service needed and case management needed -- "triage" model.

⇒ **Should this (case management) approach allow that cash benefits be reduced in exchange for other services such as job training, child care, transportation -- or should the cash benefit always be set according to a statewide standard scale?** *[Meeting participants were asked to make recommendations.]*

- State should establish standard scale for benefits -- with a minimum and maximum amount, allowing case managers to work with recipients to identify most appropriate mix of benefits within that range

⇒ **8. One way to set up a case management system that responds to local variations in service needs while maintaining some level of equity is for the state to set standards of service. What should statewide standards look like? Which rules should be decided at the local level?** *[Meeting participants were asked to make recommendations.]*

- State should establish statewide standards for minimum/maximum benefit levels.
- Other program rules should be developed locally -- based on individual need.

- ⇒ **9. With diminished government resources, how can we get supplemental resources (money or services) to help with the needs of the poor (e.g., churches, non-profits, businesses)? How can those efforts be coordinated?** *[Meeting participants were asked to make recommendations.]*
- Careful targeting of case management
 - Have recipients help, through peer counseling and networks
 - Improve communications and integration of services between agencies
 - Have non-profits and other existing agencies provide case management function.
- ⇒ **10. The State will be allowed to exempt from 10 to 20 percent of the caseload from the five-year time limit. Who should be exempt?** *[Meeting participants were asked to generate prioritized lists of exemption categories.]*
- Disabled adults
 - Parents with disabled children
 - People living in areas of chronic high unemployment/no local jobs
 - People caring for a disabled family member
 - Domestic violence victims (extend time for recovery)
 - Elderly caretakers on low, fixed income taking care of children
- ⇒ **11. Most adults will be limited to five years of benefits in their adult lifetime. How should the five year limit be managed?** For example, should the State set a shorter time limit, which could be extended in special circumstances? Should cash benefits be reduced incrementally over time? *[Meeting participants were asked to make recommendations.]*
- Each individual recipient should manage the limit (with the help of case manager)
 - Self sufficiency plans must reflect approaching limit
 - Gradually readjust benefit after 2nd year, looking at total picture based on progress and transition

⇒ **12. Federal law will require states to increase their efforts in collecting child support. What actions should Alaska take to increase child support collections?** *[Meeting participants were asked to make recommendations.]*

- Publish names of delinquent obligors
- Credit in-kind/subsistence items provided by obligors toward obligation
- Create amnesty/incentive programs to encourage payment on arrearages
- Improve inter-state enforcement
- Publicize/promote responsibility to make child support payments (posters, media spots, etc)
- Require community work/training for those who cannot pay support

⇒ **13. Federal law will require states to take actions to reduce out-of-wedlock births and will provide financial incentive for states that successfully do so. What should Alaska do to reduce out-of-wedlock births?** *[Meeting participants were asked to make recommendations.]*

- Increase availability of birth control information and contraceptives
- Promote self-esteem building programs for young girls and boys
- Educate teenagers about responsibilities of parenting
- Promote abstinence/ maintain availability of abortions
- Enact common law marriage in Alaska

⇒ **14. What measures should Alaska take to reduce welfare fraud?** *[Meeting participants were asked to make recommendations.]*

- Use electronic benefit or debit card system
- Increase penalties for fraud
- Increase use of vouchers

WELFARE REFORM QUESTIONNAIRE

- A. Summary of Questionnaire Responses
- B. Geographical Distribution of Questionnaire Responses

Responses to the Welfare Reform Community Survey
 Alaska Department of Health and Social Services
 November 2, 1995

This includes all 400 responses received through October 31, 1995.
 Not all questions were answered on some of the forms.

The following describes the *legends used* in this survey analysis:

- No.** identifies the number of responses to the question.
- Mean** is the average of all the responses.
- Median** is the midpoint with half of the responses higher and half lower.
- Mode** is the number with the most responses.

1. WHO SHOULD BE ELIGIBLE FOR WELFARE? Coming changes in federal law may allow states to redefine the categories of families that are eligible for public assistance. Please indicate how important you think it will be to provide assistance with basic living costs to the following categories of low-income families in Alaska:

4 = Essential 3 = Very important 2 = Somewhat important 1 = Not very important

	No.	Mean	Median	Mode
a) Single-parent families	390	3.2	3	4
b) Children left by their parents to live with other relatives	387	3.0	3	4
c) Children living with a disabled parent	391	3.5	4	4
d) Two-parent families	380	2.1	2	2
e) Legal immigrant families	381	2.0	2	2
f) Families who don't get child support from an absent parent even though it's owed to them	389	3.0	3	4
g) Families living in areas with chronic high unemployment	389	2.9	3	4

2. IMMIGRANT POLICIES. Federal law may soon cut off federal money for public assistance to *legal immigrants* (non-citizens who are allowed to work and live in the United States permanently). If this happens, do you believe that we, as Alaskans, should provide state benefits for immigrants who are Alaskans?

No. 357 YES 40 % NO 60 %

3. TIME LIMITS. Federal law may soon require a 5-year time limit on public assistance. The states will be allowed to define some categories of families that would be exempt from the time limit. Under what circumstances do you think benefit time limits should be extended longer than 5 years?

	No.	YES %	NO %
Illness of an adult?	380	83 %	17 %
No jobs available in the community?	371	57 %	43 %
Total disability of an adult?	390	94 %	6 %
No job skills?	377	17 %	83 %

Partial disability (work impairment) of a parent?	366	YES 70 % NO 30 %
Adult at home to care for disabled child?	386	YES 85 % NO 15 %
Lack of transportation to work?	376	YES 10 % NO 90 %
Adult needed at home to care for young child?	372	YES 45 % NO 55 %
Children whose parents have used up 5 years?	355	YES 50 % NO 50 %
Families owed uncollected child support?	365	YES 44 % NO 56 %

4. SCHOOL ATTENDANCE. Federal law may soon allow states to reduce a family's public assistance benefits if a child of school age has too many absences from school. Do you think that a family's assistance should be reduced if a school-age child doesn't attend school regularly?

No. 379 YES 70 % NO 30 %

5. CHILD SUPPORT. Reliable monthly child support payments, combined with other income, can help some single parent families live without welfare payments. Based on your knowledge of child support enforcement in Alaska, please respond to the following statements:

a) An unmarried teenage boy fathers a child out of wedlock. His parents should be required to pay child support for their grandchild until their son becomes an adult.

4 = Strongly agree 41 % 3 = Agree somewhat 27 %
2 = Disagree somewhat 10 % 1 = Strongly disagree 22 %

No. 396 Mean 2.8 Median 3 Mode 4

b) People who do not pay their child support should have their names published in the newspaper.

4 = Strongly agree 58 % 3 = Agree somewhat 18 %
2 = Disagree somewhat 09 % 1 = Strongly disagree 15 %

No. 392 Mean 3.1 Median 4 Mode 4

c) Someone who cannot pay child support because he is unemployed should be required to get a job, take job training classes, or perform unpaid community work.

4 = Strongly agree 76 % 3 = Agree somewhat 20 %
2 = Disagree somewhat 2 % 1 = Strongly disagree 2 %

No. 388 Mean 3.7 Median 4 Mode 4

6. LOCAL vs. STATEWIDE RULES.

a) How important do you think it is to have the same public assistance eligibility rules (the rules about who qualifies for benefits) for families everywhere in Alaska?

4 = Essential 41 % 3 = Very important 20 %
2 = Somewhat important 22 % 1 = Not necessary 17 %

No. 385 Mean 2.9 Median 3 Mode 4

b) How important do you think it is to have the same public assistance benefit amounts (the amount paid to similar families) for families everywhere in Alaska?

4 = Essential 31 % 3 = Very important 21 %
2 = Somewhat important 21 % 1 = Not necessary 27 %

No. 390 Mean 2.6 Median 3 Mode 4

7. PLANNING FOR PRIORITIES How important do you think the State should consider each of the following types of programs in planning the state budget?

4= Essential 3= Very important 2= Somewhat important 1= Not very important

	No.	Mean	Median	Mode
Cash benefits for families with children	332	2.8	3	4
Housing assistance	346	3.1	3	4
Child care assistance	343	3.4	4	4
Job training for welfare recipients	348	3.6	4	4
Emergency assistance	343	3.4	4	4
Medical assistance	348	3.5	4	4
Aid to the elderly	349	3.4	4	4
Aid to disabled children	348	3.5	4	4
Aid to disabled adults	343	3.4	4	4
Food programs	345	3.2	3	4
Adult training in reading and writing	346	3.2	3	4
Aid to homeless individuals	342	3.0	3	4
Energy assistance for working poor	344	3.1	3	4
Help with transportation to work	344	2.6	3	3

8. UNPAID COMMUNITY WORK.

a) Do you believe public assistance recipients who cannot find a job should be required to do unpaid work in exchange for their benefits?

No. 375 Yes 84 % NO 16 %

b) Do you think these unpaid workers should be allowed to do work that would normally be done by paid workers? **No. 351 YES 57 % NO 43 %**

Report on Welfare Reform Community Meetings

c) Exceptions: Do you think some recipients should be exempt from doing unpaid work?
No. 298 YES 74 % NO 26 %

If yes, who should be exempt?

- People who are partially disabled?No. 315 YES 52 % NO 48 %
- People who live in areas with no jobs?No. 316 YES 29 % NO 71 %
- Mothers with children under 1 year old?No. 325 YES 76 % NO 24 %
- Mothers with children under 2 years old?No. 321 YES 55 % NO 45 %
- Mothers with children under 3 years old?No. 322 YES 39 % NO 61 %
- Parents who cannot find or afford child care? No. 317 YES 52 % NO 48 %

d) Do you think some categories of recipients should be assigned to job training or school rather than unpaid work? No. 377 YES 94% NO 06 %

If yes, what categories?

- Teen parents?No. 367 YES 95% NO 05%
- Displaced homemakers?No. 346 YES 83% NO 17%
- Young adults with no diploma?No. 360 YES 90% NO 10%

e) Please respond to this statement: I believe that welfare recipients who are not employed should be required to do unpaid community work, even if it costs more money to operate community work programs than to simply provide a benefit check.

1 = Strongly Agree 2 = Agree somewhat 3 = Disagree somewhat
 4 = Strongly disagree 5 = No opinion

No. 285 Mean 2.2 Median 2 Mode 1

9. **EMPHASIS ON WORK.** In developing our welfare reform plans, how do you believe Alaskans should concentrate on moving recipients from welfare to work?

4 = Essential 3 = Very important = Somewhat important 1 = Not very important

	No.	Mean	Median	Mode
a) Providing temporary financial help to short-term unemployed families	378	3.3	3	4
b) Using public funds to subsidize paid employment for welfare recipients who cannot find non-subsidized jobs	369	2.6	3	2
c) Providing long-term financial help to families in areas with few jobs	377	2.5	2	2
d) Providing job training to welfare recipients ..	381	3.5	4	4
e) Running unpaid community work programs for welfare recipients who cannot find jobs	379	3.0	3	4

Summary by Location of Questionnaires Received
through October 31, 1995

AFN Convention	2
Akiak	2
Ambler	1
Anchorage	82
Bethel	12
Chugiak	7
Copper Center	6
Craig	1
Fairbanks	60
Fort Yukon	5
Gakona	1
Girdwood	1
Glennallen	1
Haines	2
Hooper Bay	1
Hydaburg	3
Juneau	39
Kaktovik	1
Kasigluk	1
Kenai	31
Ketchikan	12
Kipnuk	1
Kobuk	1
Kodiak	3
Kotzebue	58
McGrath	1
Mekoryuk	1
Nome	9
Nulato	1
Pump Station 2	1
Saint Mary's	2
Sitka	3
Tanacross	1
Unalaska	1
Unknown	24
Wainwright	1
Wasilla	21
Total	400

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Alaska.



Alaska State Legislature

Please enter into the record my testimony to the House Com. Regional Affairs committee name

committee on HB 400, dated Feb 20, 1996

bill/ subject THIS EVEN GOES AGAINST THE DECLARATION OF INDEPENDENCE.

This is another form of Unconst. illegal attacks on families, making it a crime to be poor because most poor families are not "politically correct". This bill and many like it are another back door for Communist take over (ie. social reform by many hidden names). This bill will not and does not help anyone to become more self-sufficient, it only promotes more dependency upon the government.

This bill is advocating the promotion of Healthy START and other like programs by way of back door tactics. It appears to read like the control of every aspect of a persons life taking away rights and freedoms guaranteed by the Constitution of the united States of America and by the Holy BIBLE. It appears to be promoting the destruction of families. The State appears to be wanting to recieve more Federal Bounty intended to Sever and Destroy families and still make various family members accountable for support even after RIGHTS have been severed. This bill is unconstitutional and appears to have the overtones of the COMMUNIST MANIFESTO, STATE INSTA-UTED FRAUD, misleading people into believing this is all for the "COMMON GOOD".

It appears to be another way of ~~robbery~~ from the people to separate them from any possible means of wealth they may obtain and get ahead. It appears to look like a way of getting people to ask or agree to what the hidden agenda is anyway. More Government Control is not what we need. This not a way of Freedom but of bondage. I don't agree with the renaming of this AFDC program and I don't agree with Section 36, page 35. I believe the Department of Health and Social Services and its employees, agents, grantees and any other like depart-ments, and Departments working for/or at request of Social Services should NOT be immune from prosecution or liability and neither should legislators who insist on giving more control to the Department of Social Services and its many leach departments or Departments given power to use. FORCE & FEAR tactics to cause the people to conform to what the "ELITE" wants.

GOD'S HOLY WORD COMMAND US TO BE RESPONSIBLE FOR OUR FAMILIES AND THE CHURCH TO BE RESPONSIBLE TO THOSE IN NEED. LET THE CHURCH DO THE JOB GOD INTENDED AND QUIT TRYING TO INTERFERE AND DESTROY FAMILY UNITY! QUIT TRYING TO JUSTIFY YOUR JOBS AND TRY HONESTY SOMETIME. GRANTED THERE ARE PEOPLE WHO NEED HELP BUT WONT GET IT BECAUSE OF THE FEAR CAUSED BY GOVERNMENT PROGRAMS AIMED AT CONTROLLING THE PEOPLE.

Signed: RESERVATION OF RIGHTS without Prejudice under UCC 1-207
Grannie Marie Phillips

Testifier BOARD OF DIRECTORS

GUARDIANS OF FAMILY RIGHTS / VICTIMS OF THE STATE

Representing (Optional)

FOURTH JUDICIAL DISTRICT % P.O. BOX 704

Address

DELTA JUNCTION, ALASKA REPUBLIC

Phone No. (907) 895-4865



Alaska State Legislature

H. Com -

Please enter into the record my testimony to the Regional Affairs committee name
committee on HA 400, dated 2-20-96
bill/ subject

AS I LOOK at these bills they only get worse, and worse and worst. This bill not only attacks the Constitution, Bill of Rights, and Magna Carta it goes one step farther. It's A direct attack on the Family the Backbone of our Country. THIS Bill will not help our families or our Government. This Bill will only steal the families wealth and make government spend more Revenues for more Departments, more personell and etc... And the end result will make the Government poorer. This bill will only Put WE THE PEOPLE under UN Rule / NEW WORLD ORDER, FEMA will enforce it and WE THE PEOPLE will suffer it under the whips of slavery and bondage, and the ELITE will enjoy it and glorify it. STOP selling WE THE PEOPLE down the tubes for FEDERAL FUNDING. STOP committing TREASON By making and passing UNGODLY and Unconstitutional LAWS.

Reservation of Rights without Prejudice under UCC 1-2.07

Signed:

[Signature]
Testifier Victims of State
Guardian of Family Rights
Representing (Optional) Concerned Sovereign Citizens
Address Fourth Judicial District
C/O PO BOX 1059
Phone No. Delta Junction Alaska Republic
8954805

Testimony on Welfare Reform
To: The State Welfare Reform Hearing

Re HB 400
February 20, 1996

By:
Don Shircel
Director Family Services
Tanana Chiefs Conference, Inc.

Mr. Chairman, thank you for allowing me this opportunity to share with your committee some of my concepts regarding the issue of tribally administered welfare reform programming.

My name is Don Shircel, I hold a Master of Science degree in Behavioral Disabilities and for the past 13 years I have been employed by the Tanana Chiefs Conference as the Director of Family Services. As such, I administer a wide range of private, state and federally funded social service programming with an annual budget of over \$5 million. Just a small portion of the over \$45 million in health and social service programs operated by TCC.

I have been charged with the responsibility to draft a tribal welfare reform program plan to present to the TCC leadership for their review. This has not been an easy task for me as all federal welfare reform legislation put forward to date which affords tribes the option to administer their own cash assistance programming requires that Regional Native Non Profits in Alaska provide programming comparable to that of the state. HB 400 is the first bill to afford tribes the opportunity to begin to put to paper more detailed program plans because it's the only state bill to date which anticipates this key tribal element of developing federal legislation and would allow tribes access to matching funds which the state would otherwise expend.

I share with this committee my concept paper and working draft in progress to offer you an insight as to our efforts toward developing a tribally administered Welfare Reform Program for communities in the TCC service area . . . and also to give you some point of reference as to what one such tribally administered program might actually look like on the ground in Alaska's Interior villages.

I request that as part of my testimony, you accept a draft copy of the Tribal-Community Collaboration program also known as the TCC Program and make it a part of the record.

Over the course of the past year, TCC along with the Alaska Federation of Natives and the Regional Native Non-Profits and tribes, has been working closely with our Congressional Delegation and the Administration to craft state and federal welfare reform legislation which would be more responsive to the local needs of rural Alaskan communities and begin to decrease the dependency created by the current Welfare System.

Our collective efforts during the past 12 months have focused on supporting legislation which allows tribes, together with the state, to address the recommendations of the Alaska Natives Commission.

This draft plan which I present to the committee today I believe addresses the issues presented in the commission's report and closely follows their recommendations regarding welfare reform programming.

Please review the draft TCC program concept paper attached and support the tribal provisions like those included in HB 400 in any welfare reform legislation which you may consider in this session.

Thank you.



Current income maintenance and family assistance programs must be restructured to meet a broader spectrum of needs of Alaska Natives in areas beyond the general scope of individual welfare. In time, the programs should be dismantled.



In undertaking this process, policymakers should have faith in the capabilities of Alaska Natives. If given the opportunity, they will feed themselves and their children. They will not go unclothed. They will find a way to clothe themselves and each other. They will not freeze to death for lack of housing. In the process they will begin to reclaim a sense of pride in who they are and what they can achieve. They will rebuild a sense of self-esteem and they will find purpose in life.



5. Federal and State regulations must be changed to allow for tribal design and management of government income support and maintenance programs, most notably: Aid to Families with Dependent Children, Food Stamps, State General Assistance, and the federal General Assistance program funded under the Bureau of Indian Affairs.

Discussion

What is generally viewed as a social "safety net" in contemporary American life has become more of a solid base from which many Alaska Natives now live their lives. Historically, Alaska Natives were a people capable of meeting their own and each other's needs through close familial and communal sharing and support systems. In modern times, an ever-increasing number of Native villages and families have become virtual economic wards of the federal and state governments. This is due mainly to the chronic unemployment situation in much of village Alaska together with the loss of control of local resources and local decision-making processes.

While financial assistance is necessary until the rural areas of Alaska become economically viable, there is a critical need to restore pride and self-esteem to Alaska Natives and a sense of community purpose to the villages. Unless real changes are made to the current system of income maintenance and financial support programs in Native communities, the overall well-being of Alaska Natives will continue to deteriorate.

6 Recommendation

ALASKAN Voices

"I don't mind about President Clinton saying he's going to cut the budget on welfare. I don't mind that... [As a] matter of fact, I feel more happy. Maybe it will save more of our Native young people. There's too much free money; if they don't know how to work, then other people in my village will show them how."

*Marylene Esmailka
Kaniat*

6. Utilizing government transfer payment receipts, tribal governments in Alaska should be permitted to design and implement local "workfare" programs that require productive, community development related employment where aid-eligible households have at least one able-bodied, employable member. Village workfare programs should be designed to provide adequate training, child care and other support services for participants.

Discussion

To the extent "welfare" programs are restructured as proposed in the foregoing discussion, the potential benefits to working members of households and their families are incalculable. Not only would there be a restoration of pride and self-esteem among individuals and families, but workfare programs could be fashioned to benefit communities by providing needed labor for, as examples, building and maintenance projects, and village planning and management.

There are any number of village projects toward which workfare funds can be directed, many of them related to improving the overall cleanliness and orderliness of communities. Others relate to increasing the ability of communities to manage and maintain village infrastructure, and improve local government administration. The money can also be used to augment educational and health service programs.

By offering a viable and honorable interim solution to the need for meaningful employment in village Alaska, such a move by government would complement various prevention, education and village health efforts proposed in other sections of this report.

DRAFT

The Tribal -Community Collaboration Program



A collaborative working partnership among Interior Alaska tribal members, their families and their communities designed to END WELFARE and initiate A TRIBAL WAY TO WORK — TOGETHER.

CONTACT:

DON SHIRCEL, DIRECTOR, FAMILY SERVICES
TANANA CHIEFS CONFERENCE, INC.
122 FIRST AVE., SUITE 600
FAIRBANKS, AK 99701
907/452-8251, EXT. 3229 (LOCAL)
1-800-478-6822 (TOLL-FREE, IN STATE)
1-800-770-8251 (TOLL-FREE, OUTSIDE STATE)
FAX 907/459-3851

DRAFT

Rev. 2/6/96

"I don't mind about President Clinton saying he's going to cut the budget on welfare. I don't mind that . . . [As a] matter of fact, I feel more happy. Maybe it will save more of our Native young people. There's too much free money; if they don't know how to work, then other people in my village will show them how."

*-Marylene Esmailka
Kaltag*

MISSION STATEMENT

The goal of the Tribal-Community Collaboration (TCC) Program is to strengthen individuals, their families and their communities by increasing their capacities to support each other through meaningful work and to develop local resources and jobs focused on decreasing dependency on cash assistance programs.

- STRENGTHEN individuals, families and communities
- Increase capacities to support each other through meaningful WORK
- Develop local resources and JOBS
- DECREASE DEPENDENCY ON CASH ASSISTANCE PROGRAMS

GUIDING PRINCIPLES

The TCC program is based on four guiding principles:

1. Every family has basic needs which must be met.
2. Every family has something to offer their community.
3. It takes a lot of work to meet the needs of a family and a community
4. In every community everyone should support each other in some way by the work that they do.

PRIMARY PROGRAM COMPONENTS:

1. Temporary Assistance
2. Community Savings and Investment Fund

Temporary Assistance

Temporary Assistance means just that. It doesn't last forever! It's a time limited resource that's made available for a maximum total of 60 months to aid and assist eligible households to provide for the basic (food, clothing and shelter) needs of their families. The Temporary Assistance component of the TCC program is designed to be a safety net to assure that no families or children are left in the cold or go hungry. It's based on the principle that EVERYONE HAS TO WORK together to support each other. . . but NO ONE GETS STUCK IN THE SAFETY NET.

The Temporary Assistance component of the TCC program consists of the following elements:

1. YOU WORK
2. YOU EITHER TEACH OR LEARN
3. YOU SET SPECIFIC WORK RELATED, TIME ORIENTED OBJECTIVES TO REACH YOUR GOAL WHICH IS TO SUPPORT:
YOUR SELF, YOUR FAMILY AND YOUR COMMUNITY
BY GETTING OR CREATING A JOB OR BY LIVING OFF THE LAND

THREE STEPS AND YOU'RE OUT

1. YOU WORK

Every head of a household receiving Temporary Assistance is required to work. Work begins immediately upon determination of eligibility and continues through a range of program work placements and work related activities. The number of hours worked are compensated by the amount of Temporary Assistance a household receives. If a family has a larger number of children they will receive an incrementally higher level of assistance and they will be required to work more hours. Heads of household will be required to work a total number of hours at a rate equal to 150% the established minimum wage. No participant shall be required to work more than 40 hours per week unless engaged in making up hours missed during the prior month. Failure to complete the number of hours required to meet the monthly Temporary Assistance for which the benefit household is eligible will result in a reduction of the monthly benefit. (Households are allowed three chances over any 12 month period to make up hours missed in a month during the ensuing month and will be reimbursed through their ensuing month's Temporary Assistance benefit payment. Any further failure to complete the required number of work hours in a month will result in a commensurate reduction of a household's Temporary Assistance benefit for the month with no option to make up the hours during the ensuing month. Holidays are not considered as work days and program participants will not receive credit for hours they would otherwise have worked during holidays.

Participant household heads will be excused from scheduled work hours for illness or the illness of a dependent household member upon written advisement of their local medical or mental health professional (Doctor, P.A., Nurse or Health Aide).

Waiver conditions comparable to those of the state's assistance programming for the head of household caring for a disabled child or other household member shall apply.

Tribal leaders in the TCC region don't like seeing able-bodied but needy members of their communities collecting checks for doing nothing. They are willing to put people to work attending to

the needs in their communities. In the small isolated villages of the TCC service area, there's plenty of work that needs doing but little in the way of paying jobs.

Program participants could help out village elders by chopping wood and hauling water - providing the types of services offered through the homemakers program. They could work in the village schools as aides to teachers or learn computer and other marketable clerical skills by working in the school office or the city or tribal offices. They could enhance their own knowledge of child development and learn useful child care skills by working as an aid for their local Head Start program. They could work with the cooks at the Elder Nutrition Program or the school or the Head Start nutrition programs and learn about careers in the culinary arts field. They could supervise youth activities, work as general laborers on community construction projects. They could help maintain public facilities like washeterias and electric generators. They could learn new skills, explore a wider range of employment options, add to their record of practical experience and become more marketable in the job market. More importantly they would feel good about themselves because they were doing something productive for their community and they would be viewed by others as such.

WORK and COMMUNITY COOPERATION are important traditional Athabascan values.

2. YOU EITHER TEACH OR LEARN

Life long learning and the willingness to train and retrain oneself to be competitive in today's changing job markets is an important part of an individuals employment (WORK) reportare. Participants in the TCC program will engage in work and work related activities which focus on either teaching or learning new skills which will help them to support their families and benefit their communities. Time spent in these Teaching and Learning activities will be credited as part of their required hours worked each month.

Each TCC program WORK participant will be required to complete an assessment of their interests and aptitudes. Any participant without a high school diploma or GED will be required to engage in regularly scheduled study for and completion of their GED within 18 months from the date of their application for Temporary Assistance. Unwed minor parents will be required to remain in school and maintain a passing Grade Point Average. Time spent in interest and aptitude assessment and classroom or regularly scheduled study group activities will be credited as part of the required hours worked for the month.

It is recognized that some program participants may have particular skills which could benefit other participants or community members. Teaching youth or another program participant how to set a net, to hunt, or to trap could afford them a valuable skill which could help them to meet their family's needs ("give a person a fish and they will eat for a day, teach a person to fish and they will eat for a lifetime"). Teaching sewing or how to process and preserve fish, meat and other subsistence harvests are useful self-sufficiency skills. Supervising wood cutters and teaching them how to fell trees imparts useful knowledge and can help hold down some of the administrative costs of the program. Participants whose individually written Family Interdependence Plan includes teaching a skill for which they have demonstrated aptitude may receive work hour credits for teaching these skills to others on a scheduled basis.

3. YOU SET SPECIFIC WORK RELATED, TIME ORIENTED OBJECTIVES TO REACH YOUR GOAL WHICH IS TO SUPPORT YOURSELF, YOUR FAMILY AND YOUR COMMUNITY BY GETTING OR CREATING A JOB OR BY LIVING OFF THE LAND.

The TCC program is a Temporary Assistance program. Unlike the current entitlement cash assistance programs such as AFDC, the TCC program and all components of the program have been designed with a beginning, a middle and most importantly, an end. Each participant will be assisted in developing a set of objectives with corresponding time lines to follow in the completion of each objective. This individually written Family Interdependence Plan will serve as a contract between the program and the recipient family. This contract shall serve as an individualized program to be followed by the participants and case worker. Failure to adhere to the tenets of the plan and its timelines will result in the discontinuation of cash benefits offered through the program. All Family Interdependence Plans will be developed within two weeks of the completion of interest and aptitude assessment and reviewed every three months by the participant and the caseworker. Each objective of the plan will focus on developing household resources, skills, practical experience and knowledge which will assist the participant over a maximum period of sixty (60) months to be able to support themselves and their families by getting or creating a job or by living off the land.

This particular element of the Temporary Assistance program component will rely heavily on the coordination and collaboration of numerous existing funding sources and services. The consolidation of the staff and services of tribal employment and training, education and social services programs will be necessary to effectively approach the comprehensive nature of this TCC program element and get participants off the program and into work. Programs such as Tribal Employment, Adult Vocational Training, Higher Education, Tribal Job Opportunities and Basic Skills (JOBS), Child Care and Development Block Grant and JOBS Child Care as well as the Low Income Home Energy Assistance, Vocational Rehabilitation and General Assistance, all currently administered by TCC and Interior tribal communities, employ a network of centralized, professional level staff who support locally based paraprofessionals in each village. A strong collaborative partnership and collective infrastructure already exists from which to develop the ongoing service delivery mechanisms of the TCC program and this component element. From processing applications to verifying reported household information, from conducting interest and aptitude tests to assisting participants in developing the objectives of their individually written Family Interdependence Plan, from developing and monitoring local work sites and teach or learn activities, to providing training and day care assistance to participant families, from helping participants prepare a resume to learning job interview skills, TCC has the current capabilities to consolidate its resources and assist families in meeting their needs and completing their goal to find or create a job and support their families within the time constraints of this program.

Community Savings and Investment Funds

The second component of the TCC program incorporates a GUARANTEED REDUCTION IN PROGRAM COST. There is a beginning, a middle and an end, with an objectively defined, time oriented goal of decreased dependency on state and federal funding.

Welfare entitlements have been in existence for the past 60 years (3 generations). The costs of these entitlements has been steadily rising through increases in the cost of living and the sheer numbers of households applying for, receiving and depending on state/federal cash assistance.

It is anticipated that within one generation this tribal plan will result in significant reductions of cost while increasing the actual number of local jobs and the capacities of communities to locally provide for the basic needs of their families.

Under the TCC program, 5 to 10% of each household monthly benefit amount will be set aside as funds to be saved and invested in each of the three following component elements according to the time schedule indicated.

YEAR	PROGRAM COMPONENT ELEMENT	COMMUNITY SAVINGS AND INVESTMENT FUND (APPROXIMATELY \$200,000 PER YEAR TOTAL)	ANNUAL INVESTMENT (10% SET ASIDE RATE)	TOTAL INVESTMENT OVER 5 YEARS (10% SET ASIDE RATE)
1-5	Food, Clothing, Shelter	50%	\$100,000	\$500,000
	Rainy Day Account	30%	\$60,000	\$300,000
	Economic Development	20%	\$40,000	\$200,000
5-10	Rainy Day Account	60%	\$120,000	\$600,000
	Economic Development	40%	\$80,000	\$400,000
10-20	Economic Development	100%	\$200,000	* \$2,000,000

* OVER TEN YEARS

1-5 years Food, Clothing, Shelter

Each community will establish and implement a plan to develop and maintain local facilities for emergency temporary housing and local caches of food and clothing. Investment funds will be made available to assist communities in establishing these local resources during the first five years of the program. The majority of actual resources (food, clothing, space) will be procured through existing private, local, state and federal programs. Investment funds will be used to supplement local efforts to coordinate and maintain inventories and facilities geared to provide for the emergency needs of families (i.e. the purchase of a freezer to store fish or game donated by community residents or the purchase of heating fuel to heat the space where emergency food is stored, materials to rehab a structure for storage or temporary shelter/housing, etc.).

Many tribal families currently reside in urban areas where employment opportunities are greater. Some tribal families who reside in Alaska's urban areas are currently receiving welfare assistance (AFDC). Aware that even the best intentioned and adequately staffed and funded welfare assistance programs may not be able to motivate or place in employment certain individuals during the five year maximum benefit period, tribal communities will need to be prepared to respond to the basic needs of families which might return to their home communities if they become unable to meet the costs associated with living in Alaska's urban areas (rent, groceries, transportation, etc.). Investment funds made available to tribal communities through the TCC program are intended to assist communities to be proactive in planning and developing local resources to meet the basic needs of families and children. No one should be hungry and no one should be left in the cold.

Like every component of the TCC program, the investment fund for the food, clothing and shelter has a beginning, a middle, and an end. While a certain level of resources will be needed to maintain such facilities and supplies even after five years, other sources will need to be identified through local planning efforts during the five year time frame.

1-10 years Rainy Day Account

An ascending proportion of the savings and investment funds will be set aside over a ten year period in liquid, interest bearing accounts to enable communities to respond to the concerns of western states (including Alaska) which have cited special needs due to increased population. While tribes anticipate that additional federal funds allocated to the state of Alaska for this purpose will be shared with the regional native non-profit organizations administering welfare assistance programming, the TCC program allows communities to reserve a portion of their investment funds to meet the needs of eligible families in the event of unanticipated conditions (i.e. local economic downturns, increased migration into the community, etc.)

Anticipated federal welfare reform legislation includes a cap on welfare assistance funding at the FY 1994 level. Tribes, like states, will be required to follow this arbitrary funding distribution based on the historical cost of cash assistance programming during a single year. A review of village family participation in the AFDC program during FY 1994 indicates a wide variance between tribal communities in some cases. It is difficult to determine the reason for these variances, (i.e. some communities may have had special projects like housing or other construction during that year and fewer families may have needed and applied for assistance, in other communities their fire-fighting crew may not have been called out for the season and their families may have needed and received assistance. In some villages it might have been an unusually good or unusually bad fishing season, etc.) Tribal communities need to have the capacities (and resources) to respond to the actual needs of eligible families which may arise over and above the historical spending level of cash assistance programming during FY 1994.

Like other aspects of the TCC program, the Rainy Day account established from investment funds is proactive and farsighted, looking to an additional programming option to respond to the basic needs of families and children.

The Rainy Day account also has a beginning, a middle and an end. After ten years of investment with compounded interest and conservative withdrawals for only special circumstances, it is anticipated that the account will sustain itself. (The Rainy Day account is just one of the several components of the TCC safety net and program cost reduction plan. It is anticipated that substantial cost savings will also be realized through the actual reduction of caseloads resulting from the proactive nature of the Temporary Assistance component and its five year limitation for all participants.) As such, we feel it is reasonable to anticipate that the Rainy Day account will be self sustaining after ten years of investment.

1-20 years Economic Development

If the three most crucial elements of a successful business are location, location, and location, then the three most crucial elements of a successful welfare assistance program are JOBS, JOBS, and JOBS. The TCC program will allow communities to use an ascending percentage of the savings and investment funds created to enhance local economic development activities over the course of the next 20 years.

Investment funds will be used in conjunction with other resources to develop local economies and create local JOBS. This challenge of Alaska's rural communities has not been met to date. This element of the TCC program is designed to help communities meet the challenge within one generation.

Capped at the FY 1994 level of funding, all welfare reform legislation will save dollars over time. While the cost of living is sure to increase during the next 20 years, the cost of this programming will remain at the 1994 mark. The TCC program incorporates a community savings and investment fund component to support three proactive elements which are phased in and out over one generation. The END result is a guaranteed cost reduction and savings to the state and federal government over and above that realized by capping the entitlement. Most importantly, the community savings and investment fund established by the TCC program enables communities to actively engage in the planning and creation of new sustainable resources and JOBS to assist their families in providing for the needs of themselves and their children by WORKING together.

CONCLUSION

This program, or any like it, needs only to exist until the economies of Alaska's villages can support enough meaningful jobs in which all able bodied people can work and earn a living for themselves, and properly feed, clothe, and shelter their families. At that time, not the state or federal government, but the communities themselves will be in a position to do what they have done in the past. Together, families in every community will be able to watch out for the less fortunate among themselves and they'll do it better than this state, this program or anyone else can. Until then, the Tanana Chiefs Conference in partnership with the State of Alaska and the tribal communities of the Interior intends to work together and help people get to WORK.

Comments on this program concept draft are invited. Please contact TCC at the address, telephone or facsimile numbers indicated on the cover page of this document.

-Basee'

Anchorage Daily News

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Founded in 1946 by Norman C. Brown

Welfare snafu

Innovative reform hits a roadblock

What happened to the Tanana Chiefs Conference should serve as a warning to would-be welfare reformers. The road ahead is even harder than you may think.

The Interior tribal organization had an excellent idea for turning a federal handout into a program that reinforces traditional culture and the value of work. But between the concept and the execution, TCC's great idea got snagged in some obscure corner of an impenetrable federal bureaucracy.

TCC's leaders didn't like seeing able-bodied but needy members of the tribe collect checks for doing nothing. Instead, they offered to put people to work, attending to needs in their home communities. Many of the needy live in small, isolated villages where there's plenty of work that needs doing, but little in the way of paying jobs.

TCC got a pledge of money for the project and not much more. The group started operations, then had to haul the federal Bureau of Indian Affairs into court to get the funds it had been promised. At last report, the future of the TCC project was in limbo and attempts to get the BIA to explain ran into the proverbial bureaucratic stone wall.

Which is a pity. As the nation debates how to overhaul welfare programs, we should be trying to encourage innovations like TCC's. With its emphasis on work and serving the community, TCC's program could be an excellent model for reform.

Delegation follows Don Young's drive to include tribes

Final welfare reform push begins

"I have made a commitment to American Indian tribes and Alaska Native groups to ensure that the government-to-government relationship between the U.S. government and tribes is honored and followed within the contents of the welfare reform bill," wrote Alaska Congressman Don Young in an Oct. 13 letter to House conferees.

Since March, Young has doggedly pursued welfare reform provisions that will empower tribes to locally administer their own programs.

In his Oct. 13 letter, the Congressman cited an earlier commitment of the House leadership to support provisions in conference committee to allow tribes and Alaska Native groups to apply for certain block grants on the same basis as states. The provisions Young is backing also will allow tribes, for the first time ever, direct access to other federal funds.

"These provisions allow tribes the opportunities to implement welfare reform in the unique context of Native American communities," Young wrote. He went on to say, "These provisions continue the special government-to-government relationship between the federal government and American Indian tribes and Alaska Native groups in an important area, long neglected by the welfare system."

"I give Don Young a lot of credit for bringing the issue to this point," said Mitch Demuentheff, chief of the Native Village of Nenana. "I expect if anybody can finish the job, it will be our Congressman. We expect that Congressman Young, working with Senators Murkowski and Stevens will see this important measure through."

"All three members of the Alaska delegation will have to meet personally with their colleagues on the conference committee to assure that tribes will have the option to participate in welfare reform," said Will Mayo, president of Tanana Chiefs. "We are very happy with our delegation's willingness to work hard on the issue and we fully expect they will get the job done."



Aleutian/Pribilof Islands Association, Inc.

401 E. Fireweed Lane, Suite 201
Anchorage, Alaska 99503-2111
Phone (907) 276-2700

February 20, 1996

Mr. Ivan Ivan
State Representative
Capitol Building
Room 503
Juneau, Alaska 99801

Re: Welfare Reform Act

Dear Representative Ivan:

On behalf of the Aleutian/Pribilof Islands Association, I would like to respond to **House Bill 400**.

1. NATIVE NON-PROFIT AND TRIBAL EXPERIENCE

Since the passing of the Jobs Opportunities and Basic Skills Training Program by the Federal Government in 1990, A/PIA has participated in the JOBS Program providing job readiness training, job preparation and job placement for eligible participants. We are schooled, skilled and educated in the program methods of assisting clients to be better prepared to enter in the work force. Since 1993, we have participated in the State Job Child Care Program and the Federal HHS/ACF Child Care Program, providing child care assistance to eligible clients.

A/PIA services the Aleutian/Pribilof Islands Region which consists of 12 Tribes in ten communities with a population of 2,200 Natives and 4,600 non-Natives. This region-wide coverage allows direct on-site assistance. We have over 60 personnel -- 36 personnel are field staff throughout the ten communities in the region, therefore, we have the on-site ability to provide hands-on assistance to the clients.

2. COSTS

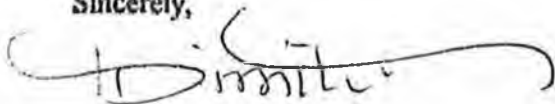
The Community Services Department currently administers 19 Federal and State Programs. Each of these programs have their own regulatory and statute requirements to administer the programs, administrative cost requirements on indirect rates, and program delivery requirements. For the past 20 years, A/PIA's Community Services Department has met each of these requirements for each program and has a successful track record. Should the State, through the passage of the Welfare Reform Act, provide the accessibility of the tribes to handle direct welfare benefits to eligible clients, Native and non-Native in our region, we guarantee these services will be provided through the required regulations in a timely and cost effective manner. A/PIA has a track record of providing the necessary services while remaining within budget. We are a region-wide body and have the economy of scale to service the clients needs within the scope of work and budget requirements.

Due to the specific nature of the clientele needs in our region and upon the passing of the Welfare Reform Act, we will request a meeting with the State Department of Health and Social Services Division of Public Assistance to participate in the creation of regulatory requirements to meet the needs of the clients in our region and request a waiver provision to be utilized to waive those requirements to eliminate barriers for providing the best service to the clients in our region. A/PIA is willing and able to work with the Child Support Enforcement Division to meet the requirements of collecting child support in conjunction with providing welfare benefits.

A/PIA looks forward to the passing of the State's Welfare Reform Act. We feel the Act is in the best interest of the families in need. We also look forward to participating in the development and delivery of services. Also, we request for this Act to include a provision for the Alaska Native organizations to receive State matching funds for JOBS program participants.

If you have any further questions, please let me know.

Sincerely,



Dimitri Philemonof
Executive Director

cc: Senator Torgerson
Jim Nordlund, Director
Commissioner Karen Perdue

Alaska Native Coalition on Employment and Training

320 West Willoughby, Suite 300
Juneau, Alaska 99801
(907) 586-1432

Aleutian-Pribilof Island
Association

Association of Village
Council Presidents

Bristol Bay Native
Association

Central Council of
Tlingit & Haida Indian
Tribes

Cook Inlet Tribal
Council

Chugachmiut

Kawerak, Inc.

Kenaitze Indian Tribe

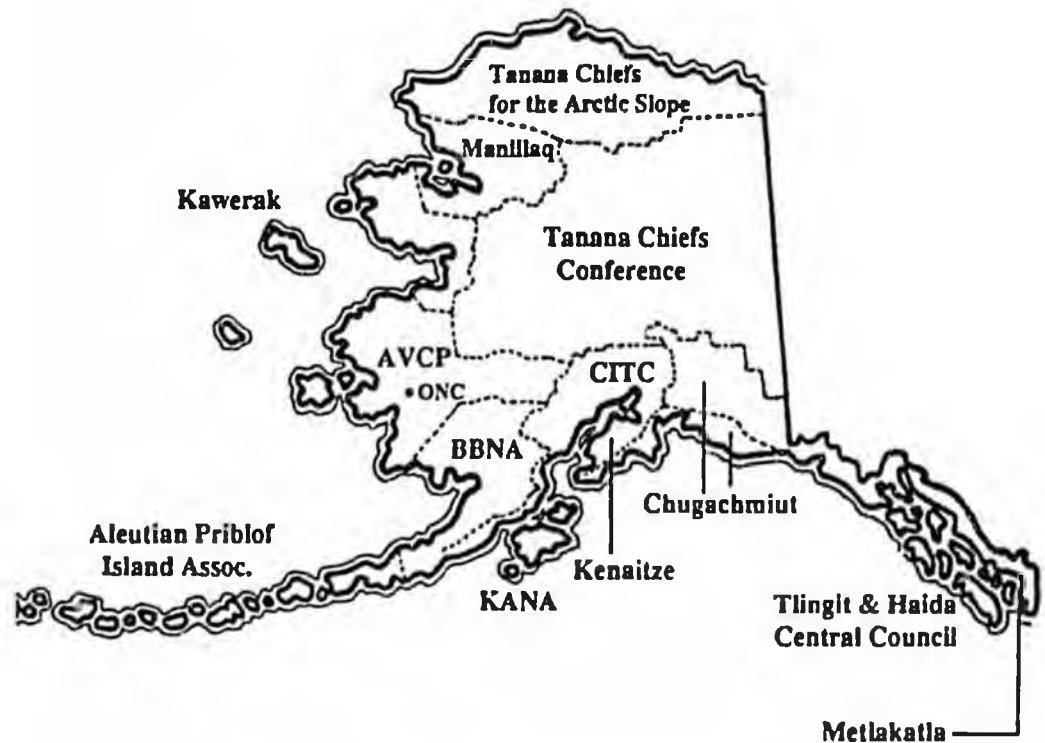
Kodiak Area Native
Association

Maniilaq Manpower

Metlakatla Indian
Community

Orutsarmuit Native
Council

Tanana Chiefs
Conference, Inc.



WHAT IS ANCET?

ANCET is the acronym for the **Alaska Native Coalition on Employment and Training**. A statewide organization, ANCET is comprised of representatives of thirteen (13) Alaska Native organizations and tribes. Members administer programs under the Job Training Partnership Act (JTPA) and, in most cases, the Job Opportunities and Basic Skills (JOBS) component of the Family Support Act.

WHAT IS JTPA? WHAT IS JOBS?

JTPA is a federally funded program under the Department of Labor which provides employment and training opportunities for the economically disadvantaged, unemployed and underemployed. All participants under the ANCET-member JTPA programs must be Alaska Native, American Indian or Native Hawaiian. JOBS, a federally funded program under the Department of Health and Human Services, is designed to ensure that recipients of Aid to Families with Dependent Children (AFDC) receive the education, employment and training services they need to avoid long-term welfare dependency. All participants under ANCET-member JOBS programs must be Alaska Native.

BACKGROUND

ANCET was originally formed in 1982 as the Alaska Native Employment and Training Coalition and represented fifteen (15) Comprehensive Employment and Training Act (CETA) Native grantees. CETA was phased out and replaced by JTPA in 1983.

MISSION STATEMENT

It is the mission of ANCET to act from a statewide perspective on employment and training issues and concerns specific to Native people. JTPA and JOBS clients receiving funding under programs administered by ANCET members must be economically disadvantaged, unemployed, underemployed or recipients of AFDC. In an effort to best serve these clients, ANCET tracks issues and legislation on the national, state and local levels which may impact our funding or enhance or encroach upon our programs through shifts in philosophy or direction.

FUNDING

Alaska Native grantees receive funding directly from the federal government through the Department of Labor, Division of Indian and Native American Programs, and the Department of Health and Human Services Family Support Administration. Grantees administering consolidated programs under P.L. 102-477 also work with the Bureau of Indian Affairs Office of Self-Governance.

AREA

ANCET represents Alaska Native organizations and tribes throughout the state and serves areas as diverse as Metropolitan Anchorage, with approximately 1/2 the state's population, to remote villages of less than 50 people. Very few of these rural communities are accessible by road, providing a real challenge in the provision of employment and training services within the ANCET service delivery areas.

WHAT'S AHEAD FOR ANCET?

ANCET is currently in the process of implementing technical and training assistance specific to Alaska's special needs, increasing formal linkages with other organizations and continuing to define, redefine and address those employment and training issues and concerns which will most impact Native communities across the state. A number of ANCET members are working toward consolidation of employment and training programs under Public Law 102-477, The "Indian Employment, Training and Related Services Demonstration Act of 1992."

CURRENT ANCET OFFICERS

Sharon Olsen (THCC)	Chairperson
Donna L. Scott (THCC)	Vice-Chairperson
Connie Hogue (KANA)	Secretary
Ken Selby (APIA)	Treasurer

AFFILIATIONS

Members of the Alaska Native Coalition on Employment and Training also belong to the following organizations and sit on the following boards and committees.

Adult Basic Education Council
Adult Learning Programs of Alaska Board of Directors
Alaska Federation of Natives
Alaska Native Brotherhood and Sisterhood
Alaska Native Employment Network
City and Borough of Juneau Affirmative Action Committee
Council for Tribal Employment Rights Board of Directors
National Child Care and Development Block Grant Work Group
Nation Congress of American Indians
National Indian Education Association
National JIPA Native American Programs Advisory Council
Northwest Arctic Borough Assembly Economic Development Committee
Rural Alaska Resource Association
Statewide Advisory Committee on Vocational and Technical Education
University of Alaska-Anchorage Affirmative Action Committee
University of Alaska Student Development and Learning Assistance
Advisory Committee
Welfare Reform Tribal Work Group

ALASKA NATIVE COALITION ON EMPLOYMENT AND TRAINING

Maggie Kowchee, JTPA Director
Kawerak Incorporated
P.O. Box 948
Nome, Alaska 99762
PHONE: 907-443-5873
FAX: 907-443-3708

Mary Ann Tweedy, JTPA Director
Kenaitze Indian Tribe
P.O. Box 988
Kenai, Alaska 99611
PHONE: 907-283-3633
FAX: 907-283-3052

Connie Hogue, JTPA Director
Kodiak Area Native Association
402 Center Avenue
Kodiak, Alaska 99615
PHONE: 907-486-5725
FAX: 907-486-2763
Toll Free: 800-478-5721

Ruthie Munroe, Training Specialist
Maniilaq Manpower
P.O. Box 725
Kotzebue, Alaska 99752
PHONE: 907-442-3860
FAX: 907-442-2003
Toll Free: 800-478-3860

Mae Edwards, Director
Metlakatla Indian Community
P.O. Box 8
Metlakatla, Alaska 99926
PHONE: 907-886-5872
FAX: 907-886-7997

Donna Scott, Director
Employment and Training
Tanana Chiefs Conference, Inc.
122 First Avenue
Fairbanks, Alaska 99701
PHONE: 907-452-8251
FAX: 907-459-3851
Toll Free: 800-478-6822

Karole Kohl, JTPA Director
Orutsararmiut Native Council
P.O. Box 927
Bethel, Alaska 99559
PHONE: 907-543-2608
FAX: 907-543-2639

Ken Selby, Director
Aleutian Pribilof Islands Association
401 East Fireweed Lane
Anchorage, Alaska 99503-2111
PHONE: 907-276-2700
FAX: 907-279-4351
Toll Free: 800-478-2742

Alexie Morris, Director
Association of Village Council Presidents
P.O. Box ~~248~~ 219
Bethel, Alaska 99559
PHONE: 907-543-3521
FAX: 907-543-3596
Toll Free: 800-478-3521

Marlee Fatuesi, Manager
Employment and Training
Bristol Bay Native Association
P.O. Box 310
Dillingham, Alaska 99576
PHONE: 907-842-5257
FAX: 907-842-5932
Toll Free: 800-478-5257

Sharon Olsen, Manager
Employment and Training
Central Council of Tlingit and Haida Indian Tribes
320 West Willoughby, Suite 300
Juneau, Alaska 99801
PHONE: 907-586-1432
FAX: 907-586-8970
Toll Free: 800-478-1432
Direct Line: 907-463-7134

Joyce Wemark-Birdinground, Director
Chugachmiut and Copper River Native Association
4201 Tudor Center Drive, Suite 210
Anchorage, Alaska 99508
PHONE: 907-562-4155
FAX: 907-563-2891
Toll Free: 800-478-4155

Ramona Suetopka-Duerre, Director
Community Services
Cook Inlet Tribal Council
670 West Fireweed Lane, Suite 200
Anchorage, Alaska 99503
PHONE: 907-265-5900
FAX: 907-265-5947

ALASKA NATIVE COALITION ON EMPLOYMENT AND TRAINING

**320 West Willoughby Avenue - Suite 300
Juneau, Alaska 99802**

Phone (907) 586-1432 Fax (907)586-8970

Testimony on Welfare Reform Legislation

February 20, 1996

By: Sharon Olsen, ANCET Chairperson

ANCET is the acronym for the Alaska Native Coalition on Employment and Training, which is a statewide organization comprised of representatives of thirteen (13) Alaska Native organizations and tribes. Members administer programs under the Job Training Partnership Act (JTPA), the Job Opportunities and Basic Skills (JOBS) and, in most cases, BIA Employment Assistance Programs and other related programs designed to assist tribal members find employment and become self-sufficient. ANCET was formed in 1982 to act from a statewide perspective on employment and training issues and concerns specific to Native people. ANCET tracks issues and legislation on the national, state and local levels which may impact our funding or enhance or encroach upon our programs.

My testimony today will describe our past experience administering a Tribal JOBS Program; how PL 102-477 is similar to a block grant and our recommendations.

Tribal JOBS:

In 1989, states and tribes were invited to contract with the government to administer the Job Opportunities and Basic Skills (JOBS) program, this was before regulations were developed. The State of Alaska did not administer JOBS until 1990, but the tribes in Alaska took the challenge and started Tribal JOBS programs in 1989. The purpose of the JOBS program was so closely related to what tribes were already doing, that it was not difficult to immediately implement a Tribal JOBS Program. Our tribal programs were designed to assist those economically disadvantaged, unemployed, underemployed and recipients of welfare benefits, to receive the education, employment and training services needed to become self sufficient. The JOBS grants have always been small (i.e., T&H received \$119,000 to serve 21 Southeastern communities). We had to use what ever funds were available to assist JOBS clients. My message to you is hopefully clear, that we have been working to reduce welfare all along and can only do so much with limited funds. We have many years of experience working with the state and federal government and have dealt with regulatory requirements and waiver procedures, which is what would be required if tribes did enter into a block grant. Example, we are working with the state in changing existing regulations to allow tribes to have better access to state programs. Tribal Grantees have requested lists of those Native AFDC clients who are eligible for Transitional Child Care. This would enable us to notify clients and begin working with them to ensure they receive Transitional Child Care benefits. I am proud to say, we have served more AFDC clients than what we stated in our JOBS Plan. We have been able to improve their reading, writing or job skills through the participation in JOBS. Many have obtained employment and have stayed off AFDC. Due to the short notice of this hearing, ANCET was able to compile limited statistical data on a statewide perspective, but each ANCET organization has their own regional reports available upon request.

The lack of employment and training opportunities in rural communities is a constant barrier for us. We have become creative in our efforts to develop job opportunities and meet training needs, which was possible because of our program flexibility. ANCET recognized the need to form partnerships and network with other groups in order to address and promote economic development. Just last week, Tlingit and Haida started a 6-9 week laborer/carpentry training program, that will result in employment, for 18 tribal members participating in our General Assistance/Tribal Work Experience Program (TWEPE). Over 60 clients applied, but we could only fund 18 to participate. This was a joint venture with UAS providing the instructors, Tlingit and Haida Regional Housing Authority providing the work experience and Tlingit and Haida Central Council providing financial support, while in classroom training and while on-the-job training.

Consolidation of Programs under PL 102-477:

Self-Governance and PL 102-477 is running on a parallel track with Congress' Block Grant initiative. Alaska tribes are leading in the effort to adopt the integrated approach to providing services. Of the ten approved plans under PL 102-477, six are Alaska Native tribes and organizations. Since the passage of PL 102-477 more than two years ago, Indian tribes and Alaska Native organizations have worked as partners with three federal agencies to develop a new way of doing business in the delivery of employment, training and related services to Native people and Native communities. As joint partners, tribes and federal agencies have taken steps to remove impediments and reduce burdens which interfere with the effective delivery of these services. Tribal participation is voluntary, a factor which means that each participating tribe has made a decision for itself to adopt the integrated services approach. For the first time, tribes are able to design solutions and tailor their services to meet their specific and unique needs. Contracting under PL 102-477 has allowed tribes to design programs to target clients needs more effectively and efficiently. More time is available for client services, since less time needs to be devoted to federally-dictated paperwork. Innovation in the provision of services is encouraged. Federal requirements are developed with tribal circumstances in mind and in direct partnership with tribal representatives.

Recommendations:

1. Strengthen the government to government relationship between Alaska tribes and the state government. Tribes must be consulted in the development of the state waiver requests.
2. Support Governor Knowles inclusion of a tribal match for FY 97. It only seems fair the state would match the Tribal JOBS programs, as they do the State JOBS Program, as equal treatment for all Alaskans. It has been documented over and over again, that it costs more money to serve clients in rural communities, especially when you are faced with multiple barriers and limited resources. The cost of living in many of the villages are 2-6 times more than in urban areas, namely food and rent; services such as electricity and heating fuel; water and sewer, etc. Alaska Natives make up 35% of the State's AFDC caseload for FY 96 (% taken from Gov. Knowles' "Facts About AFDC in Alaska").

3. Stimulate economic development to insure there are jobs for all our people, with a special emphasis on creating job opportunities for those dependent on public assistance. We need strong collaboration between tribal contractors and state agencies. Enforce local hire in both federal and state contracts. Monitor the jobs that come to the villages and pay attention to who benefits from employment opportunities and correct what is wrong with the system.
4. We are concerned about some of the pending mandates and how they will affect our programs, i.e., time limits for participants may not be sufficient for clients needing to complete course work at the village level through long distance delivery; training limits may not take into consideration the clients need for remedial, developmental or GED courses prior to higher education or vocational training, not to mention the unavailability of such programs in many of the villages. Tribal governments must be consulted in the development of the state waiver requests.
5. About three dozen states are currently implementing their own versions of welfare reform through the waiver process. No state has yet used the waiver process to turn over the administration of its cash benefits program to tribal governments. Alaska has an opportunity to be first. Alaska tribes were first in compacting BIA programs under Self Governance and first in consolidating their programs under PL 102-477, which is a true demonstration of tribal capabilities and leadership. Those tribes willing and able should be invited to contract with the state for a block grant as a demonstration project, until Washington, D.C. passes Welfare Reform Legislation.
6. Tribal JOBS Plans for the next two years must be developed this year. With so many unanswered questions regarding Welfare Reform, it makes for a difficult planning process. We need to know how the state's Welfare Reform Plan will effect tribes.

More information is available upon request. Thank you for considering our recommendations.

Sincerely,

Sharon Olsen, Chairperson
Alaska Native Coalition on Employment & Training

Enclosures

cc: ANCET Members
Alaska Federation of Natives
Alaska State Legislature
Governor Tony Knowles
Lt. Governor Fran Ulmer
BIA, Central and Area Offices
USDOL
USHHS
PL 102-477 Tribal Workgroup
Tribal Organizations

◆ Employment & Training ◆

NEWS RELEASE

March 10, 1994

FROM THE PRESIDENT OF TLINGIT & HAIDA

Edward K. Thomas

Consolidated Programs

It is a "historic day" for Tlingit and Haida! We recently received approval to consolidate funds we receive for employment, training, and related services under several separate federal programs into a **single comprehensive program**. This has been done through Public Law 102-477. It enables our Tribe to increase the effectiveness of services, reduce joblessness, and further self-determination. PL 102-477 is a demonstration to test an innovative approach for integrating fragmented employment and training programs. The Tlingit and Haida Consolidated Plan will decrease administrative burden and allow the Tribe to improve the effectiveness of services.

Central Council commends Sharon Olsen, Manager of Employment and Training, for the development of the Consolidated Plan. Implementation of the plan will begin immediately.



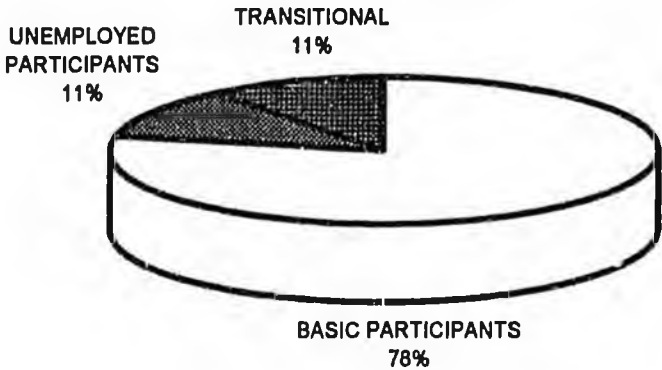
Ed Thomas, President T&H Central Council, and Ada Deer, Assistant Secretary Bureau of Indian Affairs, signing the Consolidated Programs Agreement. March 1994, Washington, DC.

Major Significance

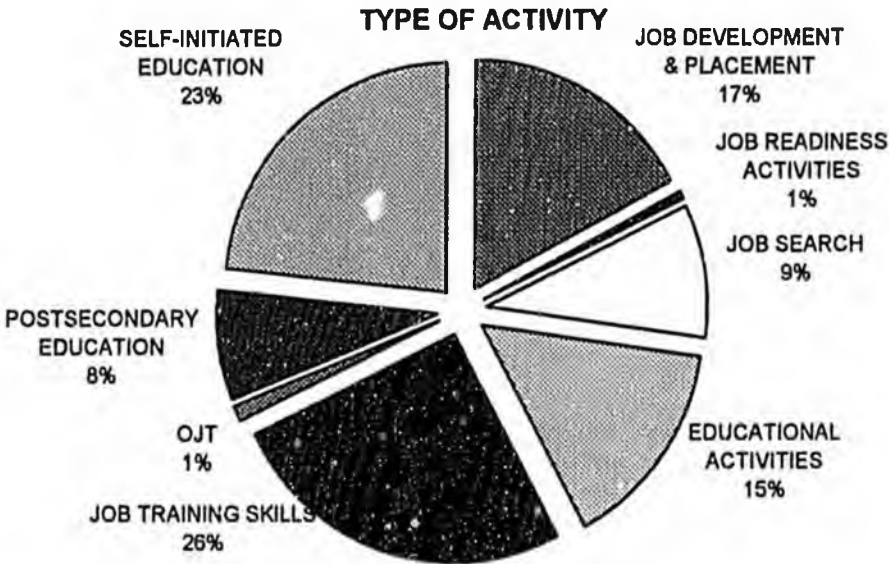
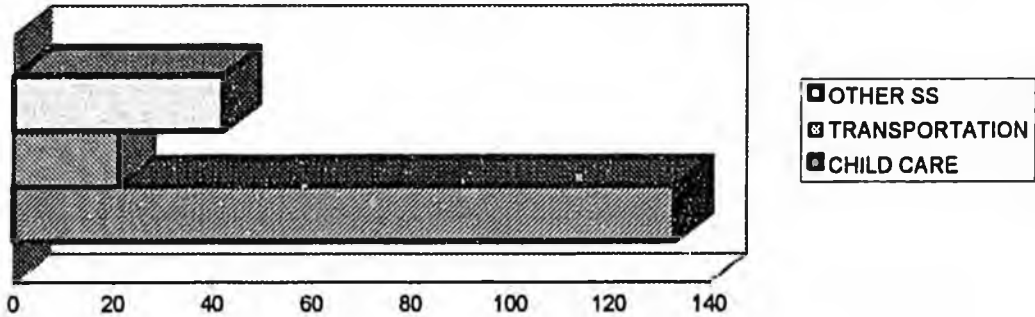
- **FIRST TIME** - This is the first time more than one federal agency (U.S. Dept. of Labor, U.S. Health & Human Services and Bureau of Indian Affairs), merged program funds and contracted *government to government* with the Tribe.
- **ONE OF SIX TRIBES** - Central Council, Tlingit and Haida is one of six tribes in the Nation to be approved to participate in this demonstration program.
- **FIRST COMPACT TRIBE** - Central Council, Tlingit and Haida is the first Compact Tribe to participate in PL 102-477.
- **REGION WIDE SUPPORT** - Central Council received region wide support from the Southeastern IRA Tribes to participate in PL 102-477.

CHARTS ARE BASED ON FOUR OF THE THIRTEEN ANCT ORGANIZATIONS.

FAMILIES ASSISTED BY AFDC FAMILY TYPE



TYPE OF SERVICES PROVIDED PER FAMILY



NONRESIDENTS WORKING IN ALASKA-1994

**Tony Knowles, Governor--State of Alaska
Tom Cashen, Commissioner--Alaska Department of Labor
Arbe Williams, Director--Administrative Services Division
Chris Miller, Chief--Research and Analysis Section**

**Prepared By:
Jeff Hadland, Economist**

February 2, 1996

HIGHLIGHTS

- ▶ More than 77,000 nonresident wage and salary workers were employed in Alaska during 1994. This was a slight increase in the total number of nonresident workers (from 75,834 in 1993) and a decline in the overall percentage of nonresident workers employed in Alaska over 1993 (from 22.8% in 1993 vs. 22.5% in 1994).
- ▶ Nonresidents in Alaska earned \$914 million in 1994 representing 12.2% of all earnings. This was a \$68 million increase over 1993.
- ▶ The oil and gas industry sector paid \$159.6 million to nonresidents, the largest total dollar amount of earnings paid to nonresidents of any industry in 1994, a 23% increase over 1993. While total earnings in this industry increased by approximately \$27 million from 1993 to 1994, nonresidents took all of those new earnings since total nonresident earnings increased by about \$30 million. Nonresident employment in the oil industry increased in both number and percent as employment shifted from oil production firms to oilfield service firms.
- ▶ The industry with the largest number and percent nonresident workers continued to be the seafood processing industry. Nearly 66% of all earnings and 77% of all workers in this seasonal industry were nonresidents in 1994.
- ▶ The largest number of nonresident workers employed in the private sector worked in Anchorage in 1994. The Aleutians East Borough, however, had the largest percent nonresident private sector workers (80.5%). Those geographic areas heavily dependent upon the seafood processing industry employed the largest percent nonresident workers.
- ▶ Nearly 46% of the seasonal logging and lumber workers were nonresidents in 1994, virtually the same as in 1993.
- ▶ Depending upon the month of the year, from 18,000 to 29,000 Alaskans were unemployed in 1994. Many other Alaskans were underemployed and working in occupations for which they were overqualified. Many of these unemployed or underemployed were qualified for, or could quickly be trained for many of the occupations filled by nonresident workers.
- ▶ The top occupations filled by nonresident workers were occupations related to the seafood processing industry. Other occupations with large nonresident populations include 'sales clerks', 'waiters and waitresses', 'general office occupations', 'miscellaneous food and beverage preparation occupations', 'food workers' and 'construction laborers'.

Overview and Department of Labor Initiatives

The large number of nonresidents working in Alaska is not a new phenomenon. There is a continual flow of population between Alaska and other states, but with regard to transient employment the traffic is virtually "one-way"; a very small percentage of Alaskan residents earn wages in other states, while one in eight dollars of wages paid in Alaska are paid to nonresidents.

The high incidence of nonresidents working in all parts of Alaska clearly indicates that many jobs were available that could have been filled by unemployed Alaskans. Maximizing the employment of Alaskans not only ensures that maximum benefit accrues to the state from economic development activity, it will also reduce demands upon state "safety net" programs such as unemployment insurance and public assistance.

There are many reasons why employers hire nonresidents to work in Alaska. There may be a lack of available, qualified workers for certain jobs at certain times of the year. Too often, however, employers assume that there are no qualified workers here and they don't even attempt to hire in Alaska. Both the real and perceived barriers to Alaskan hire must be addressed, and the Department of Labor is involved in several initiatives aimed at increasing the employment of Alaskan workers in jobs currently filled by nonresidents.

- ▶ Training Alaskan workers in occupations and specialties with high nonresident hire is critical. One of the priorities of the State Training and Employment Program (STEP) is to provide training specific to these jobs. Greater coordination of workforce development activities between state agencies involved in job training and placement and economic development through the Alaska Human Resources Investment Council should also enhance the employment of Alaskans in all industries.
- ▶ Since the greatest opportunity for increased Alaskan hire is in the seafood processing industry, Governor Knowles has asked major employers in that industry to work with the Department of Labor to put more Alaskans to work in our largest industry. The Department has established a seafood employment coordinator with a network of contacts in local employment service offices throughout the state, and processors have responded with greatly enhanced in-state hiring efforts.
- ▶ The governor has met with key officials in the oil industry and with their primary contractors to emphasize the need for increased utilization of Alaskan workers and Alaskan companies in their existing operations and in the development of new projects.
- ▶ The Alaska Employment Service provides a statewide labor exchange to serve employers and job seekers through its nineteen offices. Staff visit employers and

contact those from outside the state to inform them of recruitment and referral services offered and of the availability of Alaskan workers, and to resolve problems associated with Alaskan recruitment, including statewide referral for locations where seasonal employment demands exceed the local available labor force.

▶ The department will continue to work with Native organizations, local communities, local plant or project managers, other government agencies, and labor unions to enhance recruitment, training and referral programs for rural areas of the state.

**CENTRAL COUNCIL
Tlingit & Haida
Indian Tribes of Alaska
Employment & Training Division**



320 West Willoughby Avenue, Suite 300
Juneau, Alaska 99801
(907) 586-7405 / 1-800-344-1432
Fax (907) 586-8970

EMPLOYMENT AND TRAINING CREATE



Joseph Jacobs is training as a Civil Engineer Technician under GATWEP in Haines.



William Brown worked as an apprentice carver under GATWEP in Juneau.

Improving Supplemental Services for Tribal Members

"Central Council has taken a comprehensive look at all its employment and training related needs and will run the type of program that best meets local needs and opportunities. Since the tribe decided to take advantage of PL 102-477 (consolidation), there has been a decrease in administrative burden which has allowed the Tribe to improve the effectiveness of services, reduce joblessness in Indian communities, and serve tribal-determined goals consistent with the policy of self-determination. Employment and Training staff at the Central Council will continuously work to provide the most effective and efficient supplemental services for our tribal members."

- Sharon Olsen,
Manager Employment
and Training

Employment Opportunities

Purpose:

Address problems of unemployment and under-employment of Alaska Natives and American Indians.

- *Find qualified workers for specific job vacancies,
- *Prepare client resumes,
- *Placement into on-the-job training opportunities,
- *Work under contract to gain additional work experience,
- *Attend short training classes to enhance skills,
- *Receive assistance to buy tools, work cloths, bus passes, etc.

Benefits:

"Clients may utilize a number of resources at one location. If we do not have what the client needs, we will refer them to another agency that can meet their needs. We have a number of programs that prepare tribal members to quickly and successfully enter the workforce."

Tribal Employment Rights Officer (TERO)

Purpose:

Ensure the maximum utilization of Indian people in all employment, training, and business opportunities in Indian country.

Benefits:

"We will work with tribal members who believe they have been discriminated against because of their race. Our TERO Officer shall work with clients to register their complaint to the Human Rights Commission for investigation and will assist clients in completing their statements and complaint applications."

- Teresa Germain,
Job Developer, TERO

EXPANDING OPPORTUNITIES FOR TRIBAL MEMBERS

VOCATIONAL TRAINING AND RESOURCE CENTER

The Central Council is developing a new program to provide regional training and business assistance for the Native community throughout the Southeast region: the Vocational Training and Resource Center (VTRC). This center is being developed in recognition of the changes that are taking place in the Southeast economy, e.g. decreasing employment in the timber and fishing industries with a shift and increase in service sector and tourism jobs, as well as the progressive use of computer technology in all industries.

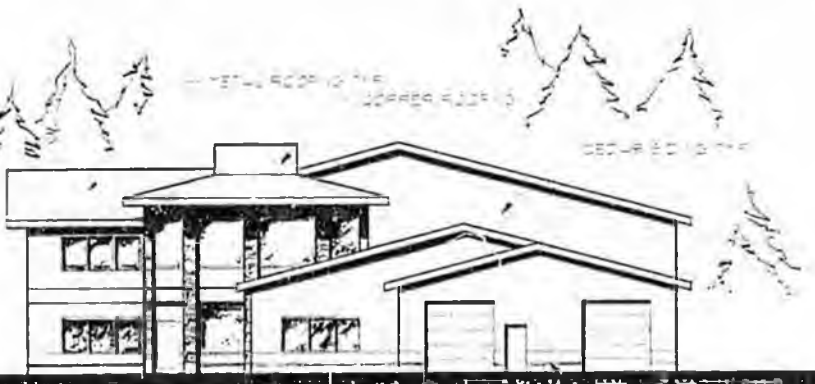
Key and unique aspects of this center include creating equitable access to our nearly 20,000 tribal members living among the 20 regional communities, empowering tribal members to access new employment opportunities, and integrating cultural perspectives and values into instruction. The mission is "To provide high quality and unique vocational and small business training to tribal members of Alaska Native and American Indian tribes based upon Southeast tribal economic development and employment priorities." Training and business services will be delivered through culturally innovative and hands-on methods, which will result in sustainable, self-sufficient employment and entrepreneurship.

Planning and policy development is expected to be completed in March of 1997, and construction is planned to start during the summer of 1997. Training will be available during the spring of 1996 in the areas of tourism, small business, and construction. As resources become available, the center will continue to expand into value-added manufacturing, tribal government and public administration, health/social services, lead base abatement, and mining.



Employment and Training Staff

Sharon Olsen	Manager
Teresa Germain	Job Developer/TRO
Ozzie Sheakley	Employment & Trng. Spec. II
Alice Bagoyo	Child Care Coordinator
Dionne Blattner	Administrative Assistant
Deena LaRue	Intake Specialist
Josephine Rhyner	Personnel Technician
Donna M. James	Clerk Typist III
Rudy Bean	Empl. & Trng. Technician
Arlinda Miller	Empl. & Trng. Technician
Bridgette Reyes	Child Care Technician
Tom Okleasik	Project Director, VTRC
Edward Brakes	Vocation Education Counselor



Proposed Vocational Training and Resource Center Facility

ORIENTATION

- Application
- Define Barriers
- Referrals

Flow Chart of Supplemental Services

EMPLOYMENT



APPLICANT ASSESSMENT

- Initial Assessment
- Employability Plan
- Testing
- Define Barriers

GOALS:

To develop self-sufficiency, economic independence, and to promote employment opportunities by developing individual potential through education and training.

FOLLOW THROUGH

- Client Status
- Completion of Program
- Hold Status
- Termination
- Employment



PROGRAM DETERMINATION

- Child Care
- Education
- Employment Services
- Veterans
- Tribal Employment Rights Office
- Training



CLIENT MONITORING

- Acceptance Agreement
- Client Responsibilities
- Monthly Evaluations
- Budget
- Payment Plan
- Beginning/Ending Date

OPPORTUNITIES FOR TRIBAL MEMBERS

Summer Youth Employment and Training Program

Purpose:

Provide Native youth in Southeast Alaska the opportunity to experience, learn, and develop employability skills.

Benefits:

"This program provides career exploration and actual work experience that will help students gain skills necessary for future competitive job markets."

Child Care Assistance

Mission:

Provide child care for tribal members of S.E. Alaska who are seeking self-sufficiency through education, training, and employment. Grant assistance is also available to child care providers.

Benefits:

"This program gives parents the opportunity to enter the work force and obtain the education, training, and employment they need to avoid long-term welfare dependence."

Alice Bagoyo,
Child Care Coordinator

Education/Training

Purpose:

Develop self-sufficiency, economic independence, and to promote employment opportunities by developing individual potential through education and training.

Benefits:

"We have a well of resources available to tribal members seeking the proper education necessary to be economically independent."

Veterans

Mission:

To become a Tribal Veterans' Service Organization with a Tribal Veteran Representative to act directly on behalf of Native Vets and to assist with processing claims and applying for Veteran benefits.

Benefits:

"We will ensure Native American Veterans apply for the many services and benefits offered by the Veterans Administration. We will work with our veterans and make sure they receive preferential consideration when applying for certain jobs or small business loans."

Ozzie Sheakley,
Employment & Training
Specialist

Vocational Rehabilitation

Purpose:

Empower and reach an increasing number of Southeast Natives with disabilities to maximize their opportunities for employment, economic self-sufficiency, and independence.

Benefits:

"This new program will have culturally appropriate and improved Vocational Rehabilitation service delivery to Native clients, especially in rural and remote areas of the region."



Jeff Barlow started working under JTPA as Subsistence Program Coordinator; he is now a CIS Technician.



CENTRAL COUNCIL
Tlingit & Haida Indian Tribes of Alaska
Employment & Training Division
320 West Willoughby Ave., Suite 300
Juneau, Alaska 99801

HB

401

**SENATE BILL 207
HOUSE BILL 401**

DEPARTMENT OF ENVIRONMENTAL CONSERVATION BILL SUMMARY

This bill will authorize the State Bond Committee to issue and sell State revenue bonds to provide funds for the Department of Environmental Conservation (DEC) to offer low-interest loans to municipalities. The municipalities would use these funds to finance the construction of public wastewater treatment systems, solid waste management systems, nonpoint source water pollution control projects and estuary conservation and management projects. DEC already operates the Alaska clean water fund, a revolving loan program that is funded by federal grants and State appropriations. The demand for these subsidized loans has been growing with the increase in federal requirements placed upon the local communities and the concurrent reduction in State revenues in the last few years. It is estimated that the demand for loans will exhaust the available supply of funds by the summer of 1998.

One solution to this problem is to leverage the Alaska clean water fund, that is, to increase the amount of money available to finance water pollution control projects by using the fund as collateral to secure State-issued revenue bonds. Programs similar to this proposal are currently in place in 21 states. Communities collect user fees for their sewerage and solid waste projects to provide the money to make their annual loan payments to the Department. Under this leveraging concept, the annual loan repayments would be used to pay back the bond investors. Nationwide, in the six years of operation of the clean water loan funds, there has never been a loan default. With such an excellent repayment history, the program risk is very small. A sizable corpus of money in the fund would provide extra security for the bonds and would also result in lower program costs which could be passed onto the municipalities. If this bill could be enacted this session, an adequate amount would be available in the corpus to accomplish this. Delays in passage will reduce the amount available to leverage and minimize the effectiveness of the legislation.

This type of bond sales program has been previously authorized to the State bond committee. In fact, this legislation is patterned after the statute created for the International Airport bond sales done by the committee for the Department of Transportation. The State bond committee has the expertise to properly conduct a bond sales issue. DEC has the expertise to properly run the clean water fund program. This legislation provides a simple, efficient method to assist the incorporated communities of the State by ensuring that low-cost loans for essential projects will be available well into the future, while reducing the demand for general-funded capital projects.

January 23, 1996

SENATE BILL 207
HOUSE BILL 401

SECTIONAL ANALYSIS

Introduction

Senate Bill 207 (the bill) and its counterpart, House Bill 401, will authorize the state bond committee (committee), which consists of the commissioners of the Departments of Administration, Commerce and Economic Development, and Revenue, to issue and sell state revenue bonds to fund public wastewater treatment systems, solid waste management systems, nonpoint source water pollution projects, and estuary conservation management projects. The bill authorizes the Department of Environmental Conservation (DEC) to use the Alaska clean water fund (fund), a revolving loan fund, as security for the payment of the principal and interest on the bonds, provided the bond proceeds are deposited in the fund.

The Alaska clean water fund and the proposed bond program are designed to comply with requirements for participation in a federal matching grant program under the Clean Water Act and, therefore, do not present any problem under the dedicated funds prohibition of the State Constitution.

By using the Alaska clean water fund as security for the bonds, the state will be able to leverage or increase the amount of money in the fund that is available to municipalities and state agencies for water pollution control projects.

Section 1. Section 1 of the bill recognizes that the proposed bond program is an appropriate use of the public credit, and that it will serve a public purpose by allowing public water pollution control projects to be financed and constructed much sooner than would otherwise be possible. This statement of the policies and purposes underlying the bill will also reflect the legislature's

intent that the bonds to be issued are revenue bonds.

Section 2.

This section of the bill will create a new article, article 3A, in Title 37, the public finance title of the Alaska Statutes.

Sec. 37.15.560. BOND AUTHORIZATION - Authorizes the state bond committee to issue and sell revenue bonds to raise money to be deposited in the Alaska clean water fund. This section characterizes the Alaska clean water fund as a public enterprise of the state and the proposed bonds as revenue bonds. Under the Alaska Constitution, state-issued revenue bonds do not require voter approval. This section authorizes the committee to enter into agreements and perform those functions that are normally required to accomplish the task of issuing and selling bonds.

Sec. 37.15.565. BOND REDEMPTION FUND - A bond redemption fund is established. This is a standard financing technique for making it easier and more accountable to perform the many functions necessary in the bond issuance and sales process. Also, to provide accountability for any future principal and interest payments and any premium redemptions on the bonds. The state bond committee will be responsible for administering the bond redemption fund, and may invest the proceeds of the bond redemption fund according to the 'prudent investor' standards established in AS 37.10.070, providing the earnings on these investments are retained in the bond redemption fund.

Sec. 37.15.570. BOND TERMS - The state bond committee may issue, sell, or redeem the bonds so as to achieve the greatest advantage for the State. The committee can make decisions based upon the market conditions, and does not require approval of another agency to execute these decisions. The committee will decide the level of security required from the Alaska clean water fund and the portion of the fund that will provide this collateral security. The committee may appoint a trustee to perform all necessary functions. The committee must give due regard to the continued funding of projects under the

Alaska clean water fund, including applicable state and federal requirements. Any such decisions made by the committee and expressed in a bond resolution are conclusively deemed to comply with the requirements of the legislation pertaining to the bond program.

Sec. 37.15.573. BOND RESOLUTION - The committee must adopt a bond resolution to issue bonds. The resolution will contain those terms and conditions necessary to identify and define the bonds and the bond sales process.

Sec. 37.15.575. STATE AID INTERCEPT - This section defines the procedure for allowing the State to intercept or garnish other legitimate sources of State aid should a community default on a loan from this fund. This paragraph is included in the legislation to enhance investor confidence in the program, improve the bond rating, and ultimately, lower program costs.

Sec. 37.15.580. PLEDGE OF THE STATE - This provision recognizes that the state may not alter the terms and conditions of a bond resolution by subsequent executive or legislative action.

Sec. 37.15.583. ENFORCEMENT BY BONDOWNER - To resolve any disagreements between the bondowners and the committee, 10 percent or more of the bondowners of any series or issue can bring suit in state superior court in Juneau. The ten percent threshold was selected to discourage frivolous litigation.

Sec. 37.15.585. AMOUNTS REQUIRED FOR PAYMENTS - Each year the committee will inform the commissioners of the departments of Environmental Conservation and Revenue of the amounts needed in that year to pay for the bonds. The notice will be given at this time so that the departments will be able to incorporate these numbers into their financial planning for the next fiscal year.

Sec. 37.15.587. PURPOSES AND SUFFICIENCY OF REVENUE - Bond proceeds will be used to build projects that are eligible under the clean water fund program. The committee will not issue bonds unless there is enough security available in the fund to make it prudent to issue the bonds.

Sec. 37.15.590. REFUNDING - If it is in the best interests of the State, the committee may refund all or some of the bonds. The committee will follow the defined procedures to conduct the refunding process. The committee may appoint a trustee to conduct this process. The trustee may invest funds in short-term federal instruments until the refunding proceeds are needed.

Sec. 37.15.595. BONDS AS LEGAL INVESTMENTS - The bonds are legal investments and can be traded and sold between institutions and persons. The State may accept them as security for the State and Municipal debts.

Sec. 37.15.600. STATUTORY CONSTRUCTION - The statute is to be liberally construed to give effect to the public purpose of providing for the financing and construction of public water pollution control projects.

Sec. 37.15.605. REGULATIONS - The committee can adopt regulations to implement this program.

Sec. 37.15.605. Definitions - This sections contains the definitions applicable to the bond program.

Section 3 - 12. Sections 3 - 12 of the bill amend AS 46.03.032, the statute that establishes the Alaska clean water fund.

Section 3. AS 46.03.032(a) - The Alaska clean water fund statute is amended to allow the fund to receive money from the sale of bonds and this money may be placed in a special account of the fund.

Section 4. AS 46.03.032(b) - The provisions of the Alaska clean water fund statute are to be given liberal interpretation to further their purpose of providing financing for the construction of water pollution control projects. The DEC will administer the fund consistent with the state and federal requirements applicable to the fund and with the requirements of the bond legislation.

Section 5. AS 46.03.032(c) - This section makes a technical correction in the citation of the Clean Water Act, to follow the proper citation form and to refer to the Clean Water Act as amended.

Section 6. AS 46.03.032(d) - This section reorganizes the existing statute into a more understandable form. It also authorizes use of the fund to secure state-issued bonds, and authorizes use of the fund to pay the principal and interest on the bonds and the costs of issuing and administering the bonds. The proceeds of the bond sale must be deposited into the fund.

Section 7. AS 46.03.032(f) - This section also reorganizes the existing statute into a more logical format and allows DEC to spend money from the fund to administer the bond program.

Section 8. AS 46.03.032(g) - The existing statute is amended to allow a state agency to receive loans from the fund. Currently, only municipalities may do this. Nationwide it has been recognized that the state environmental agencies that normally run the clean water funds don't always have authority over all environmental situations. This is especially true for nonpoint source pollution problems that affect plant and animal populations that would normally be considered part of the jurisdiction of the Departments of Natural Resources or Fish and Game. Allowing DEC to make loans to other state agencies will provide a tool to enable these organizations to cooperatively address these interagency environmental problems. Also, the section is amended to make it clear that the potential borrowers will demonstrate their credit-worthiness prior to loan commitment.

Section 9. AS 46.03.032(j) - This section amends the existing statute to accommodate the references to the bond issuance program. Some technical changes are also made to reference AS 46.06.021, the solid waste statute that establishes project priorities, rather than repeat them in full in the Alaska clean water fund statute.

Section 10. AS 46.03.032(k) - In addition to the reports the department already prepares for the program, DEC will prepare reports necessary for the committee.

Section 11. AS 46.03.032(o) - The definitions section includes one technical change in the terminology used to refer to solid waste management projects and adds a new definition for the term "state agency."

Section 12. AS 46.03.032(p) - This new subsection provides that any inconsistencies between any regulations adopted by the state bond committee under Title 37 and those adopted by DEC under Title 46 involving the Alaska clean water fund program will be resolved in favor of the Title 37 regulations.

Section 13. Clarifies that the portion of this legislation that is entitled ENFORCEMENT BY BONDOWNER would affect a change in Civil Procedure 3 and require all actions to be filed in Superior Court in Juneau.

Section 14. Recognizes that in order for all actions to be filed in Superior Court in Juneau, the second part of the paragraph that is entitled ENFORCEMENT BY BONDOWNER must receive a two-thirds majority vote of each house; otherwise that portion will not take effect.

FISCAL NOTE

No. 2
 Bill Number: HB 401
 (H) Effective Date: 1-8-96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: _____
 Title: Clean Water Fund Bonds
 Sponsor: Rules Committee
 Requestor: Governor

Department Affected: Environmental Conservation
 BRU: Facility Construction & Operation
 Component: Facility Construction & Operation

COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND&STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS,CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipt	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Alaska Clean Water Fund	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: \$ _____ *

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

* Projected bond costs have not yet been determined. Please see attached explanations.

The department supports this bill that authorizes the sale of revenue bonds to be used by the Alaska Clean Water Fund to fund construction of public wastewater systems, nonpoint source water pollution control projects, including solid waste management systems, and estuary conservation and management projects.

Prepared by: Larry Jones
 Division: Director, Division of Administrative Services

Phone: 465-5010
 Date: 1/2/96

Approved by Commissioner: Larry Jones for
 Agency: Department of Environmental Conservation

Date: 1/4/96

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(REV 11/95) COMMITTEE COPY

Alaska Clean Water Fund - Bond Sales / Reasons why costs can not be determined:

The proceeds from the sale of bonds is to supplement available loan funds. Therefore, bonds will only be sold if the demand for construction loans exceeds the amount available in the Alaska Clean Water Fund (ACWF). However, the sale will have to be timed to allow a certain amount of the ACWF to be held as collateral for the bonds sold. Further considerations in the timing of the sale of bonds includes several financial issues such as rebate as it applies to selling bonds.

The department is working closely with the State Bond Committee, the Bond Committee's bond counsel and financial advisors to ensure all of these concerns are adequately addressed and that a bond sale only occurs when it is advantageous to the state. Consequently, the costs related to the sale of the bonds is unknown at this time. Finally, costs associated with the sale of bonds are usually paid from the proceeds of the bond sale.

Revision Date: _____ Dept. Affected: Revenue
 Title: Clean Water Fund Bonds BRU: Revenue Operations
 Component: Treasury Management
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY96) impact \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

All costs of issuance, administration, and debt service on the bonds will be paid from the Alaska Clean Water Fund. The proceeds of the bond issue will be deposited in the Clean Water Fund, thereby increasing the money available for loans to municipalities. There is no estimated fiscal impact on other State funds.

Prepared by: Forrest R. Browne *F.R. Browne* Phone: 465-3750
 Division: Treasury Management Date: 1/3/96
 Approved by Commissioner: *[Signature]* Date: 1/3/96
 Agency: Department of Revenue

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DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
410 Willoughby Avenue
Juneau, Alaska 99801-1795

Phone: 465-5066
Fax: 465-5070

January 25, 1996

The Honorable Alan Austerman, Co-Chairman
The Honorable Ivan Ivan, Co-Chairman
House Committee on Community and Regional Affairs
Alaska State Legislature
Juneau, Alaska 99801

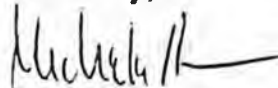
SUBJECT: Request for hearing on House Bill 401

Dear Representatives Austerman and Ivan:

The Governor's Office and the Department of Environmental Conservation request that public hearings be scheduled for House Bill 401. This bill is important for Alaskans for many reasons. It affords a way for our communities to obtain low-cost financing for their water pollution projects far into the future. This proposal will accomplish this goal without any significant general funding required and in fact, at some point in the future, could eliminate the need for legislative appropriations. Alaskan communities are simultaneously faced with many federal regulatory burdens and diminishing financial resources. It is important that we provide them with financial tools to deal with the many problems that they encounter. This bill would provide one of these financial tools.

We have attached a short analysis of the bill for your convenience in understanding the intent of the Legislation. At this time, the Alaska Clean Water Fund has the required collateral to support the proposed revenue bond leveraging plan. If legislation is enacted this session, adequate collateral would remain to ensure a large enough bond issue to meet anticipated demand. Delay in enacting this legislation will reduce the program's effectiveness in meeting our water pollution capital project needs. For this reason, we ask that the hearings be scheduled as soon as possible. If you wish to discuss this legislation, please call Keith Kelton at 465-5135. Thank you for your consideration.

Sincerely,



Michele Brown
Commissioner

MB\KK:lp (h:\foi\clerical\burns\acwr\hearing1.rq1)

Enclosure: Bill Analysis

TONY KNOWLES
GOVERNOR



HB 401
P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 8, 1996

The Honorable Gail Phillips
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Phillips:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to authorize the state bond committee to issue and sell state revenue bonds to fund public wastewater treatment systems, solid waste management systems, nonpoint source water pollution control projects, and estuary conservation and management projects. This bill also authorizes the Department of Environmental Conservation to use the Alaska clean water fund, a revolving loan fund, as security for the payment of the principal and interest on the bonds, provided the bond proceeds are deposited in the fund. By using the fund as security for the bonds, the state will be able to leverage or increase the amount of money in the fund that is available to municipalities and state agencies for water pollution control projects.

Section 2 of the bill provides the legal framework for the bond issuance and sale. This section is patterned after the international airports revenue bonds statutes, and establishes a cooperative relationship between DEC, which administers the Alaska clean water fund, and the state bond committee, which will administer the bond program. The bill requires the state bond committee to conduct its activities in the best interests of the state and its inhabitants, in a manner that will accomplish the most advantageous sale of the bonds, with due regard for the continued funding of projects under the Alaska clean water fund program.

The Honorable Gail Phillips
January 8, 1996
Page 2

Sections 3-12 of the bill amend the clean water fund loan program to clarify the statute. It authorizes DEC to use the fund to secure state-issued bonds and to make other amendments necessary to acknowledge the bond-issuance and repayment process.

I urge your prompt consideration and passage of this bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles
Governor

LEVERAGING THE CLEAN WATER FUND

FEDERAL CAPITALIZATION GRANTS
STATE APPROPRIATIONS



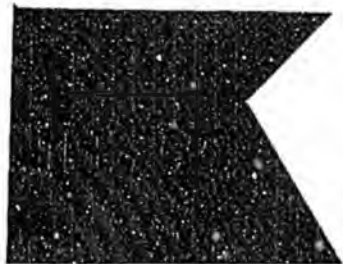
loans

repayments



1 bond issuance costs
2 annual bond payments

bond proceeds



1 issue bonds

2 annual bond payments

