

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8538 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

Position Title Public Assistance Analyst		No. of Positions 2	Range/Step 16A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		104.0		
Benefits				
Premium Pay				
Other				
Total Personal Services		104.0		
Travel		8.0		
Contractual		7.0		
Commodities		1.0		
Equipment		8.0		
Other				
Total Cost		128.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	64.0		
1003	GF Match	64.0		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>EIS modifications require a system contractor for analysis, design, and oversight of implementation. State staff are necessary during project planning and implementation to procure and direct the contractor, monitor performance, and test the modifications.</p> <p>These positions are public assistance analysts necessary to ensure accuracy of contractor design and development efforts.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Data Processing (0240)

Page 1 of 1
 Revised Date:

FY96

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 78
DPA #5

Revision Date: _____ Dept. Affected: Health and Social Services
Title: An Act proposing a special AFDC program BRU: PA Administration
demonstration project and reductions to APDC and APA Component: Alaska Work Program
Sponsor: Hanley
Requestor: House HESS COMPONENT SERIAL NO. 238

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	4.3	4.4	4.5	0.0	0.0
CONTRACTUAL	0.0	1,000.0	1,000.0	1,000.0	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	1,004.3	1,004.4	1,004.5	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	502.1	502.2	502.2	0.0	0.0
1003 GF Match	0.0	502.2	502.2	502.3	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	1,004.3	1,004.4	1,004.5	0.0	0.0

POSITIONS:

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

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for a demonstration project in which certain AFDC parents must participate in workfare (unpaid community service). It allows DHSS to contract for certain workfare activities on a competitive basis to organizations that have been successful in conducting employment placement services, community services, and job training.

The workfare requirements included in this legislation will require contract funding for the development and operation of workfare projects in four sites.

Jay

Prepared by: Jim Nordlund, Director
Division: Division of Public Assistance

Phone: 465-2680
Date: 3/14/95

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

Date: 3/14/95

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ANALYSIS (cont.):Assumptions:

- Project will be operational July 1, 1996 through June 30, 1999.
- Workfare is operated by contractors in all 4 project areas.
- Development of work sites begins July 1, 1996, then continues with monitoring of placement agreements; recruitment of new sites to replace filled or discontinued sites; and terminates with end of project.
- Average monthly number of participants: 500 in FY97, 1000 in FY98, FY99.
- Contractors will develop work slots; manage cases of individuals referred to workfare; provide participation reports to DPA eligibility offices; pay client transportation costs; pay insurance for clients equivalent to Worker's Compensation; and compile information and report on workfare program outcomes.
- Average cost of managing workfare slots is \$1000/slot/year. In first year (FY97) 50% of contract funds is spent on project startup costs, 50% on operations. 100% of contract funds are spent on operations in FY98, FY99.
- Federal matching funds are available at the 50% matching rate, based on the projected cost - neutrality of the project.

Calculations:

FY 96
no costs

FY97

Travel (Workfare Contract Administrator)	\$ 4,300
Workfare Contract (\$1,000/Workfare Client)	1,000,000

FY98

Travel (Workfare Contract Administrator)	\$ 4,400
Workfare Contract (\$1,000/Workfare Client)	1,000,000

FY99

Travel (Workfare Contract Administrator)	\$ 4,500
Workfare Contract (\$1,000/Workfare Client)	1,000,000

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 78
DPA #6

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

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	336.0	688.8	705.6	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	336.0	688.8	705.6	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

	FY96	FY97	FY98	FY99	FY00	FY01
1002 Federal Receipts	0.0	168.0	344.4	352.8	0.0	0.0
1003 GF Match	0.0	168.0	344.4	352.8	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	336.0	688.8	705.6	0.0	0.0

POSITIONS:

	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for a demonstration project in which certain AFDC parents must participate in workfare (unpaid community service). Under current AFDC program operations, the Department does not pay for child care for individuals in unpaid community service employment unless the individual is participating in the JOBS program.

The new workfare activity authorized by this legislation will require additional child care for project families.

Prepared by: Jim Nordlund, Director
Division: Division of Public Assistance

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

Phone: 465-2680
Date: 3/14/95
Date: 3/14/95

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ANALYSIS (cont.):Assumptions:

- FY96 is a planning year, with no participants.
- Project is operational July 1, 1996 through June 30, 1999.
- 100 families per month will require child care services to participate in the Workfare Project in FY97, and increase to 200 families per month in FY98 and FY99.
- \$280/month average child care payment in FY97.
- 2.5% inflation rate per year.
- Federal matching funds will be available for project costs at the AFDC 50% matching rate, based on the projected cost neutrality of the projects.

Child Care Calculations:

Workfare	FY96	FY97	FY98	FY99	FY00	FY01	Totals \$
Child Care	0.0	336.0	688.8	705.6	0.0	0.0	1730.4

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 78

DPA #7

Revision Date: _____
 Title: An Act relating to the maximum amount
of assistance that may be granted under the adult public...
 Sponsor: HANLEY
 Requestor: Senate HESS

Dept. Affected: Health and Social Services
 BRU: Medical Assistance Admin
 Component: Claims Processing
 COMPONENT SERIAL NO. 243
 See also (SN#): 229, 230

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	40.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS						
TOTAL OPERATING	40.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	20.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	20.0	0.0	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	40.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: 50.0

ANALYSIS: (Attach a separate page if necessary)

HB 78 will require the state to secure an 1115(a) waiver from the federal government. One requirement of an 1115(a) waiver is that the state be able to show "cost neutrality" of the waiver program. This means that the federal government will only provide financial participation in the waiver program to the extent that the program cost the federal government the same (neutral) or less than the cost of the conventional AFDC and Medicaid programs. This will require the state to accurately track each recipient participating in the program and the recipient's associated cost. To accomplish this, the department's Eligibility Information System and the Medicaid Management Information System computers will need software enhancement to accept additional client identifiers and eligibility codes. Enhancement of the Medicaid Management Information System is done by the Division of Medical Assistance's fiscal intermediary, First Health. There is a one time charge for making such computer programming modifications. This charge would be incurred during fiscal year 1996.

Prepared by: Jon Sherwood
 Division: Medical Assistance
 Approved by Commissioner: Karen Perdue, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-3355
 Date: 03/10/95
 Date: 3/14/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 78
DPA #8

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to the maximum amount BRU: Medical Assistance
of assistance that may be granted under the adult public... Component: Medicaid-Facilities
 Sponsor: HANLEY COMPONENT SERIAL NO. 230
 Requestor: Senate HESS See also (SN#): 329, 243

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	(111.1)	(328.4)	(348.2)	(180.1)	(92.5)
MISCELLANEOUS						
TOTAL OPERATING	0.0	(111.1)	(328.4)	(348.2)	(180.1)	(92.5)

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

1002 Federal Receipts	0.0	(55.5)	(164.2)	(174.1)	(90.0)	(46.2)
1003 GF Match	0.0	(55.6)	(164.2)	(174.1)	(90.1)	(46.3)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	0.0	(111.1)	(328.4)	(348.2)	(180.1)	(92.5)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

Medicaid spending will decrease as people lose Medicaid eligibility when they lose AFDC due to workfare sanctions or because they have increased earnings. Otherwise, participants in a workfare project envisioned by this legislation will remain eligible for Medicaid. People with increased earnings will likely qualify for transitional Medicaid. Many of the children of families formerly on AFDC will still qualify for a poverty-level Medicaid-only eligibility category.

A slight temporary increase in Medicaid spending will occur as a result of individuals becoming AFDC eligible because of the increased earned income disregard, waiver of the 100 hour employment limit, or the increased vehicle exemption. However, in the long term, this will be more than offset by the increased number of families going off AFDC because of increased employment.

See analysis on the attached pages.

Prepared by: Jon Sherwood Phone: 465-3355
 Division: Medical Assistance Date: 03/13/95

Approved by Commissioner: Karen Perdue, Commissioner Date: 3/14/95
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):

GENERAL ASSUMPTIONS

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Average Cost of Medical Assistance						
AFDC Adult Annual	\$2,842	\$2,968	\$3,098	\$3,232	\$3,374	\$3,522
AFDC Adult Monthly	\$237	\$247	\$258	\$269	\$281	\$293
AFDC Child Annual	\$1,641	\$1,713	\$1,788	\$1,868	\$1,948	\$2,033
AFDC Child Monthly	\$137	\$143	\$149	\$156	\$163	\$170

The cost of Medical assistance is increased 4.38% annually for inflation.

The number of AFDC cases affected by this legislation were provided by Division of Public Assistance.

An AFDC case (household), one average, consists of one adult and two children.

SAVINGS

Families participating in the workfare project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials and closures. This legislation also increases the earned income disregard, waives the 100 hour employment limit, and increases the vehicle exclusion to \$5000, which will make it easier for some households to secure employment, resulting in AFDC case closures and lost Medicaid. Approximately one-half of the children of in these households will continue to be eligible for Medicaid under a poverty level Medicaid- only eligibility category. Therefore, when a household (case) loses AFDC under this legislation, on average, one adult and 1 child lose Medicaid. Sanctions apply only to adults.

It is estimated that workfare sanctions will generally cause Medicaid eligibility to be lost for an average of 6.5 months per year. Case closures will cause Medicaid eligibility to be lost for an average of 9 months in FY 97 and 12 months in FY 98-99. After the demonstration waiver ends, some cases closed will remain off Medicaid because of continued employment. However, we estimate that 50% of the cases will return to AFDC in FY 00; an additional 25% will return to AFDC in FY 01.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	15	30	30	0	0
Adult Workfare Closures	0	35	70	70	35	17
Adult Income Closures	0	27	57	59	30	15
Child Workfare Closures (1 child only)	0	35	70	70	35	17
Child Income Closures (1 child only)	0	27	57	59	30	15
Adults Sanctioned for 6.5 months.	\$0	(\$24,083)	(\$50,310)	(\$52,455)	\$0	\$0
Adult Closures (9 mo. only in FY 97)	\$0	(\$137,826)	(\$393,192)	(\$416,412)	(\$219,180)	(\$112,512)
Child Closures (9 mo. only in FY 97)	\$0	(\$79,794)	(\$227,076)	(\$241,488)	(\$127,140)	(\$65,280)
GROSS SAVINGS	\$0	(\$241,703)	(\$670,578)	(\$710,355)	(\$346,320)	(\$177,792)

EXPENDITURES

The increase in the earned income disregard, waiver of the 100 hour employment limit, and increasing the vehicle exclusion to \$5000 will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 8 cases per year will become eligible for AFDC. In FY 97, cases are assumed to be eligible for an average of 9 months, and for 12 months thereafter.

Adults Added Because of New Limits	0	8	8	8	0	0
Children Added Because of New Limits	0	8	8	8	0	0
Adult Expenditures (9 mo. only FY97)	\$0	\$17,784	\$24,768	\$25,824	\$0	\$0
Child Expenditures (9 mo. only FY 97)	\$0	\$10,296	\$14,304	\$14,976	\$0	\$0
GROSS EXPENDITURES	\$0	\$28,080	\$39,072	\$40,800	\$0	\$0
NET MEDICAID SAVINGS	\$0	(\$213,823)	(\$631,508)	(\$669,555)	(\$346,320)	(\$177,792)
FACILITIES (52%)	\$0	(\$111,084)	(\$328,383)	(\$348,169)	(\$180,086)	(\$92,452)
NON-FACILITIES (48%)	\$0	(\$102,539)	(\$303,123)	(\$321,386)	(\$166,234)	(\$85,340)

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 78

DPA #9

Revision Date: _____
 Title: An Act relating to the maximum amount
of assistance that may be granted under the adult public...
 Sponsor: HANLEY
 Requestor: Senate HESS

Dept. Affected: Health and Social Services
 BRU: Medical Assistance
 Component: Medicaid Non-Facility
 COMPONENT SERIAL NO. 229
 See also (SN#): 330, 243

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	(102.5)	(303.1)	(321.4)	(166.2)	(85.3)
MISCELLANEOUS						
TOTAL OPERATING	0.0	(102.5)	(303.1)	(321.4)	(166.2)	(85.3)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	(51.2)	(151.5)	(160.7)	(83.1)	(42.3)
1003 GF Match	0.0	(51.3)	(151.6)	(160.7)	(83.1)	(42.7)
1004 GF						
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other (please specify)						
TOTAL	0.0	(102.5)	(303.1)	(321.4)	(166.2)	(85.3)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

Medicaid spending will decrease as people lose Medicaid eligibility when they lose AFDC due to workfare sanctions or because they have increased earnings. Otherwise, participants in a workfare project envisioned by this legislation will remain eligible for Medicaid. People with increased earnings will likely qualify for transitional Medicaid. Many of the children of families formerly on AFDC will still qualify for a poverty-level Medicaid-only eligibility category.

A slight temporary increase in Medicaid spending will occur as a result of individuals becoming AFDC eligible because of the increased earned income disregard, waiver of the 100 hour employment limit, or the increased vehicle exemption. However, in the long term, this will be more than offset by the increased number of families going off AFDC because of increased employment.

See analysis on the attached pages.

Prepared by: Jon Sherwood
 Division: Medical Assistance
 Approved by Commissioner: Karen Perdue, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-3355
 Date: 03/13/95
 Date: 3/14/95

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ANALYSIS (cont.):**GENERAL ASSUMPTIONS**

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Average Cost of Medical Assistance						
AFDC Adult Annual	\$2,842	\$2,966	\$3,098	\$3,232	\$3,374	\$3,522
AFDC Adult Monthly	\$237	\$247	\$258	\$269	\$281	\$293
AFDC Child Annual	\$1,841	\$1,713	\$1,788	\$1,866	\$1,948	\$2,033
AFDC Child Monthly	\$137	\$143	\$149	\$156	\$163	\$170

The cost of Medical assistance is increased 4.38% annually for inflation.

The number of AFDC cases affected by this legislation were provided by Division of Public Assistance.

An AFDC case (household), one average, consists of one adult and two children.

SAVINGS

Families participating in the workfare project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials, and closures. This legislation also increases the earned income disregard, waives the 100 hour employment limit, and increases the vehicle exclusion to \$5000, which will make it easier for some households to secure employment, resulting in AFDC case closures and lost Medicaid. Approximately one-half of the children of in these households will continue to be eligible for Medicaid under a poverty level Medicaid- only eligibility category. Therefore, when a household (case) loses AFDC under this legislation, on average, one adult and 1 child lose Medicaid. Sanctions apply only to adults.

It is estimated that workfare sanctions will generally cause Medicaid eligibility to be lost for an average of 6.5 months per year. Case closures will cause Medicaid eligibility to be lost for an average of 9 months in FY 97 and 12 months in FY 98-99. After the demonstration waiver ends, some cases closed remain off Medicaid because of continued employment. However, we estimate that 50% of the cases will return to AFDC in FY 00; an additional 25% will return to AFDC in FY 01.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	15	30	30	0	0
Adult Workfare Closures	0	35	70	70	35	17
Adult Income Closures	0	27	57	59	30	15
Child Workfare Closures (1 child only)	0	35	70	70	35	17
Child Income Closures (1 child only)	0	27	57	59	30	15
Adults Sanctioned for 6.5 months.	\$0	(\$24,083)	(\$50,310)	(\$52,455)	\$0	\$0
Adult Closures (9 mo. only in FY 97)	\$0	(\$137,826)	(\$393,192)	(\$416,412)	(\$219,180)	(\$112,512)
Child Closures (9 mo. only in FY 97)	\$0	(\$79,794)	(\$227,076)	(\$241,488)	(\$127,140)	(\$65,280)
GROSS SAVINGS	\$0	(\$241,703)	(\$670,578)	(\$710,355)	(\$346,320)	(\$177,792)

EXPENDITURES

The increase in the earned income disregard, waiver of the 100 hour employment limit, and increasing the vehicle exclusion to \$5000 will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 8 cases per year will become eligible for AFDC. In FY 97, cases are assumed to be eligible for an average of 9 months, and for 12 months thereafter.

Adults Added Because of New Limits	0	8	8	8	0	0
Children Added Because of New Limits	0	8	8	8	0	0
Adult Expenditures (9 mo. only FY97)	\$0	\$17,784	\$24,768	\$25,824	\$0	\$0
Child Expenditures (9 mo. only FY 97)	\$0	\$10,296	\$14,304	\$14,976	\$0	\$0
GROSS EXPENDITURES	\$0	\$28,080	\$39,072	\$40,800	\$0	\$0
NET MEDICAID SAVINGS	\$0	(\$213,823)	(\$631,506)	(\$669,555)	(\$346,320)	(\$177,792)
FACILITIES (52%)	\$0	(\$111,084)	(\$328,383)	(\$348,169)	(\$180,086)	(\$92,452)
NON-FACILITIES (48%)	\$0	(\$102,539)	(\$303,123)	(\$321,386)	(\$166,234)	(\$85,340)

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 78
DPA #10

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special AFDC program demonstration project and reductions to AFDC and APA BRU: Assistance Payments
 Component: AFDC - Ratable Reductions
 Sponsor: Hanley
 Requestor: House HESS COMPONENT SERIAL NO. 220

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(1,610.7)	(2,255.1)	(2,367.9)	(2,486.3)	(2,610.7)	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(1,610.7)	(2,255.1)	(2,367.9)	(2,486.3)	(2,610.7)	0.0

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

(Thousands of Dollars)

1002 Federal Receipts	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	0.0
1003 GF Match	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	(197.7)	(207.5)	(217.7)	(228.7)	(240.1)	0.0
TOTAL	(1,610.7)	(2,255.1)	(2,367.9)	(2,486.3)	(2,610.7)	0.0

POSITIONS:

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

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation reduces AFDC maximum payment levels to approximately 1.7 percent below the current maximums.

Prepared by: Jim Nordlund, Director
 Division: Division of Public Assistance

Phone: 465-2680
 Date: 3/10/95

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

Date: 3/14/95

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

The reduction takes effect on October 1, 1995, and is repealed at the beginning of FY01.

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

Ratable reductions are imposed statewide.

AFDC caseload size will increase by 5 percent each year.

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

Calculations:

	<u>Average AFDC Caseload</u>	<u>Average monthly payment reduction</u>	<u>Total FY Reduction</u>
FY96	13,767	\$13	* \$1,610.7
FY97	14,456	\$13	\$2,255.1
FY98	15,179	\$13	\$2,367.9
FY99	15,938	\$13	\$2,486.3
FY00	16,735	\$13	\$2,610.7
FY01	17,572	\$13	\$ 0.0

* FY96 Total reduction is for 9 months

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 78
DPA #11

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special AFDC program demonstration project and reductions to AFDC and APA BRU: Assistance Payments
 Sponsor: Hanley Component: APA
 Requestor: House HESS COMPONENT SERIAL NO. 222

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	(516.1)	(725.0)	(763.7)	(804.3)	(847.1)	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(516.1)	(725.0)	(763.7)	(804.3)	(847.1)	0.0

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

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(475.5)	(682.2)	(718.6)	(756.8)	(797.1)	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	(40.6)	(42.8)	(45.1)	(47.5)	(50.0)	0.0
TOTAL	(516.1)	(725.0)	(763.7)	(804.3)	(847.1)	0.0

POSITIONS:

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

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation reduces Adult Public Assistance benefits by setting the amount of the maximum state contribution to Adult Public Assistance recipients at 1.7 percent less than the amount payable on October 1, 1993.

Prepared by: Jim Nordlund, Director
 Division: Division of Public Assistance
 Approved by Com: Karen Perdue, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 3/14/95
 Date: 3/14/95

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

The reduction takes effect on October 1, 1995, and is repealed at the beginning of FY01.

Benefit reductions are imposed statewide.

The average amount of the monthly APA benefit decrease will be \$5.50. The APA benefit payment to an individual SSI recipient will be \$6 less per month.

APA caseload size will increase by 5 percent each year.

Recipients of APA Interim Assistance payments will not be affected by the benefit reductions.

Calculations:

	<u>Average APA Caseload</u>	<u>Average monthly payment reduction</u>	<u>Total FY Reduction</u>
FY96	10,426	\$5.50	* \$516.1
FY97	10,985	\$5.50	\$725.0
FY98	11,572	\$5.50	\$763.7
FY99	12,188	\$5.50	\$804.3
FY00	12,834	\$5.50	\$847.1
FY01	13,514	\$5.50	\$ 0.0

* FY96 Total Reduction is for 9 months

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 78
DPA #12

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act proposing a special AFDC program demonstration project and reductions to AFDC and APA BRU: PFD Hold Harmless
 Sponsor: Hanley Component: PFD Hold Harmless
 Requestor: House HESS COMPONENT SERIAL NO. 225

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	(238.3)	(256.0)	(474.7)	(493.3)	(492.3)	(105.3)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(238.3)	(256.0)	(474.7)	(493.3)	(492.3)	(105.3)
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	(238.3)	(256.0)	(474.7)	(493.3)	(492.3)	(105.3)
TOTAL	(238.3)	(256.0)	(474.7)	(493.3)	(492.3)	(105.3)

POSITIONS:

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

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

PFD Hold Harmless payments replace AFDC and Adult Public Assistance benefits when receiving the dividend causes individuals to lose eligibility or to have benefits reduced. The ratable reductions provided for in this bill reduce costs in the AFDC and APA assistance payments BRUs. The AFDC Demonstration project also produces savings in the AFDC Component. PFD Hold Harmless costs change in direct proportion to the costs of the programs held harmless.

Prepared by: Jim Nordlund, Director
 Division: Division of Public Assistance

Phone: 465-2680
 Date: 3/14/95

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

Date: 3/14/95

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

The benefit reductions take effect on October 1, 1995.

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

Calculations:**PFD HOLD HARMLESS SAVINGS**

	<u>AFDC</u>	<u>APA</u>	<u>PFDHH</u>
FY96	\$197.7	\$40.6	\$238.3
FY97	\$213.2	\$42.8	\$256.0
FY98	\$429.6	\$45.1	\$474.7
FY99	\$445.8	\$47.5	\$493.3
FY00	\$442.3	\$50.0	\$492.3
FY01	\$105.3	\$0.0	\$105.3

COST/SAVINGS ANALYSIS

HB 78

Prepared by the Department of Health and Social Services

Division of Public Assistance

March 13, 1995

	FY96	FY97	FY98	FY99	FY00	FY01	TOTAL
OPERATING EXPENDITURES							
AFDC Payments - Project	0.0	(63.4)	(2,354.9)	(2,412.5)	(2,247.1)	(1,170.3)	(8,248.2)
Eligibility Determination	239.9	326.9	326.9	326.9	163.5	0.0	1,384.1
PA Administration	213.5	158.5	158.5	158.5	78.8	0.0	767.8
PA Data Processing	972.4	277.0	66.5	66.5	33.4	0.0	1,415.8
Alaska Work Programs	0.0	1004.3	1004.4	1004.5	0.0	0.0	3,013.2
Child Care Benefits	0.0	336.0	688.8	705.6	0.0	0.0	1,730.4
Medical Assistance	40.0	(213.6)	(631.5)	(669.6)	(346.3)	(177.8)	(1,998.8)
Gross Project Cost	1,465.8	1,825.7	(741.3)	(820.1)	(2,317.7)	(1,348.1)	(1,935.7)
Less Federal Receipts for Project Costs	(732.8)	(1,083.7)	(79.6)	(51.1)	1,057.7	621.4	(268.1)
Net GF/GF Match Project Cost	733.0	742.0	(820.9)	(871.2)	(1,260.0)	(726.7)	(2,203.8)
Less Ratable Reduction GF/GF Match Savings	(1,182.0)	(1,706.0)	(1,793.7)	(1,885.6)	(1,982.4)	0.0	(8,549.7)
Net GF Budget Impact	(449.0)	(964.0)	(2,614.6)	(2,756.8)	(3,242.4)	(726.7)	(10,753.5)

RATABLE REDUCTION SAVINGS							
AFDC - GF Match	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	0.0	(5,119.5)
APA - GF	(475.5)	(682.2)	(718.6)	(756.8)	(797.1)	0.0	(3,430.2)
Total GF	(1,182.0)	(1,706.0)	(1,793.7)	(1,885.6)	(1,982.4)	0.0	(8,549.7)
AFDC - Federal Receipts	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	0.0	(5,119.5)
AFDC/APA - I/A Receipts (PFD Hold Harmless)	(238.3)	(256.0)	(474.7)	(493.3)	(492.3)	(105.3)	(2,059.9)

HOUSE COMMITTEE REPORT

(9)

Date Referred: January 16, 1995

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/30/95

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 78

HOUSE BILL NO. 78

PUBLIC ASSIST. DEMO PROJECT & DECREASE

"An Act relating to the maximum amount of assistance that may be granted under the adult public assistance program and the program of aid to families with dependent children; proposing a special demonstration project within the program of aid to families with dependent children and directing the Department of Health and Social Services to seek waivers from the federal government to implement the project."

recommends it be replaced with the following committee substitute CS HB 78 HES the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) (12) H+SS fiscal note(s) _____

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Wm. G. ...</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<i>John L. ...</i>			<input checked="" type="checkbox"/>	
<i>Car Beede</i>	<input checked="" type="checkbox"/>			
<i>Patricia ...</i>	<input checked="" type="checkbox"/>			
<i>Patricia Balenborn</i>				<input checked="" type="checkbox"/>
<i>Tom ...</i>				<input checked="" type="checkbox"/>

CHAIR'S SIGNATURE

Car Beede

Total

Bill No. _____ 1

DATE: _____

Tape: 95-_____

Number: _____

A #1

Subject of Vote: HR 78

Member	Yea	Nay	Abs.
Rep. Tom Brice	<u>X</u>	—	—
Rep. Caren Robinson	<u>X</u>	—	—
Rep. Cynthia Toohey	—	<u>X</u>	—
Rep. Con Bunde	—	<u>X</u>	—
Rep. Al Vezey	—	—	—
Rep. Gary Davis	—	<u>X</u>	—
Rep. Norman Rokeberg	—	<u>X</u>	—
Total	<u>2</u>	<u>4</u>	—

House HESS Roll Call Form

A 2

Bill No. _____

DATE: _____

Tape: 95-_____

Number: _____

Subject of Vote: _____

Member	Yea	Nay	Abs.
Rep. Caren Robinson	<u>X</u>	—	—
Rep. Cynthia Toohey	—	<u>X</u>	—
Rep. Con Bunde	—	<u>X</u>	—
Rep. Al Vezey	—	—	—
Rep. Gary Davis	—	<u>X</u>	—
Rep. Norman Rokeberg	—	<u>X</u>	—
Rep. Tom Brice	<u>X</u>	—	—
Total	<u>2</u>	<u>4</u>	—

House HESS Roll Call Form

Bill No. _____

DATE: _____

Tape: 95-_____

Number: _____

Subject of Vote: AB _____

Member	Yea	Nay	Abs.
Rep. Al Vezey	_____	_____	_____ <i>AAS</i>
Rep. Gary Davis	_____	<u>X</u>	_____
Rep. Norman Rokeberg	_____	<u>X</u>	_____
Rep. Tom Brice	<u>X</u>	_____	_____
Rep. Caren Robinson	<u>X</u>	_____	_____
Rep. Cynthia Toohey	_____	<u>X</u>	_____
Rep. Con Bunde	_____	<u>X</u>	_____
Total	_____	_____	_____

Bill No. _____

DATE: _____

Tape: 95-_____

Number: _____

Subject of Vote: AB 78 _____

Member	Yea	Nay	Abs.
Rep. Gary Davis	_____	<u>X</u>	_____ <i>AL</i>
Rep. Norman Rokeberg	_____	<u>X</u>	_____
Rep. Tom Brice	<u>X</u>	_____	_____
Rep. Caren Robinson	<u>X</u>	_____	_____
Rep. Cynthia Toohey	_____	<u>X</u>	_____
Rep. Con Bunde	_____	<u>X</u>	_____
Rep. Al Vezey	_____	_____	_____
Total	_____	_____	_____

House HESS Roll Call Form

Bill No. _____

DATE: _____

Tape: 95-_____

Number: _____

Subject of Vote: AB 78_____

Member	Yea	Nay	Abs.
Rep. Norman Rokeberg	_____	<u>Y</u>	_____
Rep. Tom Brice	<u>X</u>	_____	_____
Rep. Caren Robinson	<u>X</u>	_____	_____
Rep. Cynthia Toohey	_____	<u>X</u>	_____
Rep. Con Bunde	_____	<u>X</u>	_____
Rep. Al Vezey	_____	_____	_____
Rep. Gary Davis	_____	<u>X</u>	_____
Total	<u>2</u>	<u>4</u>	_____

A# 7

Bill No. _____

DATE: _____

Tape: 95-_____

Number: _____

Subject of Vote: AB 78_____

Member	Yea	Nay	Abs.
Rep. Tom Brice	_____	_____	_____
Rep. Caren Robinson	<u>X</u>	_____	_____
Rep. Cynthia Toohey	_____	<u>X</u>	_____
Rep. Con Bunde	_____	<u>X</u>	_____
Rep. Al Vezey	_____	_____	_____
Rep. Gary Davis	_____	<u>X</u>	_____
Rep. Norman Rokeberg	_____	<u>X</u>	_____
Total	_____	_____	_____

A# 9

held

House HESS Roll Call Form

Bill No. _____

DATE: _____

Tape: 95- _____

Number: _____

Subject of Vote: _____

HB 7

Member	Yea	Nay	Abs.
Rep. Caren Robinson	<u>X</u>	—	—
Rep. Cynthia Toohey	—	<u>X</u>	—
Rep. Con Bunde	—	<u>X</u>	—
Rep. Al Vezey	—	—	—
Rep. Gary Davis	—	<u>X</u>	—
Rep. Norman Rokeberg	—	<u>X</u>	—
Rep. Tom Brice	<u>X</u>	—	—
Total	<u>2</u>	<u>4</u>	—

A [scribble]

House HESS Roll Call Form

Bill No. _____

DATE: _____

Tape: 95-_____

Number: _____

Subject of Vote: _____

AS 78

Member	Yea	Nay	Abs.
Rep. Cynthia Toohey	<u>X</u>	—	—
Rep. Con Bunde	<u>X</u>	—	—
Rep. Al Vezey	—	—	—
Rep. Gary Davis	<u>X</u>	—	—
Rep. Norman Rokeberg	<u>X</u>	—	—
Rep. Tom Brice	—	<u>X</u>	—
Rep. Caren Robinson	—	<u>X</u>	—
Total	<u>4</u>	<u>2</u>	—

COST/SAVINGS ANALYSIS

CSHB 78 (HES)

Prepared by the Department of Health and Social Services

Division of Public Assistance

April 4, 1995

	FY96	FY97	FY98	FY99	FY00	FY01	TOTAL
OPERATING EXPENDITURES							
AFDC Payments - Project	(137.9)	(875.1)	(1,782.4)	(1,882.1)	(1,998.6)	(2,111.1)	(8,787.2)
Eligibility Determination	136.8	188.8	188.8	188.8	188.8	188.8	1,080.8
PA Administration	213.5	158.5	158.5	158.5	158.5	158.5	1,006.0
PA Data Processing	972.4	277.0	66.5	66.5	66.5	66.5	1,515.4
Alaska Work Programs	0.0	394.5	436.1	446.0	457.0	470.4	2,204.0
Child Care Benefits	0.0	152.0	272.3	289.3	300.0	308.7	1,322.3
Medical Assistance	40.0	(431.9)	(818.9)	(914.8)	(978.1)	(1,035.0)	(4,138.7)
Family and Youth Services	113.9	113.9	113.9	113.9	113.9	113.9	683.4
Gross Project Cost	1,338.7	(22.3)	(1,365.2)	(1,533.9)	(1,692.0)	(1,839.3)	(5,114.0)
Less Federal Receipts for Project Costs	618.7	(28.7)	(659.5)	(739.2)	(813.0)	(881.7)	(2,503.4)
Less I/A Receipts for Project Costs (PFD Hold Harmless)	(12.7)	(78.8)	(160.4)	(169.4)	(179.9)	(190.0)	(791.2)
Net GF/GF Match Project Cost	732.7	85.2	(545.3)	(625.3)	(699.1)	(767.6)	(1,819.4)
Less Ratable Reduction GF Match Savings	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	(1,244.5)	(6,364.0)
Net GF Budget Impact	26.2	(938.6)	(1,620.4)	(1,754.1)	(1,884.4)	(2,012.1)	(8,183.4)

RATABLE REDUCTION SAVINGS							
GF Match	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	(1,244.5)	(6,364.0)
Federal Receipts	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	(1,244.5)	(6,364.0)
I/A Receipts (PFD Hold Harmless)	(197.7)	(207.5)	(217.7)	(228.7)	(240.1)	(252.2)	(1,343.9)

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)
DPA #1

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to the AFDC program BRU: Assistance Payments
demonstration projects and payment reductions Component: AFDC
 Sponsor: Hanley
 Requestor: House HES COMPONENT SERIAL NO. 220

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	(137.9)	(875.1)	(1,782.4)	(1,882.1)	(1,998.6)	(2,111.1)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(137.9)	(875.1)	(1,782.4)	(1,882.1)	(1,998.6)	(2,111.1)

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

1002 Federal Receipts	(62.6)	(398.1)	(811.0)	(856.3)	(909.3)	(960.5)
1003 GF Match	(62.6)	(398.2)	(811.0)	(856.4)	(909.4)	(960.6)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1008 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	(12.7)	(78.8)	(160.4)	(169.4)	(179.9)	(190.0)
TOTAL	(137.9)	(875.1)	(1,782.4)	(1,882.1)	(1,998.6)	(2,111.1)

POSITIONS:

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

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This bill makes a permanent change to the AFDC program by adopting a federal option that allows states to require, as a condition of eligibility for AFDC benefits, that unmarried minor parents and their children live with a parent or other adult relative or in another suitable adult-supervised living arrangement. This change in law applies to all AFDC cases in the state.

This legislation also creates temporary authority for various demonstration projects designed to reshape the state's AFDC program, and authorizes the Department of Health and Social Services to apply for any federal authority necessary to operate the projects.

Prepared by: Jim Nordlund, Director
 Division: Division of Public Assistance
 Approved by Com: Karen Perdue
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 4/4/95
 Date: 4/4/95

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ANALYSIS (cont.):

UNMARRIED MINOR PARENTS

This legislation adopts the federal option to require unmarried minor parents to live with a parent, adult relative or in another adult-supervised living arrangement.

Assumptions:

We anticipate no additional costs to AFDC program benefits due to this project.

Two hundred AFDC applications per year are received from unwed teen parents.

Seventy AFDC applications from teen parents require investigation each year because the teen claims that the parents' home is unsafe.

Forty percent of the cases investigated are denied benefits because the teen refuses to cooperate in the investigation or does not qualify financially because their parent(s)' income and assets disqualify them when they live at home.

The average monthly AFDC caseload is reduced by 28 cases per month. Average monthly cost per case is \$821.

Regulations take effect January 1, 1996.

FY 96 savings represent 6 months savings because of phased implementation.

Savings Calculation:

FY 96: (137.9)

FY 97 through FY 01: (275.9) per year

ANALYSIS (cont.):

DEMONSTRATION PROJECTS

The demonstration projects involve an array of services and special eligibility provisions that, under current law, require waiver of certain federal AFDC statutes and regulations. The demonstration projects include:

- A **Workfare Project** requires certain members of the experimental group benefit from increased incentives to work whether or not they are assigned to uncompensated work experience. Selected AFDC recipients are required to participate in unpaid work activities for 21 hours a week. Individuals who are employed 15 or more hours a week are exempt from the requirement. Individuals who are required to participate in workfare are subject to fiscal sanction if they do not comply with the requirement.
- An **AFDC Unemployed Parent Demonstration** designed to help two-parent AFDC families achieve economic independence. Families selected as project participants will be subject to a 36-month time limit on AFDC benefits.
- A **Self-Employment Project** provides incentives and support to families with a member who wishes to develop and operate a small business. Participants in this project are allowed to set aside up to \$10,000 to operate a self-employment business and to have up to \$500 per month in non-business income disregarded in the AFDC benefit calculation in order to build up business assets.
- A **Diversion Project** that will provide families an alternative to long-term AFDC dependency by offering job-ready AFDC applicants a one-time lump-sum cash payment to meet critical needs while they obtain employment and/or child support. Diversion projects will operate in two or more areas of the state.

All individuals in the experimental groups for the Unemployed Parent, Workfare, and Self-Employment projects receive increased incentives to work. The federal statute that prevents them from owning a vehicle worth more than \$2,500 is waived and they will instead be allowed to own up to \$5,000 in vehicle equity before the equity is counted against them. They are allowed an additional earned income disregard that increases the current time-limited \$30 and one third of the remainder to \$200 plus one third of the remainder for 24 months. The federal rule that prevents unemployed parents from working more than 100 hours per month is waived.

ANALYSIS (cont.):

General Assumptions - Demonstration Projects: (Specific assumptions for each of the four demonstration projects are set forth below.)

Each of the demonstration projects is operated under the authority of section 1115 (a) of the Social Security Act, which provides for the necessary policy waivers and requires an experimental design and a rigorous evaluation of results.

To comply with federal requirements, 70 percent of cases in each project area are randomly drawn to participate as the experimental group. Demonstration project requirements and waivers apply only to the experimental group.

Thirty percent of cases are maintained as part of the control group; normal AFDC program requirements apply to the control group.

Demonstration project operations begin July 1, 1996 and end June 30, 2001.

Project costs (Measured over the 5-year operation of the project) do not exceed baseline costs of operating the AFDC program without the project. Federal financial participation is therefore available at the AFDC 50 percent federal match rate for all project costs.

Workfare Project:**General Assumptions:**

Workfare operates in one urban area with a total caseload size of approximately 5500 cases per month. An average of 300 AFDC participants per month are engaged in unpaid work activities under workfare.

Savings Assumptions:

Five percent of the experimental group start working as a result of the increase in earned income disregards, and an additional nine percent of the experimental group start working because of the workfare demonstration, at an average wage of \$800 per month. The average savings per case for participants who become employed is \$463 per month.

One percent of the families in the experimental group leave the AFDC caseload because of increased work incentives. Seven percent of the families in the experimental group leave the AFDC caseload because of the 21 hour-per-week workfare requirement. The average savings for each family that leaves AFDC is \$788 per month.

Three percent of the families in the project are sanctioned or denied for failure to comply with workfare requirements.

ANALYSIS (cont.):

Annual Workfare Savings:

AFDC BENEFIT SAVINGS						
	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
\$200 + 1/3 Earned Income Disregard & 100-Hour-Rule	0.0	(390.93)	(852.0)	(888.5)	(932.9)	(979.5)
Workfare Sanctions	0.0	(8.8)	(17.6)	(17.6)	(17.6)	(17.6)
Case Closures	0.0	(112.8)	(360.7)	(366.0)	(384.2)	(403.4)
Total Gross Savings	0.0	(796.1)	(1230.3)	(1272.1)	(1334.7)	(1400.5)

Cost Assumptions:

The annual average earned income disregard rises from \$36 per month to \$180 per month for working families.

The eligibility waivers result in 8 more eligible families each year.

Annual Workfare Costs:

AFDC BENEFIT COSTS						
	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
\$200 + 1/3 Earned Income Disregard & 100-Hour-Rule	0.0	505.5	499.2	524.1	550.2	577.5
Automobile Allowance	0.0	60.3	80.4	80.4	80.4	80.4
Total Gross Costs	0.0	565.8	579.6	604.5	630.6	657.9

Workfare Project: Cost/Savings Summary

	FY96	FY97	FY98	FY99	FY00	FY01
Savings	0	(796.1)	(1230.3)	(1272.1)	(1334.7)	(1400.5)
Costs	0	(565.8)	(579.6)	(604.5)	(630.6)	(657.9)
Net Savings	0	(230.3)	(650.7)	(667.6)	(704.1)	(742.6)

ANALYSIS (cont.):**Unemployed Parent Project****General Assumptions:**

The Unemployed Parent Project operates in two urban sites with a total AFDC Unemployed Parent caseload of approximately 1100 cases per month.

Four percent of the experimental group is exempt from the project requirements because they are unable to work.

Savings Assumptions:

The project waivers increase the average monthly earnings of project participants who are already working from \$500 to \$800.

Five percent of unemployed project participants become employed at an average wage of \$800 per month as a result of the project requirements.

Savings resulting from case closures because of the 36-month time limit begin to accrue in FY 00.

One percent of families in the experimental group become ineligible for AFDC because of the demonstration project.

Three percent of the families in the project are sanctioned or denied for failure to comply with project requirements.

Cost Assumptions:

The waiver of the 100-hour rule, increase in the vehicle value allowance, and increase in the income disregard produce costs for benefits paid to families that would otherwise receive a reduced AFDC grant or be ineligible.

Calculations:

Unemployed Parent Project: Cost/Savings Summary					
	FY97	FY98	FY99	FY00	FY01
Savings	(671.2)	(887.1)	(941.9)	(603.6)	(1043.6)
Cost	541.7	577.6	603.6	632.9	662.3
Net Savings	(129.5)	(309.5)	(338.4)	(364.3)	(381.3)

ANALYSIS (cont.):**Self-Employment Project:****General Assumptions:**

The Self-Employment Project serves a maximum of 50 AFDC recipients in any month.

The average net self-employment earnings for project participants is \$700 per month.

Thirty AFDC recipients become self-employed in FY 97; 50 recipients become self-employed in each subsequent year.

Savings Assumptions:

The AFDC savings is \$505 per month for each case that becomes employed.

Three AFDC cases become ineligible for AFDC because of successful self-employment operations in FY 97 and 10 cases become ineligible in each subsequent year; the average savings for each family that leaves the caseload is \$5122 per year.

Cost Assumptions:

The new income disregards result in program costs: The average monthly income disregard for project participants is \$344 more than the regular AFDC income disregard. \$200 of this amount is due to the special allowances for self-employed and \$144 is due to the increased earned income disregards.

Calculations:

Self-Employment Project: Costs/Savings Summary					
	FY97	FY98	FY99	FY00	FY01
Savings	(151.7)	(369.6)	(420.8)	(472.0)	(523.2)
Cost	67.1	111.8	111.8	111.8	111.8
Net Savings	(84.6)	(257.8)	(309.0)	(360.2)	(411.4)

ANALYSIS (cont.):**Diversion Project****General Assumptions:**

The Diversion Project operates in two areas of the state.

In FY 97 the experimental group includes approximately 1600 applicant families. The number of applicant families increases by 1 percent per year each year thereafter.

Fifteen percent of the applicants screened into the experimental group meet the criteria for a diversion offer and accept a diversion payment rather than receiving AFDC benefits.

Savings Assumptions:

The average AFDC payment avoided for the 3 month period is \$2,364.

Fifty-five percent of the families that receive diversion payments are diverted from the AFDC program for at least 12 months.

For each Diverted family, an average of 6.5 months of AFDC expenditures is avoided.

Cost Assumptions:

In the implementation year of FY 97, 94 families receive Diversion payments; 179 families receive Diversion payments in FY 98. The number of Diversion recipients increases by 1 percent in each subsequent year.

The average diversion payment is \$1,600 per family.

Calculations:

AFDC Diversion Project: Cost/Savings Summary					
	FY97	FY98	FY99	FY00	FY01
Savings	(358.3)	(667.8)	(673.9)	(680.8)	(687.6)
Cost	203.5	379.3	382.7	386.7	390.5
Net Savings	(154.8)	(288.5)	(291.2)	(294.1)	(297.1)

ANALYSIS (cont.):

**CUMULATIVE IMPACTS OF THIS LEGISLATION ON AFDC ASSISTANCE PAYMENTS
SUMMARY**

	FY96	FY97	FY98	FY99	FY00	FY01	Totals
Minor Parents	(137.9)	(275.9)	(275.9)	(275.9)	(275.9)	(275.9)	(1517.4)
Workfare	0.0	(230.3)	(650.7)	(667.6)	(704.1)	(742.6)	(2995.3)
Unemployed Parent	0.0	(129.5)	(309.5)	(338.4)	(364.3)	(381.3)	(1523.0)
Self Employment	0.0	(84.6)	(257.8)	(309.0)	(360.2)	(411.4)	(1423.0)
Diversion	0.0	(154.8)	(288.5)	(291.2)	(294.1)	(299.9)	(1328.5)
TOTAL	(137.9)	(875.1)	(1782.4)	(1882.1)	(1998.6)	(2111.1)	(8787.2)

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)
DPA #2

Revision Date: _____ Dept. Affected: Health and Social Services
Title: An Act relating to the AFDC program BRU: PA Administration
demonstration projects and payment reductions Component: Eligibility Determination
Sponsor: Hanley
Requestor: House HES COMPONENT SERIAL NO. 236

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	91.5	182.8	182.8	182.8	182.8	182.8
TRAVEL	1.5	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	2.5	4.0	4.0	4.0	4.0	4.0
SUPPLIES	1.3	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	40.0	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	136.8	188.8	188.8	188.8	188.8	188.8

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

1002 Federal Receipts	68.4	94.4	94.4	94.4	94.4	94.4
1003 GF Match	68.4	94.4	94.4	94.4	94.4	94.4
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	136.8	188.8	188.8	188.8	188.8	188.8

POSITIONS:

FULL-TIME	4	4	4	4	4	4
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

Operation of the demonstration projects and the new teen parent requirement produces the need for additional eligibility determination staff. This need is primarily due to the additional time necessary to inform members of the experimental groups of the requirements applicable to them, determine individuals' employability, establish contracts with families, and monitor compliance.

Prepared by: Jim Nordlund, Director
Division: Division of Public Assistance
Approved by Com: Karen Pedersen
Agency: Department of Health & Social Services

Phone: 465-2680
Date: 4/4/95
Date: 4/4/95

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ANALYSIS (cont.):Assumptions:

Eligibility staff are trained and in place upon project implementation on July 1, 1996. Training period is 6 months, so eligibility staff costs begin January 1, 1996.

Project components requiring most additional eligibility staff time are the diversion and unemployed parent projects. The community work project, self employment project, and requirement for teen parents at home also impact on the need for field eligibility staff.

The additional workload produces a need for 4 Eligibility Technician II positions statewide; 3 in Anchorage and 1 in Fairbanks.

Federal matching funds are available for demonstration project costs at the AFDC 50% matching rate, based on the projected cost neutrality of the projects.

Calculations:**FY 96:**

Personal Services (6 months)	91.5
4 ET II - R14 @ 45.7 yr (6 months)	
Travel (for training)	1.5
Contractual (space, phones, postage)	2.5
Supplies	1.3
Equipment	<u>40.0</u>
Total	136.8

FY 97 through FY01:

Personal Services (12 months)	182.8
4 ET II - R14 @ 45.7 yr (12 months)	
Contractual (space, phones, postage)	4.0
Supplies	<u>2.0</u>
Total	188.8

Position Title Eligibility Technician II			No. of Positions 1	Range/Step R 14A	Bargaining Unit GGU
Time Status FT	Staff Months 6 months		Location Fairbanks		Election District
TYPE of EXPENDITURE			AMOUNT		
Salary			22.9		
Benefits					
Premium Pay					
Other					
Total Personal Services			22.9		
Travel			1.5		
Contractual			1.0		
Commodities			0.5		
Equipment			10.0		
Other					
Total Cost			35.9		
FUNDING SOURCE for TOTAL COST					
1002	Federal Receipts		17.9		
1003	GF Match		18.0		
1004	General Fund				
1005	GF/Program Receipts				
1006	GF/Mental Health Trust				
1007	I/A Receipts				
1061	CIP Receipts				
Other					
Justification					
This legislation produces a need for additional Eligibility Determination staff.					
Additional time is necessary for eligibility staff to explain project requirements, determine eligibility for diversion project, monitor compliance with new requirements, and additional case processing necessary to ensure accuracy of benefits when recipients enter or decline employment.					

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Eligibility Determination (0236)

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Revised Date:

FY96

Position Title Eligibility Tehcnician II		No. of Positions 3	Range/Step R14A	Bargaining Unit GGU
Time Status FT	Staff Months 6 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		68.6		
Benefits				
Premium Pay				
Other				
Total Personal Services		68.6		
Travel				
Contractual		1.5		
Commodities		0.8		
Equipment		30.0		
Other				
Total Cost		100.9		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	50.4		
1003	GF Match	50.5		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>This legislation produces a need for additional Eligibility Determination staff.</p> <p>Additional time is necessary for eligibility staff to explain project requirements, determine eligibility for diversion project, monitor compliance with new requirements, and additional case processing necessary to ensure accuracy of benefits when recipients enter or decline employment.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Eligibility Determination (0236)

Page 1 of 1

Revised Date:

FY96

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)
DPA #3

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to the AFDC program BRU: PA Administration
demonstration projects, and payment reductions Component: PA Administration
 Sponsor: Hanley
 Requestor: House HES COMPONENT SERIAL NO. 233

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	114.5	114.5	114.5	114.5	114.5	114.5
TRAVEL	16.0	16.0	16.0	16.0	16.0	16.0
CONTRACTUAL	62.0	27.0	27.0	27.0	27.0	27.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	20.0	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	213.5	158.5	158.5	158.5	158.5	158.5

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

1002 Federal Receipts	106.7	79.2	79.2	79.2	79.2	79.2
1003 GF Match	106.8	79.3	79.3	79.3	79.3	79.3
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	213.5	158.5	158.5	158.5	158.5	158.5

POSITIONS:

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

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation requires DHSS to design and operate waiver projects under the authority of section 1115 (a) of the Social Security Act.

Project development and management staff are necessary to develop, apply for, monitor, and evaluate the demonstration projects authorized by this legislation. Project management staff will coordinate program and system changes, oversee an evaluation contractor, and maintain relationships with federal officials. Essential project management staff include a project coordinator and a project assistant.

The federal Department of Health and Human Services requires that a demonstration project evaluation be performed by an independent contractor. The evaluation tests the effects of the demonstration on program costs and recipient outcomes.

Prepared by: Jim Nordlund, Director
 Division: Division of Public Assistance
 Approved by Com: Karen Petruc, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 4/4/95
 Date: 4/4/95

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

An independent contractor will design, review, and evaluate project requirements to ensure federal approval. Total estimated costs are \$130,000 based on amounts other states paid for evaluation of similar projects.

The services of a private law firm are necessary to develop, write, and prepare for submission to the Attorney General the necessary state regulations.

The demonstration project operates from July 1, 1996 through June 30, 2001. FY96 costs are for project design and implementation.

Federal matching funds are available for demonstration project costs at the AFDC 50 percent matching rate, based on the projected cost neutrality of the project.

Calculations:**FY 96:**

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Regulations contract		25.0
	Evaluation contract		30.0
	Office space, postage, phones, fax		7.0
	Supplies		1.0
	Equipment		20.0
	Travel		<u>16.0</u>
	Total		213.5

FY 97 through FY01

1	Project Coordinator	R19	62.5
1	Project Assistant	R16	52.0
	Evaluation Contract		20.0
	Office space		7.0
	Supplies		1.0
	Travel		<u>16.0</u>
	Total		158.5

Position Title Project Coordinator		No. of Positions 1	Range/Step 19A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Juneau		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		62.5		
Benefits				
Premium Pay				
Other				
Total Personal Services		62.5		
Travel		8.0		
Contractual		3.5		
Commodities		0.5		
Equipment		10.0		
Other				
Total Cost		84.5		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	42.2		
1003	GF Match	42.3		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>Project development and management include planning, negotiating, and preparing the demonstration project application(s). Including requesting waiver of the pertinent federal law provisions. Development also includes coordinating the necessary program and system changes and dealing with requests for information about the project as well as negotiation and administration of the evaluation contract and monitoring of the project. Project management staff would also be responsible to oversee the operation and monitoring of the project and maintain the necessary relationships with federal officials throughout its duration.</p> <p>This request is for the project coordinator.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Administration (0233)

Page 1 of 1
 Revised Date:

FY96

Position Title Project Assistant		No. of Positions 1	Range/Step 16A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Juneau		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		52.0		
Benefits				
Premium Pay				
Other				
Total Personal Services		52.0		
Travel		8.0		
Contractual		3.5		
Commodities		0.5		
Equipment		10.0		
Other				
Total Cost		74.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	37.0		
1003	GF Match	37.0		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>Project development and management include planning, negotiating, and preparing the demonstration project application(s). Including requesting waiver of the pertinent federal law provisions. Development also includes coordinating the necessary program and system changes and dealing with requests for information about the project as well as negotiation and administration of the evaluation contract and monitoring of the project. Project management staff would also be responsible to oversee the operation and monitoring of the project and maintain the necessary relationships with federal officials throughout its duration.</p> <p>This request is for the project assistant.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services

BRU: Public Assistance Administration

COMPONENT: Public Assistance Administration (0233)

FY96

Page 1 of 1

Revised Date:

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS11B 78 (HES)
DPA #4

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to the APDC program BRU: PA Administration
demonstration projects, and payment reductions Component: PA Data Processing
 Sponsor: Hanley
 Requestor: House HES COMPONENT SERIAL NO. 240

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	166.5	114.5	62.5	62.5	62.5	62.5
TRAVEL	16.0	16.0	0.0	0.0	0.0	0.0
CONTRACTUAL	776.4	145.5	3.5	3.5	3.5	3.5
SUPPLIES	1.5	1.0	0.0	0.0	0.0	0.0
EQUIPMENT	12.0	0.0	0.5	0.5	0.5	0.5
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	972.4	277.0	66.5	66.5	66.5	66.5

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

(Thousands of Dollars)

1002 Federal Receipts	486.2	138.5	33.2	33.2	33.2	33.2
1003 GF Match	486.2	138.5	33.3	33.3	33.3	33.3
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	972.4	277.0	66.5	66.5	66.5	66.5

POSITIONS:

FULL-TIME	3	3	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

Modifications to the Division of Public Assistance Eligibility Information System (EIS) are necessary to implement this legislation. Federally approved demonstration projects require simultaneously maintaining control and experimental groups. The computer system must be modified to accommodate both groups. Demonstration project methodology also requires special collection and compilation of data to monitor and evaluate the project.

Continued on page 2

Prepared by: Jim Nordlund, Director
 Division: Division of Public Assistance
 Approved by Com: Karen Perdue
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 4/4/95
 Date: 4/4/95

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ANALYSIS (cont.):

EIS modifications require a system contractor for analysis, design, and oversight of implementation. State staff are necessary during project planning and implementation to procure and direct the contractor, monitor performance, and test the modifications. Once the modifications are in place, a reduced level of staff is required to maintain the system and produce the information necessary for project evaluation.

Assumptions:

The EIS modification project begins when the bill is enacted.

The demonstration project operates for 5 years, from 7/1/96 through 6/30/01.

An independent contractor is necessary to provide system design, programming changes, and oversee implementation of the modification.

A project coordinator is necessary to coordinate project management, acting as a liaison between contractor, waiver project staff, policy experts, and system staff. This position is necessary from initiation through the final evaluation.

Two public assistance analysts are necessary to analyze proposed modifications and test the modifications for state acceptance. These positions will be necessary for 18 months.

Federal matching funds will be available for demonstration project costs at the AFDC 50 percent matching rate, based on the projected cost neutrality of the projects.

Calculations:**FY 96**

1	Project Coordinator	R19	62.5
2	Public Assistance Analysts	R16	104.0
	Travel		16.0
	Equipment		12.0
	Office space, phones, postage, fax		10.5
	Supplies		1.5
	System Contract		<u>765.9</u>
	Total		972.4

ANALYSIS (cont.):

FY 97

1	Project Coordinator	R19	62.5
2	Public Assistance Analysts (6 mo)	R16	52.0
	Travel		16.0
	Office space, phones, postage, fax		7.0
	Supplies		1.0
	System Contract		<u>138.5</u>
Total			277.0

FY 98 thru FY 01:

1	Project Coordinator	R19	62.5
	Office space, phones, postage, fax		3.5
	Supplies		<u>.5</u>
Total			66.5

Position Title Project Coordinator		No. of Positions 1	Range/Step 19A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		62.5		
Benefits				
Premium Pay				
Other				
Total Personal Services		62.5		
Travel		8.0		
Contractual		3.5		
Commodities		0.5		
Equipment		4.0		
Other				
Total Cost		78.5		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	39.2		
1003	GF Match	39.3		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>EIS modifications require a system contractor for analysis, design, and oversight of implementation. State staff are necessary during project planning and implementation to procure and direct the contractor, monitor performance, and test the modifications.</p> <p>This position is the project coordinator is necessary to coordinate project management and act as a liaison between contractor, waiver project staff, policy experts, and system staff. This position is necessary for initiation through the final evaluation in FY01.</p>				

**REQUEST for
NEW POSITION**

AGENCY: **Health and Social Services**
 BRU: **Public Assistance Administration**
 COMPONENT: **Public Assistance Data Processing (0240)**

Page 1 of 1
 Revised Date: 3/28/95

FY96

Position Title Public Assistance Analyst		No. of Positions 2	Range/Step 16A	Bargaining Unit GGU
Time Status FT	Staff Months 12 months	Location Anchorage		Election District
TYPE of EXPENDITURE		AMOUNT		
Salary		104.0		
Benefits				
Premium Pay				
Other				
Total Personal Services		104.0		
Travel		8.0		
Contractual		7.0		
Commodities		1.0		
Equipment		8.0		
Other				
Total Cost		128.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	64.0		
1003	GF Match	64.0		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>EIS modifications require a system contractor for analysis, design, and oversight of implementation. State staff are necessary during project planning and implementation to procure and direct the contractor, monitor performance, and test the modifications.</p> <p>These positions are public assistance analysts necessary to ensure accuracy of contractor design and development efforts.</p>				

**REQUEST for
NEW POSITION**

AGENCY: Health and Social Services
 BRU: Public Assistance Administration
 COMPONENT: Public Assistance Data Processing (0240)

Page 1 of 1
 Revised Date: 3/28/95

FY96

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)
DPA #5

Revision Date: _____ Dept. Affected: Health and Social Services
Title: An Act relating to the AFDC program BRU: PA Administration
demonstration projects and payment reductions Component: Alaska Work Program
Sponsor: Hanley
Requestor: House HES COMPONENT SERIAL NO. 238

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	300.0	300.0	300.0	300.0	300.0
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	94.5	136.1	146.0	157.0	170.4
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	394.5	436.1	446.0	457.0	470.4

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

(Thousands of Dollars)

1002 Federal Receipts	0.0	197.2	218.0	223.0	228.5	235.2
1003 GF Match	0.0	197.3	218.1	223.0	228.5	235.2
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	394.5	436.1	446.0	457.0	470.4

POSITIONS:

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

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for several demonstration projects in which training, education, and work activities are required of certain AFDC applicants and recipients.

Under current AFDC program operations, the Department does not pay for supportive services for individuals who are in training, education, paid or unpaid employment unless the individual is participating in the JOBS program.

The Community Work projects authorized by this bill will be operated by contractors; funding for the contracts is requested in this fiscal note.

Additional funding for supportive services will be necessary for participants in the Unemployed Parent project.

Prepared by: Jim Nordlund, Director
Division: Division of Public Assistance
Approved by Com: Karen W. Anderson
Agency: Department of Health & Social Services

Phone: 465-2680
Date: 4/14/95
Date: 4/14/95

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

- Project are operational July 1, 1996 through June 30, 2001.
- Workfare is operated by a contractor.
- Development of work sites begins July 1, 1996, then continues with monitoring of placement agreements; recruitment of new sites to replace filled or discontinued sites; and terminates with end of project.
- Average monthly number of Workfare participants: 150 in FY97, 300 in FY98 through FY01.
- Workfare contractor will develop work slots; manage cases of individuals referred to workfare; provide participation reports to DPA eligibility offices; pay client transportation and professional licensing costs; pay insurance for clients equivalent to Worker's Compensation; and compile information and report on workfare program outcomes.
- Average cost of managing workfare slots is \$1000/slot/year. In first year (FY97) 50% of contract funds are spent on project startup costs, 50% on operations. 100% of contract funds are spent on operations in FY98 through FY01.

There will be 50 families participating in the self-employment project. Alaska's Dept of Commerce and Economic Development and the US Small Business Administration will provide training and professional planning and reviews for entrepreneurs. These services will not incur new costs to the State.

333 families each month will require transportation services to participate in the Unemployed Parent (UP) Project in FY97, increasing to 350/month in FY98; 368/month in FY99; 386/month in FY00; and 405/month in FY01.

7 families each month will require licenses and/or professional fees to participate in the Unemployed Parent (UP) Project in FY97, increasing to 8/month in FY98 and in FY99; 10/month in FY00; and 11/month in FY01.

ANALYSIS (cont.):

\$37/month average transportation cost for FY97.

\$25/month average license/professional fee cost for FY97.

2.5% inflation rate for each year.

Federal matching funds will be available for demonstration project costs at the AFDC 50% matching rate, based on the projected cost neutrality of the projects.

Unemployed Parent Project - Supportive Service Calculations:

	FY96	FY97	FY98	FY99	FY00	FY01	Totals \$
Transp.	0.0	92.9	133.6	143.5	153.7	166.6	690.3
License	0.0	1.6	2.5	2.5	3.3	3.8	13.7
Total \$	0.0	94.5	136.1	146.0	157.0	170.4	704.0

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)
DPA #6

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to the AFDC program BRU: PA Administration
demonstration projects and payment reductions Component: Child Care Benefits
 Sponsor: Hanley
 Requestor: House HES COMPONENT SERIAL NO. 1897

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	152.0	272.3	289.3	300.0	308.7
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	152.0	272.3	289.3	300.0	308.7

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

(Thousands of Dollars)

1002 Federal Receipts	0.0	76.0	136.1	144.6	150.0	154.3
1003 GF Match	0.0	76.0	136.2	144.7	150.0	154.4
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	152.0	272.3	289.3	300.0	308.7

POSITIONS:

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

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for several demonstration projects in which training, education, and work activities are required of certain AFDC applicants and recipients. A certain number of these families will require child care to participate in the activities.

Under current AFDC program operations, the Department does not pay for child care for individuals in unpaid community service, training, or employment unless the individual is participating in the JOBS program.

Prepared by: Jim Nordlund, Director
 Division: Division of Public Assistance
 Approved by Com: Karen Verdut
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 4/4/95
 Date: 4/4/95

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ANALYSIS (cont.):Assumptions:

FY96 is a planning year, with no participants.

Project is operational July 1, 1996.

Nine families each month require child care services to participate in the Unemployed Parent (UP) Project in FY97, increasing to 10 a month in FY98 and FY99, and 11 a month in FY00 and FY01.

Twenty five families require 3 months of child care services to participate in the Diversion Project in FY97, 48 in FY98 through FY00, and 49 in FY01.

Thirty families each month require child care services to participate in the Workfare Project in FY97, increasing to 60 a month each year through FY01.

Average child care is \$280 a month in FY97.

Child care inflation rate is 2/5% a year.

Federal matching funds are available for demonstration project costs at the AFDC 50% matching rate, based on the projected cost neutrality of the projects.

Child Care Calculations:

Child care	FY96	FY97	FY98	FY99	FY00	FY01	Totals \$
UP	0.0	30.2	24.4	35.3	39.7	40.8	170.4
Diversion	0.0	21.0	41.3	42.3	43.3	45.4	193.3
Workfare	0.0	100.8	206.6	211.7	217.0	222.5	958.6
Total \$	0.0	152.0	272.3	289.3	300.0	308.7	1322.3

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)
DPA #7

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to the AFDC program BRU: Assistance Payments
demonstration projects and payment reductions Component: AFDC - Ratable Reductions
 Sponsor: Hanley
 Requestor: House HES COMPONENT SERIAL NO. 220

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(1,610.7)	(2,255.1)	(2,367.9)	(2,486.3)	(2,610.7)	(2,741.2)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(1,610.7)	(2,255.1)	(2,367.9)	(2,486.3)	(2,610.7)	(2,741.2)

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

(Thousands of Dollars)

1002 Federal Receipts	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	(1,244.5)
1003 GF Match	(706.5)	(1,023.8)	(1,075.1)	(1,128.8)	(1,185.3)	(1,244.5)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	(197.7)	(207.5)	(217.7)	(228.7)	(240.1)	(252.2)
TOTAL	(1,610.7)	(2,255.1)	(2,367.9)	(2,486.3)	(2,610.7)	(2,741.2)

POSITIONS:

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

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This legislation reduces AFDC maximum payment levels to approximately 1.7 percent below the current maximums.

Prepared by Jim Nordlund, Director
 Division: Division of Public Assistance
 Approved by Com Karen Peddic
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 4/4/95
 Date: 4/4/95

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

The reduction takes effect on October 1, 1995, and is repealed July 1, 2001.

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

Ratable reductions are imposed statewide.

AFDC caseload size will increase by 5 percent each year.

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

Calculations:

	<u>Average AFDC Caseload</u>	<u>Average monthly payment reduction</u>	<u>Total FY Reduction</u>
FY96	13,767	\$13	* \$1,610.7
FY97	14,456	\$13	\$2,255.1
FY98	15,179	\$13	\$2,367.9
FY99	15,938	\$13	\$2,486.3
FY00	16,735	\$13	\$2,610.7
FY01	17,572	\$13	\$2,741.2

* FY96 Total reduction is for 9 months

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)
DPA #8

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: No Act relating to the AFDC program BRU: PPD Hold Harmless
demonstration projects, and payment reductions Component: PPD Hold Harmless
 Sponsor: Haaley
 Requestor: House HES COMPONENT SERIAL NO. 225

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)

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

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1050 PFD Funds	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)
TOTAL	(210.4)	(286.3)	(378.1)	(398.1)	(420.0)	(442.2)

POSITIONS:

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

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

PFD Hold Harmless payments replace AFDC benefits when receiving the dividend causes individuals to lose eligibility or to have benefits reduced. The variable reductions provided for in this bill reduce costs in the AFDC assistance payments BRU. The AFDC Demonstration project also produces savings in the AFDC Component. PFD Hold Harmless costs change in direct proportion to the costs of the programs held harmless.

Prepared by: Jim Nordlund, Director
 Division: Division of Public Assistance
 Approved by Com: Karen Petersen
 Agency: Department of Health & Social Services

Phone: 465-2680
 Date: 4/4/95
 Date: 4/4/95

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

The benefit reductions take effect on October 1, 1995.

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

Calculations:**PFD HOLD HARMLESS SAVINGS**

	AFDC RATABLE REDUCTIONS	AFDC DEMONSTRATION PROJECTS	PFDHH
FY96	\$197.7	\$ 12.7	\$210.4
FY97	\$207.5	\$ 78.8	\$286.3
FY98	\$217.7	\$160.4	\$378.1
FY99	\$228.7	\$169.4	\$398.1
FY00	\$240.1	\$179.9	\$420.0
FY01	\$252.2	\$190.0	\$442.2

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB78(HES)

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to the AFDC program BRU: Family and Youth Services
demonstration projects and payment reductions Component: DFYS Central Office
 Sponsor: Representative Hanley COMPONENT SERIAL NO. 259
 Requestor: House (HES) See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	58.9	58.9	58.9	58.9	58.9	58.9
TRAVEL	1.1	1.1	1.1	1.1	1.1	1.1
CONTRACTUAL	53.9	53.9	53.9	53.9	53.9	53.9
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	113.9	113.9	113.9	113.9	113.9	113.9

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	113.9	113.9	113.9	113.9	113.9	113.9
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	113.9	113.9	113.9	113.9	113.9	113.9

POSITIONS:

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

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

In order to follow state and federal guidelines, the AFDC parents who are 17 years of age or younger who are living independently from their parent or guardian will need to be assessed for meeting one of the exceptions that are allowed for waiver.

As of October of 1994, there were 141 AFDC parents under age 17. It can be anticipated that 50% of the teen parents' circumstances will need to be fully assessed in order to determine if their living arrangement is suitable and meets the criteria for waiver. Investigations and initial assessments will require an average of 10 hours of contracted social worker time at \$70/hr for each recipient. Maintenance of these cases will require an additional 70 hours of contracted social worker time per year for continued assessment.

Development, implementation and monitoring of this statewide contractual program will necessitate establishing a new SW IV position in the State Office of the Division. A travel allowance for monitoring field sites once a year would

Prepared by: L. Diane Worley, Director Phone: 465-3191
 Division: Family & Youth Services Date: 03/29/95
 Approved by Commissioner: Karen Perdue, Commissioner Date: 4/4/95
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):

also be necessary.

Contract Clinical Social Worker (12 months)

Intake Assessment/Evaluation

70 referrals x 10 hours = 700 hours x \$70/hr = \$49.0

Re-evaluations for maintenance caseload

70 hours x \$70/hr = \$4.9

Social Worker IV Range 18 Juneau State Office \$58.9

Travel: 1 trip to Fairbanks, 1 trip to Anchorage \$1.1

TOTAL \$113.9

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)

DMA #1

Revision Date: _____
 Title: An Act relating to the payment of
aid to families with dependent children . . .
 Sponsor: HANLEY
 Requestor: House HESS

Dept. Affected: Health and Social Services
 BRU: Medical Assistance Admin
 Component: Claims Processing
 COMPONENT SERIAL NO. 243
 See also (SN#): 229, 230

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	40.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS						
TOTAL OPERATING	40.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY96	FY97	FY98	FY99	FY00	FY01
1002 Federal Receipts	20.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	20.0	0.0	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	40.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

POSITIONS	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

CSHB 78 (HES) will require the state to secure an 1115(a) waiver from the federal government. One requirement of an 1115(a) waiver is that the state be able to show "cost neutrality" of the waiver program. These means that the federal government will only provide financial participation in the waiver program to the extent that the program cost the federal government the same (neutral) or less than the cost of the conventional AFDC and Medicaid programs. This will require the state to accurately track each recipient participating in the program and the recipient's associated cost. To accomplish this, the department's Eligibility Information System and the Medicaid Management Information System computers must be enhanced to accept additional client identifiers and eligibility codes. Enhancement of the Medicaid Management Information System is done by the Division of Medical Assistance's fiscal intermediary, First Health. There is a one time charge for making such computer programming modifications. This charge will be incurred during fiscal year 1996.

Prepared by: Jon Sherwood
 Division: Medical Assistance

Phone: 465-3355
 Date: 03/31/95

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

Date: 4/4/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)

DMA #2

Revision Date: _____
 Title: An Act relating to the payment of
aid to families with dependent children . . .
 Sponsor: HANLEY
 Requestor: House HESS

Dept. Affected: Health and Social Services
 BRU: Medical Assistance
 Component: Medicaid Non-Facility
 COMPONENT SERIAL NO. 229
 See also (SN#): 230, 243

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	(207.3)	(393.1)	(439.1)	(469.5)	(496.8)
MISCELLANEOUS						
TOTAL OPERATING	0.0	(207.3)	(393.1)	(439.1)	(469.5)	(496.8)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	(103.6)	(196.5)	(219.5)	(234.7)	(248.4)
1003 GF Match	0.0	(103.7)	(196.6)	(219.6)	(234.8)	(248.4)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	0.0	(207.3)	(393.1)	(439.1)	(469.5)	(496.8)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

CSHB 78 (HES) makes several changes to the Aid to Families with Dependent Children program (AFDC). AFDC recipients are eligible for Medicaid. Medicaid spending will decrease as people lose Medicaid eligibility when they lose AFDC due to renewed self sufficiency as a result of the diversion program, failure to cooperate with the requirements of a workfare and AFDC unemployed parent projects, or successful entrepreneurship that increases their net income. Otherwise, participants in the programs created by this legislation will remain Medicaid eligible.

A slight temporary increase in Medicaid spending will occur as a result of individuals becoming AFDC eligible because of the waiver of the 100 hour employment limit and increased asset exclusion for an automobile. However, in the long term, this will be more than offset by the permanent establishment of self sufficiency.

See analysis on the attached pages.

Prepared by: Jon Sherwood
 Division: Medical Assistance

Phone: 465-3355
 Date: 03/31/95

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

Date: 4/4/95

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ANALYSIS (cont.):

GENERAL ASSUMPTIONS

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Average Monthly Cost of Medicaid						
AFDC Adult	\$237	\$247	\$258	\$269	\$281	\$293
AFDC Child	\$137	\$143	\$149	\$156	\$163	\$170

The cost of Medical assistance shows growth of 4.38% annually.
 The number of AFDC cases affected by this legislation were provided by Division of Public Assistance.
 An AFDC case (household), on average, consist of one adult and two children.

MINOR PARENT ASSISTANCE

A small reduction in Medicaid spending will result from minors who are parents and who lose Medicaid eligibility as a result of losing AFDC eligibility. The Division of Public Assistance estimates that in FY 97, 30 AFDC cases per month will be denied under this provision. We estimate that only 5 of those cases will lose Medicaid eligibility by the minor parent returning to her parent's household. Despite the loss of AFDC, 25 of these minor parents would likely still qualify for Medicaid under existing Medicaid only coverage. It is likely that all of the children of a minor parent would continue to qualify for Medicaid under newborn, healthy child or other Medicaid only eligibility categories.

Average number of cases per month ineligible for Medicaid in FY 97 = 5
 Total decrease in months of Medicaid eligibility in FY 97 = 60 (5 cases per month x 12 months)
 Case load will increase 1% per year.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Decreased months of Medicaid	0	60	61	62	63	64
MINOR PARENT SAVINGS	0	(8,580)	(9,089)	(9,672)	(10,269)	(10,880)

INCOME DISREGARD;"100-HOUR" RULE WAIVER; AUTO ALLOWANCE

The increase in the earned income disregard, waiver of the 100 hour employment limit, and increasing the vehicle exclusion to \$5000 will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 4 cases per year will become eligible for AFDC. In FY 97, cases are assumed to be eligible for an average of 9 months, and for 12 months thereafter.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY '01</u>
Adults Added Because of New Limits	0	4	4	4	4	4
Children Added Because of New Limits	0	4	4	4	4	4
Adult Expenditures (9 mo. only FY97)	\$0	\$8,892	\$12,384	\$12,912	\$13,488	\$14,064
Child Expenditures (9 mo. only FY 97)	\$0	\$5,148	\$7,152	\$7,488	\$7,824	\$8,160
NEW EXPENDITURES	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224

ANALYSIS (cont.):**WORKFARE**

Families participating in a workfare project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials, and closures. It is estimated that sanctions, denials, and closures will generally cause Medicaid eligibility for an average of 6.5 months per year. Approximately one-half of the children of these families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, when a family loses AFDC under the workfare project, on average one adult and 1 child lose Medicaid. Sanctions apply only to adults.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	9	9	9	9	9
Adult Denials (1 adult)	0	9	9	9	9	9
Adult Closures (1 adult)	0	42	42	42	42	42
Child Denials (1 child)	0	9	9	9	9	9
Child Closures (1 child)	0	42	42	42	42	42
Adults Going Off Caseload for 6.5 mo.	\$0	(\$96,330)	(\$100,620)	(\$104,910)	(\$109,590)	(\$114,270)
Children Going of Caseload for 6.5 mo.	\$0	(\$47,406)	(\$49,394)	(\$51,714)	(\$54,035)	(\$56,355)
WORKFARE SAVINGS	\$0	(\$143,736)	(\$150,014)	(\$156,624)	(\$163,625)	(\$170,625)

AFDC UNEMPLOYED PARENT PROJECT

Families participating in the AFDC unemployed parent (UP) project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials, and closures. It is estimated that sanctions, denials, and closures will result in some individuals losing Medicaid eligibility for an average of 6.5 months per year.

This program also waives the 100 hour employment limit and raises the vehicle exemption to \$5000. This will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 8 cases per month will become eligible for AFDC-UP due to these provisions. A UP case (household) includes 2 adults and an average of 2.6 children.

Approximately one-half of the children of UP families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, when a UP project household loses AFDC, two adults and an average of 1.3 children will lose Medicaid eligibility. Sanctions apply only to adults.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	22	24	33	34	36
Adult Denials (2 adults)	0	44	46	48	52	54
Adult Closures (2 adults)	0	14	16	16	18	18
Child Denials (1.3 children)	0	29	30	31	34	35
Child Closures (1.3 children)	0	9	10	10	12	12
Adults Going Off Caseload for 6.5 mo.	\$0	(\$128,440)	(\$144,222)	(\$169,605)	(\$189,956)	(\$205,686)
Children Going of Caseload for 6.5 mo.	\$0	(\$35,321)	(\$38,740)	(\$41,574)	(\$48,737)	(\$51,935)
UP PROJECT SAVINGS	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,621)

ANALYSIS (cont.):**SELF-EMPLOYMENT PROGRAM**

Families participating in the self-employment program retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of self-employment earnings. Approximately one-half of the children of these families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, an average of one adult and 1 child per household will lose Medicaid eligibility. In FY 97 and 98, 7 households will still qualify for transitional Medicaid.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Closures (1 adult)	0	3	3	10	10	10
Child Closures (1 child)	0	3	3	10	10	10
Adult Medicaid Savings	\$0	(\$8,892)	(\$9,288)	(\$32,280)	(\$33,720)	(\$35,160)
Children Medicaid Savings.	\$0	(\$5,148)	(\$5,364)	(\$18,720)	(\$19,560)	(\$20,400)
SELF-EMPLOYMENT SAVINGS	\$0	(\$14,040)	(\$14,652)	(\$51,000)	(\$53,280)	(\$55,560)

DIVERSION PROGRAM:

DPA estimates that in FY 98, 239 cases (households) annually will participate in the diversion program; this number is expected to grow by 1% per year. During FY 97, the start-up year, 120 cases will participate. These are households that would otherwise have continued on AFDC, on average, for at least another year. We estimate that approximately one-half of the children will continue to be eligible of Medicaid under a poverty level Medicaid-only eligibility category. Therefore, when a household is successfully diverted, 1 child and 1 adult will lose eligibility. Of those initially placed in the diversion program, it is estimated that 45% of them will return to regular AFDC with in the initial three months and will continue to receive Medicaid benefits. The remaining 55% are expected to move off of AFDC at the end of the three month diversion program for a variety of reasons, including achieving self sufficiency, increased earned income, or the diversion payment having met the emergent need. These households will effectively lose 9 months of Medicaid eligibility they would have otherwise had if they remained on AFDC. In FY 97, we estimate clients will lose Medicaid eligibility for an average of 4.5 months. In FY 98 - 01, clients will lose Medicaid eligibility for 9 month per year.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adults in Diversion Program	0	120	239	241	243	245
Children in Diversion Program	0	120	239	241	243	245
Total Diversion Participants	0	240	478	482	486	490
55% Complete Diversion Program	0	132	263	265	267	270
Adult Medicaid Savings	\$0	(\$73,359)	(\$305,343)	(\$320,783)	(\$337,622)	(\$355,995)
Child Medicaid Savings	\$0	(\$42,471)	(\$176,342)	(\$186,030)	(\$195,845)	(\$206,550)
DIVERSION PROGRAM SAVINGS	\$0	(\$115,830)	(\$481,685)	(\$506,813)	(\$533,467)	(\$562,545)

SUMMARY OF DIVISION SAVINGS

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Minor Parent Assistance	\$0	(\$8,580)	(\$9,089)	(\$9,672)	(\$10,269)	(\$10,880)
Disregards/Waiver/Auto provisions	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224
Workfare Project	\$0	(\$143,735)	(\$150,014)	(\$156,624)	(\$163,625)	(\$170,625)
AFDC Unemployed Parent Project	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,621)
Self-Employment Project	\$0	(\$14,040)	(\$14,652)	(\$51,000)	(\$53,280)	(\$55,560)
Diversion Program	\$0	(\$115,830)	(\$481,685)	(\$506,813)	(\$533,467)	(\$562,545)
TOTAL SAVINGS	\$0	(\$431,906)	(\$818,866)	(\$914,888)	(\$978,022)	(\$1,035,007)
MEDICAID FACILITIES (52%)	\$0	(\$224,591)	(\$425,810)	(\$475,742)	(\$508,571)	(\$538,204)
MEDICAID NON-FACILITIES (48%)	\$0	(\$207,315)	(\$393,056)	(\$439,146)	(\$469,451)	(\$496,803)

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB 78 (HES)
DMA #3

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act relating to the payment of BRU: Medical Assistance
aid to families with dependent children . . . Component: Medicaid-Facilities
 Sponsor: HANLEY COMPONENT SERIAL NO. 230
 Requestor: House HESS See also (SN#): 229, 243

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	(224.6)	(425.8)	(475.7)	(508.6)	(538.2)
MISCELLANEOUS						
TOTAL OPERATING	0.0	(224.6)	(425.8)	(475.7)	(508.6)	(538.2)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	(112.3)	(212.9)	(237.8)	(254.3)	(269.1)
1003 GF Match	0.0	(112.3)	(212.9)	(237.9)	(254.3)	(269.1)
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	0.0	(224.6)	(425.8)	(475.7)	(508.6)	(538.2)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

CSHB 78 (HES) makes several changes to the Aid to Families with Dependent Children program (AFDC). AFDC recipients are eligible for Medicaid. Medicaid spending will decrease as people lose Medicaid eligibility when they lose AFDC due to renewed self sufficiency as a result of the diversion program, failure to cooperate with the requirements of a workfare and AFDC unemployed parent projects, or successful entrepreneurship that increases their net income. Otherwise, participants in the programs created by this legislation will remain Medicaid eligible.

A slight temporary increase in Medicaid spending will occur as a result of individuals becoming AFDC eligible because of the waiver of the 100 hour employment limit and increased asset exclusion for an automobile. However, in the long term, this will be more than offset by the permanent establishment of self sufficiency.

See analysis on the attached pages.

Prepared by: Jon Sherwood
 Division: Medical Assistance

Phone: 465-3355
 Date: 03/31/95

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

Date: 4/4/95

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ANALYSIS (cont.):**GENERAL ASSUMPTIONS**

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Average Monthly Cost of Medicaid						
AFDC Adult	\$237	\$247	\$258	\$269	\$281	\$293
AFDC Child	\$137	\$143	\$149	\$156	\$163	\$170

The cost of Medical assistance shows growth of 4.38% annually.

The number of AFDC cases affected by this legislation were provided by Division of Public Assistance.

An AFDC case (household), on average, consist of one adult and two children.

MINOR PARENT ASSISTANCE

A small reduction in Medicaid spending will result from minors who are parents and who lose Medicaid eligibility as a result of losing AFDC eligibility. The Division of Public Assistance estimates that in FY 97, 30 AFDC cases per month will be denied under this provision. We estimate that only 5 of those cases will lose Medicaid eligibility by the minor parent returning to her parent's household. Despite the loss of AFDC, 25 of these minor parents would likely still qualify for Medicaid under existing Medicaid only coverage. It is likely that all of the children of a minor parent would continue to qualify for Medicaid under newborn, healthy child or other Medicaid only eligibility categories.

Average number of cases per month ineligible for Medicaid in FY 97 = 5

Total decrease in months of Medicaid eligibility in FY 97 = 60 (5 cases per month x 12 months)

Case load will increase 1% per year.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Decreased months of Medicaid	0	60	61	62	63	64
MINOR PARENT SAVINGS	0	(8,580)	(9,089)	(9,672)	(10,269)	(10,880)

INCOME DISREGARD; "100-HOUR" RULE WAIVER; AUTO ALLOWANCE

The increase in the earned income disregard, waiver of the 100 hour employment limit, and increasing the vehicle exclusion to \$5000 will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 4 cases per year will become eligible for AFDC. In FY 97, cases are assumed to be eligible for an average of 9 months, and for 12 months thereafter.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adults Added Because of New Limits	0	4	4	4	4	4
Children Added Because of New Limits	0	4	4	4	4	4
Adult Expenditures (9 mo. only FY97)	\$0	\$8,892	\$12,384	\$12,912	\$13,488	\$14,064
Child Expenditures (9 mo. only FY 97)	\$0	\$5,148	\$7,152	\$7,488	\$7,824	\$8,160
NEW EXPENDITURES	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224

ANALYSIS (cont.):**WORKFARE**

Families participating in a workfare project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials, and closures. It is estimated that sanctions, denials, and closures will generally cause Medicaid eligibility for an average of 6.5 months per year. Approximately one-half of the children of these families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, when a family loses AFDC under the workfare project, on average one adult and 1 child lose Medicaid. Sanctions apply only to adults.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	9	9	9	9	9
Adult Denials (1 adult)	0	9	9	9	9	9
Adult Closures (1 adult)	0	42	42	42	42	42
Child Denials (1 child)	0	9	9	9	9	9
Child Closures (1 child)	0	42	42	42	42	42
Adults Going Off Caseload for 6.5 mo.	\$0	(\$96,330)	(\$100,620)	(\$104,910)	(\$109,590)	(\$114,270)
Children Going of Caseload for 6.5 mo.	\$0	(\$47,405)	(\$49,394)	(\$51,714)	(\$54,035)	(\$56,355)
WORKFARE SAVINGS	\$0	(\$143,735)	(\$150,014)	(\$156,624)	(\$163,625)	(\$170,625)

AFDC UNEMPLOYED PARENT PROJECT

Families participating in the AFDC unemployed parent (UP) project retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of program sanctions, denials, and closures. It is estimated that sanctions, denials, and closures will result in some individuals losing Medicaid eligibility for an average of 6.5 months per year.

This program also waives the 100 hour employment limit and raises the vehicle exemption to \$5000. This will allow a small number of individuals to qualify for AFDC and Medicaid that would not have qualified otherwise. DPA estimates that 8 cases per month will become eligible for AFDC-UP due to these provisions. A UP case (household) includes 2 adults and an average of 2.6 children.

Approximately one-half of the children of UP families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, when a UP project household loses AFDC, two adults and an average of 1.3 children will lose Medicaid eligibility. Sanctions apply only to adults.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Sanctions	0	22	24	33	34	36
Adult Denials (2 adults)	0	44	46	48	52	54
Adult Closures (2 adults)	0	14	16	16	18	18
Child Denials (1.3 children)	0	29	30	31	34	35
Child Closures (1.3 children)	0	9	10	10	12	12
Adults Going Off Caseload for 6.5 mo.	\$0	(\$128,440)	(\$144,222)	(\$169,605)	(\$189,956)	(\$205,686)
Children Going of Caseload for 6.5 mo.	\$0	(\$35,321)	(\$38,740)	(\$41,574)	(\$48,737)	(\$51,935)
UP PROJECT SAVINGS	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,621)

ANALYSIS (cont.):**SELF-EMPLOYMENT PROGRAM**

Families participating in the self-employment program retain eligibility for Medicaid for the duration of their participation. Medicaid eligibility will be lost by those families who lose AFDC eligibility because of self-employment earnings. Approximately one-half of the children of these families will continue to be eligible of Medicaid under a poverty level Medicaid only eligibility category. Therefore, an average of one adult and 1 child per household will lose Medicaid eligibility. In FY 97 and 98, 7 households will still qualify for transitional Medicaid.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adult Closures (1 adult)	0	3	3	10	10	10
Child Closures (1 child)	0	3	3	10	10	10
Adult Medicaid Savings	\$0	(\$8,892)	(\$9,288)	(\$32,280)	(\$33,720)	(\$35,160)
Children Medicaid Savings.	\$0	(\$5,148)	(\$5,364)	(\$18,720)	(\$19,560)	(\$20,400)
SELF-EMPLOYMENT SAVINGS	\$0	(\$14,040)	(\$14,652)	(\$51,000)	(\$53,280)	(\$55,560)

DIVERSION PROGRAM:

DPA estimates that in FY 98, 239 cases (households) annually will participate in the diversion program; this number is expected to grow by 1% per year. During FY 97, the start-up year, 120 cases will participate. These are households that would otherwise have continued on AFDC, on average, for at least another year. We estimate that approximately one-half of the children will continue to be eligible of Medicaid under a poverty level Medicaid-only eligibility category. Therefore, when a household is successfully diverted, 1 child and 1 adult will lose eligibility. Of those initially placed in the diversion program, it is estimated that 45% of them will return to regular AFDC with in the initial three months and will continue to receive Medicaid benefits. The remaining 55% are expected to move off of AFDC at the end of the three month diversion program for a variety of reasons, including achieving self sufficiency, increased earned income, or the diversion payment having met the emergent need. These households will effectively lose 9 months of Medicaid eligibility they would have otherwise had if they remained on AFDC. In FY 97, we estimate clients will lose Medicaid eligibility for an average of 4.5 months. In FY 98 - 01, clients will lose Medicaid eligibility for 9 month per year.

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
Adults in Diversion Program	0	120	239	241	243	245
Children in Diversion Program	0	120	239	241	243	245
Total Diversion Participants	0	240	478	482	486	490
55% Complete Diversion Program	0	132	263	265	267	270
Adult Medicaid Savings	\$0	(\$73,359)	(\$305,343)	(\$320,783)	(\$337,622)	(\$355,995)
Child Medicaid Savings	\$0	(\$42,471)	(\$176,342)	(\$186,030)	(\$195,845)	(\$206,550)
DIVERSION PROGRAM SAVINGS	\$0	(\$115,830)	(\$481,685)	(\$506,813)	(\$533,467)	(\$562,545)

SUMMARY OF DIVISION SAVINGS

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Minor Parent Assistance	\$0	(\$8,580)	(\$9,089)	(\$9,672)	(\$10,269)	(\$10,880)
Disregards/Waiver/Auto provisions	\$0	\$14,040	\$19,536	\$20,400	\$21,312	\$22,224
Workfare Project	\$0	(\$143,735)	(\$150,014)	(\$156,624)	(\$163,625)	(\$170,625)
AFDC Unemployed Parent Project	\$0	(\$163,761)	(\$182,962)	(\$211,179)	(\$238,693)	(\$257,621)
Self-Employment Project	\$0	(\$14,040)	(\$14,652)	(\$51,000)	(\$53,280)	(\$55,560)
Diversion Program	\$0	(\$115,830)	(\$481,685)	(\$506,813)	(\$533,467)	(\$562,545)
TOTAL SAVINGS	\$0	(\$431,906)	(\$818,866)	(\$914,888)	(\$978,022)	(\$1,035,007)
MEDICAID FACILITIES (52%)	\$0	(\$224,591)	(\$425,810)	(\$475,742)	(\$508,571)	(\$538,204)
MEDICAID NON-FACILITES (48%)	\$0	(\$207,315)	(\$393,056)	(\$439,146)	(\$469,451)	(\$496,803)

#1

9-LS0392\C.3
Lauterbach
3/24/95

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: CSHB 78(); Draft 9-LS0392\C dated 3/21/95

- 1 Page 11, line 24, after "AS 47.25.320(a)(1) - (3),":
- 2 Insert "beginning on the first day of the first calendar month following implementation
- 3 of sec. 6 of this Act."

2

9-LS0392\C.4 ✓
Lauterbach
3/24/95

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: CSHB 78(); Draft 9-LS0392\C dated 3/21/95

1 Page 6, after line 2:

2 Insert a new paragraph to read:

3 "(4) has cooperated with the child support enforcement agency and the
4 department on the establishment of the paternity of a child for whom the person is
5 receiving AFDC but the paternity of the child has not yet been established;"

6 Renumber the following paragraphs accordingly.

3

9-LS0392\C.5 ✓

Lauterbach

3/24/95

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: CSHB 78() ; Draft 9-LS0392\C dated 3/21/95

1 Page 6, after line 2:

2 Insert a new paragraph to read:

3 "(4) would be ineligible for AFDC if monthly child support payments
4 were being paid to the person for care of the child for whom AFDC is being received
5 by the person, as determined under a support order that has already been established
6 either administratively or by a court:"

7 Renumber the following paragraphs accordingly.

4

A M E N D M E N T

OFFERED IN THE HOUSE BY REPRESENTATIVE BRICE

TO: CSHB 78(); Draft 9-LS0392C dated 3/21/95

1 Page 1, line 4, after "children":

2 Insert "; relating to transitional medical assistance and child care assistance for
3 a family that discontinues receiving aid to families with dependent children because of
4 an increase in the family's earned income or hours of employment"

5 Page 11, after line 15:

6 Insert a new bill section to read:

7 "* Sec. 12. WAIVERS FOR TRANSITIONAL MEDICAID AND CHILD CARE
8 ASSISTANCE. (a) The Department of Health and Social Services shall, by December 31,
9 1995, seek appropriate waivers from the federal government to allow 24 months of continued
10 eligibility of a person for medical assistance under AS 47.07 (Medicaid) after the person, who
11 had been receiving cash assistance under AS 47.25.310 - 47.25.420 (AFDC), becomes
12 ineligible for continued AFDC solely due to increased earned income or increased hours of
13 employment of the person or of a member of the person's assistance unit. The continued
14 eligibility under this subsection begins on the first day of the first calendar month following
15 the person's last month of eligibility for AFDC and ends 24 months later or when the person
16 becomes eligible for health care coverage under an employer sponsored insurance program
17 or another health care option that the department determines is affordable for the person,
18 whichever comes sooner.

19 (b) The Department of Health and Social Services shall, by December 31, 1995, seek
20 appropriate waivers from the federal government to allow the department to use state and
21 federal funds under AS 47.25.310 - 47.25.420 to pay for 24 months of child care services
22 that are necessary for a person to maintain employment after the person, who had been
23 receiving cash assistance under AS 47.25.310 - 47.25.420 (AFDC), becomes ineligible for
24 continued AFDC solely due to increased earned income or increased hours of employment

1 of the person or of a member of the person's assistance unit. The eligibility for child care
2 assistance under this subsection begins on the first day of the first calendar month following
3 the person's last month of eligibility for AFDC and ends 24 months later or when the person
4 becomes eligible for child care assistance under another program that the department
5 determines is affordable for the person.

6 (c) To the extent that the federal government approves waivers to implement (a) or
7 (b) of this section, the Department of Health and Social Services shall implement this section
8 and notify the revisor of statutes of the effective date of implementation."

9 Renumber the following bill sections accordingly.

10 Page 12, line 5:

11 Delete "4 - 13"

12 Insert "4 - 14"

13 Page 12, line 23:

14 Delete "10 - 15"

15 Insert "10 - 16"

16 Page 13, line 4:

17 Delete "4 - 17"

18 Insert "4 - 18"

#5

9-LS0392\C.7 ✓
Lauterbach
3/24/95

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: CSHB 78(); Draft 9-LS0392\C dated 3/21/95

- 1 Page 4, line 23, after ".":
- 2 Insert "The department may assign a person to an activity under this subsection only
- 3 if the activity will help the person achieve long-term self-sufficiency as determined under a
- 4 case management plan developed in consultation with the person."

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: CSHB 78(); Draft 9-LS0392\C dated 3/21/95

- 1 Page 4, line 23, after ".":
- 2 Insert "The department may assign a person to an activity under this subsection only
- 3 if the activity will help the person achieve long-term self-sufficiency."

#7

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE BRICE

TO: CSHB 78(); Draft 9-LS0392\NC, dated 3/21/95

1 Page 13, after line 3:

2 Insert a new bill section to read:

3 "* Sec. 18. Section 13 of this Act is repealed on the earliest of the following dates:

4 (1) July 1, 2001;

5 (2) the effective date of any amendment of 42 U.S.C. 601 - 615 (Aid to
6 Families with Dependent Children) that takes effect on or after the effective date of sec. 13
7 of this Act:

8 (3) the effective date of sec. 13 of this Act if there is an amendment of 42
9 U.S.C. 601 - 615 (AFDC) that takes effect after March 25, 1995, but before the effective date
10 of sec. 13 of this Act."

11 Renumber the following bill section accordingly.

12 Page 13, line 4:

13 delete "4 - 17"

14 Insert "4 - 12 and 14 - 17"

#8

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 78(); Draft 9-LS0392C, dated 3/21/95

1 Page 2, after line 30:

2 Insert a new subsection to read:

3 "(d) When determining eligibility for, and the amount of, assistance in the
4 case of a minor parent who is required to live in a household or living arrangement
5 with an adult under (a) of this section, the department shall disregard the income and
6 resources of the adults in the household or living arrangement."

7 Reletter the following subsection accordingly.

#9

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 78(); Work Draft 9-LS0392\C, dated 3/21/95

1 Page 1, line 7, after "projects;":

2 Insert "relating to the duty to support children of minor parents; amending
3 Alaska Rule of Civil Procedure 90.3;"

4 Page 1, after line 8:

5 Insert a new bill section to read:

6 **** Section 1.** AS 25.27.060 is amended by adding new subsections to read:

7 (e) If the child's parents are both unmarried minors who have not had the
8 disabilities of minority removed under AS 09.55.590, an order of child support issued
9 by a court or agency shall be based on the

10 (1) percentages of physical custody exercised by the child's parents;
11 and

12 (2) incomes of the child's grandparents instead of the income of the
13 child's parents.

14 (f) To the extent that (e) of this section applies,

15 (1) the child's grandparents are considered to have a duty to support
16 the child and are subject to laws, regulations, and court rules relating to support of the
17 child; and

18 (2) a grandparent who is determined under applicable agency
19 regulations and court rules to be the obligor for purposes of paying child support on
20 behalf of a grandchild is subject to all laws, regulations, and court rules applicable to
21 child support obligors.

22 (g) An order of support against a child's grandparent under (e) of this section
23 and a grandparent's duty to support a child under (f) of this section is terminated,
24 without the need for obtaining a modification of a child support order, when one of

1 the child's parents reaches the age of majority or has the disabilities of minority
 2 reinoved under AS 09.55.590, whichever occurs earlier. However, to the extent that
 3 a grandparent may have accrued arrearages, the grandparent remains an obligor
 4 subject to this chapter."

5 Page 1, line 9:

6 Delete "Section 1"

7 Insert "Sec. 2"

8 Renumber the following bill sections accordingly.

9 Page 3, after line 5:

10 Insert a new bill section to read:

11 **** Sec. 5. COURT RULE CHANGE.** (a) AS 25.27.060 (e) - (g), added by sec. 1 of this
 12 Act, have the effect of amending Alaska Rule of Civil Procedure 90.3 by requiring
 13 consideration of the income of the grandparents of a child when determining a child support
 14 obligation under certain circumstances and by providing that a child's grandparents are
 15 obligated to support the child under certain circumstances.

16 (b) Under art. IV, sec. 15, Constitution of the State of Alaska, AS 25.27.060(e) - (g),
 17 added by sec. 1 of this Act, and this section may become law with the affirmative vote of a
 18 majority of the membership of each house because the court rule being amended is not a rule
 19 governing practice or procedure."

20 Renumber the following bill sections accordingly.

21 Page 3, line 8:

22 Delete "5 - 9"

23 Insert "7 - 11"

24 Page 3, line 12:

25 Delete "6 - 9"

26 Insert "8 - 11"

1 Page 4, line 2:

2 Delete "6 - 8"

3 Insert "8 - 10"

4 Page 4, line 17:

5 Delete "6 - 7"

6 Insert "8 - 9"

7 Page 11, line 11:

8 Delete "4 - 11"

9 Insert "6 - 13"

10 Page 11, line 12:

11 Delete "4 - 11"

12 Insert "6 - 13"

13 Page 11, line 19:

14 Delete "4 - 11"

15 Insert "6 - 13"

16 Page 12, line 5:

17 Delete "4 - 13"

18 Insert "6 - 15"

19 Page 12, line 7:

20 Delete "5 - 9"

21 Insert "7 - 11"

22 Page 12, line 17:

23 Delete "sec. 9"

24 Insert "secs. 1, 5, and 11"

- 1 Page 12, line 23:
- 2 Delete "1 - 4 and 10 - 15"
- 3 Insert "1 - 6 and 12 - 17"

- 4 Page 12, line 25:
- 5 Delete "5 - 9"
- 6 Insert "7 - 11"

- 7 Page 12, line 26:
- 8 Delete "4"
- 9 Insert "6"

- 10 Page 12, line 28:
- 11 Delete "5 - 9"
- 12 Insert "7 - 11"

- 13 Page 13, line 1:
- 14 Delete "5 - 9"
- 15 Insert "7 - 11"

- 16 Page 13, line 4:
- 17 Delete "4 - 17"
- 18 Insert "6 - 19"

10

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE ROKEBERG

TO: CSHB 78 ()

Page 2, line 6, after "must":

Insert "be enrolled in school and must"

III

Section 6

Subsection (c)

add res. number 6 to
read

(6) ~~is a~~

the department determines
that the person's physical or
emotional health or safety
would be jeopardized by
participation

AMENDMENT - #12

OFFERED IN THE HOUSE

TO: CSHB 78(); Draft 9-LS0392\C, dated 3/21/95

BY: REP. ROBINSON

Page 2, after line 30:

insert a new subsection to read:

"(d) When determining eligibility for, and the amount of, assistance in the case of a minor parent who is required to live with the minor's parent(s) under (a) of this section, the department shall disregard the income and resources of the minor's parent(s)."

Reletter the following subsection accordingly

WELFARE REFORM COMPARISON

NOTE: This chart shows the differences between the two bills. Similar provisions are not listed.

<p>JOBS for FAMILIES with DEPENDENT CHILDREN ACT (SB111/HB235) GOVERNOR</p>	<p>DRAFT HES CS for HB78 (9-LS0392\C - 3/21/95) HANLEY</p>
<p>TEEN PARENTS MUST LIVE at HOME</p> <ul style="list-style-type: none"> ● Identical provisions 	<p>TEEN PARENTS MUST LIVE at HOME</p> <ul style="list-style-type: none"> ● Identical provisions
<p>COMMUNITY WORK PILOT PROJECT</p> <ul style="list-style-type: none"> ● DHSS sets work requirements by regulations ● First \$1500 in equity of 1 vehicle excluded as an asset. ● First \$30 of earnings + 1/3 of remainder excluded from income for 4 months ● DHSS sets exemptions from participation by regulations ● Project Areas: <ul style="list-style-type: none"> - One Urban (pop >25,000) - One Rural (off road system) 	<p>WORKFARE</p> <ul style="list-style-type: none"> ● Require 21 hours per week of unpaid employment, exempt if working 15 hours/week ● First \$5000 in equity of any combination of vehicles excluded as an asset ● First \$200 of earnings + 1/3 of remainder excluded from income for 24 months ● Exemptions from participation specified in statute ● Project Area: <ul style="list-style-type: none"> - At least one site

GOVERNOR

HANLEY

<p>UNEMPLOYED PARENT PROJECT</p> <ul style="list-style-type: none"> ● First \$30 of earned income + 1/3 of remainder disregarded for 4 months ● Project sites: - Statewide 	<p>UNEMPLOYED PARENT PROJECT</p> <ul style="list-style-type: none"> ● First \$200 of earned income + 1/3 of remainder disregarded for 24 months ● Project sites: - At least one area of the state
<p>SELF-EMPLOYMENT PROJECT</p> <ul style="list-style-type: none"> ● First \$30 of earnings + 1/3 of remainder disregarded from income for 4 months ● First \$1500 in equity of one vehicle disregarded as an asset ● Project Area: - Statewide 	<p>SELF-EMPLOYMENT PROJECT</p> <ul style="list-style-type: none"> ● First \$200 of earnings + 1/3 of remainder disregarded from income for 24 months ● First \$5000 in equity of any combination of vehicles disregarded as an asset ● Project Area: - At least one area of the state
<p>DIVERSION PROJECT</p> <ul style="list-style-type: none"> ● Project area: - At least two areas of the state 	<p>DIVERSION PROJECT</p> <ul style="list-style-type: none"> ● Project Area: - One or more areas of the state