

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8573 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

FISCAL NOTE

No. 13

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program.</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>AFDC</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>220</u>
	See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(690.4)	(4,297.0)	(6,101.7)	(6,857.5)	(7,057.4)	(7,170.7)
MISCELLANEOUS						
TOTAL OPERATING	(690.4)	(4,297.0)	(6,101.7)	(6,857.5)	(7,057.4)	(7,170.7)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	(313.4)	(1,950.8)	(2,770.1)	(3,113.3)	(3,204.0)	(3,255.5)
1003 GF Match	(313.5)	(1,950.9)	(2,770.2)	(3,113.3)	(3,204.1)	(3,255.5)
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1007 I/A Receipts	(63.5)	(395.3)	(561.4)	(630.9)	(649.3)	(659.7)
TOTAL	(690.4)	(4,297.0)	(6,101.7)	(6,857.5)	(7,057.4)	(7,170.7)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Waiver Approach

This legislation amends the public assistance statutes and includes several provisions that impact AFDC program costs.

General Assumptions: Federal welfare reform does not occur. 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. We assume, for purposes of this analysis, that the necessary waiver/demonstration project authority is received from the federal government, that the state regulations and the data system changes needed to implement the demonstration project and the other policy provisions of this bill take effect by the effective dates noted, and that the demonstration project is operational July 1, 1998.

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

Phone: 465-2680
Date: 04/20/96

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

Date: 4-20-96

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ANALYSIS (cont.):

AFDC Policy Provisions	FY97	FY98	FY99	FY00	FY01	FY02	Total
AFDC Workfare Project: Earned Income Disregards, 100-Hour-Rule, Job Retention, 24-month Time Limit, Auto Allowance & Diversion	\$ -	\$ -	\$ (78.5)	\$ (834.3)	\$ (849.0)	\$ (871.7)	\$ (2,633.5)
Benefit Reductions: Seasonal Benefits, Transfer of Assets and Benefits based on Household Expenses	\$ (611.6)	\$ (4,139.4)	\$ (5,865.6)	\$ (5,865.6)	\$ (6,050.8)	\$ (6,141.4)	\$ (28,674.4)
Minor Teen Parents	\$ (78.8)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (866.8)
Totals	\$ (690.4)	\$ (4,297.0)	\$ (6,101.7)	\$ (6,857.5)	\$ (7,057.4)	\$ (7,170.7)	\$ (32,174.7)

DEMONSTRATION PROJECT - Effective July 1, 1998

The demonstration project includes the following policy waiver provisions:

(Note: Only the policy provisions that are expected to have an impact on AFDC program costs are included in this analysis.)

AFDC Workfare Project which requires certain individuals to participate in unpaid work activities for 21 hours per week. Failure to comply results in a reduction in the family's assistance. With specified exceptions, families included in the experimental group may only receive AFDC for 24 months within a 60-month period. All individuals in the experimental group for the workfare project receive increased incentives to work:

Earned Income Disregards: The earned income disregards are increased to allow families to keep more of the income they earn and encourage recipients to gain the job experience that is essential to long-term self-sufficiency. The current time-limited \$30 and one third of the remainder is increased to \$200 plus one third of the remainder for 24 months.

Waiver of "100-Hour-Rule": The federal rule that prevents unemployed parents from working more than 100 hours per month is waived.

Automobile Allowance: Allows each family to own up to \$5000 in vehicle equity before the equity is counted against them.

Job Retention: Denies assistance to families when the adult applicant or caretaker refuses or quits a job without good cause.

A Diversion Program: Diversion payments provide families an alternative to long-term AFDC dependency by offering job-ready applicants a one-time lump-sum cash payment to meet critical needs while they obtain employment and/or child support.

Seasonal Benefit Reduction for Two Parent Families: Reduces assistance payments to Unemployed Parent families by 50% during the summer months of July, August and September when work is available.

STATEWIDE PROGRAM CHANGES (Options under Current Federal Law) - Effective January 1, 1997

Transfer of Assets: Denies assistance to families when an adult member intentionally transfers an asset for less than fair market value for the purpose of establishing eligibility for AFDC.

Benefits based on household expenses: Families who pay little or no housing costs receive a smaller assistance payment than families who pay market value for their housing.

Assistance To Minors: With specified exceptions, requires unmarried minor parents to live with a parent or legal guardian, an adult relative, or in another adult-supervised living arrangement.

FISCAL NOTE

No. 14

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CSSB98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____
Title: An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program.
Sponsor: Senate HESS
Requestor: Senate Finance

Dept. Affected: Health and Social Services
BRU: Public Assistance
Component: PFD Hold Harmless
COMPONENT SERIAL NO. 225
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(63.5)	(395.3)	(561.4)	(630.9)	(649.3)	(659.7)
MISCELLANEOUS						
TOTAL OPERATING	(63.5)	(395.3)	(561.4)	(630.9)	(649.3)	(659.7)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1050 PFD Fund	(63.5)	(395.3)	(561.4)	(630.9)	(649.3)	(659.7)
TOTAL	(63.5)	(395.3)	(561.4)	(630.9)	(649.3)	(659.7)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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 AFDC policy provisions contained in this bill reduce costs in the AFDC component and produce proportional reductions in PFD Hold Harmless costs.

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

Phone: 465-2680
Date: 04/20/96

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

Date: 4-20-96

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ANALYSIS (cont.):

Assumptions:

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

FY97	\$	63.5
FY98	\$	395.3
FY99	\$	561.4
FY00	\$	630.9
FY01	\$	649.3
FY02	\$	659.7

FISCAL NOTE

No. 15

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill. Version: CSSR 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program BRU: Public Assistance
 Sponsor: Senate HESS Component: Public Assistance Admin
 Requestor: Senate Finance COMPONENT SERIAL NO. 233
 See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	131.7	175.5	175.5	175.5	175.5	175.5
TRAVEL	5.0	9.0	9.0	9.0	9.0	9.0
CONTRACTUAL	34.5	136.0	16.0	16.0	16.0	16.0
SUPPLIES	1.0	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	20.0					
LAND & STRUCTURES						
GRANTS, CLAIMS	105.0	210.0	210.0	210.0	210.0	210.0
MISCELLANEOUS						
TOTAL OPERATING	297.2	532.0	412.0	412.0	412.0	412.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	96.1	161.0	101.0	101.0	101.0	101.0
1003 GF Match	96.1	161.0	101.0	101.0	101.0	101.0
1004 GF	105.0	210.0	210.0	210.0	210.0	210.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	297.2	532.0	412.0	412.0	412.0	412.0

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

POSITIONS:

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This legislation requires DHSS to operate an AFDC waiver demonstration project, provide services to teen parents, and conduct a comprehensive needs study.

WAIVER PROJECT ADMINISTRATION: DHSS will design and operate a waiver demonstration project that adds several new provisions to the AFDC program under the authority of section 1115(a) of the Social Security Act.

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

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: 04/20/96
 Date: 4-20-96

ANALYSIS (cont.):

Waiver evaluation contractor: 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. Estimated cost of \$130,000 for the 5-year duration of the project is based on amounts other states pay for the evaluation of similar projects.

TEEN PARENT SERVICES: Section 2 of this legislation provides that a minor parent must live with a parent or another relative unless no such safe home is available. This provision is not a waiver project; we assume that the regulations to implement this provision take effect on 1/1/97.

Investigations: Funds for the investigation of homes when the teen claims the family home is unsafe are requested in a separate fiscal note prepared by the Division of Family and Youth Services.

Case Management Services: Existing case management services will be enhanced to assist teens in finding suitable alternate living situations when necessary and direct teens to educational and social services. Grants to provide these additional services is \$85,000 per year.

Alternate Living Arrangements: If there is no safe, available family home for the teen parent, the teen must live in an alternate, adult-supervised setting. Currently, the only option the state currently has is foster care, at high cost and with a limited number of available spaces. \$125,000 in community grants will develop and provide supervised alternate teen parent housing when no other appropriate placement is available. These funds are expected to pay for approximately 35 placements at \$3,570 per year.

Total annual cost of this provision is \$210,000; the cost is half, \$105,000, in FY98 to allow for the 1/1/98 implementation date.

ANNUAL COST SUMMARY:**FY97**

(Positions budgeted for 9 months in this initial year.)

1	Project Coordinator	R19	46.9
1	Research Analyst III (existing unfunded position)	R18	45.8
1	Public Assistance Analyst	R16	39.0
	Equipment		20.0
	Office Space, phone, etc.		4.5
	Supplies		1.0
	Travel		5.0
	Evaluation coordinator		30.0
	Teen Parent Services		<u>105.0</u>
	Total		307.2

FY98

1	Project Coordinator	R19	62.5
1	Research Analyst III	R18	61.0
1	Public Assistance Analyst	R16	52.0
	Office Space, phone, etc.		6.0
	Supplies		1.5
	Travel		9.0
	Evaluation Contractor		40.0
	Needs Study		90.0
	Teen Parent Services		<u>210.0</u>
	Total		532.0

ANALYSIS (cont.):

FY99 through FY02

1	Project Coordinator	R19	62.5
1	Research Analyst III	R18	61.0
1	Public Assistance Analyst	R16	52.0
	Office Space, phone, etc.		6.0
	Supplies		1.5
	Travel		9.0
	Evaluation contractor		10.0
	Teen Parent Services		<u>210.0</u>
	Total		412.0

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		5.0		
Contractual		2.0		
Commodities		0.5		
Equipment		10.0		
Other				
Total Cost		80.0		
FUNDING SOURCE for TOTAL COST				
1002	Federal Receipts	40.0		
1003	GF Match	40.0		
1004	General Fund			
1005	GF/Program Receipts			
1007	I/A Receipts			
1037	GF/MH			
1061	CIP Receipts			
Other ()				

Justification

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.

This request is for the project coordinator

**REQUEST for
NEW POSITION**

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

Page: 1 1
 Revised Date:

FY97

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Position Title Public Assistance Analyst I		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		2.0		
Contractual		2.0		
Commodities		0.5		
Equipment		10.0		
Other				
Total Cost		66.5		
FUNDING SOURCE for TOTAL COST				
1002 Federal Receipts				
1003 GF Match		33.2		
1004 General Fund		33.3		
1005 GF/Program Receipts				
1007 I/A Receipts				
1037 GF/MH				
1061 CIP Receipts				
Other ()				
<p>Justification</p> <p>Timely implementation of the many new program provisions require project staff to coordinate regulation development, inter agency cooperation, and dissemination of information instructions and training to eligibility staff and the recipient population.</p> <p>After assisting with implementation, this position continues as a member of the AFDC policy support unit.</p>				

**REQUEST for
NEW POSITION**

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

FY97

Page: 1 1
 Revised Date:

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FISCAL NOTE

No. 16

STATE OF ALASKA
1996 LEGISLATIVE SESSION

E Version: CSSB98(FIN)
(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act relating to the AFDC program demonstration projects, and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Alaska Work Programs</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>238</u>
	See also (SN#): _____

(Thousands of Dollars)

Expenditures/Revenues:	FY97	FY98	FY99	FY00	FY01	FY02
OPERATING EXPENDITURES						
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	308.0	615.0	615.0	615.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	308.0	615.0	615.0	615.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	0.0	0.00	154.0	307.5	307.5	307.5
1003 GF Match	0.0	0.00	154.0	307.5	307.5	307.5
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	308.0	615.0	615.0	615.0

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

POSITIONS:

	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Section 1 of this legislation provides for a workfare demonstration project in which training, education, and work activities are required of certain AFDC recipients and applicants.

The workfare demonstration requires development of work slots; case management of individuals referred to the project, including monitoring and reporting on participation, payment of transportation and professional licensing costs of participants; payment of insurance equivalent to Worker's compensation; and evaluation of program performance.

We assume federal approval to operate the project is received with an effective date of 7/1/98 and that workfare is operated by a contractor. Average cost of workfare is \$1000 per slot per year. In the initial year, FY99, workfare placements average 308 a month; 615 a month FY00-FY02.

Prepared by: Jim Nordlund, Director
 Division: Public Assistance

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

Phone: 465-3347
 Date: 04/20/96
 Date: 4/21/96

FISCAL NOTE

No. 17

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CS SR 98 (FIN)

(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act Related to the AFDC program, demonstration projects, and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Public Assistance Data Processing</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>240</u>
	See also (SN#): _____

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	543.0	543.0	543.0	543.0	543.0	543.0
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						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	543.0	543.0	543.0	543.0	543.0	543.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	244.3	244.3	244.3	244.3	244.3	244.3
1003 GF Match	271.5	271.5	271.5	271.5	271.5	271.5
1004 GF	27.2	27.2	27.2	27.2	27.2	27.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	543.0	543.0	543.0	543.0	543.0	543.0

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

POSITIONS:	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	9	9	9	9	9	9
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Eligibility Information System (EIS) is a large, complex data system with several subsystems. Whether welfare reform is implemented under passage of Federal legislation or State legislation under a Federal waiver package, extensive modifications to the Division's Eligibility Information System (EIS) and its subsystems will be necessary.

Welfare reform modifications to the EIS and its subsystems, the JOBS Automated System (JAS), and the JOBS Child Care and Supportive Service Payments System (JASP), will require a level of effort in excess of 15,000 hours or 116 FTE-months.

The effort includes the analysis, design, development, testing, and implementation of new system functionality implementing changes in program policy that revise or replace the Aid to Families with Dependent Children and Alaska Work Programs. Policy changes impact systems programs for Medicaid and will potentially impact the Food Stamp program, too.

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: 04/20/96

Date: 4-20-96

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ANALYSIS (cont.):

To undertake the changes to the Eligibility Information System and its subsystems necessary to implement welfare reform the following assumptions were applied in determining costs:

1. The EIS modifications will require a combination of state data processing staff and contractor staff.
2. The project level of effort requires 116 FTE months for analysis, design, development, testing, and implementation.
3. The project will require a minimum of 12 calendar months to complete the analysis, design, development, testing, and implementation.
4. Some of the requirements design must begin no later than July 1, 1996, requirements and design must be complete and programming started no later than December 1996. Some testing must begin by April 1997.
5. The contractor programming costs are covered in other budget requests, and assume the passage of the FY96 Supplemental request of \$3.5 million.
6. Other states with similar waiver proposals, such as Arizona and Indiana, had similar system approaches and costs.
7. The State personal services cost includes 9 data processing positions that were previously requested but removed from the Divisions FY97 PA Data Processing budget.
8. Calculations FY 97 include:

FTE	Job Class	Range	Cost	Location
1	Analyst/Programmer V	R21	\$74.8	Anch
3	Analyst/Programmer IV	R19	\$206.9	Anch
1	Analyst/Programmer III	R17	\$57.6	Anch
3	Public Assistance Analyst I's	R16	\$169.3	Anch
1	Administrative Clerk II	R08	\$34.4	Anch
9.0	Personal Services Total		\$543.0	

This is not a request for new positions; it is a request for funding to maintain the incumbents in six existing PCNs and fill three vacant PCNs.

FISCAL NOTE

No. 18

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act relating to the AFDC program demonstration projects and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Child Care Benefits</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>1897</u>
	See also (SN#): _____

(Thousands of Dollars)

EXPENDITURES/REVENUES	FY97	FY98	FY99	FY00	FY01	FY02
OPERATING EXPENDITURES						
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	215.8	438.4	448.7	460.5
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	215.8	438.4	448.7	460.5

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	0.0	0.0	0.0
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(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	0.0	0.00	107.9	219.2	224.3	230.2
1003 GF Match	0.0	0.00	107.9	219.2	224.4	230.3
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	215.8	438.4	448.7	460.5

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

ANALYSIS: (Attach a separate page if necessary)

Section 1 of this legislation provides for an AFDC demonstration project in which work, training, and educational activities are required for AFDC certain recipients. Child care is made available to those families whose children must be placed in day care in order for the adult to participate in mandated activities.

We assume federal approval is received to begin the demonstration project on 7/1/98. Child care is needed by 20% of the workfare participant families; 62 in FY99 and 123 in FY00 - FY02. Families with preschool children are exempt from participation so we assume only one child in each participant family needs child care.

Average child care in FY99 is \$290 a month; child care inflation rate is 2.5% a year.

Prepared by: Jim Nordlund, Director
Division: Public Assistance

Phone: 465-3347
Date: 04/20/96

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

Date: 4-20-96

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ANALYSIS (cont.):

Child Care Costs for Workfare:

<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
0.0	215.8	438.4	448.7	460.5

FISCAL NOTE

No. 19

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98 (FIN)

(S) Publish Date: 4-22-96

Revision Date: _____
 Title: An Act related to the AFDC Program,
Demonstration Projects, and Payment Reductions
 Sponsor: Senate HESS
 Requestor: Senate (FIN)

Dept. Affected: Health and Social Services
 BRU: Family and Youth Services
 Component: DFYS Central Office
 COMPONENT SERIAL NO. 259
 See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY97	FY98	FY99	FY00	FY01	FY02
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	33.8	33.8	33.8	33.8	33.8	33.8
SUPPLIES	2.6	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	4.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	100.2	93.8	93.8	93.8	93.8	93.8

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	100.2	93.8	93.8	93.8	93.8	93.8
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other (please specify)						
TOTAL	100.2	93.8	93.8	93.8	93.8	93.8

POSITIONS:

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

Estimate of any current year (FY96) 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.

The Division of Public Assistance expects 180 applications from unwed teen parents. It can be anticipated that 40 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 80 hours of contracted social worker time per year for continued assessment.

Continued

Prepared by: L. Diane Worley, Director
 Division: Family & Youth Services
 Approved by Commissioner: Karen Perdue, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-3191
 Date: 04/19/96
 Date: 4-20-96

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ANALYSIS (cont.):

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 also be necessary.

Contract Clinical Social Worker (12 months)**Intake Assessment/Evaluation**

40 referrals x 10 hours = 400 hours x \$70/hr = \$28,000.00

Re-evaluations for maintenance caseload

80 hours x \$70/hr = \$5,600.00

Social Worker IV Range 18 Juneau State Office \$58,900.00

Travel: 1 trip to Fairbanks, 1 trip to Anchorage \$1,100.00

Equipment (Computer, Software) \$4,000.00

Supplies (Desk, Chair, Telephone, Office Supplies) \$2,580.00

TOTAL \$100,200.00

The personal services cost for the Social Worker IV is calculated for one year rather than six months as this person will have to be hired and trained for the entire Fiscal year in order to be ready to do the job by January 97. The contractual costs will be double the first year in order to process the initial investigations required by this fiscal note.

The equipment and supplies will decrease after the initial set up year for this position. The continuing office supplies should cost approximately \$200/yr for the continuing position.

it is not possible to project the fiscal impact of the amendment which includes licenses granted under 47.35 with those occupational licenses which may be adversely affected by child support arrearages. The division licenses approximately 980 foster homes and approximately 550 child care facilities. Most areas of the state constantly face a shortage of foster homes, and the loss of any of the existing homes will increase staff time in locating placements for children who cannot remain at home. It is possible that additional group homes or residential child care facilities will have to be developed, at a much higher daily cost, to offset the loss of those homes. In addition to unnecessary cost increases, it would be unfair to place children who could function well in foster care into more institutional living arrangements. Division staff time will also be negatively impacted in helping parents to find alternative day care arrangements when a provider's license is affected. Most communities also already face a shortage in licensed day care.

Page 1 of 6

CSSB 98(FIN)
 COST/SAVINGS ANALYSIS
 COMPREHENSIVE APPROACH
 Department of Health and Social Services
 Prepared 4/20/96

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
AFDC Policy Provisions	\$ (1,489.7)	\$ (5,057.1)	\$ (9,994.9)	\$ (11,692.7)	\$ (11,892.8)	\$ (11,990.4)	\$ (52,117.6)
PA Administration	\$ 220.5	\$ 415.5	\$ 325.5	\$ 325.5	\$ 325.5	\$ 325.5	\$ 1,938.0
PA Data Processing	\$ 543.0	\$ 543.0	\$ 543.0	\$ 543.0	\$ 543.0	\$ 543.0	\$ 3,258.0
Family and Youth Services	\$ 100.2	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 569.2
Total Operating	\$ (626.0)	\$ (4,004.8)	\$ (9,032.6)	\$ (10,730.4)	\$ (10,930.5)	\$ (11,028.1)	\$ (46,352.4)
Less Federal Receipts	\$ (396.3)	\$ (1,973.9)	\$ (4,260.7)	\$ (5,031.5)	\$ (5,122.3)	\$ (5,166.6)	\$ (21,951.3)
Less I/A Receipts (PFD Hold Harmless)	\$ (137.1)	\$ (465.3)	\$ (919.5)	\$ (1,075.7)	\$ (1,094.1)	\$ (1,103.1)	\$ (4,794.8)
Net GF/GF Match	\$ (92.6)	\$ (1,565.6)	\$ (3,852.4)	\$ (4,623.2)	\$ (4,714.1)	\$ (4,758.4)	\$ (19,606.3)
Less GF Program Receipts (Savings from Child Support Collections)	\$ 1,022.6	\$ 2,269.4	\$ 642.8	\$ -	\$ -	\$ -	\$ 3,934.8
Net GF/GF Match Budget Impact	\$ (1,115.2)	\$ (3,835.0)	\$ (4,495.2)	\$ (4,623.2)	\$ (4,714.1)	\$ (4,758.4)	\$ (23,541.1)

Package C: Comprehensive Approach

FEDERAL RECEIPTS	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
AFDC Policy Provisions	\$ (673.3)	\$ (2,295.9)	\$ (4,537.7)	\$ (5,308.5)	\$ (5,399.3)	\$ (5,443.6)	\$ (23,658.3)
PA Administration	\$ 32.7	\$ 77.7	\$ 32.7	\$ 32.7	\$ 32.7	\$ 32.7	\$ 241.2
PA Data Processing	\$ 244.3	\$ 244.3	\$ 244.3	\$ 244.3	\$ 244.3	\$ 244.3	\$ 1,465.8
Total Federal Receipts	\$ (396.3)	\$ (1,973.9)	\$ (4,260.7)	\$ (5,031.5)	\$ (5,122.3)	\$ (5,166.6)	\$ (21,951.3)

DHSS FISCAL NOTE DISCUSSION
CSSB 98(FIN): COMPREHENSIVE TRACK

Background

This legislation provides two possible tracks for implementation, and we have developed a separate set of fiscal notes for each track, using different assumptions.

Sections 1 - 6 of the bill amend existing statutes for the Aid to Families with Dependent Children (AFDC) program and provide for the adoption of certain AFDC options under existing federal law, along with implementation of a series of AFDC waiver provisions under federal demonstration project authority. Fiscal notes labeled DPA Waiver assume that federal AFDC law does not change. This discussion and this set of fiscal notes do not cover the waiver track.

Section 7 of the bill provides for the establishment of a new Alaska Temporary Assistance program (ATAP) to replace the AFDC and Job Opportunities and Basic Skills Training (JOBS) programs upon enactment of pending federal welfare reform block grant legislation. Fiscal notes labeled DPA Comprehensive assume that the Temporary Assistance program takes effect on October 1, 1996, concurrent with repeal of the existing state and federal AFDC and JOBS programs. The federal legislation is expected to include a five-year limit on benefits for most families; a five-year limit based on the proposed federal language is included in section 7 of this legislation. This discussion and this set of fiscal notes cover the comprehensive track.

Comprehensive Track: Fiscal Note Summary

Section 7 of this legislation establishes the basic eligibility requirements and program standards for ATAP. We assume in this analysis that the federal legislation that triggers the implementation of ATAP will take effect on October 1, 1996, as provided under section 55 of this bill.

This project will place substantial additional demands on Division of Public Assistance field Eligibility Determination staff. The fiscal note package does not include any additional funding in the Eligibility Determination component, based on our assumption of full funding of the Governor's FY 97 budget request for the Eligibility Determination component.

The Governor's FY 97 budget request includes many of the other costs associated with implementing ATAP (including child care costs, work requirements and activities, and automated system development costs). In general, we assume full funding for the Governor's requests in this analysis. Any exception to that assumption is noted in the fiscal text.

These fiscal notes:

- Define the savings generated by the new ATAP program design on the AFDC component.
- Identify the effect of increased child support collections on funding for AFDC component;

- Request funds for Safety Net Services, including intensive case management and alternative living arrangements for teen parents as well as emergency food services for families;
- Provide for the costs of investigating the appropriateness of living arrangements for teen parents; and
- Cover the cost of the child support enforcement occupational licensing provisions on the administration of licenses for emergency medical personnel.

1. AFDC Component (Alaska Temporary Assistance Program)

This legislation establishes a new program design to provide assistance with living expenses, establish work activities, and provide self-sufficiency services to low-income families with children through the Alaska Temporary Assistance program.

Child Support Enforcement Occupational/Drivers License Provisions - Bill Section 22

This legislation also includes amendments to the Child Support Enforcement statutes. The occupational and drivers licensing provisions of the child support amendments, which also take effect upon the enactment of federal welfare reform, will increase the amount of support collected on behalf of ATAP children. The state share of child support collected on behalf of ATAP children is transferred to DHSS as General Fund Program Receipts, which reduce the need for unencumbered General Fund money in the AFDC component.

Alaska Temporary Assistance Program

Section 7 of the bill authorizes the Alaska Temporary Assistance program. References in this section of the analysis point to sections of the proposed statutory language within section 7.

Benefits Based on Household Expenses - 47.27.025(a)

This section provides for the establishment of payment standards that take into account a family's income, assets, and other resources. DHSS will establish standards whereby families with lower living costs will receive smaller benefit payments than similar families paying full market price for living costs. This provision will be implemented gradually beginning in January 1997. By January 1998, the benefits of most families with low housing and basic utility costs will be reduced by up to 30 percent of the maximum assistance payment. At full implementation, approximately 2,600 families per month will receive a reduced benefit because they have low living expenses.

No Additional Assistance for Second Parent - 47.27.025(b)(2)

This section provides that the current \$102 per month assistance payment increment for the second parent in two-parent households be eliminated, unless one of the parents is medically incapacitated. Under this provision, most two-parent families would qualify for the same amount of assistance as a single-parent family with the same number of children.

Seasonal Benefit Reduction for Two-Parent Families - 47.27.025(c)

This section limits the assistance payment to most two-parent families to 50 percent of the normal maximum benefit during the months of July, August, and September when work is available. The reduction does not apply to two-parent families if either parent is physically or mentally incapacitated.

Increased Earned Income Disregards: Elimination of the "100-Hour Rule" - 47.27.025, 47.27.005(2)

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

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

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

Beginning in July 1998, the new earned income disregards will be the first \$300 per month plus 40 percent of the remainder for the family's first year on assistance. \$300 plus 30 percent in the second year, \$300 plus 20 percent in the third year, and \$300 plus 10 percent in years four and five. After application of the disregard, assistance will be reduced dollar-for-dollar by the remaining countable income.

The Administration also plans to discontinue the current federal AFDC "100-hour-rule" which limits the number of hours the primary earner in a two-parent household may work without losing eligibility; pending federal block grant legislation is not expected to require application of the 100-hour rule. The removal of this disincentive to work is also expected to produce savings.

Automobile Allowance - 47.27.025, 47.27.005(2)

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

would help them find a job and keep working. DHSS plans to use the rulemaking authority provided in this bill allow families to own one vehicle regardless of value.

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

Diversion Payments - 47.27.026

This provision will give families an alternative to long-term ATAP dependency by offering eligible, job-ready ATAP applicants a one-time lump-sum payment in lieu of ongoing eligibility, to meet critical needs while they obtain employment and/or child support. The Diversion payment amount will be based on actual, immediate needs and is limited to a maximum of two months' worth of regular benefits. Families that opt for a diversion payment will have the diversion payment counted as income if they reapply for ATAP within 3 months. The Diversion program produces program savings by enabling a quick return to the work force for applicants who might otherwise need assistance for several months.

Assistance to Minors - 47.27.027

This section provides that, with specified exceptions, unmarried minor parents must live with a parent, another adult relative, or a legal guardian. If no such safe living arrangement is available, they must live in another adult-supervised living arrangement. Teen parents who do not cooperate with these requirements are ineligible for ATAP benefits. This provision produces savings by reducing the number of eligible teen parents. Teen parents who cooperate with the requirements will receive intensive case management services and some will need help to secure appropriate housing; the costs of these additional services are covered in the Public Assistance Administration component.

Participation in Work Activities - 47.27.035

This section requires recipients to participate in a range of activities that are designed to transition most families into work as soon as possible, and no later than 24 months after they begin receiving assistance. Work activities are tied to other self-sufficiency activities set for in each family's self-sufficiency plan, as required in new statutory section 47.27.030. These new requirements, combined with the enhanced work incentives, produce substantial program savings through reductions in the caseload and increases in the earned income of recipients.

Sanctions - 47.27.015, 47.27.027, 47.27.030, 47.27.035, 47.27.085

The bill sections that prohibit transferring assets to become eligible, disqualify families if a family member refuses or quits a job without good cause, require teen parents to attend school, require family self-sufficiency plans, require participation in work activities, and

impose fraud disqualification penalties all impose financial penalties on families that fail to comply with certain program requirements. These provisions are expected to produce substantial savings in program costs.

Child Support Pass-Through Payments - 47.27.040(c)

This bill section authorizes continuation of the \$50 per month child support pass-through payment. Current federal law requires that the first \$50 per month of child support collected for children included in a single-parent AFDC case be paid to the AFDC custodial parent as an incentive for the parent to cooperate in the continued location of the absent parent and in the collection of support. Pending federal law changes will eliminate current federal funding for 50 percent of the cost of pass-through payments. This provision produces additional program costs for replacement of the lost federal share.

2. PFD Hold Harmless Component

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

3. Public Assistance Administration Component

Services for Teen Parents In Section 7 of the bill, new statutory section 47.27.027 provides that an unmarried minor custodial parent must live with a parent or another relative. If no such safe home is available, teen parents are required to live in an approved, adult-supervised, supportive setting. New statutory section 47.27.005(1) authorizes self-sufficiency services for ATAP recipients. The costs for these services are documented in the fiscal note.

Alternate Housing for Teen Parents

Pending federal welfare reform legislation requires states help teen parents find alternate housing if they cannot live at home. These community grant funds will be used to develop a supply of alternate housing for teen parents who cannot live at home. Grantees will provide "Second Chance Homes", which would provide shelter, as well as parenting, life skills, health and pregnancy prevention services to teen mothers.

Case management services for teen parents and their children

These grants will procure intensive case management services to help teen parents who cannot live at home identify and arrange for alternative, adult-supervised, safe living arrangements for approximately 35 teen parents.

Needs Study

Section 50(a) of the bill requires DHSS conduct a comprehensive needs study to evaluate and form recommendations about the maximum monthly benefit standards for the temporary assistance program. Funds are required to engage an independent contractor to conduct the study and complete a report.

Emergency Food Services

About 225 agencies in Alaska distributed or provided 2.24 million pounds of food to needy families and individuals in 1995. This community service is an essential part of the state's safety net. Federal funding for food assistance is shrinking. Food donations to the agencies come from the private sector - individuals as well as corporations and local groups.

Welfare and other low-income families need emergency food in many situations. They may be waiting for their first paycheck after starting a new job, waiting for unemployment benefits after being laid off, or waiting for their application for assistance to be processed. They may suffer an unexpected catastrophe, or have a Veteran's benefit, SSI, welfare or other check delayed or lost in the mail.

Because of their concern that welfare reform and other federal budget cuts will reduce funding for the food network, and benefit reductions and other changes to the welfare system will create additional demand for emergency food, DHSS joined with food distribution groups to organize the agencies in the food network as the *Alaska Food Coalition*. Agencies which distribute food run on extremely tight budgets, and many may have to close when federal cuts eliminate their slim operating budgets.

The requested grant funds will be distributed to community food distribution organizations to support the development of more efficient, centralized collection and distribution centers for donated emergency food supplies

Welfare Reform Research, Monitoring, and Evaluation Staff

In bill section 7, new statutory section 47.27.005(7) requires DHSS to conduct research and monitor the effectiveness of the new Temporary Assistance program. Funding for a research analyst position is required for this new policy support and accountability activity.

4. Public Assistance Data Processing Component

The Eligibility Information System (EIS) is central to the administration of all public assistance programs. DPA field workers perform enter basic information on recipients, maintain case records, make eligibility determinations and benefit authorizations, and correspond with their clients using EIS. EIS generates benefit payments and stores and compiles management information.

Extensive modifications to the existing AFDC and JOBS structures in EIS are necessary to implement, administer, and monitor the new temporary assistance program. Funding is needed to provide sufficient programming resources for the necessary EIS modifications.

5. Family and Youth Services, DEYS Central Office Component

Teen Parent Living Arrangement Investigations In Section 7 of the bill, new statutory section 47.27.027 provides that a minor parent must live with a parent or another relative unless no such safe home is available. Funds are necessary administer and pay for contract investigations of the appropriateness of the family home when minor parents claim it is unsafe or inappropriate.

6. State Health Services, Community Health/EMS Services Component

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

FISCAL NOTE

No. 21

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98 (FIN)

(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program.</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>AFDC</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>220</u>
	See also (SN#): _____

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(1,489.7)	(5,057.1)	(9,994.9)	(11,692.7)	(11,892.8)	(11,990.4)
MISCELLANEOUS						
TOTAL OPERATING	(1,489.7)	(5,057.1)	(9,994.9)	(11,692.7)	(11,892.8)	(11,990.4)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	(673.3)	(2,295.9)	(4,537.7)	(5,308.5)	(5,399.3)	(5,443.6)
1003 GF Match	(1,701.9)	(4,565.3)	(5,180.5)	(5,308.5)	(5,399.4)	(5,443.7)
1004 GF						
1005 GF/Program Receipts	1,022.6	2,269.4	642.8	0.0	0.0	0.0
1037 GF/Mental Health						
Other 1007 I/A Receipts	(137.1)	(465.3)	(919.5)	(1,075.7)	(1,094.1)	(1,103.1)
TOTAL	(1,489.7)	(5,057.1)	(9,994.9)	(11,692.7)	(11,892.8)	(11,990.4)

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

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Comprehensive Approach

This legislation amends the public assistance statutes and replaces the Aid to Families with Dependent Children (AFDC) program with a new program, The Alaska Temporary Assistance Program. It includes several provisions that impact program costs.

General Assumptions: We assume, for purposes of this analysis, that the anticipated changes in federal law take effect on October 1, 1996 and that the state regulations necessary to implement each of the provisions of this bill take effect by the effective dates noted. We assume no impact on program costs due to the 60-month time limit because all individuals subject to the time limit go to work before receiving 60 months of assistance. The only individuals who continue to receive assistance after 60 months are those who are exempt from the provision. Only provisions with significant cost impacts are included in this analysis.

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

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

Phone: 465-2680
 Date: 04/20/96

Date: 4-20-96

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ANALYSIS (cont.):							
Alaska Temp. Assist. Pgm	FY97	FY98	FY99	FY00	FY01	FY02	Total
Work Incentives: Earned Income Disregards, Job Retention, 24-Month Time Limit, Auto Allowance, & Diversion	\$ (270.1)	\$ 1,958.2	\$ (1,797.8)	\$ (3,685.3)	\$ (4,039.8)	\$ (4,137.4)	\$ (11,972.2)
Benefit Reductions: Seasonal Benefits, Transfer of Assets, No Add'l Assistance for 2nd Parent and Benefits based on Household Expenses	\$ (1,590.8)	\$ (7,457.7)	\$ (8,639.5)	\$ (8,449.8)	\$ (8,295.4)	\$ (8,295.4)	\$ (42,728.6)
Minor Teen Parents	\$ (78.8)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (157.6)	\$ (866.8)
Child support pass-through	\$ 450.0	\$ 500.0	\$ 600.0	\$ 600.0	\$ 600.0	\$ 600.0	\$ 3,450.0
Totals	\$ (1,489.7)	\$ (5,057.1)	\$ (9,994.9)	\$ (11,692.7)	\$ (11,892.8)	\$ (11,990.4)	\$ (52,117.6)

WORK INCENTIVES

Family Self-Sufficiency Plan and Participation in Work Activities: Effective January 1, 1997, most families must cooperate in developing a self-sufficiency plan and participate in work activities. Failure to comply results in a reduction in assistance. With specified exceptions, families may not receive more than 24 months of assistance within a 60-month period.

Earned Income Disregards: Effective July 1, 1998. The earned income disregards are increased to allow families to keep more of the income they earn and encourage recipients to gain the job experience that is essential to long-term self-sufficiency. The disregards are phased down slowly over four years.

Job Retention: Effective January 1, 1997. Denies assistance to families when the adult applicant or caretaker refuses or quits a job without good cause.

Automobile Allowance: Effective January 1, 1997. Allows each family to own one vehicle, regardless of value, before the equity is counted to determine eligibility.

A Diversion Program: Effective January 1, 1997. Diversion payments provide eligible families an alternative to long-term dependency by offering applicants a one-time lump-sum cash payment to meet critical needs while they obtain employment and/or child support.

Seasonal Benefit Reduction for Two Parent Families: Effective July 1, 1997. Assistance payments to able-bodied, two parent families are reduced by 50% during the summer months of July, August and September when work is available.

OTHER PROGRAM PROVISIONS

Transfer of Assets: Effective January 1, 1997. Denies assistance to families if an adult member intentionally transfers an asset for less than fair market value for the purpose of establishing eligibility for assistance.

No Additional Assistance for the Second Parent in Two Parent Families: Effective January 1, 1997. Eliminates the additional \$102 payment for the needs of the second parent in Unemployed Parent households.

Benefits based on household expenses: Effective January 1, 1997. Families that pay little or no housing costs receive a smaller assistance payment than families that pay market value for their housing.

Assistance to Minors: Effective January 1, 1997. With specified exceptions, requires unmarried minor parents to live with a parent or legal guardian, an adult relative, or in another adult-supervised living arrangement.

Child Support Pass-Through: Effective October 1, 1996. This section continues the state share of the child support pass-through payment, paid to recipients for whom CSED receives monthly child support collections.

Child Support Collections: The child support enforcement occupational and driver's license provisions of this legislation increase child support collections for AFDC children and shift program funding from general fund to general fund program receipts dollar for dollar.

FISCAL NOTE

No. 22

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CSSR 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____
 Title: Act related to the AFDC program, demonstration projects, and the Alaska temporary assistance program.
 Sponsor: Senate HESS
 Requestor: Senate Finance

Dept. Affected: Health and Social Services
 BRU: Public Assistance
 Component: PFD Hold Harmless
 COMPONENT SERIAL NO. 225
 See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(137.1)	(465.3)	(919.5)	(1,075.7)	(1,094.1)	(1,103.1)
MISCELLANEOUS						
TOTAL OPERATING	(137.1)	(465.3)	(919.5)	(1,075.7)	(1,094.1)	(1,103.1)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES	()					
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1050 PFD Fund	(137.1)	(465.3)	(919.5)	(1,075.7)	(1,094.1)	(1,103.1)
TOTAL	(137.1)	(465.3)	(919.5)	(1,075.7)	(1,094.1)	(1,103.1)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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 AFDC policy provisions contained in this bill reduce costs in the AFDC component and produce proportional reductions in PFD Hold Harmless costs.

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

Phone: 465-2680
 Date: 04/20/96

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

Date: 4-20-96

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ANALYSIS (cont.):

Assumptions:

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

FY97	\$	137.1
FY98	\$	465.3
FY99	\$	919.5
FY00	\$	1,075.7
FY01	\$	1,094.1
FY02	\$	1,103.1

FISCAL NOTE

No. 23

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CSSB 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act related to the AFDC program, demonstration projects and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Public Assistance Admin</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>233</u>
	See also (SN#): _____

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	61.0	61.0	61.0	61.0	61.0	61.0
TRAVEL	2.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	2.0	92.0	2.0	2.0	2.0	2.0
SUPPLIES	0.5	0.5	0.5	0.5	0.5	0.5
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	155.0	260.0	260.0	260.0	260.0	260.0
MISCELLANEOUS						
TOTAL OPERATING	220.5	415.5	325.5	325.5	325.5	325.5

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	32.7	77.7	32.7	32.7	32.7	32.7
1003 GF Match	32.8	77.8	32.8	32.8	32.8	32.8
1004 GF	155.0	260.0	260.0	260.0	260.0	260.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	220.5	415.5	325.5	325.5	325.5	325.5

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This legislation creates a need for additional safety net services for low-income Alaska families in addition to the services provided under the Alaska temporary assistance program.

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

Phone: 465-2680
 Date: 04/20/96
 Date: 4-20-96

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ANALYSIS (cont.):

TEEN PARENT SERVICES: Section 7 of this legislation provides that a minor parent must live with a parent or another relative unless no such safe home is available. We assume that the regulations to implement this provision take effect on 1/1/97.

Investigations: Funds for the investigation of homes when the teen claims the family home is unsafe are requested in a separate fiscal note prepared by the Division of Family and Youth Services.

Case Management Services: Existing case management services will be enhanced to assist those teens who are not able to live at home in identifying alternative living situations with relatives or other suitable adults. Grants to provide these additional services is \$85,000 per year.

Alternate Living Arrangements: If there is no safe, available family home for the teen parent, the teen must live in an alternate, adult-supervised setting. \$125,000 in community grants will develop and provide supervised alternate teen parent housing when no other appropriate placement is available. These funds are expected to pay for approximately 35 placements at \$3,570 per year.

Total annual cost of this provision is \$210,000. The cost is half in the implementation year of FY98.

NEEDS STUDY: Section 50 of this legislation directs the Department to conduct a comprehensive needs study and submit the results to the Legislature in January 1999. An independent contractor will conduct this study; estimate cost is \$90,000 in FY98.

EMERGENCY FOOD SERVICES: Welfare reform will reduce benefits to low-income families. To maintain a safety net for families, \$50,000 in grants is needed to assist community organizations to establish and operate emergency food programs.

WELFARE REFORM POLICY SUPPORT STAFF: A Research Analyst III is needed to support the development, implementation, and monitoring of the new Alaska Temporary Assistance program. Funding for an existing Research Analyst III position for welfare reform, which was requested in the FY97 Governor's budget, has been deleted. The annual cost for this position is \$65.5 (\$61 personal services, \$20 travel, \$2.5 office space and supplies).

FISCAL NOTE

No. 24

Bill Version: CSSB 98 (FIN)

(S) Publish Date: 4-22-96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An Act Related to the AFDC program, demonstration projects, and the Alaska temporary assistance program</u>	BRU: <u>Public Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Public Assistance Data Processing</u>
Requestor: <u>Senate Finance</u>	COMPONENT SERIAL NO. <u>240</u>
	See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	543.0	543.0	543.0	543.0	543.0	543.0
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						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	543.0	543.0	543.0	543.0	543.0	543.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FL ND SOURCE (Thousands of Dollars)

FL ND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts	244.3	244.3	244.3	244.3	244.3	244.3
1003 GF Match	271.5	271.5	271.5	271.5	271.5	271.5
1004 GF	27.2	27.2	27.2	27.2	27.2	27.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	543.0	543.0	543.0	543.0	543.0	543.0

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

POSITIONS:

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	9	9	9	9	9	9
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Eligibility Information System (EIS) is a large, complex data system with several subsystems. Whether welfare reform is implemented under passage of Federal legislation or State legislation under a Federal waiver package, extensive modifications to the Division's Eligibility Information System (EIS) and its subsystems will be necessary.

Welfare reform modifications to the EIS and its subsystems, the JOBS Automated System (JAS), and the JOBS Child Care and Supportive Service Payments System (JASP), will require a level of effort in excess of 15,000 hours or 116 FTE-months.

The effort includes the analysis, design, development, testing, and implementation of new system functionality implementing changes in program policy that revise or replace the Aid to Families with Dependent Children and Alaska Work Programs. Policy changes impact systems programs for Medicaid and will potentially impact the Food Stamp program, too.

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

Phone: 465-2680
Date: 04/20/96

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

Date: 4-20-96

ANALYSIS (cont.):

To undertake the changes to the Eligibility Information System and its subsystems necessary to implement welfare reform the following assumptions were applied in determining costs:

1. The EIS modifications will require a combination of state data processing staff and contractor staff.
2. The project level of effort requires 116 FTE months for analysis, design, development, testing, and implementation.
3. The project will require a minimum of 12 calendar months to complete the analysis, design, development, testing, and implementation.
4. Some of the requirements design must begin no later than July 1, 1996, requirements and design must be complete and programming started no later than December 1996. Some testing must begin by April 1997.
5. The contractor programming costs are covered in other budget requests, and assume the passage of the FY96 Supplemental request of \$3.5 million.
6. Other states with similar waiver proposals, such as Arizona and Indiana, had similar system approaches and costs.
7. The State personal services cost includes 9 data processing positions that were previously requested but removed from the Divisions FY97 PA Data Processing budget.
8. Calculations FY 97 include:

FTE	Job Class	Range	Cost	Location
1	Analyst/Programmer V	R21	\$74.8	Anch
3	Analyst/Programmer IV	R19	\$206.9	Anch
1	Analyst/Programmer III	R17	\$57.6	Anch
3	Public Assistance Analyst I's	R16	\$169.3	Anch
1	Administrative Clerk II	R08	\$34.4	Anch
9.0	Personal Services Total		\$543.0	

This is not a request for new positions; it is a request for funding to maintain the incumbents in six existing PCNs and fill three vacant PCNs.

FISCAL NOTE

No. 25

STATE OF ALASKA
1996 LEGISLATIVE SESSION

.1 Version: CS SB 98 (FIN)
(S) Publish Date: 4-22-96

Revision Date: _____
Title: An Act related to the AFDC Program, Demonstration Projects, and Payment Reductions
Sponsor: Senate HESS
Requestor: Senate (FIN)

Dept. Affected: Health and Social Services
BRU: Family and Youth Services
Component: DFY3 Central Office
COMPONENT SERIAL NO. 259
Sec also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY97	FY98	FY99	FY00	FY01	FY02
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	33.8	33.8	33.6	33.8	33.6	33.6
SUPPLIES	2.6	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	4.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	100.2	93.8	93.8	93.8	93.8	93.8

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts						
1003 GF Match						
1004 GF	100.2	93.8	93.8	93.8	93.8	93.8
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	100.2	93.8	93.8	93.8	93.8	93.8

POSITIONS:

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of any current year (FY96) 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.

The Division of Public Assistance expects 180 applications from unwed teen parents. It can be anticipated that 40 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 80 hours of contracted social worker time per year for continued assessment.

Continued

Prepared by: L. Diane Worley, Director
Division: Family & Youth Services
Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Phone: 465-3191
Date: 04/19/96
Date: 4-22-96

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ANALYSIS (cont.):

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 also be necessary.

Contract Clinical Social Worker (12 months)**Intake Assessment/Evaluation**

40 referrals x 10 hours = 400 hours x \$70/hr = \$28,000.00

Re-evaluations for maintenance caseload

80 hours x \$70/hr = \$5,600.00

Social Worker IV Range 18 Juneau State Office \$58,900.00

Travel: 1 trip to Fairbanks, 1 trip to Anchorage \$1,100.00

Equipment (Computer, Software) \$4,000.00

Supplies (Desk, Chair, Telephone, Office Supplies) \$2,580.00

TOTAL \$100,200.00

The personal services cost for the Social Worker IV is calculated for one year rather than six months as this person will have to be hired and trained for the entire Fiscal year in order to be ready to do the job by January 97. The contractual costs will be double the first year in order to process the initial investigations required by this fiscal note.

The equipment and supplies will decrease after the initial set up year for this position. The continuing office supplies should cost approximately \$200/yr for the continuing position.

It is not possible to project the fiscal impact of the amendment which includes licenses granted under 47.35 with those occupational licenses which may be adversely affected by child support arrearages. The division licenses approximately 980 foster homes and approximately 550 child care facilities. Most areas of the state constantly face a shortage of foster homes, and the loss of any of the existing homes will increase staff time in locating placements for children who cannot remain at home. It is possible that additional group homes or residential child care facilities will have to be developed, at a much higher daily cost, to offset the loss of those homes. In addition to unnecessary cost increases, it would be unfair to place children who could function well in foster care into more institutional living arrangements. Division staff time will also be negatively impacted in helping parents to find alternative day care arrangements when a provider's license is affected. Most communities also already face a shortage in licensed day care.

FISCAL NOTE

No. 26

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CSSR 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____	Dept. Affected: <u>Health and Social Services</u>
Title: <u>An act relating to AFDC and demonstration projects.</u>	BRU: <u>Medical Assistance</u>
Sponsor: <u>Senate HESS</u>	Component: <u>Medicaid Services</u>
Requestor: <u>Senate FIN</u>	COMPONENT SERIAL NO. <u>2077</u>
	See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

	FY97	FY98	FY99	FY00	FY01	FY02
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						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

For the purpose of welfare reform, CSSB 98 (FIN) directs the department to establish pilot projects that will encourage people to move from assistance to work. These pilot projects will require federal waivers. If federal welfare reform legislation is enacted, this bill establishes the Alaska Temporary Assistance Program. This bill contains no provision that directly alters the Medicaid program.

Under the waiver approach, people who lose Aid To Families With Dependent Children (AFDC) payments due to the waiver will continue to be eligible for Medicaid. Consequentially, this portion of the bill will have no measurable fiscal effect on the Alaska Medicaid program.

Under federal welfare reform, the link between Medicaid and AFDC (or what ever other program is established) is uncertain. Some welfare reform proposals require Medicaid to use current AFDC rules. Other proposals require Medicaid eligibility to be determined separately from any cash assistance program. Since the link between federal welfare reform and Medicaid is uncertain, the Division of Medical Assistance cannot determine this bill's fiscal impact on the Alaska Medicaid program.

Prepared by: Jon Sherwood
Division: Medical Assistance

Phone: 465-3355
Date: 04/19/96

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

Date: 4-21-96

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STATE OF ALASKA
1996 LEGISLATIVE SESSION

No. 27

Bill Version: CS SR 98(FIN)

(S) Publish Date: 4-22-96

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An act related to the AFDC program, BRU: State Health Services
demonstration projects and payment reduction Component: Community Health/EMS Services
 Sponsor: Senate HESS COMPONENT SERIAL NO. 2078
 Requestor: Senate Finance See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

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

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Personal Services Line 100

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

Contractual Line 300

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

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

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

Phone: (907) 465-3090
 Date: 04/11/96

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

Date: 4-20-96

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CHILD SUPPORT PROVISIONS IN CSSB98(Fin)

Suspension/Revocation of Occupational and Driver's Licenses

- ▶ 32 states already have occupational and/or driver's license suspension/revocation laws.
- ▶ State legislation is required in all versions of federal welfare reform legislation.
- ▶ Occupational/driver's licensing provisions in CSSB98(FIN) will go into effect only upon the effective date of federal legislation and will sunset two years after the effective date of the state legislation.
- ▶ During a two year period, this legislation will increase collections by approximately 25%. The State is estimated to receive an additional \$3,934.8 in AFDC reimbursements and custodial families may receive up to \$16 million in additional child support. The State will receive a 10:1 return on an investment of \$391.9.
- ▶ Obligor must be in substantial compliance to avoid any adverse action. Substantial compliance is defined as being no more than four months in arrears on a support order or a payment plan.
- ▶ DMV will issue the driver's license and will notify the obligor that suspension will occur in 150 days unless the obligor works with CSED to establish a payment plan or come into compliance with the support order.
- ▶ The Division of Occupational Licenses will issue a temporary license for 150 days and will notify the obligor that the permanent license will not be issued unless the obligor works with CSED to establish a payment plan or come into compliance with the support order.
- ▶ The obligor is sent warning letters prior to any revocation action. The obligor has the right to a judicial review.

Reduction in Interest Rate

- ▶ Late payments will accrue 6% simple interest. Existing interest rate is 12%.

Relief from Administrative Order

- ▶ CSED will be able to correct clerical mistakes and errors on the part of CSED when establishing a child support order.
- ▶ CSED will be able to vacate an order which was based upon a default amount. CSED will then establish a new order, with arrears that reflect the true income of the obligor which existed during the time period of the default.

(OVER)

Relief from Administrative Orders (continued)

- ▶ CSED will be able to "clean up" some of the 4,400 default cases, representing \$103 million in arrears.
- ▶ Only the obligor can apply for a vacated and reestablished order in default cases.
- ▶ Both the custodian and the non-custodial parent will receive notification of a proposed action. The custodial parent will have the opportunity to contest the action.

Grandparent Liability

- ▶ Both maternal and paternal grandparents of teen parents will share the responsibility of support for the grandchild.
- ▶ A child support order for grandparents will be based upon a proportionate share of the costs of raising the grandchild, but would not exceed the amounts allowed under Civil Rule 90.3.
- ▶ A grandparent is defined as the natural or adoptive parent of the minor child.

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FISCAL NOTE

BILL NO. SB 117

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____

Title: Statewide Independent Living Council

Sponsor: Senator Halford

Requester: Senate HESS Committee

Department Affected: Education

BRU: Vocational Rehabilitation

Component: Independent Living Rehabilitation

COMPONENT SERIAL NO. 203

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	56.5	56.5	56.5	56.5	56.5	56.5
TRAVEL	26.0	26.0	26.0	26.0	26.0	26.0
CONTRACTUAL	54.3	54.3	54.3	54.3	54.3	54.3
SUPPLIES	4.1	4.1	4.1	4.1	4.1	4.1
EQUIPMENT	1.7	1.7	1.7	1.7	1.7	1.7
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	142.6	142.6	142.6	142.6	142.6	142.6

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

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

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	128.3	128.3	128.3	128.3	128.3	128.3
1003 GF Match	14.3	14.3	14.3	14.3	14.3	14.3
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	142.6	142.6	142.6	142.6	142.6	142.6

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary.)

To be eligible to receive federal funds for independent living services, Alaska must establish a Statewide Independent Living Council. On October 26, 1994, Governor Hickel established the Council by Administrative Order No. 149. Senate Bill 117 formally establishes this council in statute. Funding for this council and other independent living services is included in the *Rehabilitation Act Amendments of 1992, Title VII*. The state currently receives approximately \$900,000 under this Act.

Please see the attached sheet for further analysis.

Prepared by: Stan Ridgeway, Deputy Director Phone: 465-6932

Division: Vocational Rehabilitation Date: March 16, 1995

Approved by Commissioner: Shirley Holloway

Agency: Education Date: March 16, 1995

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To be eligible to receive federal funds for independent living services, Alaska must establish a Statewide Independent Living Council. Funding for this program is included in the *Rehabilitation Act Amendments of 1992, Title VII*.

Funds, allotted under Part B of *Title VII*, are disbursed to Alaska as a minimal allotment state which means that Alaska will receive not less than \$275,000 for independent living services. The state must match Part B funds by 10%.

In addition, Part C of *Title VII* entitles Alaska to receive not less than \$533,330 in federal funds designated for centers for independent living. There are currently two Alaska centers which receive these funds directly from the federal government under Part C. In FY95, a total for \$602,900 was awarded to two Alaskan independent living centers. Access Alaska received \$301,000 and Southeast Independent Living (SAIL) received \$301,900 from this federal source.

The funding for the independent living program in FY95 is as follows:

Funding Source	Amount (in thousands)
Federal Part B	\$ 283.8
Part B Required State Match	39.1
Federal Part C	602.9
State General Funds	563.4
TOTAL	\$ 1,489.2

The Independent Living Council expenses are funded with Part B and state general funds. The total Council budget is \$142,600, which is 9% of the total funds available. The state Division of Vocational Rehabilitation retained \$10,600 (.7% of the total) for grant monitoring. The remainder of the funds, \$1,336,000 is granted to statewide non-profit organizations for direct consumer services.

Without a Statewide Independent Living Council the state will not be eligible to receive either Part B or Part C federal funds under *Title VII of the Act* resulting in a loss of approximately \$900,000 in federal funds.

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 21, 1995

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/28/95

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: CSSB 117(HES)

CS FOR SENATE BILL NO. 117(HES) STATEWIDE INDEPENDENT LIVING COUNCIL

"An Act establishing a statewide independent living council and clarifying its relationship with existing agencies; and providing for an effective date."

recommends it be replaced with the following committee substitute _____ 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) Education
 fiscal note(s) _____ fiscal note(s) _____

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

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>			✓	
<i>Car Blend</i>			✓	
<i>Caren Robinson</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			

CHAIR'S SIGNATURE *Car Blend*

**DEPARTMENT OF EDUCATION
OFFICE OF THE COMMISSIONER**

TONY KNOWLES, GOVERNOR

**GOLDBELT PLACE
801 WEST 10TH STREET, SUITE 200
JUNEAU, ALASKA 99801-1894
(907) 465-2800
FAX (907) 465-4156**

March 16, 1995

The Honorable Rick Halford
Alaska State Senate
State Capitol, Room 508
Juneau, AK 99801-1182

Re: Senate Bill 117
Establishment of a State Independent Living Council

Dear Senator Halford:


The Department of Education and the Division of Vocational Rehabilitation (DVR) support Senate Bill 117. In order for Alaska to continue receiving federal funds for independent living services, the state must establish in statute a statewide independent council. The Rehabilitation Act of 1973 as Amended in 1992 states in Title VII, Sec. 705 "Statewide Independent Living Council:"

(a) Establishment - to be eligible to receive financial assistance under this chapter, each state shall establish a Statewide Independent Living Council (referred to in this section as the "Council"). The council shall not be established as an entity within another state agency.

We support your efforts in submitting this legislation. For your information I have enclosed a copy of the Alaska Independent Living Council's mission statement, responsibilities and goals as contained in the statewide independent living plan.

If we can be of more assistance in your efforts, please contact me or Stan Ridgeway, Deputy Director, DVR, at 465-6932.

Sincerely,


Shirley J. Holloway, Ph.D.
Commissioner

Enclosure

ALASKA INDEPENDENT LIVING COUNCIL

Mission

To promote consumer control, peer support, self-help, self-determination, equal access, and individual and system advocacy, in order to maximize the leadership, empowerment, independence, and productivity of individuals with disabilities.

Responsibilities

1. Jointly developing and submitting the State Plan for Independent Living, in conjunction with the Alaska Division of Vocational Rehabilitation.
2. Monitoring, reviewing and evaluating the implementation of the State Plan.
3. Coordinating activities with the Alaska Vocational Rehabilitation Advisory Council and other councils that address the needs of specific disability populations and issues.

Goals

1. To develop, implement, monitor and evaluate a coordinated and unified statewide service delivery system for independent living.
2. To develop a statewide network of centers for independent living.
3. To maximize working relationships and collaborative ventures for the provision of independent living services.
4. To develop and implement public awareness and outreach activities.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

ADMINISTRATIVE ORDER NO. 149

I, Walter J. Hickel, Governor of the State of Alaska, under the authority of art. III, secs. 1, 16, and 24, of the Alaska Constitution and AS 44.19.145(c), hereby establish by Administrative Order the Alaska Statewide Independent Living Council (council).

Section 1. PURPOSE

The council shall serve as the Statewide Independent Living Council for Alaska required for the receipt of federal financial assistance under 29 U.S.C. 796d, as amended as of July 1, 1994.

Section 2. DUTIES

The council shall perform the duties set out in 29 U.S.C. 796d, to allow the receipt of federal financial assistance in Alaska for independent living services and centers for independent living for Alaskans with severe disabilities. The council may hold hearings or forums in Alaska as the council determines necessary to carry out its duties.

Section 3. MEMBERSHIP; TERMS

The Governor will appoint members to the council who meet the applicable membership requirements set out in 29 U.S.C. 796d. A term of a member will be three years unless the appointment is to fill a vacancy for the remaining years of a prior member's term. A member may not serve more than two consecutive full terms.

Section 4. CONTACT AGENCY

The Alaska Department of Education will serve as lead contact agency for the council. The Alaska Department of Education shall provide reasonable and necessary professional and technical assistance requested by the council.

This Order takes effect immediately.

Dated at Juneau, Alaska this 26 day of October, 1994.

Handwritten signature of Walter J. Hickel in cursive.
Walter J. Hickel
Governor



ALASKA DIVISION of VOCATIONAL REHABILITATION

Rehabilitation Act of 1973
as Amended by
The Rehabilitation Act
Amendments of 1992

29 USC 701-744

proper disbursement of and accounting for funds paid to the State under this chapter;

(4)(A) maintain records that fully disclose -

(i) the amount and disposition by such recipient of the proceeds of such financial assistance;

(ii) the total cost of the project or undertaking in connection with which such financial assistance is given or used; and (iii) the amount of that portion of the cost of the project or undertaking supplied by other sources;

(B) maintain such other records as the Commissioner determines to be appropriate to facilitate an effective audit;

(C) afford such access to records maintained under subparagraphs (A) and (B) as the Commissioner determines to be appropriate; and

(D) submit such reports with respect to such records as the Commissioner determines to be appropriate;

(5) provide access to the Commissioner and the Comptroller General or any of their duly authorized representatives, for the purpose of conducting audits and examinations, of any books, documents, papers, and records of the recipients that are pertinent to the financial assistance received under this chapter; and

(6) provide for public hearings regarding the contents of the plan during both the formulation and review of the plan.

(n) The plan shall establish a method for the periodic evaluation of the effectiveness of the plan in meeting the objectives established in subsection (d), including evaluation of satisfaction by individuals with disabilities.

Sec. 705. Statewide Independent Living Council

(a) To be eligible to receive financial assistance under this chapter, each State shall establish a Statewide Independent Living Council (referred to in this section as the "Council"). The Council shall not be established as an entity within another State agency.

(b)(1) Members of the Council shall be appointed by the Governor or the appropriate entity within the State responsible for making appointments, within 90 days after the date of enactment of the Rehabilitation Act Amendments of 1992. The appointing authority shall select members after soliciting recommendations from representatives of organizations representing a broad range of individuals with disabilities and organizations interested in individuals with disabilities.

(2) The Council shall include -

(A) at least one director of a center for independent living chosen by the directors of centers for independent living within the State; and

(B) as ex officio, nonvoting members -

(i) a representative from the designated State unit; and

(ii) representatives from other State agencies that provide services for individuals with disabilities.

(3) The Council may include -

(A) other representatives from centers for independent living;

(B) parents and guardians of individuals with disabilities;

(C) advocates of and for individuals with disabilities;

(D) representatives from private businesses;

(E) representatives from organizations that provide services for individuals with disabilities;
and

(F) other appropriate individuals.

(4) The Council shall be composed of members -

(A) who provide statewide representation;

(B) who represent a broad range of individuals with disabilities;

(C) who are knowledgeable about centers for independent living and independent living services; and

(D) a majority of whom are persons who are -

(i) individuals with disabilities described in section 7(8)(B); and *(ii)* not employed by any State agency or center for independent living.

(5)(A) Except as provided in subparagraph (B), the Council shall elect a chairperson from among the membership of the Council.

(B) In States in which the Governor does not have veto power pursuant to State law, the Governor shall designate a member of the Council to serve as the chairperson of the Council or shall require the Council to so designate such a member.

(6)(A) Each member of the Council shall serve for a term of 3 years, except that -

(i) a member appointed to fill a vacancy occurring prior to the expiration of the term for which the predecessor was appointed, shall be appointed for the remainder of such term;
and

(ii) the terms of service of the members initially appointed shall be (as specified by the appointing authority) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

(B) No member of the Council may serve more than two consecutive full terms.

(7) Any vacancy occurring in the membership of the Council shall be filled in the same manner as

the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the Council.

(c) The Council shall -

(1) jointly develop and submit (in conjunction with the designated State agency) the State plan required in section 704;

(2) monitor, review, and evaluate the implementation of the State plan;

(3) coordinate activities with the State Rehabilitation Advisory Council established under section 105 and councils that address the needs of specific disability populations and issues under other Federal law;

(4) ensure that all regularly scheduled meetings of the Council are open to the public and sufficient advance notice is provided; and

(5) submit to the Commissioner such periodic reports as the Commissioner may reasonably request, and keep such records, and afford such access to such records, as the Commissioner finds necessary to verify such reports.

(d) The Council is authorized to hold such hearings and forums as the Council may determine to be necessary to carry out the duties of the Council.

(e)(1) The Council shall prepare, in conjunction with the designated State unit, a plan for the provision of such resources, including such staff and personnel, as may be necessary to carry out the functions of the Council under this section, with funds made available under this chapter and part C of title I and from other public and private sources. The resource plan shall, to the maximum extent possible, rely on the use of resources in existence during the period of implementation of the plan.

(2) Each Council shall, consistent with State law, supervise and evaluate such staff and other personnel as may be necessary to carry out the functions of the Council under this section.

(3) While assisting the Council in carrying out its duties, staff and other personnel shall not be assigned duties by the designated State agency or any other agency or office of the State, that would create a conflict of interest.

(f) The Council may use such resources to reimburse members of the Council for reasonable and necessary expenses of attending Council meetings and performing Council duties (including child care and personal assistance services), and to pay compensation to a member of the Council, if such member is not employed or must forfeit wages from other employment, for each day the member is engaged in performing Council duties.

(g) To the extent that a State has established a Council before September 30, 1992, that is comparable to the Council described in this section, such Council shall be considered to be in compliance with this section. Within 1 year after the date of enactment of the Rehabilitation Act Amendments of 1992, such State shall establish a Council that complies in full with this section.

Sec. 706. Responsibilities of the Commissioner

(a)(1) The Commissioner shall approve any State plan submitted under section 704 that the Commissioner determines meets the requirements of section 704, and shall disapprove any such plan



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

PLEASE PROVIDE
ALL REQUESTED
INFORMATION.

SUBJECT OF MEETING:
SB 117: Statewide
Independent Living
Council

DATE: APRIL 28

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
STAN RIDGEMAN	DUR	MS 0581	99801	70-2234	465-6932	<input checked="" type="radio"/>	N	SB 117
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	

STATE OF ALASKA - OFFICE OF THE GOVERNOR
Boards and Commissions Office

Membership Roster

(181) INDEPENDENT LIVING COUNCIL

Member	Appointed	Reappointed	Term Exp.
Constance E. Anderson Independent Living Center Representative - Chair Executive Director Southeast Alaska Independent Living P.O. Box 36097 Juneau, AK 99803-6097 Home Phone - (907) 780-0085 Work Phone - (907) 789-9885 FAX - (907) 780-9747	10/01/93		10/01/98
James C. Beck Community Rehabilitation Program Representative P.O. Box 508 Palmer, AK 99645 Home Phone - (907) 748-0028 FAX - (907) 748-0028	04/07/95		10/01/97
Julia J. Best Advocate P.O. Box 426 Scitona, AK 98869 Work Phone - (907) 262-7492 FAX - (907) 262-5572	04/07/95		10/01/98
James R. Burton Community Rehabilitation Program Representative 1189 Hess Avenue Fairbanks, AK 99709 Home Phone - (907) 478-6118 Work Phone - (907) 474-7249	10/01/93		10/01/98
Helen M. Eakman Community Rehabilitation Program Representative 2221 Muldoon No. 555 Anchorage, AK 99504 Home Phone - (907) 337-3831 Work Phone - (907) 397-3831	04/07/95		10/01/98
Joyanna Galar Independent Living Program Representative P.O. Box 2474 Homer, AK 99603 Home Phone - (907) 235-5401 Work Phone - (907) 235-7911 FAX - (907) 235-8288	04/07/95		10/01/98
Bernadine J. Graham Advocate c/o Jerry Nickles, Hops Cottages 5400 West International Airport Rd. Anchorage, AK 99518 Home Phone - (907) 337-7914	10/01/93		10/01/98
Nick Guzzo, Jr. Family Member With Disability P.O. Box 782 Barrow, AK 99723 Home Phone - (907) 852-5289	04/07/95		10/01/98

STATE OF ALASKA - OFFICE OF THE GOVERNOR

Boards and Commissions Office

Membership Roster

(181) INDEPENDENT LIVING COUNCIL

Member	Appointed	Reappointed	Term Exp.
Rugget A. Hiatt Advocate 1708 Bartlett Drive Anchorage, AK 98507 Home Phone - (907) 562-1708	10/01/93	10/01/94	10/01/97
Ruth C. L'Honnemann Community Rehabilitation Program Representative P.O. Box 80127 Fairbanks, AK 99708 Home Phone - (907) 478-8514	04/07/95		10/01/97
David Levy Independent Living Program Representative 3405 Eureka, Apt. 24 Anchorage, AK 99503 Home Phone - (907) 503-2984 Work Phone - (907) 248-4777	04/07/95		10/01/98
David Maitman Division of Mental Health and Developmental Disabilities Rep. Executive Director Gov's Council on Disab. & Special E Dept. of Health & Social Services P.O. Box 240249 Anchorage, AK 99524-0249 Work Phone - (907) 563-5355 FAX - (907) 563-5357	04/07/95		10/01/98
Stan Ridgeway Division of Vocational Rehabilitation Rep. Deputy Director Div. of Vocational Rehabilitation Department of Education 801 West Tenth Street, Suite 200 Juneau, AK 99801-1894 Work Phone - (907) 486-8982	10/01/93		10/01/98
John A. Woodward Community Rehabilitation Program Representative 2200 Sunrise Drive Anchorage, AK 99508 Home Phone - (907) 276-6159	10/01/93	10/01/94	10/01/97
Roger Wright Independent Living Program Representative P.O. Box 209 Kotzebue, AK 99752 Home Phone - (907) 442-3021	10/01/93		10/01/95

123

BS

FISCAL NOTE

No. 2

Bill Version: SB 123

BILL (S) Publish Date: 3-21-95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Education
 Title: An Act relating to student loan programs . . . BRU: ACPE
 Component: Program Administration
 Sponsor: (S)HESS
 Requester: Sen. Green COMPONENT SERIAL NO. 212

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

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

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

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Gillian R. Hays, Legislative Liaison Phone: 465-6718
 Division: Alaska Commission on Postsecondary Education Date: 3/16/95
 Approved by Executive Director: Joe L. McCormick Date: 3/16/95
 Agency: Alaska Commission on Postsecondary Education

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HOUSE COMMITTEE REPORT

(7)

Date Referred: April 29, 1995

FURTHER REFERRALS:

Date of Committee Action: 5/2/95

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: CSSB 123(FIN)

CS FOR SENATE BILL NO. 123(FIN) POSTSECONDARY EDUCATION PROGRAMS

"An Act relating to student loan programs and fees for review of postsecondary education institutions; relating to a postsecondary student exchange program administered by the Western Interstate Commission on Higher Education; and providing for an effective date."

recommends it be replaced the same title
 with the following committee substitute _____ 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) _____ fiscal note(s) _____

zero fiscal note(s) _____ zero fiscal note(s) Education 3/2/95

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	

CHAIR'S SIGNATURE *[Signature]*

STATE OF ALASKA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

3030 VINTAGE BLVD.
JUNEAU, ALASKA 99801-7109
PHONE (907) 465-2962
FAX (907) 465-5316

MEMORANDUM

TO: House Health Education and
Social Services Committee

FROM: Dr. Joe L. McCormick
Executive Director

DATE: April 28, 1995

RE: CS SB 123(FIN)



The Senate version of CS SB 123(FIN) has four differences between the House version, CS HB 257(FIN).

	<u>Senate</u>	<u>House</u>
Title	"An Act . . . relating to a postsecondary student exchange program administered by the Western Interstate Commission on Higher Education; and . . .	"An Act . . . interstate compacts for postsecondary education, and . . .
Section 1 <i>Loan Limits:</i>		
14.43.110 (3)	\$6500 FT, \$3000 HT 30 or more weeks	\$5500 FT, \$2,000 HT 9 or more months
14.43.110 (4)	\$4500 FT, \$2000 HT less than 30, but at least 20 weeks	\$4000 FT, \$1500 HT less than 9 months
14.43.110 (5)	\$3000 FT, \$1000 HT less than 20, but more than 10 weeks	
Section 4 <i>Loan Maximum:</i>		
14.43.120(d)(3)	total of \$60,000	total of \$79,000
Section 17 <i>Loan Criteria:</i>		
14.43.125(d)	denies loans to individuals incarcerated full-time	Incarcerated individuals eligible for loans if scheduled for release within two months of completion date of education.

CSSB 123(FIN) am - SECTIONAL BILL ANALYSIS

Revised 4/25/95

Section 1-- increases the annual borrowing maximum for college and university undergraduate and graduate students. The University of Alaska, which receives 60% of the ASLs, recently increased the tuition rates for all levels of study. Over the past 10 years, the University of Alaska has increased tuition by 140%, and during that same time, there have been no increase in loan limits. Graduated loan limits for career education programs reflects the costs relative to program length. The number of financial aid sources available for graduate students has dwindled, while the cost of education has increased at a steady pace. National statistics show that graduate/professional students repay their loans in the greatest numbers.

Section 2-- changes guarantee fee to origination fee to more accurately describe the fee being assessed -- to offset for loan losses to the Revolving Loan Fund due to death, permanent and complete disability, bankruptcy, or default of the borrower.

Section 3-- clarifies the Commission's authority to ensure the financial and administrative capability of an institution participating in the ASL. This section strengthens consumer protection and protects the ASL fund from unnecessary losses due to defaults and school closures.

Section 4-- sets the borrowing maximum at a **dollar** amount rather than the **number of loan years** that a borrower is eligible, and caps the total amount borrowed to \$60,000. This is a more flexible and practical means of tracking student eligibility.

Section 5-- eliminates the drain on the Revolving Loan Fund resulting from interest-free deferment periods. Under Sections 9 and 13, the borrower will become responsible for the interest if the State does not appropriate the money rather than placing the loss on the Alaska Student Loan program.

Section 6-- amends the terms of repayment of the ASL as follows:

- a) the traditional 12-month grace period prior to the beginning of repayment is reduced to six months.
- b) a minimum monthly payment of \$50 per month is established.
- c) the number of years required to repay the loan is extended to fifteen years.

Section 16 -- allows a student to borrow on the student's own behalf in the ASL program at the same time a parent or spouse borrows on the student's behalf in the Family Education Loan program (FEL). **The total amount borrowed in both programs cannot exceed the student's cost of attendance.**

Section 17 -- makes incarcerated persons ineligible for ASL funds.

Section 18 -- gives delinquent student loans priority, behind child support enforcement, for garnishment of wages.

Section 19 -- provides consistency with Sections 7 and 14.

Section 20 -- caps the level in the Teacher Scholarship Loan (TSL) program to \$37,500 rather than the number of years of borrowing. This is consistent with changes in the ASL program in Section 4.

Section 21 -- consistent with the change in Section 16, allows a TSL recipient to borrow on the student's own behalf while a family member also borrows on the student's behalf.

Section 22 -- technical amendment: repeal of duplicitous language for graduate loan limits that is now covered in Section 1 of this bill.

Section 23 -- consistent with the change in Section 12, extending the due diligence period on the Family Education Loan from 120 to 180 days.

Section 24 -- clarifies that a loan obtained illegally by a person who does not meet the eligibility criteria must be paid in full upon demand.

Section 25 -- allows the ACPE to target funds administered as part of the Western Interstate Commission on Higher Education's (WICHE) Professional Student Exchange Program, and eliminates the specific categories previously in statute. This change would make possible the allotment of these funds in accordance with over-all needs of Alaskans.

Section 26 -- allows the ACPE to initiate user fees from non-accredited Postsecondary institutions, outside of Alaska, that wish to receive the proceeds of ASL loans. The fees would ensure that the state does not subsidize the review of outside institutions.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

CSSB 123(FIN) am - SECTIONAL BILL ANALYSIS

Revised 4/25/95

Section 1 -- increases the annual borrowing maximum for college and university undergraduate and graduate students. The University of Alaska, which receives 60% of the ASLs, recently increased the tuition rates for all levels of study. Over the past 10 years, the University of Alaska has increased tuition by 140%, and during that same time, there have been no increase in loan limits. Graduated loan limits for career education programs reflects the costs relative to program length. The number of financial aid sources available for graduate students has dwindled, while the cost of education has increased at a steady pace. National statistics show that graduate/professional students repay their loans in the greatest numbers.

Section 2 -- changes guarantee fee to origination fee to more accurately describe the fee being assessed -- to offset for loan losses to the Revolving Loan Fund due to death, permanent and complete disability, bankruptcy, or default of the borrower.

Section 3 -- clarifies the Commission's authority to ensure the financial and administrative capability of an institution participating in the ASL. This section strengthens consumer protection and protects the ASL fund from unnecessary losses due to defaults and school closures.

Section 4 -- sets the borrowing maximum at a dollar amount rather than the **number of loan years** that a borrower is eligible, and caps the total amount borrowed to \$60,000. This is a more flexible and practical means of tracking student eligibility.

Section 5 -- eliminates the drain on the Revolving Loan Fund resulting from interest-free deferment periods. Under Sections 9 and 13, the borrower will become responsible for the interest if the State does not appropriate the money rather than placing the loss on the Alaska Student Loan program.

Section 6 -- amends the terms of repayment of the ASL as follows:

- a) the traditional 12-month grace period prior to the beginning of repayment is reduced to six months.
- b) a minimum monthly payment of \$50 per month is established.
- c) the number of years required to repay the loan is extended to fifteen years.

Section 7 -- simplifies the procedure for collection of the origination fee.

Section 8 -- eliminates requirement for certified or registered mail thus eliminating an unnecessary cost of administration. Once a loan is in a default status, the borrower will be notified by mail at the most recent address provided by the borrower.

Section 9 -- alters the following terms and conditions involving student loan deferments:

- a) interest on the loan will continue to accrue during periods of deferment as provided in Section 5;
- b) the six years of military deferment is reduced to three years; and
- c) borrower must be totally disabled to qualify for a medical deferment.

In order to move the Alaska Student Loan Program toward a self-sustaining, actuarially sound basis, these changes are essential.

Section 10 -- clarifies when a borrower's accrued interest will be paid by the State of Alaska.

Section 11 -- reduces administrative expenses by eliminating the need for continued renewal of a hardship deferment.

Section 12 -- extends the due diligence period on a loan from 120 to 180 days. This allows the borrower an additional 60 days to recover from temporary financial problems and prevent the loan from being declared in default.

Section 13 -- conforms with changes made in Section 5 and 9.

Section 14 -- provides consistency with changes made in Sections 2, 7 and 19, and allows the ACPE to set the origination fee amount by regulation, but not to exceed five percent of the loan amount. Additionally the fee is to be deducted from the disbursement rather than added to the principal and then deducted.

Section 15 -- contains technical amendments and amends the residence requirement to comply with a court decision reducing the residency requirement from two year to one year. The allowable absence length for military service is reduced from six to three years.

Section 16 -- allows a student to borrow on the student's own behalf in the ASL program at the same time a parent or spouse borrows on the student's behalf in the Family Education Loan program (FEL). **The total amount borrowed in both programs cannot exceed the student's cost of attendance.**

Section 17 -- makes incarcerated persons ineligible for ASL funds.

Section 18 -- gives delinquent student loans priority, behind child support enforcement, for garnishment of wages.

Section 19 -- provides consistency with Sections 7 and 14.

Section 20 -- caps the level in the Teacher Scholarship Loan (TSL) program to \$37,500 rather than the number of years of borrowing. This is consistent with changes in the ASL program in Section 4.

Section 21 -- consistent with the change in Section 16, allows a TSL recipient to borrow on the student's own behalf while a family member also borrows on the student's behalf.

Section 22 -- technical amendment: repeal of duplicitous language for graduate loan limits that is now covered in Section 1 of this bill.

Section 23 -- consistent with the change in Section 12, extending the due diligence period on the Family Education Loan from 120 to 180 days.

Section 24 -- clarifies that a loan obtained illegally by a person who does not meet the eligibility criteria must be paid in full upon demand.

Section 25 -- allows the ACPE to target funds administered as part of the Western Interstate Commission on Higher Education's (WICHE) Professional Student Exchange Program, and eliminates the specific categories previously in statute. This change would make possible the allotment of these funds in accordance with over-all needs of Alaskans.

Section 26 -- allows the ACPE to initiate user fees from non-accredited Postsecondary institutions, outside of Alaska, that wish to receive the proceeds of ASL loans. The fees would ensure that the state does not subsidize the review of outside institutions.

Section 27 -- repeals limits on the amount of loans that can be awarded in any one year; repeals separate section for graduate loan limits; and enables a family member to borrow a loan for a student at the same time the student is borrowing an ASL or TSL as referenced in Sections 16 and 21 of this bill.

Section 28 -- provides the Commission with interim authority to promulgate regulations to implement this bill.

Section 29 -- clarifies that loans disbursed after June 30, 1995 will be obligated to pay interest during deferments as referenced in Section 5.

Section 30 -- provides for an immediate effective date to promulgate regulations referenced in Section 28.

Section 31 -- provides for an effective date of this bill at the beginning of the fiscal year.

Analysis.doc

S B

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FISCAL NOTE

REPORTED OUT OF
SFC 2/22/96

REQUEST:

Revision Date: 2/22/96

Affected Agency: University

Title: Establishing an endowment

BRU: Anchorage Campus

for the Robert B. Atwood Journalism Chair

Sponsor: Senator Kelly

Components: Instruction

Requestor: Senate Finance

753

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 97	FY 98	FY 99	FY 2000	FY 2001	FY 2002
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (THOUSANDS OF DOLLARS)

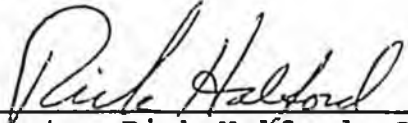
General Fund						
Federal Fund						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:						
Full-Time						
Part-Time						
Temporary						

Estimated FY 96 Impact: 0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared By:


Senator Rick Halford, Co-chair
Senate Finance Committee

Date: 2/22/96

Phone: 465-4958

(7)

HOUSE COMMITTEE REPORT

Date Referred to Committee: March 13, 1996

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/16/96

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

SB 134 am

SENATE BILL NO. 134 am

ATWOOD CHAIR OF JOURNALISM AT U OF AA

"An Act establishing an endowment for the Robert B. Atwood journalism chair at the University of Alaska Anchorage; and providing for an effective date."

recommends it be replaced with the following committee substitute [] 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) [] fiscal note(s)

[] zero fiscal note(s) [X] zero fiscal note(s) University 2/23/96

Table with 5 columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows include signatures like 'C. Bunde' and 'G. Hansen' with checkmarks in the DP and NR columns.

CHAIR'S SIGNATURE C. Bunde





True North

will
reflect
the attitudes and
viewpoints of the diverse
population of the University
of Alaska Anchorage family, particularly
its students. It will provide accurate and timely
information in entertaining,
informative
and
relevant ways.
It will also provide a
professional and
personal
growth
experience to the
Journalism and Public
Communications
Department students
who create it.
The staff
will
always seek
to represent
students'
interests
first
and foremost and
will strive to be fair in all discourse. This pub-
lication is not a vehicle for divisiveness.
Instead, it will strive through its
content to unite readers in a
common bond of
humanity

True North

Spring 1995

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University of Alaska

A word from our editor...

In navigation, true north is not the same as magnetic north. If you want to get to the top of the world you must adjust your course from the compass reading.

Four short months ago nine journalism students had a dream. We would leave behind the newsletter-style *SciArts* which has served the College of Arts and Sciences for 14 years and bravely set out to produce the magazine you now hold. The journey has been a hard one, but with constant course corrections, generous guidance and a little luck, we have finally reached our goal. The view is great!

One thing we have learned is that there are many ways to reach a destination and, in the end, that's what counts. In this premiere issue we celebrate the wonderful choices the students, faculty and staff of the University Alaska Anchorage make to find their own ways.

Welcome to True North.



The staff of True North offers special thanks and appreciation to Dr. Sylvia Brandy, the founder and chairwoman of the Department of Journalism and Public Communications, for her dedication to her profession. She has put the betterment of the JPC department first. Your students thank you.

Inside cover Photo by Tim Green. © True North

(Clockwise from bottom left: Gia Dittmer; Joyce Reynolds; Stephen Parham; Beau Carter; April Carter, Marvin Parent)

CHOICES...

Spring 1995

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Photo by Paula M. Story, © True North

Cover Photo by M. Scott Moon ©

Adventure 101

on the **Ice** with

Alaska Wilderness Studies



Photo by Michael R. Dudash, © True North
Eric Snelgrove on Boone's Farm.

Icling to the ice. Rivulets of water stream down my chest and the front of my legs. Shards of ice fly in my face as I pound the ice axes into the wet surface that looks like glass. I am looking for a dimple, a depression in the ice which will hold my ax securely as I pull my body a few more inches up the side of the frozen waterfall. I am 30 feet above the ground now, and I am scared.

What possesses anyone to venture out with UAA's Alaska Wilderness Studies? How do students get into perilous positions which test their physical endurance and mental toughness? Are the people who sign up for AWS courses incredibly brave, strong, athletic — or just weird? Most people

by kimberly curtis

don't qualify for any of these labels, at least not in the beginning. And it is at the beginning that UAA students, their interest piqued, show up at AWS's offices where they are greeted with posters of mountain climbers and kayakers, athletes with muscular, lean bodies photographed in exotic locales.

The setting is enough to make even the most secure and confident among us feel weak, inadequate and frightened.

"Don't look down," I think to myself, or did I say it aloud? I try not to think too much about what I am doing. It's probably best not to over-intellectualize these things. It is just me and the ice. I feel more in tune with my body and its actions than I ever have before. I hear my heavy breathing, feel my muscles stretch and strain. I am unaware of any extraneous surroundings. My cold, numb fingers are forgotten, my wet clothes are a meaningless memory. I hardly notice that my arms are burning with white-hot pain. There is nothing before me now except this solid mass of ice I am attempting to conquer.

People think they have to be a super-jock to get involved with us, says Alan Hill, assistant coordinator and instructor with AWS. It's an image

AWS has been working hard to shed. As part of the largest outdoor education program in Alaska, offering more than 50 different courses, Hill sees all kinds come through AWS's doors. Instructors have taught people with fears of heights and other phobias. Now it's AWS's turn to teach me, an average person with the desire to get into extraordinary activities.

AWS teaches everything from climbing and mountaineering to scuba diving and wilderness writing. Students can take most classes for credit, but they're expensive. In addition to regular UAA tuition rates, students pay extra fees ranging from about \$135 for a beginning ice-climbing class to almost \$1,000 for a spring break telemark skiing workshop at Mt. McKinley's Ruth Glacier. Most experienced adventurers will tell you that this is reasonable compared to the cost of doing it on your own. AWS often provides equipment, ground transportation and other extras.

A required "extra" for the ice-climbing class is an orientation and classroom session before students head out. My class is taught by Dennis Deering, a carpenter by trade, with more than 15 years of climbing experience. Deering acquaints me and 10 others with the complicated but necessary equipment we'll be using.

Deering assures us that ice-climbing is a relatively safe hobby. He explains that top-roping is the form of protection we'll use for our climb. A 50-meter rope coated with a water-resistant substance is fed through an anchor secured at the top of the climb by the more experienced leader. At the

bottom, one end of the rope holds the climber and the other is in the hands of the belayer, who stays on the ground. Everyone wears a harness, sturdy webbing that looks like a belt with loops around the upper thighs. The climber is roped into the harness with knots specially designed for climbing. The knots you tie and the harness you buckle will ultimately bear the responsibility of saving your life if you fall.

The belayer clips a device onto the harness and feeds the other end of the rope through it. This device serves as a pulley to take up slack in the rope as the climber moves up the ice. If the climber falls, a good belayer will know to brake and bear the weight with the pulley system. We learn to trust the rope and our belayer completely. "As long as your belayer is watching, you'll be safe," Deering says. He also tells us that this implicit trust usually wears off after the first few mishaps with a daydreaming belayer.

The day of the climb is mild but rainy. My stomach flutters with excitement and nervousness as our class is introduced to the last few pieces of equipment. We are fitted with lightweight, plastic boots, similar to downhill ski boots, and crampons. "Foot fangs," as Deering

calls them, are a single row of spikes on metal frames that attach to the bottom of our boots. Crampons enable us to stick to ice with relative ease. We also bring along more than a dozen different ice axes. Most are about two feet long and slightly curved, resembling a miniature sickle more than a wood-chopping ax. Before we make our way south to Eklutna Valley, Deering gives us one final bit of advice.

"In ice-climbing," he says, "you've got a bunch of teeth on your feet and knives in your hands. You just don't wanna fall."

Everything I'd learned in those four short hours in the classroom is being tested as I make my way up the ice. "I'm doing fine," I think, until a towering wave of fear comes over me. I can't move an inch. I hang from my axes with my face pressed against the cold, slippery surface of the waterfall. My concentration is gone. The reality of what I am doing blurs sharply in my brain. My crampon slips and my foot searches frantically for a new hold. "Soc-

Everything I'd learned in those four short hours in the classroom is being tested as I make my way up the ice.

Photo by Michael R. Dudash, © True North
AWS Field Assistant Cliff Hilpert.



cer kick it in," an unknown voice shouts from below. I do, and send down a shower of ice. "I'm scared," I scream as I look down, way down, to my classmates standing safely below on the ridge.

We are an unusual group. We all have different backgrounds and varying levels of experience. And we're all

it "looks like tons of fun." Now, these are the people cheering me on.

"You're doing great," they shout up to me. "Take it one step at a time." Their energy reassures me. "I'm not about to let this hunk of ice get the better of me," I think. I had watched earlier in the day as others scurried up this

riod.

"I need to come down," I shout to Sara. "Rappel or climb down?" she asks. "Rappel," I answer. I'm definitely taking the easier route. This is my well-deserved reward, the best part, I think. "Ready," she answers. "Give me your weight." I lean back in my harness and stick my legs straight out from the ice. My body is perpendicular to the ground. Sara begins to let rope out and lower me. What a thrill! I walk backward down the ice. I have just climbed a frozen waterfall. Imagine. The sun is shining. I am wet, cold and utterly exhausted.

My classmates congratulate me when I am safely on the ground. As they pat me on the back, they say, "Not bad for your first time." No, not bad at all. ↗

"I'm not about to let this hunk of ice get the better of me," I think.

there for our own unique reasons. We range in age from early 20s to late 30s. We are an aircraft mechanic, a veterinarian's assistant, a petroleum engineer, several students, an airline pilot. Sara, my belayer, is a neophyte adventurer who took the class because

same wall and made it look easy. I drag my body a few more feet before my arms finally give out. I simply don't have the strength to take me any further. I am not at the top. But almost. I am higher than I've been on an ice cliff. I am higher than I've ever been. Pe-

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C College Nightmare

by april carter

You wake up. That's it. Everything is great.
Then you remember.

Chugging down something with 20 pounds of caffeine you dress the kids, feed the dog, drop off the kids, return home for the forgotten ice skates they just-have-to-have-or-they'll-die. Then dart for 'ie campus praying that your husband remembers to pick up his own suit at the cleaners and wonder when you'll have time to bake the cookies for the bake sale. Welcome to college in the '90s.

That's how the first semester starts. You are 20 years older than 70 percent of the student population, but these are supposed to be the best four years of your life. Someone always tells you that. It may be your aunt, mother, a stranger on the street, anyone who spots the harried expression on your face and the umpteen thousand books on your coffee table giving step-by-step instructions on how to be a college student, wife, mother and any of the other thousand professions rolled up into one person called MOM. You know, a student resembling super college-student-meets-June Cleaver.

And so, you arrive. So did 60 million other people. Parking a car in a lot the size of a walnut is

the first step to competitive knowledge. You should be graded for parking your car.

"Yep, thirteen-point-two-minutes, I'll give that a B. Could have been an A if you'd cut that red coupe off at the corner."

What's unique about college is that the first day is no different from playing hide-and-go-seek in a maze. I can do this, you think, this is the building. Yep, this is the classroom. I have 28 seconds before class starts ... OK, go. But the funny thing is, the classroom is never where it's supposed to be and if it is, you can't find it.

You see, there is some mysterious force out there that likes practical jokes and you're it. It has rules. You must enter only after class has already started. And catch the attention of every set of eyes in the room as you slink in. Suddenly,

you realize the only person age-related is the instructor.

Then there's buying books. Only someone forgot to tell you about the lines. Lines forever. You know the kind: you start in the building but the end is somewhere in Africa. You know this because you start walking and six weeks later you find the end. Or what you think is the end until some poor sap gets behind you and the line keeps forming until you know it has to reach around the earth a few more times. And then the line moves. Good, you think, I will get to see my six-year-old graduate.

You climb into your car at the end of the day and drive your battered nerves home wondering if this is really worth it. You think about tomorrow and shudder. This is only the first day. Relax. It gets better.

By the way, has anyone told you about finals week? One hint: send your kids to Grandma's house. And your husband? Gee ... that's a tough one. You could do what I always do but it's at your own risk. Smile sweetly and give him the television remote.

Amazing. ♪

Hi

Net-Junkies

Addictions in Cyberspace

by troy gowen



Illustration by Kevin Hagensieker, © True North

The Internet can be a trap for the unsuspecting. Of the estimated 30 million people worldwide who choose to enter this new arena of information retrieval and electronic communication, a small percentage may literally become addicted to what they find there. It is a choice with serious sacrifices for those few. Like compulsive gamblers, they cannot resist the temptation to roll the dice just one more time.

Also like compulsive gamblers, addicts to the Internet suffer over the long run. A hungry, growing beast, the "free" Internet gobbles up time, money and energy from those willing to feed it. Relationships falter, grades drop, job performance wanes and phone bills soar for those who can't bring themselves to disconnect.

Requests for personal experiences involving the Internet were recently posted on campus at the University of Alaska Anchorage. Similar requests

My name is Bob, and I'm addicted to the Internet.

My fingertips are stained orange with the dust of stale Doritos; my teeth with endless Marlboros and tepid Jolt cola. My eyes burn. My hands are numb. My back aches.

But my mind has seen places this flesh-heavy body will never take me.

I have sailed the silicon seas and discovered islands of data sparkling jewel-like in the sun of a billion high-resolution monitors.

I hear the sirens call, yet I cannot find them. Over millions of miles of copper and optical-fiber cable I've hunted. In the cold, lonely corners of geo-synchronous satellites I've searched.

I have known others; I sense them passing hollow-eyed, haunted. On their own quests they slip by me in shadow form. We sometimes exchange news of distant realms, of codes and secrets, deliver Bluebeard's keys to forbidden portals, and then we wish godspeed and fly down our separate paths.

I'm not complete when I'm not wired in. I'm not whole. Flying. Hunting. Searching. Seeking. Always something magical just down the next electronic rabbit hole. I cannot help myself. I'm not sure I want to.

I'm a junkie; but I'm not alone.

were posted in several Internet newsgroups. Forty-five individuals responded by e-mail with their stories. Although some of the responses were positive in their description of Internet use, 30 people indicated negative experiences, and 17 people described themselves as addicted to the Internet.

A typical story is that of a psychology major at the University of California Berkeley. She requested that her Internet nickname "Kamea" be used in an effort to remain anonymous, but her story is typical of many who feel they are addicted to the Internet.

Kamea was first introduced to the Internet while a high school junior in 1991. At first unimpressed, when her family moved to Europe the next year Kamea realized the appeal of Internet. She used e-mail to keep in touch with her boyfriend and others in the United States.

"Soon I was checking e-mail at least twice a day," she writes. "I attribute that more to my loneliness in a country where I didn't have any friends."

When she returned to the United States, Kamea began sending messages to random people and making virtual pen pals from her home in California. Her use of the Internet was limited to that level until one night in June 1994, when a moderate earthquake left her frightened and in need of company at 2 a.m.

"I logged on from home and talk-requested random people," Kamea recalls. "By chance, the girl who answered me happened to be on IRC [Internet Relay Chat] at the time and said, 'why don't you try it?' So, I did."

That's when Kamea believes her addiction began. IRC is the Internet

equivalent of citizen's band radio. Because users can "talk" to each other in real time, IRC is a very popular means of interacting with others on the

remain reclusive on IRC," observes Kamea. "People who are shy or non-social in real life can be whatever they want to be on IRC."

Her college classes suffered from Kamea's devotion to her new virtual life. As she tells it, "School was secondary [to IRC]. I kept telling myself that it wasn't that bad, that I could catch up if I needed to. Wrong. I failed two of my classes last semester and my GPA dropped from 3.3 to 2.7. Now I'm repeating one of the classes I failed and will spend the summer in school."

Kamea writes that when she began using IRC she was warned that it could be addictive, but she thought it could never happen to her.

"What I didn't understand," she writes, "was how IRC turns your life upside-down. It begins as entertainment, but pretty soon it creeps into your real life, until you have a social life based completely on characters written on a screen."

Does Kamea believe her experiences with the Internet really amount to addiction?

"Yes," insists Kamea. "I am a recovering IRC addict. I will probably remain a recovering IRC addict as long as there is Internet access to be had."

Many mental health professionals are beginning to recognize that the Kameas of the 'Net are a growing phenomenon, although many are hesitant to classify it as addiction.

"This [calling it an addiction] would only be true among those scholars in the field of addictions who are of the behavioral school of thought," notes Dr. Dennis Fisher of the Department of Psychology at the University



Photo illustration by Troy Gowen, © True North

Internet addiction can lead to strained relationships.

Internet. Kamea soon became a regular.

"I made friends. I made enemies. I had wars and I had a lot of fun," she writes. "It became my life. There were days I spent 14 hours in front of the computer. It made me feel needed and loved if someone came to me with their problems.

"It's very easy to feel social, yet

of Alaska Anchorage.

"As for my personal view, even though I would not argue with those who wish to call such a malady an addiction, I would feel more comfortable with grouping it as a compulsive behavior."

The human tendency to addiction may have a vital role in the evolution of our species by rewarding positive behavior. In a recent article in *Psychology Today*, physiologist and pharmacologist Steven Childers, Ph.D., of North Carolina's Bowman School of Medicine, says, "What we've come to call 'addictions' are cases of a good and useful phenomenon taken hostage, with terrible social and medical consequences."

And in March, *The New York Times* quoted Dr. Howard Shaffer, associate director of the division of addictions at Harvard University Medical School, as saying that "... comput-

ers are a psycho-stimulant, and a certain segment of the population can develop addictive behavior in response to that stimulant."

So, do some people use on-line services and networks like compulsive shoppers or those addicted to sex or exercise? Do people really cling to the on-line world in spite of serious negative effects?

Most certainly, believes Kimberly Young, Ph.D, a clinical psychologist located in Rochester, N.Y.

"I've talked with couples on the verge of divorce because the husband spends too much time on the Internet," writes Young via e-mail. "I've talked with individual users who spend more money than they can afford using the Internet and students kicked out of college because of the Internet. In all these cases, it is a matter of degree — anything to excess will create problems."

Young found the problem so per-

vasive that she recently founded the Online Addiction Center [OLA] in an effort to help people like Kamea get their lives back on track. She says the center offers seminars and counseling to those addicted to the Internet as well as sponsoring research into the subject.

"I don't think gender, age or education have played a role in defining the population of those affected by on-line addiction," she writes, but the bulk of her work has been with college-age students. Young thinks that's because they have such easy access to the Internet.

"We have found it is a very serious problem, especially on college campuses, yet no one seems to be doing anything about it. That is why I decided to research more about it."

Of course, very few people have their lives so disrupted by this digital lifestyle. Millions of people use the Internet and the commercial on-line

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services responsibly to enhance their lives.

Ken Collier was the data processing manager for the team that opened the Sullivan Arena in Anchorage back in 1983. Now he's the secretary and co-founder of the nonprofit, educational Telecommunications Users Group. He's seen his share of on-line abuses but feels that only a small percentage of the population is vulnerable to over-indulgence.

"Most folks I know, myself included, experience a rush of interest initially, then their use tapers off," Collier says. "This sounds like a healthy reaction for an intelligent, curious person, if you think about it."

As for those few who develop a greater need for on-line use, Collier recommends simply setting a daily or weekly limit on the hours spent in the virtual world. Then, he says, that limit must be enforced.

That's how Kamea treated her

own situation. After quitting for a month she now limits her Internet time to one hour per day and her IRC time to just 30 minutes every other day. She also makes an effort to get involved in real-world events.

"I had a housemate change my password to make it difficult for me to log on," Kamea writes. "I try to keep busy in other ways. I haven't quit IRC altogether, but I have many incentives to stay away. It was important when I quit to develop healthier habits before I ventured back."

Psychologist Young agrees that a person can develop responsible habits in dealing with their on-line activities.

"Treatment for on-line addiction isn't like smoking, for example, in that it doesn't have to be an all-or-nothing type of thing, but the user has to be willing to modify their behavior such that the Internet is not the dominant theme in their life," she advises.

But are people who seem to be

addicted to their computers really only exhibiting the serious devotion of poets and artists, as Marvin Minsky once wrote in defense of hackers? Could it be that the lure is not the technology itself, but the new form of human interaction which the computer provides?

In 1984, psychologist Sherry Turkle authored a book titled, "The Second Self: Computers and the Human Spirit," in which she wrote:

"Terrified of being alone, yet afraid of intimacy, we experience widespread feelings of emptiness, of disconnection, of the unreality of self. And here the computer, a companion without emotional demands, offers a compromise. You can be a loner, but never alone. You can interact, but never feel vulnerable to another person."

One e-mail writer summed up his feelings on Internet addiction this way: "Addicted? Hell, yes, I'm addicted!! But did you ever stop to think that maybe we know something the rest of you don't?"

TRUE TALES FROM THE 'NET

I met a guy who was calling long-distance to get access to his Internet account. He eventually ran up a \$700 phone bill that he couldn't pay and had his business phone disconnected because of it. If that isn't addiction, I don't know what is!

Mike, New York, NY

I use the net for about 4 hours a night, but I have been known to spend a whole weekend on the NET at times (electric benders). I have chatted with people that do nothing

but spend their time on the NET. Now this is what I call serious addiction!

James, Anchorage, Alaska

Actually, I think that it's wrong to talk of addiction to Internet... if you should miss a day or two, it's not as though you break out into a sweat and start trembling. It's more a case of not being able to leave once you've started.

FlameMan, Vancouver, British Columbia

The "image" you project on the net is somehow a crystallized,

pure, "you." All right, so people can write whatever they like about themselves, lie and project false images of themselves to whomever they are communicating with via the net, but it's still, somehow, a more pure, basic, "no frills" type of image you get.

Martin, Sweden

In Germany and especially at our University of Passau we do have this problem, too... Sense is missing because we do not know how to use it successfully. It is a kind of addiction.

Philipp, Germany

by
laura mitchell

*S*orel vs. Birkenstock. North Face vs. leather bomber. Long underwear vs. Sheer Energy. The mammoth question that every UAA student faces daily: Do I want to look cool, hip and sexy or is warmth an important factor to consider when making the trek from car to class?

Born and raised in Alaska, I know the weather. Beautiful blue skies over frost-tipped branches means functional wins over looking good. Gray and white clouds hanging low over UAA and yielding white flakes means the temperature could reach a balmy 22 degrees, making something reasonably cute a possibility. Even with this elementary information understood, I still find myself cursing my closet follies daily.

I used to scoff at those who listened to the weather report before planning their day's ensemble. In high school, I went from warm house to warm garage to warm car to being dropped off 100 yards from the school entrance. This left me free to laugh in Jack Frost's face while displaying as much leg as possible in my Bongo miniskirt.

But after a few short months of winter at UAA, minus a warm garage or a car heater that comprehended the serious nature of Alaska winters, I saw visions of wool-lined boots and down-filled jackets. The walk from the Campus Center to the Arts Building was soon rationalized to be a hike worthy of Col. Norman Vaughan, not a stupid kid in Keds and a T-shirt.

*photo illustration by
m. scott moon*

Stilettoes to Sorels

Fashion vs. **Function**



Photo by M. Scott Moon, © True North

True North ♦ 13 ♦ Spring 1995

I resisted for as long as possible but by Christmas I was weak and weary. When Santa, alias Dad, brought me those clunky Sorels, I cried with relief and soon had joyously warm feet.

During one of my miscellaneous jobs, I found myself with access to a 20 percent discount for winter outerwear. After spending hours perusing the endless racks of warm winter coats, I selected the perfect jacket. It was called the Winter Explorer, complete with down lining and suitable for mountain guides. Yet even with the discount, I had to save for a month and half to make this extravagant purchase. Now I wear this coat with everything from sweats to skirts, completely disregarding appearances. I have come to grips with the fact that I will take warmth over chic any day. I accept this conse-

quence.

Since this arctic epiphany and transformation, I find myself scanning the parking lots to observe the fashion habits of UAA's population. I see those who are still trying to beat the weather with their heads tilted down, teeth tightly clenched, wobbling through the icy lots in heels or slick-soled shoes.

UAA student Sherwin Pe Benito, 19, wears shorts no matter what the weather is like. Last year he came to Alaska from Hawaii for a change of scenery, but he hasn't made the transformation from beach to blizzard.

"On the way to school I wear pants, then I go to the men's locker room and change into shorts," says Pe Benito. When it's time to go home, he changes back into his pants.

Using the Campus Center as home base, he plans his route to class

by navigating his way through heated buildings, making a "mad dash" outside to the next shelter. Pe Benito says it gets a little chilly when he's in a line of people trying to get in the door or when he's waiting for traffic at the pedestrian crosswalks.

People often question his wardrobe choice. "Are you crazy?" and "Do you know what the temperature is outside?" are the most common remarks he hears.

Julia Vavilova represents the other extreme. This Russian exchange student checks the weather every morning before she gets dressed by listening to the radio, scanning the paper or sticking her head outside to gauge what she'll face trudging to the bus stop. If it's really cold she will wear leggings under her jeans, layer a turtleneck and a colorful sweater,

"Are you crazy?" and "Do you know what the temperature is outside?" are the most common remarks he hears.

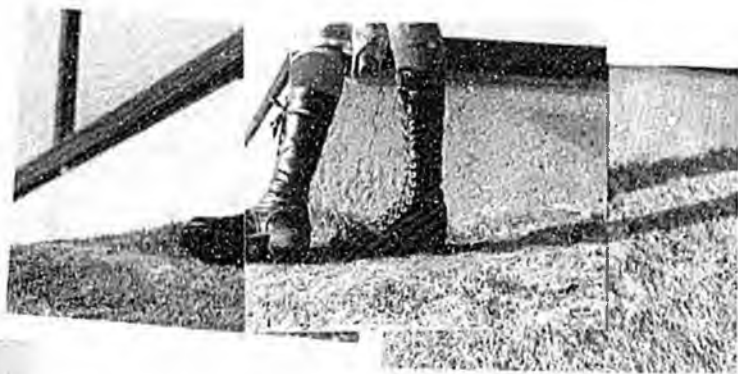


Photo by M. Scott Moon, © True North
Combat boots complimented with knee-high socks will get more than few turned heads.

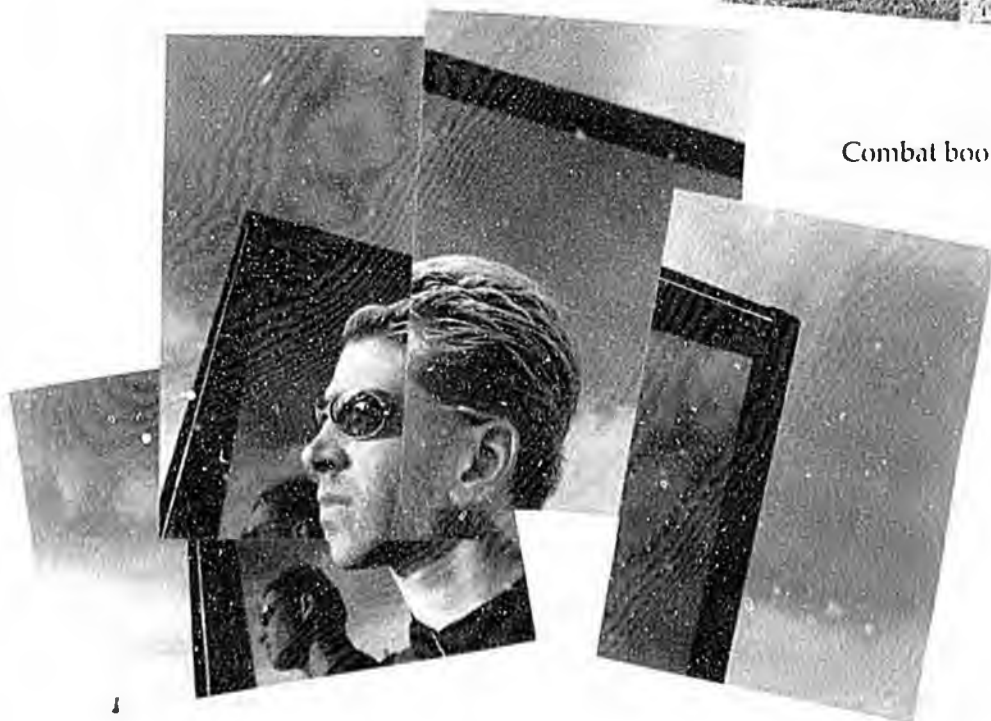


Photo by M. Scott Moon, © True North
Trevor Meyer reflects as the sun warms his face.

socks, a scarf, long jacket and her fur earmuffs to complete the ensemble.

"What I think of in the morning is if I can get a ride to school," says Vavilova. If she has a ride to and from school or it's more than 25 degrees, she'll "wear something cute."

She says she was happy when she got fur ear muffs for her birthday because she refuses to wear hats.

"In Russia, people think you are a nut if you don't wear a hat. Here they think you are a nut if you do wear one. I don't want people to think I am a nut," she says.

"I judge how I will dress by how cold the house is in the morning," says psychology major Kelly Leary. She lets her dog out at 5 a.m., seeing and feeling firsthand how cold it is that morning.

"If I see snow on the ground, I

know to wear something I can wear boots with and not look like a dork," she says. If it's subzero temperatures, she knows to layer-up.

Students living in dorms get tons of environmental exposure. The hike to the main campus takes about 15 to 20 minutes through a wintry path of snow-covered trees. Cyndi Snyder, director of residence life, said in years past the resident advisers have held winter-safety courses that review everything from driving safety to what winter clothes best suit students' needs. The dorm handbook reminds students to bring warm winter clothes and boots when they move in and to be prepared for winter weather conditions.

"It doesn't require a nice jacket or a lot of money to stay warm," said student John Harris. "If you know how to layer your clothes, you can stay warm."

Harris said he ice climbs in his spare time and doesn't like to wear bulky coats that can restrict movement. Polar fleece jackets and long underwear provide a good base for staying warm and don't make you feel like a walking mummy.

Students who heed the cold climate during the week often are those who dress only to impress for nights out on the town.

"I wear slippery shoes and have to have my boyfriend escort me everywhere I walk," says Leary.

So there is a method to the madness of our fashion habits. There is an equation in the minds of UAA students that measures cold plus wind chill factor minus the need to impress divided by the distance to the parking lot. The solution varies from person to person and results in individuality. ↗

recognizing the value of superior
PERFORMANCE

Best wishes to the staff of
TRUE NORTH
on the occasion of their maiden
publication.

