

Work First -- Alaska's New Direction For Welfare Reform

The welfare reform legislation that started with Gov. Tommy Thompson in Wisconsin and spread across the nation became law in Alaska before 1996. Amongst the salient features of this program was an emphasis on pointing the welfare applicants toward a job and a 60-month lifetime limit on welfare benefits to any individual recipient. This next year, Alaska will begin having some citizens losing their welfare checks because they did not find a job in five years.

The legislature and Governor Knowles proudly point to a net reduction of the welfare rolls in Alaska in recent years and the number of recipients has gone down. We all realize that there will be some limit to the reduction of people on welfare. Some people have disabilities; some people have family responsibilities that make a typical job very difficult. But, some people just don't want to work and expect the government to sustain their leisure life style. These individuals rightly **should not** continue to receive welfare benefits under the current law.

Last spring the Alaska Legislature passed [HB 402](#), another dramatic welfare reform bill. This bill empowers the Administration to fundamentally change the culture and direction of Alaska's Public Assistance program. The new law requires the State's Public Assistance Staff to start the welfare applicant toward a job instead of getting qualified for benefits. If the applicant does not make definitive, measurable progress toward employment, public assistance benefits are cut off until he/she gets back on track. HB 402 also allows the Alaska Division of Public Assistance to combine the benefits that could be distributed to an individual **and use the money to subsidize a real job**. The cost to the State is the same, but the recipient gets a job and a paycheck instead of a welfare check for sitting at home.

Local businesses get a boost because they get financial assistance to hire an employee to perform useful work. Businesses have the incentive to hire a welfare recipient with few or no job skills and provide on the job training until that person can become fully productive. Oregon pioneered this approach and has been using it for over five years. They have found 65% of the employers keep the employee even after the subsidy times out. Oregon has also found that 85% of the applicants in the program find and/or keep a job **and stay off welfare**.

The Legislature created this new law, which has given the Administration and welfare recipients a marvelous new set of opportunities. Administrators who can get out of the entitlement rut and who believe the best welfare is a **job** will take advantage of this opportunity. Vision, passion, hard work, and perseverance will be required to make this happen. Let us hope that someone in this administration or the next will catch the vision. All Alaskans will benefit from an attitude of self-reliance rather than entitlements.

The Senate and House Health, Education, and Social Services Committees will hold a joint hearing on the progress of this new welfare reform initiative this fall. We will expect to be hearing from the Department on the State's current status of the implementation of HB 402. What changes have occurred in the Regulations and Policies and Procedures as well as when will these be implemented?

Senator Green and Representative Dyson