

# Cowper comments on AFDC rules

To Wayne A. Stanton, administrator,  
Family Support Administration, Of-  
fice of Family Assistance:

I am writing to offer my comments about the proposed rules published in the *Federal Register* May 4, related to the provision of Public Law 100-241 which changed the way payments made under the Alaska Native Claims Settlement Act are treated in determining eligibility for benefits under the Aid to Families with Dependent

Children program.

It is unusual for me to respond directly to proposed changes in federal regulations; I generally leave that responsibility to my staff. In this case, though, I feel the need to respond personally because I believe that it is important that the people who were intended to benefit from ANCSA receive everything to which they are entitled.

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# ● Cowper

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In one important respect, these proposed rules deviate substantially from the expressed will of the Congress and would deprive Alaska Natives of the full benefit of ANCSA.

I see no problem with most of the proposed regulatory language, but I find it very difficult to reconcile with a reasonable reading of PL 100-241 the provision pertaining to retained funds from cash distributions under ANCSA.

Specifically, PL 100-241 provides that a cash distribution from an ANCSA corporation will not be taken into account as an asset or resource in determining eligibility for federally funded assistance programs "to the extent that it does not, in the aggregate, exceed \$2,000 per person per annum."

To me, this language clearly directs that an individual may receive and retain \$2,000 every year without losing eligibility for AFDC benefits.

You propose, however, to allow recipients to accumulate only a total of \$2,000 in cash from ANCSA distributions, regardless of when they received the money and to consider any funds retained in excess of \$2,000 in determining their eligibility for benefits.

The proposed regulation misinterprets the statute and would deprive Alaska Natives of benefits that Congress intended them to have.

I believe that the language of PL 100-241 allows Alaska Natives to retain up to \$2,000 of *each* year's distribution of cash payments from Native corporations without effect on their eligibility for AFDC.

In your remarks on the proposed rules, you noted that if an individual were allowed to set aside up to \$2,000 from each year's cash payments he would, over a period of years, be able to accumulate substantial cash resources with no effect on his eligibility for AFDC benefits. That is certainly true; I believe that Congress clearly expressed in PL 100-241 that that is what it intended to happen.

In the administration of needs-based assistance programs which, like AFDC, have highly technical eligibility requirements, it is easy to lose sight of the purpose of laws like ANCSA. ANCSA was enacted to compensate Alaska Natives for their claims to aboriginal rights and property. These distributions of funds from the Native corporations flow from that settlement.

In PL 100-241, Congress saw fit to protect, with regard to federally funded assistance programs, up to \$2,000 of each year's cash distributions to shareholders of corporations created under ANCSA.

What you propose to do by these rules is to interfere with Alaska Natives' ability to benefit from ANCSA as intended. I do not believe that welfare policy should interfere with a legitimate program of compensation for aboriginal land claims, and I believe that Congress quite clearly intended in PL 100-241 to limit the ability of welfare programs to interfere in the way that you propose.

Please give due consideration to my remarks before you publish final rules on the treatment of ANCSA cash distributions in the AFDC program.

I trust that upon consideration of these comments and the comments of other Alaskans, you will agree that your proposed rule needs to be changed.

Sincerely,  
Gov. Steve Cowper  
Juneau