

State of Alaska FY2002 Governor's Operating Budget

Department of Health and Social Services
Public Assistance Administration
Budget Request Unit

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BRU Mission

The mission of the Division of Public Assistance is to provide basic living expenses and self-sufficiency services to Alaskans in need.

To meet this mission, the Division administers programs that provide temporary economic support to needy families and individuals, financial assistance to the elderly, blind and disabled, benefits to supplement nutrition, medical benefits, and supportive services that enable and encourage welfare recipients to pursue economic independence and self-sufficiency.

BRU Services Provided

This BRU is responsible for determining applicant eligibility for the administration of the Alaska Temporary Assistance Program (ATAP), Food Stamps, Old Age Assistance, Aid to the Blind, Aid to the Disabled, General Relief, Heating Assistance, Permanent Fund Dividend and Alaska Longevity Bonus - Old Age Assistance Hold harmless, and Child Care. The BRU also determines eligibility for CAMA, Medicaid, and Denali KidCare in support of the Division of Medical Assistance.

The Division completes the enormous workload by the exceptional dedication and productivity of our employees. Contract Fee Agents are paid to take assistance applications in about 200 villages. To qualify for public assistance, individuals must have income near or below poverty level and also meet a number of specific eligibility requirements which vary by program. The programs the Division administers predominately serve children, the aged or disabled and individuals with specific medical needs. The Division must meet payment accuracy requirements, work participation standards and timeliness guidelines or be subject to federal sanction or penalty.

BRU Goals and Strategies

It is the goal of the Department to promote and protect the well-being of Alaskans. Public Assistance aims to help children and families remain safe and healthy, to assist the elderly and disabled to live independently and in economic security, and to provide those in need with the opportunity to become self-supporting. Preventing dependency, promoting self-sufficiency and supporting clients toward obtaining employment in jobs capable of supporting a family are major Division goals.

- Continue to promote a work first philosophy that places a strong emphasis on work and job readiness.
- Provide services that help recipients retain jobs and attain better jobs.
- Increase number of working clients.
- Fund grants and contracts to local service providers for case management and job readiness services.
- Support and promote local initiatives that address employment barriers and family challenges.
- Provide child care subsidies to allow parents to obtain and retain employment.
- Achieve a balance in meeting the full range of division goals, objectives and performance measures.
- Respond to Federal and State mandates timely with automated solutions which lessen the impacts of the changes on system users.
- Reduce Food Stamp error rate.
- Increase work participation rates of Temporary Assistance adults.

Key BRU Issues for FY2001 – 2002

- The 5-year limit on Temporary Assistance is a key element of welfare reform. July 2002, marks the first month families in Alaska will face the 60-month time limit for receiving Temporary Assistance and some families will run out of time. Our goal remains to move Alaskans from welfare to jobs so they can support their families while maintaining a safety net for those truly in need.
- Ensuring continued reinvestment of program savings in work services.
- Providing sufficient funding of the child care subsidy programs is necessary to allow parents to enter and stay in the workforce.
- Need to improve Food Stamp Program quality control payment error rate. Alaska was penalized for making too many mistakes when figuring client benefits. Progressively larger penalties received in FY1997, FY1998 and projected for FY1999.
- Need to improve the two-parent work activity participation rate. Alaska was penalized for failing to meet the federally mandated participation rate for two-parent Temporary Assistance families in FFY1998.

Major BRU Accomplishments for FY2000

- Successful statewide use of Alaska Quest, the electronic benefit transfer system for Food Stamp and Temporary Assistance programs, and Adult Public Assistance direct deposit of cash benefits.
- Statewide welfare fraud deterrent effort totaled nearly \$3 million in cost avoidance, direct savings claims established and claims recovered.
- Increased Community Grants and Contracts for community-based work services (case management and work search) to help even more recipients off welfare
- Provided child care subsidies for an average of 2,722 ATAP children each month
- 55% of Temporary Assistance adults participated in work activities; 32% of the families had adults working in paying jobs.
- Successfully operated the Denali KidCare Office, expanding health care coverage to uninsured children and pregnant women.
- Opened one stop Job Centers in Fairbanks and Anchorage
- Provided technical assistance to support the successful implementation of Native TANF programs.

Key Performance Measures for FY2002

Measure: Percentage of adults receiving temporary assistance who have earned income. (SB 281)

(Developed jointly with Legislature in FY2001.)

Current Status:

1. The percentage of Temporary Assistance adults with earned income was 32% in March 2000.
2. The percentage of closed Temporary Assistance cases with earned income was 40% in March 2000.

Background and Strategies:

Ultimate goal is case closure with earnings. Goal for 2002 is 40% of Temporary Assistance (TA) adults have earned income, and 50% of case closures have earned income. One strategy is the "Work First" program, including use of contracted case management and supportive services. Another is using employment service specialists and counselors to aid in job search. The method used to measure job entry (obtained employment) mirrors that required by the federal government for the TANF High Performance Bonus, using data from the Alaska Department of Labor.

Measure: Rate of payment accuracy for ATAP payments & Food Stamps. (SB 281)

(Developed jointly with Legislature in FY2001.)

Current Status:

1. Temporary Assistance payment accuracy rate was 97% in SFY00.

2. Food Stamp payment accuracy rate was 93% in SFY00.

Background and Strategies:

Accurate benefits ensure clients have the amount of benefits to which they are entitled. Fluctuating benefits cause budget issues for clients and impact their ability to gain self-sufficiency. The Quality Assessment Reviews evaluate payment accuracy using statistically valid desk reviews. The goal for 2002 is 94% accuracy in Food Stamps and 98% accuracy in Temporary Assistance.

Measure: Rate of job retention among adults receiving temporary assistance. (SB 281)

(Developed jointly with Legislature in FY2001.)

Current Status:

The rate of job retention of Temporary Assistance adults was 80% in FFY2000.

Background and Strategies:

Job retention enables families to reduce or eliminate dependency on welfare. Our goal in FY2002 is 85% rate of job retention. Case management, supportive services and child care payments are strategies to enable job retention. The method used to measure job retention mirrors that required by the federal government for the TANF High Performance Bonus, using quarterly data from the Alaska Department of Labor.

Measure: Percent of ATAP families meeting Federal Work Participation rates. (SB 281)

(Developed jointly with Legislature in FY2001.)

Current Status:

In March 2000, 38% of all Temporary Assistance families were in countable work activities and had sufficient hours to meet the federal participation rate requirements.

In March 2000, almost 55% of Temporary Assistance families were in countable work activities but did not have enough hours of participation to count in the federal participation rate calculation.

According to the US DHHS Third Annual Report to Congress on the TANF program, Alaska ranked 8th in the nation for the percentage of adults in unsubsidized employment and in the average number of hours for adults in unsubsidized employment. Only one state ranked higher in both of these critical measures of success.

Benchmark:

Federal law requires that states meet work participation requirements:

FFY 1997 25% of all families
FFY 1998 30%
FFY 1999 35%
FFY 2000 40%
FFY 2001 45%
FFY 2002 50%

However, every state's federal work participation rate is adjusted by a caseload reduction credit that reflects the state's success in moving families off of assistance and into employment. In FFY 00 Alaska's caseload reduction credit was 29%. Based on the caseload reduction credit, Alaska's work participation target was 11%. Thus, Alaska more than met the adjusted federal participation rate requirement.

Background and Strategies:

Temporary Assistance is a work-focused program designed to help Alaskans plan for self-sufficiency and to make a successful transition from welfare to work. Federal law requires the state to meet work participation requirements. Failure to meet federal participation rates results in fiscal penalties.

As Alaska's TA caseload declines, a growing portion of the families require more intensive services just to meet minimal participation requirements. Enhancement of TA Work Services will serve to identify and address client challenges to participation.

Measure: Percentage of ATAP adults who left assistance because they become employed, who receive day care assistance. (SB 281)

(Developed jointly with Legislature in FY2001.)

Current Status:

Moving forward on developing proposed targets and gathering baseline data.

Background and Strategies:

Child care from the Department of Education is critical to families newly independent of Temporary Assistance. This measure indicates usage of child care assistance by Temporary Assistance clients who have worked their way off welfare. Some Temporary Assistance families will leave the program with employment without requiring child care, however, those that do need it must have ready access to the Child Care Assistance program.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• Percentage of adults receiving temporary assistance who have earned income.		X			
• Rate of payment accuracy for ATAP payments and Food Stamps.		X			
• Rate of job retention among adults receiving temporary assistance.		X			
• Percent of ATAP families meeting Federal Work Participation rates.		X			
• Percentage of ATAP adults who left assistance because they become employed, who receive day care assistance.		X			

**Public Assistance Administration
BRU Financial Summary by Component**

All dollars in thousands

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
Child Care Benefits	6,102.1	33,051.9	0.0	39,154.0	3,000.0	28,852.0	0.0	31,852.0	3,000.0	30,102.0	0.0	33,102.0
Non-Formula Expenditures												
Public Assistance Admin	796.8	3,736.2	0.0	4,533.0	839.7	4,638.3	0.0	5,478.0	838.2	6,028.4	0.0	6,866.6
Quality Control Public Assistance Field Svcs	469.5	400.4	0.0	869.9	481.6	487.2	0.0	968.8	580.8	486.8	0.0	1,067.6
Public Assistance Field Svcs	10,999.7	10,978.0	1,938.1	23,915.8	11,449.2	11,486.7	1,800.5	24,736.4	11,558.4	11,665.5	2,259.2	25,483.1
Fraud Investigation	524.2	604.1	0.0	1,128.3	547.0	615.1	0.0	1,162.1	548.5	617.1	0.0	1,165.6
Public Assist Data Processing	2,472.0	2,004.2	0.0	4,476.2	2,503.4	2,322.1	62.9	4,888.4	2,501.0	2,317.8	0.0	4,818.8
Work Services	3,816.5	7,478.4	1,305.0	12,599.9	3,823.2	10,118.0	360.0	14,301.2	3,714.4	11,543.7	360.0	15,618.1
Totals	25,180.8	58,253.2	3,243.1	86,677.1	22,644.1	58,519.4	2,223.4	83,386.9	22,741.3	62,761.3	2,619.2	88,121.8

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Proposed Changes in Levels of Service for FY2002

For the past few years, the Division's reinvestment strategy has been critical to the early success of welfare reform. As recipients left the caseload, savings in ATAP benefit dollars have been generated. While a significant share of the total savings are used to help reduce the state's general fund deficit and to provide other state services, a portion of the savings are reinvested in services to help even more recipients off welfare, which in turn, results in more savings.

- The Families Work! Initiative will reinvest ATAP payments savings to add new services for families who will begin to reach the 60 month limit in July 2002. These families require more intensive services than currently available. Services funded by this increase will be provided intensive case management through an interdisciplinary team approach.
- In FY2002 we need to expand our Work First model by improving the employability of clients, enhancing retention and advancement, and addressing the more complex challenges that impede success in the work place.
- The federal Ticket to Work and Work incentives Improvement Act of 1999 (TWWIIA) establishes three grant programs with the purpose of supporting State efforts to assist people with disabilities in securing and sustaining competitive employment. Alaska has been awarded a grant, a portion of which will be used to train Public Assistance staff in methods of encouraging employment for appropriate Adult Public Assistance (APA) recipients. This grant funding, coupled with ongoing efforts to improve service delivery to working clients, will help the APA program to more effectively promote employment and self-sufficiency.

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Summary of BRU Budget Changes by Component

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	22,644.1	58,519.4	2,223.4	83,386.9
Adjustments which will continue current level of service:				
-Public Assistance Admin	-1.5	1,390.1	0.0	1,388.6
-Quality Control	-0.8	-0.4	0.0	-1.2
-Public Assistance Field Svcs	109.2	178.8	7.0	295.0
-Fraud Investigation	1.5	2.0	0.0	3.5
-Public Assist Data Processing	-2.4	-4.3	-0.9	-7.6
-Work Services	-108.8	1,425.7	0.0	1,316.9
-Child Care Benefits	0.0	1,250.0	0.0	1,250.0
Proposed budget decreases:				
-Public Assist Data Processing	0.0	0.0	-62.0	-62.0
Proposed budget increases:				
-Quality Control	100.0	0.0	0.0	100.0
-Public Assistance Field Svcs	0.0	0.0	451.7	451.7
FY2002 Governor	22,741.3	62,761.3	2,619.2	88,121.8