

State of Alaska FY2002 Governor's Operating Budget

Department of Health and Social Services
Child Care Benefits
Component

Component: Child Care Benefits

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Component Mission

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

Component Services Provided

The Child Care Benefit component provides child care subsidies to families on Temporary Assistance who need child care to work or participate in approved work activities. Families on Temporary Assistance receive one-hundred percent of the state subsidy rate for authorized child care through a program called Parents Achieving Self Sufficiency (PASS) I.

The Child Care Benefit component also provides funding to the Department of Education and Early Development (EED) to support their child care programs, including child care subsidies and child care quality initiatives.

Component Goals and Strategies

- 1) ASSIST FAMILIES RECEIVING TEMPORARY ASSISTANCE MOVE TOWARDS SELF-SUFFICIENCY
 - Provide child care subsidies to allow parents to obtain and retain employment.
 - Continue to improve the DPA child care authorization and payment system.
- 2) IMPROVE THE QUALITY OF CHILD CARE AVAILABLE IN THE STATE
 - Work with EED on initiatives to improve the quality of child care, including those identified in the Building Blocks initiative.
 - Provide quality child care information to all case managers working with families on Temporary Assistance.
 - Provide child care selection information to all Temporary Assistance participants.
- 3) IMPROVE ALIGNMENT OF PASS I, II, AND III PROGRAM POLICIES
 - Coordinate child care policies and procedures with EED.
 - Review authorization, payment, and data collection systems in conjunction with EED and develop plans to consolidate functions as appropriate.

Key Component Issues for FY2001 – 2002

The success of welfare reform depends on the existence of accessible, affordable, quality child care for all low wage workers. Parents on Temporary Assistance do not have the income to pay for child care to allow them to go to work. If a parent has more than two children, their child care costs can often be more than their monthly income. As parents on Temporary Assistance enter the workforce, child care subsidies must be provided to enable parents to stay employed and to move off Temporary Assistance.

Child care assistance for families transitioning from public assistance can often make the difference between unemployment and a return to public assistance, and employment leading to self-sufficiency. As the welfare caseloads have dropped, the demand for child care has risen dramatically. Spending for all state child care assistance programs has grown from \$19 million in FY97 to over \$32 million in FY00. Alaska has always been able to fully fund child care for ATAP families while they are on ATAP and for one year after they leave.

However, the child care subsidy program for low-income families has always maintained a wait list, and continues to maintain one in several communities. The continuing shortfall of Child Care Assistance prevents low-income families from obtaining and maintaining employment and places them at risk of requiring public assistance. Sufficient funding for all of the subsidy programs is necessary to allow parents to enter and stay in the work force.

Major Component Accomplishments for FY2000

- Provide child care subsidies for an average of 2,722 ATAP children each month.
- Improved the PASS I child care subsidy delivery system by more clearly defining policies and procedures for the program and publishing a child care policy manual; increased efficiency by revising forms and procedural protocols; and completed statewide training for all staff on child care P&P's.
- Financed a transfer of \$13.6 million to the Department of Education and Early Development (EED) with TANF program savings generated from the success of welfare reform. This funding was used for child care subsidy and other EED child care initiatives.

Statutory and Regulatory Authority

AS 47.27.005 Alaska Temporary Assistance Program

Key Performance Measures for FY2002

Measure: Please see the performance measures under the Public Assistance Administration BRU.
(Developed jointly with Legislature in FY2001.)

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>
• Please see the performance measures under the Public Assistance Administration BRU.		X			

Child Care Benefits
Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	6,653.3	17,836.7	20,931.7
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	32,500.7	14,015.3	12,170.3
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	39,154.0	31,852.0	33,102.0
Funding Sources:			
1002 Federal Receipts	33,051.9	28,852.0	30,102.0
1003 General Fund Match	6,102.1	3,000.0	3,000.0
Funding Totals	39,154.0	31,852.0	33,102.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	33,051.9	28,852.0	28,852.0	30,102.0	20,000.0
Restricted Total		33,051.9	28,852.0	28,852.0	30,102.0	20,000.0
Total Estimated Revenues		33,051.9	28,852.0	28,852.0	30,102.0	20,000.0

Child Care Benefits

Proposed Changes in Levels of Service for FY2002

As hundreds of families move from welfare to work, it is critical that affordable, quality child care is available to them. An increase in funding for low-income child care assistance is necessary to continue the success of welfare reform, moving families off of ATAP and into employment and providing supports that will reduce their chances of needing to return to welfare. During the past two years, there have been waiting lists for Child Care Assistance because not enough funding was available to serve all families that needed help.

The FY2002 budget request provides TANF funded increases in the DHSS RSA with the Department of Education and Early Development for child care subsidy. These funds will provide additional child care subsidy and related services to income eligible families. Low-income working families need access to subsidized child care in order to retain their current employment and stay off welfare.

Summary of Component Budget Changes

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	3,000.0	28,852.0	0.0	31,852.0
Adjustments which will continue current level of service:				
-Transfer 250.0 federal authority for TANF services RP 6-1-0002	0.0	-250.0	0.0	-250.0
-Reinvestments for Child Care Subsidy	0.0	1,500.0	0.0	1,500.0
FY2002 Governor	3,000.0	30,102.0	0.0	33,102.0