

State of Alaska FY2003 Governor's Operating Budget

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

Public Assistance 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

The Public Assistance BRU provides cash, food and heating assistance to needy Alaskans. The major programs are Alaska Temporary Assistance (ATAP), Food Stamps, Adult Public Assistance (APA), General Relief Assistance, Heating Assistance, and Native Family Assistance. These programs provide an economic safety net for individuals and families that need help to support themselves and their children. Preventing dependency, promoting self-sufficiency and supporting clients toward obtaining employment and jobs capable of supporting a family is a major responsibility of the Division.

BRU Goals and Strategies

PROVIDE SAFETY NET AND SELF-SUFFICIENCY SERVICES FOR NEEDY FAMILIES AND PROVIDE BASIC NEEDS FOR POOR ELDERLY, BLIND AND DISABLED INDIVIDUALS.

- Provide assistance to needy families so they can care for their children in their own homes, providing the basic needs of shelter, home heating, clothing, transportation and food.
- Encourage family self-sufficiency and stability by planning for self-support through employment, receipt of child support and prevention of unplanned and out-of-wedlock pregnancies.
- Provide financial assistance to needy aged, blind, or disabled Alaskans to help them meet their basic needs, stay in their own homes and avoid costly institutional placements.
- Reduce the disproportionate burden of home heating costs on the poor.
- Provide access to food support and decrease the incidence of food insecurity among Alaskans.

Key BRU Issues for FY2002 – 2003

- Sustaining and building on the successes of Alaska's welfare reform efforts is a pivotal issue. Meeting the demands of federal and state welfare reform mandates and providing opportunities for families to achieve lasting self-sufficiency while maintaining basic safety net services will remain a challenge in FY2002.
- Sustaining caseload reductions and program savings while protecting the well-being of children in needy families.
- The APA population is expected to follow the national trend and continue to grow. Continued APA funding will provide critical financial assistance and enable needy elderly, blind and disabled individuals to live with dignity within the community.
- Families receiving Temporary Assistance benefits since the program began in July 1997 will reach their 60-month lifetime limit. The more vulnerable families will receive an extension, others will lose their Temporary Assistance benefits. Loss of ATAP cash assistance might force more families to seek other shelter/housing assistance and services.
- Alaska is one of 17 states who qualified for supplemental grants for fiscal years 1998 through 2001. Under current federal law these supplemental grants for high population will expire beginning FFY2002. Alaska's FFY2002 TANF grant will be cut by roughly \$7.0 million unless Congress approves a one-year extension of the TANF supplemental grants.

- Congress will be debating reauthorization of the TANF and Food Stamp programs in FY2003. Reductions to the TANF block grant are a possibility.

Major BRU Accomplishments in 2001

- TANF caseload declined to 7,421 families. The average TA caseload was 39% below FY1997, the year before welfare reform was implemented.

- Expenditures for Temporary Assistance payments fell from \$63.9 million in FY2000 to \$59.5 million in FY2001. This 7% savings contributes to a 48% savings over the past four years. These savings are from reduced payments due to earnings and from case closures.

- 55% of Temporary Assistance adults are participating in work activities; 32% of the families have adults working in paying jobs.

- 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.

- In FY2001, around \$9.0 million was provided to approximately 8,000 households under the Department of Health and Social Services' Heating Assistance Program (HAP).

- Improved service delivery to Adult Public Assistance recipients who are working or seeking employment.

- Provided funding and operational support for three Native Organizations now administering Native TANF programs.

Key Performance Measures for FY2003

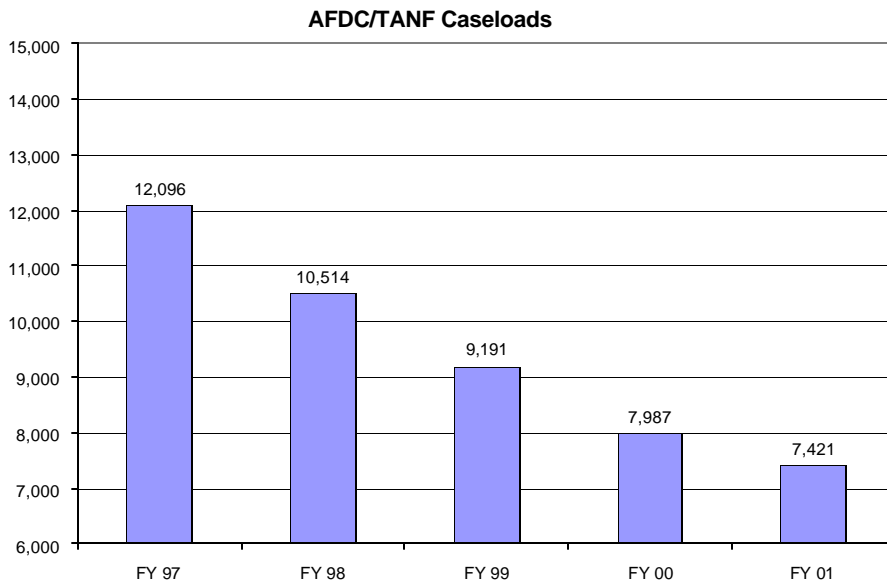
Measure:

Welfare to Work - Welfare Caseload (Governor's Indicator)

Alaska's Target & Progress:

Temporary Assistance for Needy Families (TANF) Caseload

The Average Monthly AFDC/TANF Caseloads by Fiscal Year for FY1997 through FY2001 are as follows:



Four years of welfare reform in Alaska have brought some remarkable achievements. The average caseload for FY2001 was 39% below FY1997, the year before welfare reform was implemented. In FY2001 the average monthly number of TANF cases receiving cash assistance was 7,421 or 4,675 fewer cases than the FY1997 AFDC caseload level of 12,096.

Background and Strategies:

This indicator measures changes in the size of the AFDC caseload prior to July, 1997 and the Temporary Assistance for Needy Families (TANF) caseload after that date. The TANF caseload includes the Alaska Temporary Assistance Program and the Native Family Assistance Programs administered by Tanana Chiefs Conference, Association of Village Council Presidents and Central Council of Tlingit & Haida . Due to differences in reporting methods between the AFDC and the TANF programs, consistent and comparable numbers are not available for any levels lower than the division region level. Caseload data is available at the community and census area level for the Alaska Temporary Assistance Program beginning in October, 1997

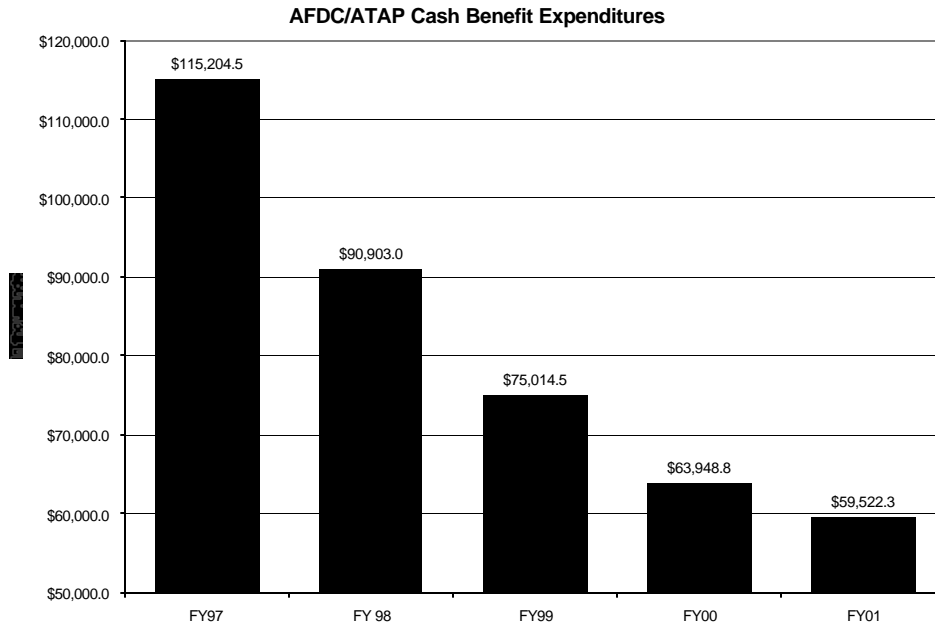
Measure:

Welfare - Savings to State (Governor's Indicator)

Alaska's Target & Progress:

Temporary Assistance for Needy Families (TANF) Cash Benefit Expenditures:

The Total AFDC/TANF Cash Benefit Expenditures by Fiscal Year FY1997 through FY2001 are as follows:



Spending on welfare payments to recipients continues to decline. In FY2001 cash benefits expenditures declined to \$59.5 million, a 48% decline from the \$115.2 million spent in FY1997, the year before welfare reform took effect.

Background and Strategies:

This indicator measures the decline over recent years in the total cash benefit amount paid to families under the prior AFDC program and the TANF programs. It includes benefit expenditures paid by the Native Family Assistance Program. The measure reflects both caseload decline and the reduced monthly benefit amounts received by families due to increased earnings and other changes in policy.

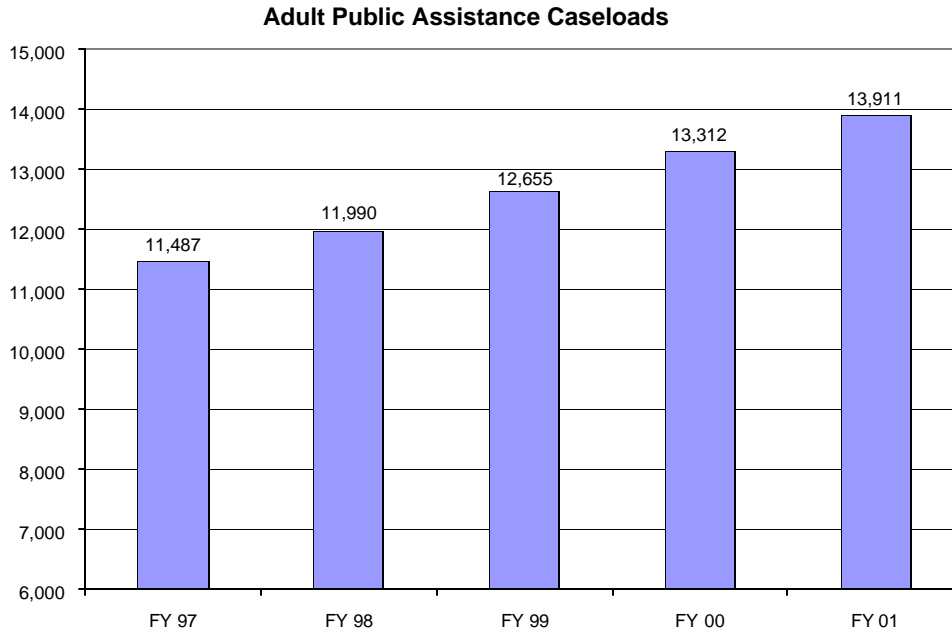
Some of the savings from reduced monthly benefit expenditures have allowed federal TANF dollars to be used for a variety of purposes which save state general fund dollars: Child Care, Head Start programs, and child protection services. Saved state and federal funds have also been reinvested into efforts to prepare more recipients for work.

Measure:

Adult Public Assistance (APA) Caseload (Governor's Indicator)

Alaska's Target & Progress:

The Average Monthly APA Caseloads by Fiscal Year FY1996 through FY2001 are as follows:



The number of elderly and disabled Alaskans who rely on the APA program to meet basic needs has steadily increased, a trend that is expected to continue. The FY2001 average monthly APA caseload was 13,911, up 4.5% compared to FY2000.

Background and Strategies:

This indicator measures the growth in the Adult Public Assistance program which serves very needy elderly, blind and disabled Alaskans. The growth in this program mirrors conditions nationwide and can be attributed to a combination of earlier identification and treatment of disabilities, and increased longevity. The caseload size of the program is sustained by the long-term nature of the needs of these recipients.

Public Assistance
BRU Financial Summary by Component

All dollars in thousands

	FY2001 Actuals				FY2002 Authorized				FY2003 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
<u>Formula Expenditures</u>												
ATAP	35,591.9	12,297.3	4,336.0	52,225.2	27,542.0	18,136.7	4,437.7	50,116.4	27,171.7	16,734.4	3,235.9	47,142.0
Adult Public Assistance	47,483.5	897.9	3,437.3	51,818.7	49,229.6	734.0	3,522.3	53,485.9	51,761.2	734.0	3,612.3	56,107.5
General Relief Assistance	945.6	0.0	0.0	945.6	829.3	0.0	0.0	829.3	1,061.4	0.0	0.0	1,061.4
OAA-ALB Hold Harmless	1,962.3	0.0	0.0	1,962.3	1,760.0	0.0	0.0	1,760.0	1,527.9	0.0	0.0	1,527.9
PFD Hold Harmless	0.0	0.0	15,536.0	15,536.0	0.0	0.0	16,147.3	16,147.3	0.0	0.0	13,007.9	13,007.9
Tribal Assistance	3,908.1	0.0	515.0	4,423.1	6,783.9	0.0	907.8	7,691.7	7,154.2	0.0	907.8	8,062.0
<u>Non-Formula Expenditures</u>												
Energy Assistance Program	0.0	11,312.7	0.0	11,312.7	0.0	12,000.0	0.0	12,000.0	0.0	12,011.4	0.0	12,011.4
Totals	89,891.4	24,507.9	23,824.3	138,223.6	86,144.8	30,870.7	25,015.1	142,030.6	88,676.4	29,479.8	20,763.9	138,920.1

Public Assistance

Proposed Changes in Levels of Service for FY2003

The BRU changes are the net adjustment in formula funding reflecting the changes in projected public assistance program caseloads.

Spending on welfare payments is down over \$55 million compared to FY1997. Some of the savings from reduced ATAP monthly benefit expenditures have allowed federal TANF dollars to be used for a variety of purposes which save state general fund dollars in Child Care, Head Start programs, Domestic Violence and Child Protection services. Saved state and federal TANF funds have also been reinvested into efforts to prepare more recipients for work.

- ATAP caseloads continue to decline reducing ATAP projected formula need by over \$2.9 million.

- The number of elderly and disabled Alaskans who rely on the Adult Public Assistance (APA) program to meet basic needs has steadily increased - a trend that is expected to continue. The APA population is expected to grow at 4.2% resulting in a formula increase of \$2,531.6 general fund.

- PFD Hold Harmless formula need is reduced by \$3.1 million for the projected net decrease in public assistance caseloads and FY02 changes in program budgeting method impacting hold harmless for food stamps.

Public Assistance

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	86,144.8	30,870.7	25,015.1	142,030.6
Adjustments which will continue current level of service:				
-ATAP	-370.3	0.0	0.0	-370.3
-General Relief Assistance	232.1	0.0	0.0	232.1
-OAA-ALB Hold Harmless	-232.1	0.0	0.0	-232.1
-Energy Assistance Program	0.0	11.4	0.0	11.4
-Tribal Assistance	370.3	0.0	0.0	370.3
Proposed budget decreases:				
-ATAP	0.0	-1,402.3	-1,201.8	-2,604.1
-PFD Hold Harmless	0.0	0.0	-3,139.4	-3,139.4
Proposed budget increases:				
-Adult Public Assistance	2,531.6	0.0	90.0	2,621.6
FY2003 Governor	88,676.4	29,479.8	20,763.9	138,920.1