

State of Alaska FY2003 Governor's Operating Budget

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

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 FY2002 – 2003

- 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 continue 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.
- DPA is concerned about the ability to achieve agency goals given it has become more difficult to attract and retain quality staff over the last few years. To address this problem, DPA is participating with DHSS in a project to address these issues in addition to establishing a Divisional project with the goal: "To develop and maintain our workforce through exceptional recruitment, retention and training efforts."

Major BRU Accomplishments in 2001

- 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 2,304 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.
- Provided technical assistance and funding to support the successful implementation of Native TANF programs.
- Begin reengineering of work processes to gain efficiencies and improve customer services.

Key Performance Measures for FY2003

Measure:

The percentage of the Alaska Temporary Assistance Program (ATAP) (AS 47.27) families meeting federal work participation rates.

Sec 77(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

In September 2001, 43% of all Temporary Assistance families were in countable work activities and had sufficient hours to meet the federal participation rate requirements. At that time, almost 52% of Temporary Assistance families were in countable work activities but not all had enough hours of participation to count in the federal participation rate.

According to the U.S. Department of Health and Human Services Third Annual Report to Congress on the TANF program, Alaska ranks 8th nationwide for adults in employment and 7th in the average number of hours for adults in employment. No state ranked higher in both measures of success. The Fourth Annual Report to Congress will be released by Spring 2002.

Benchmark Comparisons:

Federal law requires that states meet work participation requirements:

	Federal Rate All Families	Caseload Reduction Credit	Adjusted Target Rate	Alaska Rate Achieved
FFY 1998	30%	3%	27%	42%
FFY 1999	35%	18%	17%	46%
FFY 2000	40%	29%	11%	39%
FFY 2001	45%	37%	8%	42%
FFY 2002	50%	40%	10%	

FFY 01 Rate Achieved not yet federally verified as of 10/23/01.

FFY 02 Caseload reduction credit and adjustment target rate are estimated.

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 2001, Alaska's caseload reduction credit was 37%. Based on the caseload reduction credit, Alaska's work participation target was 8%. Thus Alaska more than met the adjusted federal participation 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:

Rate of job retention among adults receiving Temporary Assistance by region.
Sec 77(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The rate of job retention for Temporary Assistance recipients statewide was 80% in FFY00 and FFY01. 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.

Rate of Job Retention by region:

Central	80%
Coastal	80%
Southeast	79%
Northern	79%

The DPA goal for job retention by Temporary Assistance recipients in FFY02-03 is 80%.

Job retention is measured for a period of 12 months and the recipient must be working in each quarter during the 12 month period.

Background and Strategies:

Job retention enables families to reduce or eliminate dependency on welfare. Case management, supportive services and child care payments are important services which help to improve job retention.

Most often, those Temporary Assistance adults who have the best ability to retain employment are the most likely to leave the caseload. As the caseload declines, those adults with more significant barriers to employment make up a higher percentage of the caseload. Therefore, with a declining caseload it is increasingly difficult to maintain high job retention percentages.

Measure:

Percentage of ATAP adults who have left assistance because they become employed who are receiving day care assistance.
Sec 77(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

In FY01, an average of 1,006 children in 595 families received PASS II child care.
100% of the families requesting PASS II receive the assistance.

Background and Strategies:

In FY02, all families who leave Temporary Assistance for employment will continue to be guaranteed one year of transitional child care if they need it.

Working families who have left Temporary Assistance are guaranteed one year of transitional child care (PASS II) if they need it. This program is administered by the Department of Education and Early Development. 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.

Measure:

The percentage of adults receiving temporary assistance who have earned income.
Sec 77(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The percentage of Temporary Assistance adults with earned income was 31% in September 2001.

The percentage of families leaving Temporary Assistance who reported earnings when they left was 38% in September 2001.

Goal for FY02-03 is 45% of Temporary Assistance adults with earned income, and 45% of case closures with reported earned income.

Background and Strategies:

This is a measure of current Temporary Assistance recipients who have earned income. As the caseload declines, those adults with more significant barriers to employment make up a higher percentage of the caseload. Therefore, with a declining caseload, it becomes more difficult to achieve higher percentages of recipients with earned income. The goal of the division's welfare-to-work effort is to move families off assistance and into a job that pays well enough for the family to be self-sufficient. Case management, supportive services, child care and other services are critical to the success of this effort.

Measure:

The rate of payment accuracy for ATAP payments & Food Stamps.
Sec 77(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Temporary Assistance payment accuracy rate was 96% in FFY01.

In FFY 98, FFY 99 and FFY00 the Food Stamp accuracy rate was 88%, 84%, and 93% respectively. Food Stamp state-calculated payment accuracy rate was 91% for FFY01 as of 10/22/01. FFY01's federally-calculated payment accuracy rate will be available April 2002.

The goal for FY02-03 is 94% accuracy in Food Stamps and 98% accuracy in Temporary Assistance.

Benchmark Comparisons:

The US Department of Agriculture determines acceptable performance for Food Stamp payment accuracy for all states by using a national average after the end of the federal fiscal year (September). States with accuracy rates worse than the national average can receive fiscal penalties. The national average for FFY01 is anticipated to be approximately 90%. In FFY 01 the state calculated Food Stamp accuracy rate was 91%. USDA publishes the national average in the spring each year.

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 failing accuracy rates in FY98 and FY99 were due in large part to the dramatic changes caused by the

implementation of welfare reform. Through a settlement with USDA, the Division reinvested a portion of the penalty in a program to improve the rate which resulted in remarkable success during FFY00.

Public Assistance Administration
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>												
Child Care Benefits	3,000.0	26,245.6	0.0	29,245.6	3,000.0	30,102.0	0.0	33,102.0	3,000.0	30,102.0	0.0	33,102.0
<u>Non-Formula Expenditures</u>												
Public Assistance Admin	823.0	3,739.1	12.7	4,574.8	738.2	6,028.4	0.0	6,766.6	860.0	5,745.5	0.0	6,605.5
Quality Control Public Assistance Field Svcs	483.5	502.3	9.2	995.0	580.8	486.8	0.0	1,067.6	595.2	501.2	0.0	1,096.4
Fraud Investigation	11,323.4	11,088.4	2,082.2	24,494.0	11,423.4	11,630.5	2,259.2	25,313.1	11,913.9	11,944.4	2,458.5	26,316.8
Public Assist Data Processing	585.2	639.6	7.9	1,232.7	0.0	0.0	0.0	0.0	596.1	666.4	0.0	1,262.5
Work Services	2,483.3	2,242.4	20.1	4,745.8	2,501.0	2,317.8	0.0	4,818.8	2,541.5	2,355.1	0.0	4,896.6
Totals	22,366.7	53,436.4	3,650.9	79,454.0	21,957.8	62,109.2	2,619.2	86,686.2	22,960.0	63,158.3	2,818.5	88,936.8

Public Assistance Administration**Proposed Changes in Levels of Service for FY2003**

FY2003 BRU budget maintains services at the FY2002 level.

Public Assistance Administration**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	21,957.8	62,109.2	2,619.2	86,686.2
Adjustments which will continue current level of service:				
-Public Assistance Admin	121.8	-282.9	0.0	-161.1
-Quality Control	14.4	14.4	0.0	28.8
-Public Assistance Field Svcs	490.5	313.9	59.3	863.7
-Fraud Investigation	12.6	14.3	0.0	26.9
-Public Assist Data Processing	40.5	37.3	0.0	77.8
-Work Services	-261.1	300.0	0.0	38.9
Proposed budget increases:				
-Public Assistance Field Svcs	0.0	0.0	140.0	140.0
FY2003 Governor	22,960.0	63,158.3	2,818.5	88,936.8