

**State of Alaska**  
**FY2003 Governor's Operating Budget**

**Department of Health and Social Services**  
**Child Care Benefits**  
**Component Budget Summary**

## **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 FY2002 – 2003**

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 \$30 million in FY01. 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. Sufficient funding for all of the subsidy programs is necessary to allow parents to enter and stay in the work force.

### **Major Component Accomplishments in 2001**

- Provide child care subsidies for an average of 2,304 ATAP children each month.
- Continued to improve the PASS I child care subsidy delivery system by more clearly defining policies and procedures for the program and updating the 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 \$18.0 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, other EED child care initiatives and TANF family services that mirror Head Start to families.
- Participated in EED child care assistance regulation rewrite to plan for better alignment of PASS I, PASS II and PASS III.

### **Statutory and Regulatory Authority**

AS 47.27.005 Alaska Temporary Assistance Program

**Child Care Benefits**  
**Component Financial Summary**

*All dollars in thousands*

Formula Program:	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	19,835.7	20,931.7	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	9,409.9	12,170.3	12,170.3
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>29,245.6</b>	<b>33,102.0</b>	<b>33,102.0</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	26,245.6	30,102.0	30,102.0
1003 General Fund Match	3,000.0	3,000.0	3,000.0
<b>Funding Totals</b>	<b>29,245.6</b>	<b>33,102.0</b>	<b>33,102.0</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	26,245.6	30,102.0	30,102.0	30,102.0	28,831.5
<b>Restricted Total</b>		<b>26,245.6</b>	<b>30,102.0</b>	<b>30,102.0</b>	<b>30,102.0</b>	<b>28,831.5</b>
<b>Total Estimated Revenues</b>		<b>26,245.6</b>	<b>30,102.0</b>	<b>30,102.0</b>	<b>30,102.0</b>	<b>28,831.5</b>

**Child Care Benefits**

**Proposed Changes in Levels of Service for FY2003**

There are now proposed service level changes in FY03.

The FY2003 budget request maintains the level of TANF funding for the DHSS RSA with the Department of Education and Early Development for child care subsidy. These funds provide 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 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>
<b>FY2002 Authorized</b>	<b>3,000.0</b>	<b>30,102.0</b>	<b>0.0</b>	<b>33,102.0</b>
<b>FY2003 Governor</b>	<b>3,000.0</b>	<b>30,102.0</b>	<b>0.0</b>	<b>33,102.0</b>