

State of Alaska FY2020 Governor's Operating Budget

Department of Health and Social Services Energy Assistance Program Component Budget Summary

Component: Energy Assistance Program

Contribution to Department's Mission

The Energy Assistance Program component is designed to promote the general welfare and safeguard the health and well-being of Alaska's population by offsetting the cost of home heating for low-income families.

Core Services

- Program staff make timely and accurate eligibility determinations to issue heating assistance payments to the client's home energy vendor.
- Provides administrative support for federally-funded tribal heating assistance programs, including grant management and oversight for Tribal organizations operating regional Alaska Affordable Heating Assistance Programs.

Major Component Accomplishments in 2018

Assisted 7,307 households to heat their homes.

Drafted regulation change to allow prosecution for fraud and update funding formula.

Worked with a contractor to implement a new information system for the program.

Key Component Challenges

The volatility of fuel costs and generally high prices in many communities make it difficult to accurately project the number of households that will apply and qualify for heating assistance. This impacts the program's ability to project accurate benefit amounts since funding must cover all anticipated eligible households and to determine staffing levels needed to process applications within timeframes.

The uncertainty of the block grant funding for the federal Low Income Home Energy Assistance Program (LIHEAP) continues to create challenges in planning and administering the program each year. The funding allocation is frequently determined after benefit levels are set and seasonal program operations begin.

Manually collecting annual client heating and electric usage is an arduous task without a vendor portal or automation of this process. The program must currently generate Microsoft Excel spreadsheets that need to be mailed via certified mail to their vendors and then key in all the information when the sheets are returned.

Collection of client usage will help the state determine if benefits are in fact providing the highest benefit to the most vulnerable and needy households. The present determination formula does not always adequately meet the needs of some households and more than meets the needs of others.

The current software program used to register applications, determine eligibility, generate payments, generate reports, and provide historical data is written in common business oriented language (COBOL). Work to replace this program was done throughout FY18. Although the new system is being used for FY19, as with any new system, there are bugs that need to be worked out.

Since this is a seasonal program, a significant number of applications are generally submitted during the initial months of the season (October and November). This creates an instant backlog of applications that are worked throughout the season.

Significant Changes in Results to be Delivered in FY2020

Continue implementation of federally-mandated performance measures for LIHEAP.

Federal funding will impact the number of households the program can serve under state statute and could require supplemental funding from the state.

Statutory and Regulatory Authority

Public Law 97-35	L.I.H.E.A.P. Act of 1981
AS 47.25.621-.626	Alaska Affordable Heating Program
7 AAC 44	Heating Assistance Program

Contact Information
<p>Contact: Shawnda O'Brien, Assistant Commissioner Phone: (907) 465-1630 E-mail: shawnda.obrien@alaska.gov</p>

Component Detail All Funds
Department of Health and Social Services

Component: Energy Assistance Program (226)
RDU: Public Assistance (73)

Formula Component

	FY2018 Actuals	FY2019 Conference Committee	FY2019 Authorized	FY2019 Management Plan	FY2020 Governor	FY2019 Management Plan vs FY2020 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	8,620.0	10,122.9	10,122.9	10,122.9	9,261.5	-861.4	-8.5%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	8,620.0	10,122.9	10,122.9	10,122.9	9,261.5	-861.4	-8.5%
Fund Sources:							
1002 Fed Rcpts (Fed)	8,620.0	10,122.9	10,122.9	10,122.9	9,261.5	-861.4	-8.5%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	8,620.0	10,122.9	10,122.9	10,122.9	9,261.5	-861.4	-8.5%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Health and Social Services

Component: Energy Assistance Program (226)
RDU: Public Assistance (73)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2019 Conference Committee To FY2019 Authorized *****												
FY2019 Conference Committee												
ConfCom		10,122.9	0.0	0.0	0.0	0.0	0.0	10,122.9	0.0	0	0	0
1002 Fed Rcpts		10,122.9										
Subtotal		10,122.9	0.0	0.0	0.0	0.0	0.0	10,122.9	0.0	0	0	0
***** Changes From FY2019 Management Plan To FY2020 Governor *****												
Transfer to Public Assistance Field Services for Increased Chargeback Costs												
Trout		-861.4	0.0	0.0	0.0	0.0	0.0	-861.4	0.0	0	0	0
1002 Fed Rcpts		-861.4										
Totals		9,261.5	0.0	0.0	0.0	0.0	0.0	9,261.5	0.0	0	0	0

Authority is needed on the services line of Public Assistance Field Services to accommodate increased reimbursable service agreement chargeback costs.

Line Item Detail (1676)
Department of Health and Social Services
Grants, Benefits

Component: Energy Assistance Program (226)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
7000	Grants, Benefits		8,620.0	10,122.9
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
7000 Grants, Benefits Detail Totals			8,620.0	10,122.9
7002	Benefits		7,870.0	0.0
7003	Sub-Recipient Pass-Through Grants	The federally funded Low Income Home Energy Assistance Program (LIHEAP) assists families with energy costs through benefit payments.	750.0	10,122.9

Revenue Detail (1681)
Department of Health and Social Services

Component: Energy Assistance Program (226)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2018 Actuals	FY2019 Management Plan
5002 Fed Rcpts (1002 Fed Rcpts)			8,680.4	10,122.9
5019 Federal - Miscellaneous Grants		Low Income Home Energy Assistance Program (LIHEAP) block grant funding is dependent on federal agency grant appropriations. This is a 100 percent federally funded program.	8,657.6	10,122.9
5021 Federal - Other Prior Year Reimbursement Recovery			22.8	0.0