

State of Alaska FY2021 Governor's Operating Budget

Department of Health and Social Services Adult Public Assistance Component Budget Summary

Component: Adult Public Assistance**Contribution to Department's Mission**

Provide financial assistance for basic living expenses to needy elderly, blind, or disabled Alaskans in order for them to remain as independent as possible in the community.

Core Services

- Ensure qualified individuals receive income support and access to medical care that allows them to remain as independent as possible in the community.

Major Component Accomplishments in 2019

- Continued Interim Assistance program savings through the medical review process. The review process shows that individuals approved to receive Interim Assistance are likely to meet the Social Security definition of disability and qualify for Supplemental Security Income.
- The program served 21,877 recipients and issued \$60,877,878 in benefits.

Key Component Challenges

Coordinating eligibility efforts with the Social Security Administration on eligibility determinations to find solutions to delays as a result of disability determinations.

Significant Changes in Results to be Delivered in FY2021

- Strengthened collaboration with the Division of Vocational Rehabilitation and the Governor's Council on Disabilities and Special Education to increase the number of recipients with disabilities that are employed.
- Strengthened collaboration with the Social Security Administration to find efficiencies in processes.

Statutory and Regulatory Authority

AS 47.25.430 - .615 Adult Public Assistance
7 AAC 40 Adult Public Assistance

Contact Information

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Component Detail All Funds
Department of Health and Social Services

Component: Adult Public Assistance (222)
RDU: Public Assistance (73)

Formula Component

	FY2019 Actuals	FY2020 Conference Committee	FY2020 Authorized	FY2020 Management Plan	FY2021 Governor	FY2020 Management Plan vs FY2021 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	20.0	20.0	20.0	20.0	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	60,543.8	62,066.9	54,595.7	54,295.7	61,766.9	7,471.2	13.8%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	60,543.8	62,086.9	54,615.7	54,315.7	61,786.9	7,471.2	13.8%
Fund Sources:							
1002 Fed Rcpts (Fed)	0.0	1,730.0	1,730.0	1,730.0	1,730.0	0.0	0.0%
1003 G/F Match (UGF)	56,142.4	55,646.1	48,174.9	48,174.9	55,646.1	7,471.2	15.5%
1007 I/A Rcpts (Other)	4,401.4	4,710.8	4,710.8	4,410.8	4,410.8	0.0	0.0%
Unrestricted General (UGF)	56,142.4	55,646.1	48,174.9	48,174.9	55,646.1	7,471.2	15.5%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	4,401.4	4,710.8	4,710.8	4,410.8	4,410.8	0.0	0.0%
Federal Funds	0.0	1,730.0	1,730.0	1,730.0	1,730.0	0.0	0.0%
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: Adult Public Assistance (222)
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 FY2020 Conference Committee To FY2020 Authorized *****												
FY2020 Conference Committee												
	ConfCom	62,086.9	0.0	0.0	20.0	0.0	0.0	62,066.9	0.0	0	0	0
1002 Fed Rcpts		1,730.0										
1003 G/F Match		55,646.1										
1007 I/A Rcpts		4,710.8										
Reduce Maintenance of Effort Requirement by Reducing Adult Public Assistance Payments												
	Veto	-7,471.2	0.0	0.0	0.0	0.0	0.0	-7,471.2	0.0	0	0	0
1003 G/F Match		-7,471.2										
Reduce the state's Maintenance of Effort requirements by reverting the Adult Public Assistance program to the maintenance of effort calculation used prior to 2004 (also known as the 1983 Standard). Approval has been received from the cognizant federal agency, and the change can only take effect in the beginning of the calendar year. These recipients may be eligible for other assistance programs.												
The State's fiscal reality dictates a reduction in expenditures across all agencies.												
Reverse Maintenance of Effort Requirement by Reducing Adult Public Assistance Payments Reduction												
	Inc	7,471.2	0.0	0.0	0.0	0.0	0.0	7,471.2	0.0	0	0	0
1003 G/F Match		7,471.2										
Legislative add-back appropriation made in Chapter 2, SSSLA2019, of HB2001.												
Reduce Maintenance of Effort Requirement by Reducing Adult Public Assistance Payments												
	Veto	-7,471.2	0.0	0.0	0.0	0.0	0.0	-7,471.2	0.0	0	0	0
1003 G/F Match		-7,471.2										
Reduce the state's Maintenance of Effort requirements by reverting the Adult Public Assistance program to the maintenance of effort calculation used prior to 2004 (also known as the 1983 Standard). Approval has been received from the cognizant federal agency, and the change can only take effect in the beginning of the calendar year.												
The State's fiscal reality dictates a reduction in expenditures across all agencies.												
Subtotal		54,615.7	0.0	0.0	20.0	0.0	0.0	54,595.7	0.0	0	0	0
***** Changes From FY2020 Authorized To FY2020 Management Plan *****												
Transfer to Public Assistance Field Services for Permanent Fund Dividend Hold Harmless												
	Trout	-300.0	0.0	0.0	0.0	0.0	0.0	-300.0	0.0	0	0	0
1007 I/A Rcpts		-300.0										
Transfer from Adult Public Assistance to Public Assistance Field Services to fully collect the Permanent Fund Dividend Hold Harmless reimbursable services agreement. The remaining authority is sufficient to cover anticipated expenditures.												

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

Component: Adult Public Assistance (222)
RDU: Public Assistance (73)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Subtotal	54,315.7	0.0	0.0	20.0	0.0	0.0	54,295.7	0.0	0	0	0
***** Changes From FY2020 Management Plan To FY2021 Governor *****												
Restore Adult Public Assistance Payment Maintenance of Effort Requirements												
	Inc	7,471.2	0.0	0.0	0.0	0.0	0.0	7,471.2	0.0	0	0	0
1003 G/F Match		7,471.2										
<p>The administration proposed changing the Adult Public Assistance (APA) cash payment program back to the 1983 standard to meet Maintenance of Effort (MOE) requirements, in an effort to reduce State general fund spending on the program. By changing the MOE calculations to the 1983 standard, some cash payments would be lowered, and the difference would have been mitigated in part through: increased eligibility for other public assistance programs paid with federal rather than state funds, such as the Supplemental Nutrition Assistance Program; and increases in benefits for those already eligible for these programs.</p> <p>Separate from this change, the Centers for Medicare & Medicaid Services (CMS) alerted the department that Alaska had been using an incorrect calculation for the APA benefits since 1995. To come into compliance with federal regulations, a new payment standard was required to be implemented at the same time the changes were being implemented to the 1983 payment standard with the Social Security Administration.</p> <p>While the federal Social Security Administration approved a new methodology for determining adult public assistance payments, the Department of Health and Social Services will not be able to implement the methodology in December 2019 as originally planned.</p> <p>As the Division of Public Assistance (DPA) started working individual cases to recalculate benefits and prepare notifications of what the new benefit payment would be, it became clear the recalculation was going to reduce the payment levels to an unacceptable amount due to the compounding program changes that hit individuals in the APA program. This newly calculated benefit level was deemed unacceptable to this administration and the changes to the program have been cancelled.</p> <p>Leaving the methodology as is preserves the payment rates for several low-income categories of eligibility but will not be able to provide an increase for those Alaskans living in assisted living homes as planned. Since the changes are not going forward, the department will not realize the anticipated cost savings and requires \$7,471.2 in order to maintain the current methodology through FY2020.</p>												
	Totals	61,786.9	0.0	0.0	20.0	0.0	0.0	61,766.9	0.0	0	0	0

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

Component: Adult Public Assistance (222)

Line Number	Line Name		FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
3000	Services		0.0	20.0	20.0
Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
3000 Services Detail Totals			0.0	20.0	20.0
3011	Other Services	Electronic Benefit Transaction (EBT) fee associated with direct benefit transactions.	0.0	20.0	20.0

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

Component: Adult Public Assistance (222)

Line Number	Line Name		FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
7000	Grants, Benefits		60,543.8	54,295.7	61,766.9
Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
		7000 Grants, Benefits Detail Totals	60,543.8	54,295.7	61,766.9
7002	Benefits	Adult Public Assistance benefits. Benefits paid via general fund are claimed as maintenance of effort for the Medicaid program.	60,543.8	54,295.7	61,766.9

Revenue Detail (1681)
Department of Health and Social Services

Component: Adult Public Assistance (222)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
5002 Fed Rcpts (1002 Fed Rcpts)			77.5	1,730.0	1,730.0
5019 Federal - Miscellaneous Grants		The Department of Health and Social Services recovers state Interim Assistance benefits from the retroactive federal Supplemental Security Income (SSI) benefits of Adult Public Assistance (APA) applicants who are found eligible for SSI.	65.1	1,730.0	1,730.0
5021 Federal - Other Prior Year Reimbursement Recovery			12.4	0.0	0.0
5007 I/A Rcpts (1007 I/A Rcpts)			4,401.4	4,410.8	4,410.8
5301 Inter-Agency Receipts	H&SS - PFD Hold Harmless (225)	Reimbursable Services Agreement with the Division of Public Assistance, Permanent Fund Dividend (PFD) Hold Harmless component. The PFD Hold Harmless component provides the replacement funding for the loss of Adult Public Assistance (APA) program eligibility in the month the APA recipient receives the Alaska Permanent Fund Dividend.	4,401.4	4,410.8	4,410.8
6003 G/F Match (1003 G/F Match)			71.0	48,174.9	55,646.1
6102 Match - Prior Year Reimbursement Recovery			71.0	0.0	0.0
6103 Match - Miscellaneous		general fund match authority	0.0	48,174.9	55,646.1