

State of Alaska FY2002 Governor's Operating Budget

Department of Health and Social Services
Alaska Temporary Assistance Program
Component

Component: Alaska Temporary Assistance Program

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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

Funding for the Alaska Temporary Assistance Program (ATAP) comes in a fixed amount from the federal Temporary Assistance for Needy Families (TANF) block grant. The amount of the TANF block grant is based on FFY94 federal expenditures for the AFDC program in Alaska. The state is required to maintain a level of expenditures at a minimum of the 80% of the state's FFY 94 spending on AFDC.

Services provided by ATAP include:

- Temporary assistance to needy families so they can care for their children in their own homes, providing the basic needs of shelter, clothing, transportation and food
- Supports for adults to seek, secure, and retain employment
- Case management and employment related services under a "work first" approach emphasizing quick entry into the work force and promoting family self-sufficiency through employment
- Safety net services for families with profound barriers to employment or other hardships hindering self-sufficiency

Component Goals and Strategies

EMPHASIZE WORK, PROMOTE PERSONAL RESPONSIBILITY AND MAINTAIN SAFETY NET SERVICES FOR NEEDY FAMILIES

- Continue to promote a work first philosophy that places a strong emphasis on work and job readiness
- Enhance program policies and services that support the work first philosophy and provide incentives for employment and job retention
- Increase number of working clients
- Assist working clients with job and wage advancement opportunities
- 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 enhanced services to families who lack skills, have little work history, or face other barriers to employment
- Conduct program research and evaluation to assess effectiveness of program policies and improve services

Key Component Issues for FY2001 – 2002

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.

- Investing in working families by expanding and enhancing services to improve job retention and advancement
- Moving families with serious challenges to self-sufficiency off welfare prior to reaching time limits
- Supporting the development and implementation of Native family assistance programs
- Serving families living in communities with limited employment opportunities
- Sustaining caseload reductions and program savings while protecting the well-being of children in needy families

Major Component Accomplishments for FY2000

- Annual savings in welfare cash benefits reached over \$50 million. In FY00 cash benefit expenditures (including Native TANF) declined to \$63.9 million, a 44% decline from the \$115.2 million spent in FY97, the year before welfare reform took effect.
- ATAP benefit savings provided reinvestment funding to local organizations for community-based work services and increases in child care
- Temporary Assistance caseload declined to 7,596 families, 37% reduction compared to FY97
- Increase in number of working recipients from 18% in FY 97 to 32% in FY00

Statutory and Regulatory Authority

AS 47.27.005 Alaska Temporary Assistance Program
7 AAC 45

Key Performance Measures for FY2002

Measure: Please see the performance measures under the Public Assistance Administration BRU.
(Developed jointly with Legislature in FY2001.)

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• Please see the performance measures under the Public Assistance Administration BRU.		X			

Alaska Temporary Assistance Program
Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	0.0	0.0	0.0
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	60,814.3	66,112.8	50,116.4
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	60,814.3	66,112.8	50,116.4
Funding Sources:			
1002 Federal Receipts	18,288.7	22,375.3	18,136.7
1003 General Fund Match	37,414.4	37,417.2	27,542.0
1007 Inter-Agency Receipts	5,111.2	6,320.3	4,437.7
Funding Totals	60,814.3	66,112.8	50,116.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	18,288.7	22,375.3	22,375.3	18,136.7	17,698.0
Interagency Receipts	51015	5,111.2	6,320.3	6,320.3	4,437.7	4,437.7
Restricted Total		23,399.9	28,695.6	28,695.6	22,574.4	22,135.7
Total Estimated Revenues		23,399.9	28,695.6	28,695.6	22,574.4	22,135.7

Alaska Temporary Assistance Program

Proposed Changes in Levels of Service for FY2002

Due to declining caseloads and the reduced demand for cash benefit payments, millions of dollars have been made available to provide child care and work services for recipients and working families and to save state funds for other services which has helped to reduce the state's budget deficit. In FY2002, the ATAP formula budget is reduced further by \$15,996.4.

The ATAP benefit savings allow the transfer of \$4,171.7 state general fund to Division of Family and Youth Services components to refinance Child Protection Services that have been funded with federal TANF and TANF transfers to the SSBG. In FY2002, this transfer will refinance existing services supporting Adoption Assistance, Frontline Social Workers, and the "Balloon Project" that were formerly funded by federal TANF. This change is needed due to a shortfall in SSBG transfers from TANF and our inability to spend TANF funds for subsidized adoptions.

The federal welfare reform law authorized Alaska's twelve regional non-profit Native organizations and the Metlakatla Indian Community to administer TANF programs within their regions. Recently, the Association of Village Council Presidents, Inc. (AVCP) and Central Council of Tlingit & Haida Indian Tribes (T&H) have taken advantage of this opportunity to design their own culturally relevant and regionally focused welfare programs, apart from the State. Funding for Native TANF program operation comes from the federal TANF block grant and is supplemented by state fund transfers from ATAP that would otherwise be spent to serve the same Native welfare recipients.

In FY2002, a portion of the ATAP savings that would otherwise be needed for ATAP benefit payments will be reinvested in work services to further assist temporary assistance families achieve self-sufficiency. These services will be focused on employment-related initiatives to reduce the chances of families returning to ATAP and will provide more intensive services to families who will begin to reach their 60-month limit in July 2002. Reinvestments are also used to increase funding for low-income child care to continue the success of welfare reform.

As previously discussed, AVCP and T&H received federal approval to operate Native Temporary Assistance for Needy Families (TANF) Programs in their respective regions. The federal grants for Native TANF reduce the state block grant amount dollar for dollar. In addition, the required state maintenance of effort (MOE) is reduced. By the ATAP decrement that deletes \$1,028.3 GF and the transfer of \$4,171.7 GF to refinance Child Protection services, the Department has reduced the amount of MOE for TANF by \$5.2 million. With these changes the total state general fund request for TANF services has been reduced to the revised state maintenance of effort (MOE) floor. Any future, potential ATAP component surplus balance will be entirely federal.

Summary of Component Budget Changes

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	37,417.2	22,375.3	6,320.3	66,112.8
Adjustments which will continue current level of service:				
-Transfer \$2,043.5 for Native TANF programs RP 6-1-0002	-1,825.0	0.0	-218.5	-2,043.5
-Refinance Child Protection Services - Subsidized Adoptions & Frontline Social Workers	-4,171.7	0.0	0.0	-4,171.7
-Reinvestments for Work Services and Families Work (P.A. Admin)	0.0	-2,738.6	0.0	-2,738.6
-Reinvestments for Child Care	0.0	-1,500.0	0.0	-1,500.0
-Transfer for Native TANF programs	-2,850.2	0.0	-392.8	-3,243.0

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
Proposed budget decreases:				
-ATAP Formula Reduction for Caseloads	-1,028.3	0.0	-1,271.3	-2,299.6
FY2002 Governor	27,542.0	18,136.7	4,437.7	50,116.4