

# **State of Alaska FY2012 Governor's Operating Budget**

## **Department of Health and Social Services Public Assistance Results Delivery Unit Budget Summary**

## Public Assistance Results Delivery Unit

### Contribution to Department's Mission

Provide self-sufficiency and provide for basic living expenses to Alaskans in need.

### Core Services

- Temporary financial assistance and work supports for needy families with children.
- Financial and medical aid for seniors and disabled Alaskans.
- Food assistance and nutrition education for low-income households.
- Child care subsidies for needy and low-income working families.
- License child care facilities and home care providers to promote safe, quality child care.
- Access to health care by determining eligibility for Medicaid and Denali KidCare.
- Home heating assistance for low income households.
- Administrative accountability and prevention of fraud and program abuse.

### Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

#### END RESULT A: Low income families and individuals become economically self-sufficient.

- In FY10, the Alaska Temporary Assistance Program (including the Native Temporary Assistance for Needy Families Program) showed a 7.5% increase in the number of families receiving benefits.
- In calendar year 2008, the percentage of food stamp families with incomes below the poverty threshold was reduced by 18% after receiving food supports.

#### Status of Strategies to Achieve End Result

- The FY10 percent of Alaska Temporary Assistance families who left the program with earnings and did not return for six months was 85% identical to 85% in FY09.
- The percent of Alaska Temporary Assistance families with earnings for FY10 decreased to 29% from 31% in FY09.
- In FFY10, 33% of Alaska Temporary Assistance families met the federal participation requirements, meeting the federal target of 33% compared to 37% in FFY09.
- In FY10, 90% of emergency food stamp applications were processed within 5 days which is an increase from 89.6% in FY09.
- In FY10, 89% of food stamp initial applications were processed within 30 days with an overall average processing time of 18 days.
- In FY10, 87% of food stamp recertification applications were processed within 30 days compared to 86% in FY09.
- In FY10, 75% of Alaska Temporary Assistance applications were processed within 30 days with an overall average processing time of 23 days. This is an increase from 65% in FY09 with an overall average processing time of 21 days.
- In FY10, 80% of Medicaid applications were processed within 30 days, a 9 percentage point increase from FY09.
- In FFY09, 96% of food stamp benefits were accurate compared to 93% in FFY08.
- The FF09 Alaska Temporary Assistance benefit accuracy is 98%, compared to 99% in FFY07.
- In FFY10, 96% of the Medicaid eligibility determinations were accurate compared to 90% in FFY09.
- In FFY09, 96% of Food Stamp Program benefits, 98% of Temporary Assistance benefits and 90% of Medicaid eligibility determinations were accurate.
- In FY10, 76% of children receiving child care assistance were in licensed care; meeting the target for the first year since FY 2006, an increase from 71% in FY09.

### Key RDU Challenges

- Helping families become self-sufficient despite high energy costs and economic changes which may make that goal more difficult to achieve.

- Accommodating increased applications and caseloads associated with high energy, food, medical costs and a weakened economy.
- Conserving the state's Temporary Assistance for Needy Families (TANF) program savings generated from the success of welfare reform, which is needed to support and sustain core business needs while maintaining safety net services and promoting self-sufficiency through employment.
- Recruiting challenges as the workforce ages and dedicated employees with years of experience retire. This is particularly acute, because complex program policies can take six months of experience or more to effectively administer, and create high caseloads for journey-level workers in the interim.
- Ensuring federal Supplemental Nutrition Assistance Program (SNAP) payment accuracy targets are met for Alaska's Food Stamp Program and that the division remains competitive in pursuing national performance bonus awards.
- Implementing and sustaining new service delivery strategies, such as Families First!, for working with Temporary Assistance recipients who have significant and substantial barriers to employment.
- Improving performance outcomes despite pressure from growing caseloads, strained staff resources and demands of federal program accountability requirements.
- Implementing goals in the department's Early Childhood Comprehensive Systems Plan to ensure that families with financial needs will have access to quality child care and access to resources to help cover the cost of child care.
- Planning for and implementing changes in federal program policies, such as the provisions that will be included in the reauthorization of Temporary Assistance for Needy Families block grant, Child Nutrition Programs, and the Affordable Care Act (Health Care Reform).

### Significant Changes in Results to be Delivered in FY2012

- Exploration and testing of automated solutions to improve service delivery and administrative efficiency, such as use of the Eligibility Information System (EIS) for Heating Assistance programs, and incorporation of new technologies into procedures (electronic document imaging and graphical user interface software). This is one step in developing system alternatives and cost benefit analysis for replacement of the division's legacy EIS.
- Statewide implementation of new work process improvement strategies (LEAN) and new technologies (electronic document imaging) that improve service delivery and administrative efficiency.
- Implementation of recommendations from Eligibility Technician class study.

### Status Updates for Changes in Results to be Delivered in FY2011

- Exploration and testing of automated solutions to improve service delivery and administrative efficiency, such as use of the Eligibility Information System (EIS) for Heating Assistance programs, and incorporation of new technologies into procedures (electronic document imaging and graphical user interface software). This is one step in developing system alternatives and cost benefit analysis for replacement of the division's legacy EIS.

Status Update for FY2011: A professional service contract to identify and document core business requirements, assess the feasibility and costs of replacing EIS, and develop the federally required Advanced Planning Document (APD) to secure federal funding is being developed. The Planning Advanced Planning Documents (PAPD) for the planning phase of this project is also being prepared for federal approval. The PAPD and APD are used to secure federal support and funding for the federally funded program involved in this project such as Medicaid, Food Stamps, TANF and Child Care.

Status Update for FY2011: Implementation of Electronic Document Management (EDM) was postponed until 2011. It was necessary to re-start procurement efforts to purchase needed software and hardware. The pilot test in the division's Southeast Region, will begin as soon as the needed software and hardware is operating; the first phase of using graphical user interface software to modernize EIS is also expected to begin in FY2011.

Status Update for FY2011: Attempts to procure an implementation contract to transfer SPIRIT, a federally approved Women, Infants and Children (WIC) system, were unsuccessful in 2010. A new Request for Proposal for an implementation and a quality assurance contract are underway and will be solicited in

FY2011.

- Statewide implementation of new work process improvement strategies (LEAN) and new technologies (electronic document imaging) that improve service delivery and administrative efficiency.

Status Update for FY2011: Planning and design of LEAN work process improvements for the division's Southeast Region are underway, and scheduled to begin in December 2010 in the Northern Region and February 2011 in the Coastal Region.

- Conducting a study of the eligibility technician job class to promote hiring and retention of qualified individuals and strengthen the workforce.

Status Update for FY2011: The Eligibility Technician job class study was completed by the Department of Administration, Division of Personnel on June 30, 2010. The salary analysis based on the study resulted in range and step increase for approximately 60 eligibility workers, supervisors, and office manager positions. Current personal service allocations are insufficient to cover the salary changes which are needed to implement the study. The Governors FY2012 budget proposes an increment of \$700.0 to fully implement the salary changes resulting from the study.

- Establishing the new state-funded Alaska Affordable Heating Assistance Program.

Status Update for FY2011: Transitioned the Alaska Heating Assistance Program to the new Alaska Affordable Heating Program (AAHP) effective FY11. The AAHP connects heating assistance benefit levels to the average price per barrel of oil and will likely result in program funding levels to change from year to year to ensure payments are made at the level set forth in the new law.

- Implementing the department's Families First! collaboration with the Divisions of Juvenile Justice, Behavioral Health and the Office of Children's Services. The Families First! initiative provides comprehensive, integrated services to families in common to the divisions, and will result in better outcomes for families and will produce a range of programmatic, service, and administrative efficiencies.

- Status Update for FY2011: Training on Families First! principles and processes were delivered to community partners in Nome, Fairbanks, Sitka, Anchorage, Wasilla, and Kenai. Approximately 18 families with multiple and profound challenges to self-sufficiency are initially participating in the initiative.

- Increased participation of low-income working families in the Child Care Assistance Program.

Status update for FY 2011: New income qualifying standards for participation in the CCAP and family co-payment levels will go into effect November 1, 2010. These standards have not been adjusted since 2001. The division anticipates an increase in the number of families and children participating in the Child Care Assistance Program as a result of the new income qualifying standards.

- Increased collaboration and coordination with the Department of Education and Early Development concerning early childhood programs.

Status update for FY 2011: The Department of Health and Social Services (DHSS) continues to collaborate with the Department of Education and Early Development (DEED) on developing quality of care standards in centers and homes providing early care and learning services. DEED adopted regulations in February 2010 that amended health and safety standards for public and private pre-elementary schools and amended program requirements for public pre-elementary schools. DHSS, Child Care Program Office is currently collaborating and coordinating with DEED to have child care licensors begin conducting health and safety inspections of pre-elementary schools certified by DEED.

- Achieving federally mandated Food Stamp Accuracy Rate.

Status Update for FY2011: According to USDA, as of October 21, 2010, Alaska is ranked third in the nation for achieving the highest Food Stamp payment accuracy rate of .90% in FFY 10; well below the cumulative

national rate of 3.66%.

- Completing the second cycle of federally required Medicaid Payment Error Rate Measurement (PERM) eligibility and payment reviews and Child Care Assistance eligibility and payment authorization case reviews.

Status Update for FY2011: The next cycle of PERM and Child Care Improper Payment Reviews are scheduled in FY2011. Activities are underway to begin pulling the case review sample and completing the case reviews.

- Implementing a new Fraud Control Management system.

Status Update for FY2011: The contract for the new Fraud Case Management System was awarded and development of the new system began in FY2011.

## Major RDU Accomplishments in 2010

- Completed the analysis to support adjusting the Child Care Assistance Program income qualifying standards and the family co-payment (out of pocket) levels. These standards have not been adjusted since 2002. The changes take effect November 1, 2010 and are expected to allow for more low-income working families to be served.
- Alaska received three federal program performance bonus awards: \$295,630 was awarded by the United States Department of Agriculture (USDA) for having the Best Food Stamp Program Access during FFY09; Alaska was also awarded a performance bonus award of \$707,253 by the United States Department of Health & Human Services, Center for Medicare and Medicaid for increased enrollment in the Children's Health Insurance Program (Denali KidCare) during FFY 09; and \$75,515 was awarded to Alaska from USDA for an exceptional job promoting and supporting breastfeeding among mothers participating in WIC.
- Federally mandated Food Stamp accuracy rate for FFY2009 was attained and fiscal penalties avoided. As of October 21, 2010, with 3/4 of FFY10 quality reviews completed, Alaska is ranked third in the nation for achieving the highest Food Stamp payment accuracy rate of .90%; well below the cumulative national rate of 3.66%.
- New LEAN work processes were fully implemented in the division's Anchorage and Wasilla field offices that manage almost 60% of the state's public assistance workload. Work process changes have improved customer service, increased efficiency, and significantly reduced the length of time between receipt of applications and benefit issuances.
- Continued work with agency partners and community-based organizations to improve outreach to homeless populations and potentially eligible Food Stamp participants, including out-stationing staff to facilitate Medicaid enrollment and providing resources to help with the application process for other public assistance benefits.
- Provided technical assistance and ongoing support to Native Family Assistance Programs.

### Contact Information

**Contact:** Joe Hall, Budget Manager  
**Phone:** (907) 465-1629  
**Fax:** (907) 465-1850  
**E-mail:** joseph.hall@alaska.gov

**Public Assistance  
RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2010 Actuals				FY2011 Management Plan				FY2012 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
<b>Formula Expenditures</b>												
ATAP	15,662.4	1,556.6	8,300.4	25,519.4	14,973.6	2,010.0	10,175.9	27,159.5	14,973.6	2,010.0	10,175.9	27,159.5
Adult Public Assistance	51,174.9	4,063.0	1,102.7	56,340.6	52,788.4	4,063.0	1,030.0	57,881.4	54,038.4	4,063.0	2,030.0	60,131.4
Child Care Benefits	6,827.1	100.0	33,534.1	40,461.2	9,240.1	150.0	41,720.2	51,110.3	9,238.5	150.0	37,807.8	47,196.3
General Relief Assistance	1,760.9	0.0	0.0	1,760.9	1,655.4	0.0	0.0	1,655.4	1,905.4	0.0	0.0	1,905.4
Tribal Assistance Programs	12,049.6	492.5	0.0	12,542.1	13,960.3	884.7	0.0	14,845.0	13,960.3	884.7	0.0	14,845.0
Senior Benefits Payment Program	19,608.5	0.0	0.0	19,608.5	20,465.3	0.0	0.0	20,465.3	20,485.3	0.0	0.0	20,485.3
PFD Hold Harmless	13,584.7	0.0	0.0	13,584.7	13,584.7	0.0	0.0	13,584.7	16,284.7	0.0	0.0	16,284.7
<b>Non-Formula Expenditures</b>												
Energy Assistance Program	2,636.8	0.0	16,452.7	19,089.5	5,010.6	0.0	12,504.7	17,515.3	5,026.9	0.0	12,546.9	17,573.8
Public Assistance Admin	234.5	0.0	3,019.1	3,253.6	1,817.9	291.1	2,438.6	4,547.6	1,880.3	297.4	2,414.6	4,592.3
Public Assistance Field Svcs	19,525.3	431.8	15,392.3	35,349.4	17,412.0	741.3	19,330.8	37,484.1	18,408.9	770.3	20,291.6	39,470.8
Fraud Investigation	834.4	0.0	973.2	1,807.6	836.7	0.0	1,054.9	1,891.6	862.3	0.0	1,083.4	1,945.7
Quality Control	698.2	0.0	969.4	1,667.6	941.5	0.0	1,023.6	1,965.1	975.9	0.0	1,058.6	2,034.5
Work Services	3,492.1	0.0	10,141.1	13,633.2	2,884.9	0.0	13,095.1	15,980.0	2,892.4	0.0	13,142.8	16,035.2
Women, Infants and Children	57.9	4,264.6	24,998.5	29,321.0	399.4	4,513.7	26,916.2	31,829.3	399.7	4,924.7	23,515.0	28,839.4
<b>Totals</b>	<b>148,147.3</b>	<b>10,908.5</b>	<b>114,883.5</b>	<b>273,939.3</b>	<b>155,970.8</b>	<b>12,653.8</b>	<b>129,290.0</b>	<b>297,914.6</b>	<b>161,332.6</b>	<b>13,100.1</b>	<b>124,066.6</b>	<b>298,499.3</b>

**Public Assistance**  
**Summary of RDU Budget Changes by Component**  
**From FY2011 Management Plan to FY2012 Governor**

*All dollars shown in thousands*

	<u>Unrestricted</u> <u>Gen (UGF)</u>	<u>Designated</u> <u>Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal</u> <u>Funds</u>	<u>Total Funds</u>
<b>FY2011 Management Plan</b>	<b>142,218.1</b>	<b>13,752.7</b>	<b>12,653.8</b>	<b>129,290.0</b>	<b>297,914.6</b>
<b>Adjustments which will continue current level of service:</b>					
-Child Care Benefits	-1.6	0.0	0.0	-3,912.4	-3,914.0
-Senior Benefits Payment Program	20.0	0.0	0.0	0.0	20.0
-Energy Assistance Program	16.3	0.0	0.0	42.2	58.5
-Public Assistance Admin	62.4	0.0	6.3	-24.0	44.7
-Public Assistance Field Svcs	646.9	0.0	29.0	610.8	1,286.7
-Fraud Investigation	25.6	0.0	0.0	28.5	54.1
-Quality Control	34.4	0.0	0.0	35.0	69.4
-Work Services	7.5	0.0	0.0	47.7	55.2
-Women, Infants and Children	0.3	0.0	11.0	-3,401.2	-3,389.9
<b>Proposed budget increases:</b>					
-Adult Public Assistance	1,250.0	0.0	0.0	1,000.0	2,250.0
-General Relief Assistance	250.0	0.0	0.0	0.0	250.0
-PFD Hold Harmless	0.0	2,700.0	0.0	0.0	2,700.0
-Public Assistance Field Svcs	350.0	0.0	0.0	350.0	700.0
-Women, Infants and Children	0.0	0.0	400.0	0.0	400.0
<b>FY2012 Governor</b>	<b>144,879.9</b>	<b>16,452.7</b>	<b>13,100.1</b>	<b>124,066.6</b>	<b>298,499.3</b>