

State of Alaska FY2002 Governor's Operating Budget

Department of Health and Social Services
Public Assistance
Budget Request Unit

Public Assistance Budget Request Unit

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BRU Mission

The mission of the Division of Public Assistance is to provide basic living expenses and self-sufficiency services to Alaskans in need.

To meet this mission, the Division administers programs that provide temporary economic support to needy families and individuals, financial assistance to the elderly, blind and disabled, benefits to supplement nutrition, medical benefits, and supportive services that enable and encourage welfare recipients to pursue economic independence and self-sufficiency.

BRU Services Provided

The Public Assistance BRU provides cash, food and heating assistance to needy Alaskans. The major programs are Alaska Temporary Assistance (ATAP), Food Stamps, Adult Public Assistance (APA), General Relief Assistance, Heating Assistance, and Native Family Assistance. These programs provide an economic safety net for individuals and families that need help to support themselves and their children. Preventing dependency, promoting self-sufficiency and supporting clients toward obtaining employment and jobs capable of supporting a family is a major responsibility of the Division.

BRU Goals and Strategies

PROVIDE SAFETY NET AND SELF-SUFFICIENCY SERVICES FOR NEEDY FAMILIES AND PROVIDE BASIC NEEDS FOR POOR ELDERLY, BLIND AND DISABLED INDIVIDUALS.

- Provide assistance to needy families so they can care for their children in their own homes, providing the basic needs of shelter, home heating, clothing, transportation and food.
- 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 financial assistance to needy aged, blind, or disabled Alaskans to help them meet their basic needs, stay in their own homes and avoid costly institutional placements.
- Reduce the disproportionate burden of home heating costs on the poor.
- Provide access to food support and decrease the incidence of food insecurity among Alaskans.

Key BRU 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.
- Sustaining caseload reductions and program savings while protecting the well-being of children in needy families.
- The APA population is expected to follow the national trend and continue to grow. Continued APA funding will provide critical financial assistance and enable needy elderly, blind and disabled individuals to live with dignity within the community.
- July 2002 marks the first month families in Alaska will face the 60-month limit for receiving Temporary Assistance.

Major BRU Accomplishments for FY2000

- TANF caseload declined to 7,987 families. The average TA caseload was 34% below FY1997, the year before welfare reform was implemented.
- Expenditures for Temporary Assistance payments fell from \$75.0 million in FY1999 to \$63.9 million in FY2000. This 15% savings contributes to a 44% savings over the past three years. These savings are from reduced payments due to earnings and from case closures.
- 55% of Temporary Assistance adults are participating in work activities; 32% of the families have adults working in paying jobs.
- Alaska ranked 8th in the nation for the percentage of adults in unsubsidized employment and in the average number of hours for adults in unsubsidized employment. Only one state ranked higher in both of these critical measures of success.
- In FY2000, around \$4.7 million was provided to approximately 7,300 households under the Department of Health and Social Services' Heating Assistance Program (HAP). This included \$2.3 million in emergency Low Income Home Energy Assistance (LIHEAP) funds for high home heating costs.
- Improved service delivery to Adult Public Assistance recipients who are working or seeking employment.
- Provided funding and operational support for Tanana Chiefs Conference Native Family Assistance Program.

Key Performance Measures for FY2002

Measure: Welfare to Work - Welfare Caseload (Governor's Indicator)

(Not yet addressed by Legislature.)

Current Status:

Temporary Assistance for Needy Families (TANF) Caseload

The Average Monthly AFDC/TANF Caseloads by Fiscal Year FY1997 through FY2000 are as follows:

FY1997	12,096 AFDC families
FY1998	10,514 TANF
FY1999	9,191 TANF
FY2000	7,987 TANF

Three years of welfare reform in Alaska have brought some remarkable achievements. The average caseload for FY2000 was 34% below FY1997, the year before welfare reform was implemented. In FY2000 the average monthly number of TANF cases receiving cash assistance was 7,987 or 4,109 fewer cases than the FY1997 AFDC caseload level of 12,096.

Background and Strategies:

This indicator measures changes in the size of the AFDC caseload prior to July, 1997 and the Temporary Assistance for Needy Families (TANF) caseload after that date. The TANF caseload includes the Alaska Temporary Assistance Program and the Native Family Assistance Program begun by Tanana Chiefs Conference in October, 1998. Due to differences in reporting methods between the AFDC and the TANF programs, consistent and comparable numbers are not available for any levels lower than the division region level. Caseload data is available at the community and census area level for the Alaska Temporary Assistance Program beginning in October, 1997

Measure: Welfare - Savings to State (Governor's Indicator)*(Not yet addressed by Legislature.)***Current Status:**

Temporary Assistance for Needy Families (TANF) Cash Benefit Expenditures:

The Total AFDC/TANF Cash Benefit Expenditures by Fiscal Year FY1997 through FY2000 are as follows:

FY1997	\$115,204.5	AFDC
FY1998	\$ 90,903.0	TANF
FY1999	\$ 75,014.5	TANF
FY2000	\$ 63,948.8	TANF

Spending on welfare payments to recipients continues to decline. In FY2000 cash benefits expenditures declined to \$63.9 million, a 44% decline from the \$115.2 million spent in FY1997, the year before welfare reform took effect.

Background and Strategies:

This indicator measures the decline over recent years in the total cash benefit amount paid to families under the prior AFDC program and the TANF programs. It includes benefit expenditures paid by the Native Family Assistance Program. The measure reflects both caseload decline and the reduced monthly benefit amounts received by families due to increased earnings and other changes in policy. The difference in benefit expenditures between FY 1994 (AFDC) and FY 2000 (TANF) was \$58.6 million.

Some of the savings from reduced monthly benefit expenditures have allowed federal TANF dollars to be used for a variety of purposes which save state general fund dollars: Child Care, Head Start programs, and child protection services. Saved state and federal funds have also been reinvested into efforts to prepare more recipients for work.

Measure: Adult Public Assistance (APA) Caseload (Governor's Indicator)*(Not yet addressed by Legislature.)***Current Status:**

The Average Monthly APA Caseloads by Fiscal Year FY1996 through FY2000 are as follows:

FY1996	10,884 APA cases
FY1997	11,487
FY1998	11,990
FY1999	12,655
FY2000	13,312

The number of elderly and disabled Alaskans who rely on the APA program to meet basic needs has steadily increased, a trend that is expected to continue. The FY2000 average monthly APA caseload was 13,312 up 5.2% compared to FY1999.

Background and Strategies:

This indicator measures the growth in the Adult Public Assistance program which serves very needy elderly, blind and disabled Alaskans. The growth in this program mirrors conditions nationwide and can be attributed to a combination of earlier identification and treatment of disabilities, and increased longevity. The caseload size of the program is sustained by the long-term nature of the needs of these recipients.

Public Assistance

BRU Financial Summary by Component

All dollars in thousands

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
ATAP	37,414.4	18,288.7	5,111.2	60,814.3	37,417.2	22,375.3	6,320.3	66,112.8	27,542.0	18,136.7	4,437.7	50,116.4
Adult Public Assistance	46,153.0	690.8	3,214.4	50,058.2	48,599.6	934.0	3,437.3	52,970.9	50,434.7	734.0	3,522.3	54,691.0
General Relief Assistance	871.6	0.0	0.0	871.6	829.3	0.0	0.0	829.3	829.3	0.0	0.0	829.3
OAA-ALB Hold Harmless	2,198.2	0.0	0.0	2,198.2	2,100.3	0.0	0.0	2,100.3	1,860.0	0.0	0.0	1,860.0
PFD Hold Harmless	0.0	0.0	17,222.0	17,222.0	0.0	0.0	17,518.1	17,518.1	0.0	0.0	16,147.3	16,147.3
Tribal Assistance	2,108.7	0.0	296.5	2,405.2	2,108.7	0.0	296.5	2,405.2	6,783.9	0.0	907.8	7,691.7
Non-Formula Expenditures												
Energy Assistance Program	0.0	6,638.2	0.0	6,638.2	0.0	5,516.1	0.0	5,516.1	0.0	6,931.8	0.0	6,931.8
Totals	88,745.9	25,617.7	25,844.1	140,207.7	91,055.1	28,825.4	27,572.2	147,452.7	87,449.9	25,802.5	25,015.1	138,267.5

Public Assistance

Proposed Changes in Levels of Service for FY2002

The BRU changes are the net adjustment in formula funding reflecting the changes in projected public assistance program caseloads.

Spending on welfare payments is down over \$50 million compared to FY1997. Some of the savings from reduced ATAP monthly benefit expenditures have allowed federal TANF dollars to be used for a variety of purposes which save state general fund dollars in Child Care, Head Start programs, Domestic Violence and Child Protection services. Saved state and federal TANF funds have also been reinvested into efforts to prepare more recipients for work.

- ATAP caseloads continue to decline reducing ATAP projected formula need by over \$16.0 million.

In FY2002, a portion of the ATAP savings that would otherwise be needed for ATAP benefit payments will be reinvested to provide additional child care assistance services to families who will be better able to start work and stay working. The budget request also reinvests some of ATAP payments savings to further assist temporary assistance families to achieve self-sufficiency and implement new services that promote job retention and wage progression to help families stay working.

Funding for Native TANF program operation comes from the federal TANF block grant and is supplemented by state funds that would otherwise be spent to serve the same Native welfare recipients. The FY2002 budget request transfers an allocation of state funding for TANF to supplement the federal TANF funding for the operation of Native TANF in Alaska. The three organizations currently running program are Tanana Chiefs Conference (TCC) in the interior Doyon region, Central Council of Tlingit & Haida Indian Tribes of Alaska (T&H) in SE Alaska and the Association of Village Council Presidents in the YK Delta.

The FY2002 ATAP budget transfers \$4,171.7 state general fund to Division of Family and Youth Services components to sustain Child Protection Services that have been funded with federal TANF and TANF transfers to the Social Services Block Grant (SSBG). In FY2002, this transfer will refinance services supporting Adoption Assistance, Frontline Social Workers and the "Balloon Project" that were formerly funded by federal TANF.

- The number of elderly and disabled Alaskans who rely on the Adult Public Assistance (APA) program to meet basic needs has steadily increased - a trend that is expected to continue. The APA population is expected to grow at 4.7% resulting in a formula increase of \$1,835.1 general fund.
- PFD Hold Harmless formula need is reduced by \$1.4 million for the projected net decrease in public assistance caseloads

Public Assistance

Summary of BRU Budget Changes by Component

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	91,055.1	28,825.4	27,572.2	147,452.7
Adjustments which will continue current level of service:				
-ATAP	-8,846.9	-4,238.6	-611.3	-13,696.8
-Adult Public Assistance	240.3	0.0	0.0	240.3
-OAA-ALB Hold Harmless	-240.3	0.0	0.0	-240.3
-Energy Assistance Program	0.0	0.7	0.0	0.7

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
-Tribal Assistance	4,675.2	0.0	611.3	5,286.5
Proposed budget decreases:				
-ATAP	-1,028.3	0.0	-1,271.3	-2,299.6
-Adult Public Assistance	0.0	-200.0	0.0	-200.0
-PFD Hold Harmless	0.0	0.0	-1,370.8	-1,370.8
Proposed budget increases:				
-Adult Public Assistance	1,594.8	0.0	85.0	1,679.8
-Energy Assistance Program	0.0	1,415.0	0.0	1,415.0
FY2002 Governor	87,449.9	25,802.5	25,015.1	138,267.5