

State of Alaska FY2003 Governor's Operating Budget

Department of Health and Social Services Alaska Temporary Assistance Program Component Budget Summary

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 FY2002 – 2003

Sustaining and building on the success of Alaska's welfare reform efforts is a pivotal issue. Meeting the demand 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 FY2003.

To help meet these challenges the division will begin the implementation of improvements to the division's case management system recommended in a recent report by the American Institute for Full Employment and endorsed by the legislature. These changes will serve to:

- ◆ Promote a stronger employment focus in the up-front application process
- ◆ Improve and enforce performance standards for grantees and contractors
- ◆ Implement the use of standardized, strengths-based screening and assessment tools
- ◆

In FY2003 the division will also continue to:

- ◆ Invest in working families by expanding and enhancing services to improve job retention and advancement

- ◆ Move families with serious challenges to self-sufficiency off welfare prior to reaching time limits
- ◆ Support native family assistance programs
- ◆ Serve families living in communities with limited employment opportunities
- ◆ Sustain caseload reductions and program savings while protecting the well-being of children in needy families.
- ◆

Major Component Accomplishments in 2001

- Annual savings in welfare cash benefits reached over \$55 million. In FY01 cash benefit expenditures (including Native TANF) declined to \$59.5 million, a 48% 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 7,421 families, 39% reduction compared to FY97
- Increase in number of working recipients from 18% in FY 97 to 31% in FY01

Statutory and Regulatory Authority

AS 47.27.005 Alaska Temporary Assistance Program
7 AAC 45

**Alaska Temporary Assistance Program
Component Financial Summary**

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 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	52,225.2	50,116.4	47,142.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	52,225.2	50,116.4	47,142.0
Funding Sources:			
1002 Federal Receipts	12,297.3	18,136.7	16,734.4
1003 General Fund Match	35,591.9	27,542.0	27,171.7
1007 Inter-Agency Receipts	4,336.0	4,437.7	3,235.9
Funding Totals	52,225.2	50,116.4	47,142.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 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	12,297.3	18,136.7	18,136.7	16,734.4	16,399.7
Interagency Receipts	51015	4,336.0	4,437.7	4,437.7	3,235.9	3,171.2
Restricted Total		16,633.3	22,574.4	22,574.4	19,970.3	19,570.9
Total Estimated Revenues		16,633.3	22,574.4	22,574.4	19,970.3	19,570.9

Alaska Temporary Assistance Program

Proposed Changes in Levels of Service for FY2003

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 have helped to reduce the state's budget deficit. In FY2003, the ATAP formula budget is reduced further by \$2,974.4 compared to FY2002 Authorized.

In FY2003 continued ATAP benefit savings from caseload reductions are needed to sustain budgets for work services, child care and other services at the same level approved in FY2002. Sustained investment of benefit savings are also needed to fund enhanced services for working families and to help low-skilled welfare recipients into employment and self-sufficiency before their 60-month time limit runs out.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	27,542.0	18,136.7	4,437.7	50,116.4
Adjustments which will continue current level of service:				
-Transfer to Tribal Assistance component for Native TANF	-370.3	0.0	0.0	-370.3
Proposed budget decreases:				
-ATAP Formula Reduction of Caseloads	0.0	-1,402.3	-1,201.8	-2,604.1
FY2003 Governor	27,171.7	16,734.4	3,235.9	47,142.0