

# **State of Alaska FY2003 Governor's Operating Budget**

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

## Component: Adult Public Assistance

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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

The Adult Public Assistance Program (APA) provides financial assistance and access to medical care for 4,924 elderly and 10,232 disabled Alaskans. The program was created to supplement Social Security disability benefits and provides the recipient with the income support needed to remain as independent as possible in the community. To be eligible for APA, a low-income individual must be over 64 or at least 18 years of age, blind, or diagnosed by a physician as permanently disabled, chronically ill, or terminally ill. Applicants must also undergo a rigorous process to determine that their mental or physical limitations make them temporarily or permanently incapable of self-support through gainful employment. Each month benefits are issued to APA clients in an amount equal to the maximum supplemental payment scheduled less adjustment for any income the individual reports.

### Component Goals and Strategies

PROVIDE FINANCIAL ASSISTANCE TO NEEDY AGED, BLIND, OR DISABLED ALASKANS.

- ◆ Supplement federal Social Security benefits to provide income adequate to meet basic needs.
- ◆ Promote independence for aged and disabled Alaskans by offering the income support needed to avoid costly institutional placements.
- ◆ Assist individuals to access services that promote independence.

### Key Component Issues for FY2002 – 2003

The APA population is expected to continue to grow at 4.2% from 14,551 in FY2002 to 15,156 in FY2003. The reasons for this growth appear to be a combination of increased state population, improved medical technology and an aging "baby boom" cohort. Because some recipients experience permanent disabilities, they are likely to rely on the APA program for their entire adult lives. For this portion of the population, continued APA funding provides critical financial assistance enabling them to live with dignity in the community.

Within the APA population there are also individuals who, despite their disability, would like to work. However, lack of workplace accommodations, financial disincentives, and most notably, fear of the loss of Medicaid act as barriers to the goal of employment. Alaska has begun to address this problem by implementing the Working Disabled Medicaid option, which allows individuals whose earnings make them ineligible for traditional Medicaid to "buy-in" to the program by paying a premium. With this option many APA recipients can work, continue to receive critical health care, and contribute to their self-support.

The federal government has also addressed these issues with the passage of the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA). The Act established three grant programs designed to improve the capacity of State systems to support employment for people with disabilities. Alaska received these grants during FY 2001, a portion of which is being used to enhance services to APA recipients who wish to work. Four new positions have been established for the APA program – three Workforce Development Specialists who provide employment-focused case management, and one Training Specialist who specializes in training around disability issues. These positions, coupled with ongoing efforts to improve service delivery to working clients, are expanding the capacity of the APA program to promote employment and self-sufficiency.

DPA also continues to participate in the federally-funded Alaska Works Project, a five-year initiative designed to address

the major barriers that keep people with disabilities from success in the workplace. Working collaboratively with the Governor's Council on Disabilities and Special Education and a consortium of state service providers, the project has begun to establish a coordinated and innovative service delivery system, and to eliminate barriers that prevent Alaskans with physical and mental disabilities from becoming competitively employed.

### **Major Component Accomplishments in 2001**

- ◆ Development and implementation of new APA positions to support employment
- ◆ Utilization of enhanced systems to gather and analyze data on APA recipients and their service needs
- ◆ Ongoing participation in the Alaska Works Project
- ◆

### **Statutory and Regulatory Authority**

AS 47.25.430 - 615 Adult Public Assistance

**Adult Public Assistance  
Component Financial Summary**

*All dollars in thousands*

<b>Formula Program:</b>	<b>FY2001 Actuals</b>	<b>FY2002 Authorized</b>	<b>FY2003 Governor</b>
<b>Component Expenditures:</b>			
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	51,818.7	53,485.9	56,107.5
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>51,818.7</b>	<b>53,485.9</b>	<b>56,107.5</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	897.9	734.0	734.0
1004 General Fund Receipts	47,483.5	49,229.6	51,761.2
1007 Inter-Agency Receipts	3,437.3	3,522.3	3,612.3
<b>Funding Totals</b>	<b>51,818.7</b>	<b>53,485.9</b>	<b>56,107.5</b>

**Estimated Revenue Collections**

<b>Description</b>	<b>Master Revenue Account</b>	<b>FY2001 Actuals</b>	<b>FY2002 Authorized</b>	<b>FY2002 Cash Estimate</b>	<b>FY2003 Governor</b>	<b>FY2004 Forecast</b>
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	897.9	734.0	734.0	734.0	734.0
Interagency Receipts	51015	3,437.3	3,522.3	3,522.3	3,612.3	3,645.0
<b>Restricted Total</b>		<b>4,335.2</b>	<b>4,256.3</b>	<b>4,256.3</b>	<b>4,346.3</b>	<b>4,379.0</b>
<b>Total Estimated Revenues</b>		<b>4,335.2</b>	<b>4,256.3</b>	<b>4,256.3</b>	<b>4,346.3</b>	<b>4,379.0</b>

**Adult Public Assistance**

**Proposed Changes in Levels of Service for FY2003**

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 4.2% resulting in a formula increase of \$2,531.6 general fund compared to FY2002 Authorized.

**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>
<b>FY2002 Authorized</b>	<b>49,229.6</b>	<b>734.0</b>	<b>3,522.3</b>	<b>53,485.9</b>
<b>Proposed budget increases:</b>				
-Adult Public Assistance Caseload Increase	2,531.6	0.0	90.0	2,621.6
<b>FY2003 Governor</b>	<b>51,761.2</b>	<b>734.0</b>	<b>3,612.3</b>	<b>56,107.5</b>