

# **State of Alaska FY2007 Governor's Operating Budget**

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

## Component: Adult Public Assistance

### Contribution to Department's Mission

Provide financial assistance for basic living expenses to needy elderly, blind or disabled individuals

### Core Services

- In FY07, the Adult Public Assistance Program (APA) will provide financial assistance and access to medical care for 5,093 elderly and 10,874 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 or terminally ill.
- 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.

### FY2007 Resources Allocated to Achieve Results

<b>FY2007 Component Budget: \$57,731,400</b>	<b>Personnel:</b>	
	Full time	0
	Part time	0
	<b>Total</b>	<b>0</b>

### Key Component Challenges

- The APA population is expected to continue to grow. This growth appears to be a combination of increased state population, improved medical technology, and an aging "baby boom" cohort. Some recipients experience permanent disabilities and are likely to rely on the APA program for their entire adult lives. Continued APA funding provides critical financial assistance enabling them to live with dignity in the community.
- The medical review policy implemented in FY04 to control the growth of the Interim Assistance (IA) caseload by approving payment to applicant's likely to meet the Social Security disability criteria is currently being litigated. The court order to rescind the medical review policy in September 2005 and a pending class-action suit to retroactively pay benefits to affected IA applicants could result in further caseload growth and the need for an increase in FY07 program expenditures.
- Within the APA population there are some 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. Implementing the Working Disabled Medicaid option allows individuals whose earnings make them ineligible for traditional Medicaid to "buy-in" to the program by paying a premium.
- Enhanced services to APA recipients, who wish to work, 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 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. The project relies on a coordinated and innovative service delivery system that eliminates barriers preventing Alaskans with physical and mental disabilities from becoming employed.

### Significant Changes in Results to be Delivered in FY2007

- The number of elderly and disabled Alaskans who rely on the Adult Public Assistance (APA) program to meet basic needs continues to grow - but at a lower rate of increase. FY04/05 program changes helped reduce the rate of APA caseload and expenditure growth. The APA population is expected to grow at 3.2% in FY06 and 3.1% in FY07.

### Major Component Accomplishments in 2005

- Ongoing participation in the Alaska Works Project, the “Customized Employment Grant” in partnership with the Division of Vocational Rehabilitation, and other state initiatives aimed at helping persons with disabilities go to work.
- As a result of obtained employment, 223 APA households are determined ineligible for APA, and are receiving Medicaid coverage through the Working Disabled Medicaid Buy-In program.

### Statutory and Regulatory Authority

AS 47.25.430 - 615 Adult Public Assistance  
7 AAC 40

#### Contact Information

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**Adult Public Assistance  
Component Financial Summary**

*All dollars shown in thousands*

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	182.7	114.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	54,560.4	57,731.4	57,731.4
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>54,743.1</b>	<b>57,845.4</b>	<b>57,731.4</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	1,310.8	1,030.0	1,030.0
1004 General Fund Receipts	49,640.0	52,952.4	52,838.4
1007 Inter-Agency Receipts	3,792.3	3,863.0	3,863.0
<b>Funding Totals</b>	<b>54,743.1</b>	<b>57,845.4</b>	<b>57,731.4</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	1,310.8	1,030.0	1,030.0
Interagency Receipts	51015	3,792.3	3,863.0	3,863.0
<b>Restricted Total</b>		<b>5,103.1</b>	<b>4,893.0</b>	<b>4,893.0</b>
<b>Total Estimated Revenues</b>		<b>5,103.1</b>	<b>4,893.0</b>	<b>4,893.0</b>

**Summary of Component Budget Changes  
From FY2006 Management Plan to FY2007 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>52,952.4</b>	<b>1,030.0</b>	<b>3,863.0</b>	<b>57,845.4</b>
<b>Adjustments which will continue current level of service:</b>				
-Funding for PCN 02-7625 from Adult Public Assistance to PA Administration	-114.0	0.0	0.0	-114.0
<b>FY2007 Governor</b>	<b>52,838.4</b>	<b>1,030.0</b>	<b>3,863.0</b>	<b>57,731.4</b>