

## Alabama Department of Human Resources

### Fact Sheet Regarding ARRA Funds

#### Food Assistance

Monthly benefits paid to qualified recipients via EBT cards increased approximately 13.6 % beginning with the April 1 allotment. Ex: If a family was receiving \$250 each month in food assistance benefits, their benefit increased to \$284 per month on April 1, 2009.

- Based on January, 2009 benefits paid, this will mean a total increase of approximately \$9.3 million per month, for a total of \$248.4 million dollars over the entire 27 months (this will increase Alabama's monthly total benefits in the SNAP program to \$77.2 million).
- This adjustment was done through a mass change in automated systems. Recipients were not required to take any action to receive the increased benefit.
- These funds will be drawn down through the federal system as recipients use their benefits.
- We expect to receive an additional \$2.5 million in FY2009 and in FY2010 for administrative costs of the program.
  - These additional administrative funds will be used for one-time expenditures that will provide long-term benefits to the program.
  - This money can be drawn from USDA after DHR expends it on the SNAP program.

Program Lead: Mary Lois Monroe

#### Temporary Assistance to Needy Families (TANF)

- TANF Emergency Fund
  - We anticipate receiving a small amount of the Emergency Fund for the TANF program for increases in cash welfare caseloads or benefits increases as compared to prior quarters in FY 2007 and FY 2008.
  - DHR may access Emergency Funds if we increase subsidized employment as compared to prior quarters in FY 2007 and FY 2008. Only a portion subsidized employment expenditure are reimbursed so this would still be an increased expenditure for DHR.
  - DHR is currently working on implementation of pilot subsidized employment programs in Dallas, Houston, Jefferson, Madison, Mobile, Montgomery, and Tuscaloosa Counties.
- The ARRA extends the supplemental grants to 17 states, including Alabama, that were scheduled to expire in FY 2009. Alabama's portion of this supplemental grant is \$11.1 million.
  - DHR will be authorized to draw this money as it is spent on TANF eligible expenses.
  - We anticipated our TANF reserve to be depleted early in FY2010 and with the additional \$11.1 million, it will now go into the later months of FY2010, but we still anticipate depleting the reserve during FY2010.

Program Lead: Terrie Reid

#### Child Care (CCDBG)

- DHR could potentially receive \$38.5 over the two years.
  - \$33.4 million can be used for direct subsidy slots, \$3.2 million must be used for quality activities and \$1.8 million must be spent for infant/toddler quality initiatives.
  - The money will be spent for subsidized child care slots and quality activities as required and will be drawn down from the federal agency as we spend it.
  - The ARRA states that these funds must be used to supplement, not supplant, state general revenues for child day care.
    - The original FY2009 Operations Plan for Child Day Care had a \$6.0 million decrease in state funds from the FY2008 level. Proration in the Education Trust Fund reduced it an additional \$1.4 million.
    - We will have to show that the state funds currently being spent in the Child Day Care program are at least equal to what they were at the time of ARRA enactment.

Program Lead: Jeanetta Green

#### Child Support Enforcement

- The ARRA temporarily restores the ability for states to use performance incentive funds to match federal IV-D funds. Prior to the ARRA, we had to spend incentive funds before drawing any additional federal funds for the program. Now, we can draw federal funds as we spend them in the program and show the incentive funds as state expenditures. These funds must be used in the Child Support Enforcement Program.
  - In order to maximize the effect of this provision, Alabama would have to increase the current state spending in the IV-D program, using the anticipated \$4 million incentive to draw \$8 million federal funds, which would increase the total spending in the program by \$12 million each year.
  - Currently Alabama DHR spends \$23 million state funds annually in the Child Support Enforcement Program and could draw \$2.6 million additional federal funds each year if that remains level, but if we increase state spending in the program by \$4 million, we could draw \$8 million additional each year to be spent in the program.
  - Action Transmittal AT-09-02 does not mention supplantation.
  - Recent guidance also states that we may use the incentive match in lieu of other state funds, which was \$660,000 for the first quarter of FY2009.
  - These federal funds are drawn as we certify expenditures in the program.

Program Lead: Faye Nelson

#### Foster Care and Adoption IV-E Assistance

- The ARRA temporarily increases the federal match rate on payments for adoption subsidy and foster care board payments for eligible children.
  - We draw these funds from the federal system after we certify the funds were expended for services to eligible child welfare clients.
  - Current estimate is that our IV-E revenue for the child welfare program will increase \$1.2 million in FY 2009, \$1.4 million in FY2010 and \$.3 million for the first quarter of FY2011.

Program Lead: Nancy Schlich

#### Medicaid

- ARRA reduces the state match required to claim Medicaid reimbursement for eligible services to children. Child Welfare workers provide and/or authorize Medicaid eligible services. DHR provides the state match for Medicaid to draw federal funds and Medicaid then transfers the funds to DHR.
  - This could save DHR as much as \$8.5 million in FY2009, \$7.3 million in FY2010 and \$1.8 million in FY 2011.
  - Under Act 2009-512, DHR's General Fund appropriation for FY09 has been reduced by estimated savings in this area.
- ARRA extends the Targeted Case Management program 3 additional months to June 30, 2009. This will mean approximately \$8.5 million in additional revenue. DHR provides the match for these funds, so the net effect will be either \$5.7 million or \$6.3 million.
  - Child Protective Service and Adult Protective Service workers complete activities that allow DHR to claim TCM funds on a case by case and month by month basis.
  - Recent revisions to CMS regulations removed the provisions that would have ended TCM on June 30, therefore, TCM claiming will continue after the ARRA extension has passed.

Program Lead: Nancy Schlich