



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

DIVISION OF PUBLIC ASSISTANCE
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February 1, 2016

The Honorable Bert Stedman
Chair, Senate Health and Social Services Committee
Room 30
Alaska State Capitol
Juneau, AK 99801

Senate Health and Social Services Committee,

I appreciated the opportunity to testify to the committee about SB 145 on Wednesday, January 27, 2016. This letter will respond to the question posed by the committee members during the hearing:

1. Senator Stoltze asked how overpayments are created.

Response: Overpayments of day care assistance can occur when the family does not report a change in circumstances in a timely manner. The most common occurrence is the absent parent returning to the home. Day care assistance cases are reviewed every six months. At that time all income and household information is re-verified. A failure to report a change is normally discovered during this review. An overpayment of a child care grant can occur when a provider receives a grant to pay for a specific item and uses it for something else.

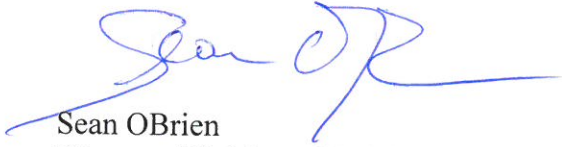
2. Senator Stoltze asked how funds related to overpayments for this program are returned to the federal agency.

Response: The Child Care overpayment collections are currently being received as an offset to current year expenditures, thereby reducing the current year subsidy expenditures. The amounts being received presently are not significant enough to present any financial impacts to the program. The ability to collect garnishments from the Permanent Fund Dividend requires the division to have a fund source authorization in the budget in order to receive it.

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We appreciate the opportunity to respond to these questions, if you need additional information related to these bills, please let me know.

Sincerely,



Sean O'Brien
Director, Division of Public Assistance

Cc: Valerie Davidson, Commissioner, Division of Public Assistance
Darwin Peterson, Legislative Director, Office of the Governor