

State of Alaska FY2013 Governor's Operating Budget

Department of Health and Social Services Permanent Fund Dividend Hold Harmless Component Budget Summary

Component: Permanent Fund Dividend Hold Harmless

Contribution to Department's Mission

No mission statement.

Core Services

- Provide payments to replace Alaska Temporary Assistance, Adult Public Assistance, Supplemental Security Income, and Food Stamp benefits for individuals who would lose eligibility or whose benefits would be reduced if they received a Permanent Fund Dividend.

Key Component Challenges

As public assistance caseloads increase, there is an increased need for PFD Hold Harmless payments required by state law. The law provides that recipients of public assistance programs would not lose benefits due to receipt of the Alaska Permanent Fund Dividend.

The SSI and APA programs have grown by 5% in the last year. The Food Stamp program caseload has grown over 14% in the past year, and a total of 74% in the past five years. Continued growth is anticipated for these programs.

Significant Changes in Results to be Delivered in FY2013

- Current levels of funding are insufficient to cover the amount of hold harmless payments required due to the growth of the SSI, Food Stamp, and the Adult Public Assistance programs. The Governor's FY2013 budget includes an increment of \$540.0 to meet the projected formula need.

Major Component Accomplishments in 2011

- Updated and refined the automated process used to provide hold harmless benefits to food stamp households based on changes in Department of Revenue systems which helps to reduce the case work burden. The process uses computer generated data from the Department of Revenue about households that are eligible for permanent fund dividend hold harmless benefits.

Statutory and Regulatory Authority

AS 43.23.075 Eligibility for Public Assistance
AS 43.23.085 Eligibility for State Programs
7 AAC 38 Permanent Fund Dividend Distribution

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**Permanent Fund Dividend Hold Harmless
Component Financial Summary**

All dollars shown in thousands

	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	435.0	435.0	639.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	15,679.1	15,849.7	16,185.7
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	16,114.1	16,284.7	16,824.7
Funding Sources:			
1050 Permanent Fund Dividend Fund	16,114.1	16,284.7	16,824.7
Funding Totals	16,114.1	16,284.7	16,824.7

**Summary of Component Budget Changes
From FY2012 Management Plan to FY2013 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2012 Management Plan	0.0	16,284.7	0.0	0.0	16,284.7
Proposed budget increases:					
-Hold Harmless Program Authority Increase Due to Public Assistance Caseload Growth	0.0	540.0	0.0	0.0	540.0
FY2013 Governor	0.0	16,824.7	0.0	0.0	16,824.7

Component Detail All Funds
Department of Health and Social Services

Component: Permanent Fund Dividend Hold Harmless (225)
RDU: Public Assistance (73)

	FY2011 Actuals	FY2012 Conference Committee	FY2012 Authorized	FY2012 Management Plan	FY2013 Governor	FY2012 Management Plan vs FY2013 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	435.0	435.0	435.0	435.0	639.0	204.0	46.9%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	15,679.1	15,849.7	15,849.7	15,849.7	16,185.7	336.0	2.1%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	16,114.1	16,284.7	16,284.7	16,284.7	16,824.7	540.0	3.3%
Fund Sources:							
1050 PFD Fund (DGF)	16,114.1	16,284.7	16,284.7	16,284.7	16,824.7	540.0	3.3%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	16,114.1	16,284.7	16,284.7	16,284.7	16,824.7	540.0	3.3%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Health and Social Services

Component: Permanent Fund Dividend Hold Harmless (225)

RDU: Public Assistance (73)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2012 Conference Committee To FY2012 Authorized *****												
FY2012 Conference Committee												
ConfCom		16,284.7	0.0	0.0	435.0	0.0	0.0	15,849.7	0.0	0	0	0
1050 PFD Fund		16,284.7										
Subtotal		16,284.7	0.0	0.0	435.0	0.0	0.0	15,849.7	0.0	0	0	0
***** Changes From FY2012 Authorized To FY2012 Management Plan *****												
Subtotal		16,284.7	0.0	0.0	435.0	0.0	0.0	15,849.7	0.0	0	0	0
***** Changes From FY2012 Management Plan To FY2013 Governor *****												
Hold Harmless Program Authority Increase Due to Public Assistance Caseload Growth												
Inc		540.0	0.0	0.0	204.0	0.0	0.0	336.0	0.0	0	0	0
1050 PFD Fund		540.0										
Totals		16,824.7	0.0	0.0	639.0	0.0	0.0	16,185.7	0.0	0	0	0

As the public assistance caseload grows, there is increased need for PFD Hold Harmless payments required by state law. The law mandates that recipients of public assistance programs not lose benefits due to receipt of the Alaska Permanent Fund Dividend. Current funding is not sufficient to cover the amount of hold harmless payments required due to the growth of the Supplemental Security Income (SSI), Food Stamp, and the Adult Public Assistance (APA) programs. The SSI and APA programs have grown by over 4% in recent years, and this trend is expected to continue. The Food Stamp program caseload grew over 16% between FY2010 and FY2011 and we expect the program to continue to grow at a rate of 16% in FY2012.

If funding is not increased, there will not be sufficient funds for the PFD Hold Harmless program and general funds will need to be used to meet the state requirement.

Line Item Detail
Department of Health and Social Services
Services

Component: Permanent Fund Dividend Hold Harmless (225)
RDU: Public Assistance (73)

Line Number	Line Name			FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000	Services			435.0	435.0	639.0
Expenditure Account	Servicing Agency	Explanation		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000 Services Detail Totals				435.0	435.0	639.0
73979	Mgmt/Consulting (IA Svcs)	H&SS	RSA with the Division of Public Assistance (PA), PA Field Services component for administration and case maintenance required to operate the Permanent Fund Dividend Hold Harmless program.	435.0	435.0	639.0

Line Item Detail
Department of Health and Social Services
Grants, Benefits

Component: Permanent Fund Dividend Hold Harmless (225)
RDU: Public Assistance (73)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
77000	Grants, Benefits		15,679.1	15,849.7	16,185.7
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
77000 Grants, Benefits Detail Totals			15,679.1	15,849.7	16,185.7
77670	Benefits	SSI - Social Security and the Division of Public Assistance have entered into a written agreement, which operates as follows: The SSI program has a current need standard of \$579. Under SSI rules, as long as the Dividend exceeds \$579, each recipient keeps SSI eligibility through the month of receipt of the Dividend, but suffers an overpayment for that month. SSI establishes a recovery of that overpayment, drawing \$564 in full repayment from an account into which Public Assistance has deposited Hold Harmless state funds. This guarantees no service level disruption in Social Security Administration's Alaskan offices.	15,679.1	4,750.5	4,921.9
77670	Benefits	H&SS RSA with the Division of Public Assistance, Adult Public Assistance (APA) component for the APA state Supplemental overpayment resulting from Dividend receipt and "recovers" this State payment with hold harmless funds. (FY11 totals were 15,541 Hold Harmless APA cases at a \$274 average payment.)	0.0	4,390.0	4,431.9
77670	Benefits	The Food Stamp Program defines Dividend payments in such a way that eligibility for food stamps is lost for the month in which applicant households receive their permanent fund dividend (PFD). PFD Hold Harmless/Food Stamp replaces 100% federal participation.	0.0	4,310.7	4,230.0
77670	Benefits	H&SS RSA with the Division of Public Assistance Alaska Temporary Assistance Program (ATAP) and Tribal Assistance for program hold harmless.	0.0	1,705.0	1,874.1
77670	Benefits	H&SS RSA with the Division of Public Assistance, Native Family Assistance Programs (NFAP) - Tribal Assistance component overpayment resulting from Dividend receipt	0.0	693.5	727.8

Line Item Detail
Department of Health and Social Services
Grants, Benefits

Component: Permanent Fund Dividend Hold Harmless (225)

RDU: Public Assistance (73)

Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
77000 Grants, Benefits Detail Totals			15,679.1	15,849.7	16,185.7

replaces with hold harmless funds.
 RSA with the Division of Public Assistance, Native
 Family Assistance Programs (NFAP) - Tribal Assistance
 component overpayment resulting from Dividend receipt
 replaces with hold harmless funds.

Inter-Agency Services
Department of Health and Social Services

Component: Permanent Fund Dividend Hold Harmless (225)
RDU: Public Assistance (73)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2011 Actuals	FY2012	
					Management Plan	FY2013 Governor
73979	Mgmt/Consulting (IA Svcs) RSA with the Division of Public Assistance (PA), PA Field Services component for administration and case maintenance required to operate the Permanent Fund Dividend Hold Harmless program.	Intra-dept	H&SS	435.0	435.0	639.0
73979 Mgmt/Consulting (IA Svcs) subtotal:				435.0	435.0	639.0
77670	Benefits RSA with the Division of Public Assistance, Adult Public Assistance (APA) component for the APA state Supplemental overpayment resulting from Dividend receipt and "recovers" this State payment with hold harmless funds. (FY11 totals were 15,541 Hold Harmless APA cases at a \$274 average payment.)	Intra-dept	H&SS	0.0	4,390.0	4,431.9
77670	Benefits RSA with the Division of Public Assistance Alaska Temporary Assistance Program (ATAP) and Tribal Assistance for program hold harmless.	Intra-dept	H&SS	0.0	1,705.0	1,874.1
77670	Benefits RSA with the Division of Public Assistance, Native Family Assistance Programs (NFAP) - Tribal Assistance component overpayment resulting from Dividend receipt replaces with hold harmless funds. RSA with the Division of Public Assistance, Native Family Assistance Programs (NFAP) - Tribal Assistance component overpayment resulting from Dividend receipt replaces with hold harmless funds.	Intra-dept	H&SS	0.0	693.5	727.8
77670 Benefits subtotal:				0.0	6,788.5	7,033.8
Permanent Fund Dividend Hold Harmless total:				435.0	7,223.5	7,672.8
Grand Total:				435.0	7,223.5	7,672.8