

State of Alaska FY2015 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**

This component supports public assistance programs that strengthen Alaska's families

Core Services

- Provide payments that 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.

Major Component Accomplishments in 2013

Following applicable state law and regulations, hold eligible household harmless from benefit reductions due to the receipt of Permanent Fund Dividends.

Key Component Challenges

As public assistance caseloads increase, there is an increased need for Permanent Fund Dividend 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 Adult Public Assistance program has grown by 3.7% in the last year. The Food Stamp program caseload has grown almost 10% since FY2011, while the Temporary Assistance Program caseload grew by 5.1%. Enrollment in the Food Stamp and Temporary Assistance programs fluctuates in response to changes in the local and regional economies. However, demographics drive enrollment in Adult Public Assistance and significant continued growth is anticipated for this program.

Significant Changes in Results to be Delivered in FY2015

No significant changes in results to be delivered in FY2015.

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

Contact Information

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

All dollars shown in thousands

	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	639.0	639.0	639.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	15,100.4	16,835.7	17,085.7
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	15,739.4	17,474.7	17,724.7
Funding Sources:			
1050 Permanent Fund Dividend Fund	15,739.4	17,474.7	17,724.7
Funding Totals	15,739.4	17,474.7	17,724.7

**Summary of Component Budget Changes
From FY2014 Management Plan to FY2015 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>
FY2014 Management Plan	0.0	17,474.7	0.0	0.0	17,474.7
Proposed budget increases:					
-Permanent Fund Dividend Hold Harmless Program Growth	0.0	250.0	0.0	0.0	250.0
FY2015 Governor	0.0	17,724.7	0.0	0.0	17,724.7

Component Detail All Funds
Department of Health and Social Services

Component: Permanent Fund Dividend Hold Harmless (AR23485) (225)
RDU: Public Assistance (73)

	FY2013 Actuals	FY2014 Conference Committee	FY2014 Authorized	FY2014 Management Plan	FY2015 Governor	FY2014 Management Plan vs FY2015 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	639.0	639.0	639.0	639.0	639.0	0.0	0.0%
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	15,100.4	16,835.7	16,835.7	16,835.7	17,085.7	250.0	1.5%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	15,739.4	17,474.7	17,474.7	17,474.7	17,724.7	250.0	1.4%
Fund Sources:							
1050PFD Fund (DGF)	15,739.4	17,474.7	17,474.7	17,474.7	17,724.7	250.0	1.4%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	15,739.4	17,474.7	17,474.7	17,474.7	17,724.7	250.0	1.4%
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 FY2014 Conference Committee To FY2014 Authorized *****												
FY2014 Conference Committee												
ConfCom		17,474.7	0.0	0.0	639.0	0.0	0.0	16,835.7	0.0	0	0	0
1050 PFD Fund		17,474.7										
Subtotal		17,474.7	0.0	0.0	639.0	0.0	0.0	16,835.7	0.0	0	0	0
***** Changes From FY2014 Authorized To FY2014 Management Plan *****												
Subtotal		17,474.7	0.0	0.0	639.0	0.0	0.0	16,835.7	0.0	0	0	0
***** Changes From FY2014 Management Plan To FY2015 Governor *****												
Permanent Fund Dividend Hold Harmless Program Growth												
Inc		250.0	0.0	0.0	0.0	0.0	0.0	250.0	0.0	0	0	0
1050 PFD Fund		250.0										
Totals		17,724.7	0.0	0.0	639.0	0.0	0.0	17,085.7	0.0	0	0	0

Increase Permanent Fund Dividend receipt authority by \$250.0 in order to meet the projected need in FY2015. As the public assistance caseload grows, there is an increased need for Permanent Fund Dividend 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 needed to address the growth in Supplemental Security Income (SSI), Food Stamp, Tribal Assistance, and the Adult Public Assistance (APA) programs. The Food Stamp program caseload grew over three percent between FY2012 and FY2013 and the program is projected to continue to grow at a similar rate in FY2014. Continued growth in the Adult Public Assistance program, which increased by six percent between FY2012 and FY2013, is anticipated.

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			FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
73000	Services			639.0	639.0	639.0
Expenditure Account	Servicing Agency	Explanation		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
73000 Services Detail Totals				639.0	639.0	639.0
73979	Mgmt/Consulting (IA Svcs)			639.0	0.0	0.0
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.	0.0	639.0	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		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
77000	Grants, Benefits		15,100.4	16,835.7	17,085.7
Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
77000 Grants, Benefits Detail Totals			15,100.4	16,835.7	17,085.7
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.	15,100.4	5,176.7	5,821.9
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	4,442.4	4,179.9
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	3,782.9	4,482.0
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	2,705.9	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 replaces with hold harmless funds.	0.0	727.8	727.8

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	FY2013 Actuals	FY2014	
					Management Plan	FY2015 Governor
73979	Mgmt/Consulting (IA Svcs)	Inter-dept		639.0	0.0	0.0
73979	Mgmt/Consulting (IA Svcs)	Intra-dept	H&SS	0.0	639.0	639.0
	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.					
		73979 Mgmt/Consulting (IA Svcs) subtotal:		639.0	639.0	639.0
77670	Benefits	Intra-dept	H&SS	0.0	4,442.4	4,179.9
	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.)					
77670	Benefits	Intra-dept	H&SS	0.0	2,705.9	1,874.1
	RSA with the Division of Public Assistance Alaska Temporary Assistance Program (ATAP) and Tribal Assistance for program hold harmless.					
77670	Benefits	Intra-dept	H&SS	0.0	727.8	727.8
	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.					
		77670 Benefits subtotal:		0.0	7,876.1	6,781.8
		Permanent Fund Dividend Hold Harmless total:		639.0	8,515.1	7,420.8
		Grand Total:		639.0	8,515.1	7,420.8