

State of Alaska FY2003 Governor's Operating Budget

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

Component: Permanent Fund Dividend Hold Harmless

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Component Mission

The mission of the Division of Public Assistance is to provide basic living expenses and self-sufficiency services to Alaskans in need.

Component Services Provided

PFD Hold Harmless payments replace public assistance program benefits when receiving the Permanent Fund Dividend causes individuals to lose eligibility or to have benefits reduced.

Component Goals and Strategies

PROTECT NEEDY ELDERLY, DISABLED AND LOW-INCOME ALASKAN FAMILIES FROM LOSING PUBLIC ASSISTANCE AND MEDICAL BENEFITS DUE TO RECEIPT OF A PERMANENT FUND DIVIDEND.

- Allow public assistance recipients to receive and utilize their PFD to promote self-sufficiency without risking the loss of assistance with basic living expenses and medical needs.

- Replace the amount of cash and medical benefits Adult Public Assistance, Temporary Assistance, Food Stamp and Medicaid recipients would otherwise lose when their benefits decrease or end because of counting the Permanent Fund Dividend as income.

Key Component Issues for FY2002 – 2003

None

Major Component Accomplishments in 2001

Over \$500.0 savings in PFD-HH expenditures due to Temporary Assistance program caseload reductions.

Statutory and Regulatory Authority

AS 43.23.075 and AS 43.23.085
7 AAC 38

Permanent Fund Dividend Hold Harmless
Component Financial Summary

All dollars in thousands

Formula Program:	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	481.7	481.7	455.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	15,054.3	15,665.6	12,552.9
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	15,536.0	16,147.3	13,007.9
Funding Sources:			
1050 Permanent Fund Dividend Fund	15,536.0	16,147.3	13,007.9
Funding Totals	15,536.0	16,147.3	13,007.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Permanent Fund Dividend Fund	51160	15,536.0	16,147.3	14,900.0	13,007.9	13,007.9
Restricted Total		15,536.0	16,147.3	14,900.0	13,007.9	13,007.9
Total Estimated Revenues		15,536.0	16,147.3	14,900.0	13,007.9	13,007.9

Permanent Fund Dividend Hold Harmless

Proposed Changes in Levels of Service for FY2003

The PFD Hold Harmless request includes a reduction of \$3.1 million for the projected decrease in public assistance caseload and FY2002 changes in budgeting method that impact hold harmless for food stamps.

New rules of "prospective" budgeting permit us to "disregard" (not count) the dividend for many food stamp cases. Hence, fewer households will not get hold harmless benefits because they will now remain eligible for food stamps.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	0.0	0.0	16,147.3	16,147.3
Proposed budget decreases:				
-Formula Caseload Reduction	0.0	0.0	-3,139.4	-3,139.4
FY2003 Governor	0.0	0.0	13,007.9	13,007.9