

State of Alaska FY2007 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

The Permanent Fund Dividend Hold Harmless (PFDHH) component was established in law in 1982 to protect needy elderly, disabled and low-income Alaskan families from losing public assistance and medical benefits due to receipt of a permanent fund dividend.

Core Services

PFD Hold Harmless payments replace Alaska Temporary Assistance Program, Adult Public Assistance, Supplemental Security Income, and Food Stamp benefits when receiving the Permanent Fund Dividend causes individuals to lose eligibility or to have benefits reduced.

| FY2007 Resources Allocated to Achieve Results | | |
|---|-------------------|----------|
| FY2007 Component Budget: \$12,884,700 | Personnel: | |
| | Full time | 0 |
| | Part time | 0 |
| | Total | 0 |

Key Component Challenges

None

Significant Changes in Results to be Delivered in FY2007

No major change in service is anticipated.

Major Component Accomplishments in 2005

- The process used to provide hold harmless benefits to food stamp households has continued to be automated to help reduce case work burden. The process includes a computer match with the Department of Revenue to identify households that are eligible for permanent fund dividend hold harmless benefits.
- A policy change in the way the PFD is counted in the federal Food Stamp program resulted in fewer households losing eligibility for food stamps. More food stamp cases remained eligible for the federally financed food stamp benefit. Fewer cases were placed in hold harmless status, reducing state funded hold harmless benefits by about \$3.0 million in FY05.

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

| | FY2005 Actuals | FY2006 Management Plan | FY2007 Governor |
|-----------------------------------|-----------------|---------------------------|-----------------|
| Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 0.0 | 0.0 | 0.0 |
| 72000 Travel | 0.0 | 0.0 | 0.0 |
| 73000 Services | 393.5 | 455.0 | 455.0 |
| 74000 Commodities | 0.0 | 0.0 | 0.0 |
| 75000 Capital Outlay | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Benefits | 11,897.9 | 12,429.7 | 12,429.7 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 12,291.4 | 12,884.7 | 12,884.7 |
| Funding Sources: | | | |
| 1050 Permanent Fund Dividend Fund | 12,291.4 | 12,884.7 | 12,884.7 |
| Funding Totals | 12,291.4 | 12,884.7 | 12,884.7 |

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor***All dollars shown in thousands*

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|-------------------------------|----------------------|----------------------|--------------------|--------------------|
| FY2006 Management Plan | 0.0 | 0.0 | 12,884.7 | 12,884.7 |
| FY2007 Governor | 0.0 | 0.0 | 12,884.7 | 12,884.7 |