

State of Alaska FY2006 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 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 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.

FY2006 Resources Allocated to Achieve Results

FY2006 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 FY2006

- An FY2006 decrement adjusts PFD Hold Harmless funding to projected formula need.

Major Component Accomplishments in 2004

- The process used to provide hold harmless benefits to food stamp households was automated to help reduce case work burden. The process included 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 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 and AS 43.23.085
7 AAC 38

Contact Information

Contact: Janet Clarke, Assistant Commissioner
Phone: (907) 465-1630
Fax: (907) 465-2499
E-mail: janet_clarke@health.state.ak.us

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

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	455.0	455.0	455.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	14,945.6	15,494.9	12,429.7
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	15,400.6	15,949.9	12,884.7
Funding Sources:			
1050 Permanent Fund Dividend Fund	15,400.6	15,949.9	12,884.7
Funding Totals	15,400.6	15,949.9	12,884.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Managem ent Plan	FY2006 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Permanent Fund Dividend Fund	51160	15,400.6	15,949.9	12,884.7
Restricted Total		15,400.6	15,949.9	12,884.7
Total Estimated Revenues		15,400.6	15,949.9	12,884.7

**Summary of Component Budget Changes
From FY2005 Management Plan to FY2006 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2005 Management Plan	0.0	0.0	15,949.9	15,949.9
Proposed budget decreases:				
-Reduction Due to Federal Policy Change	0.0	0.0	-3,065.2	-3,065.2
FY2006 Governor	0.0	0.0	12,884.7	12,884.7