

A L A S K A

**PERMANENT
FUND DIVIDEND**

Presentation for
House Finance Subcommittee

Mission

To administer the Permanent Fund Dividend program assuring that:
all eligible Alaskans receive timely dividends;
fraud is prosecuted;
and all internal and external stakeholders are treated with respect.



Core Services

- Administration of the annual dividend application and eligibility determination process
- Payment of the annual dividend to all eligible applicants
- Administration of the appeals process for denied applicants
- Garnish dividends of eligible applicants as allowed by law
- Collection of dividend payments made to ineligible applicants
- Identify potentially fraudulent activity & refer to DOR's Criminal Investigations Unit
- Provide accurate and secure application information from the PFD database via the internet, phone, and in person

2015 Division Accomplishments

- In 2015, 93% of the 678,847 applications received were completed prior to the first distribution on October 1, 2015.
- PFD Division's Data Processing Unit began to make forward progress on the projected two year project to rewrite the Division's Data Application Information System (DAIS) from a deprecated technology to an upgraded technological foundation that will align with a state standard based environment.
- The State of Alaska's integration to the new accounting software system (IRIS) significantly affected the method in which the division processed monthly dividend payments. Overall the transition was seamless, although we have made small alterations since due to unforeseen system results.

2015 Division Accomplishments

- The PFD Division evolved by implementing the new warrant Payee Positive standards. The new standard mandated specific security features, which assist in the reduction of fraudulent or counterfeit checks, as well as improved payment tracking.
- Improved the online user experience by redesigning the division's website, which incorporated responsive design, enhanced the overall appearance, expanded functionality, and usability.
- The division succeeded in rendering 100% of the 3,305 informal appeal decisions within 180 days.

Performance Detail

Mission

- Target
 - Balancing eligibility determinations and public response workloads. 85% of current dividend year eligibility cases are reviewed by September 15.
- Status
 - In 2015, 174,129 cases were opened to determine PFD eligibility. 84% of these cases were reviewed by September 15, and were either awaiting information from the applicant or were completed.
- Results and Challenges
 - Although, the division just fell shy of meeting our goal of reviewing 85% of the cases created by September 15th, 93% of total applications were completed (determined eligible, denied, invalidated or withdrawn.) During 2015 the division faced a challenging eligibility technician vacancy rates, which directly impacted production rates.

PFD Eligibility Caseloads

Year	Cases Created by 9/15	Cases Closed by 9/15	Pending Applicant Response	# Cases Reviewed by 9/15	% Cases Reviewed by 9/15
2015	174,129	128,547	17,718	146,265	84%
2014	306,365	252,251	23,814	276,065	90%
2013	139,254	108,142	27,175	135,317	97%
2012	161,176	122,824	21,990	144,814	90%

Methodology: Statistics are shown through September 15 of the calendar year in which the dividend is paid.

Performance Detail

Core service strategy

Gather and analyze workforce statistics to improve allocation of resources between the public response and eligibility case work.

- Target
 - Reduce the number of un-reviewed cases as of September 15th compared to previous year.
- Status
 - The number of un-reviewed cases declined from the prior year.
- Results and challenges
 - Although, the number of un-review cases decreased from 2014 the division eligibility team will be focused on accomplishing a greater reduction in 2016. In 2015, the Eligibility Technician vacancy rate throughout the year ranged between 3% - 26%, which directly affected the number of cases that could be contacted and/or completed.

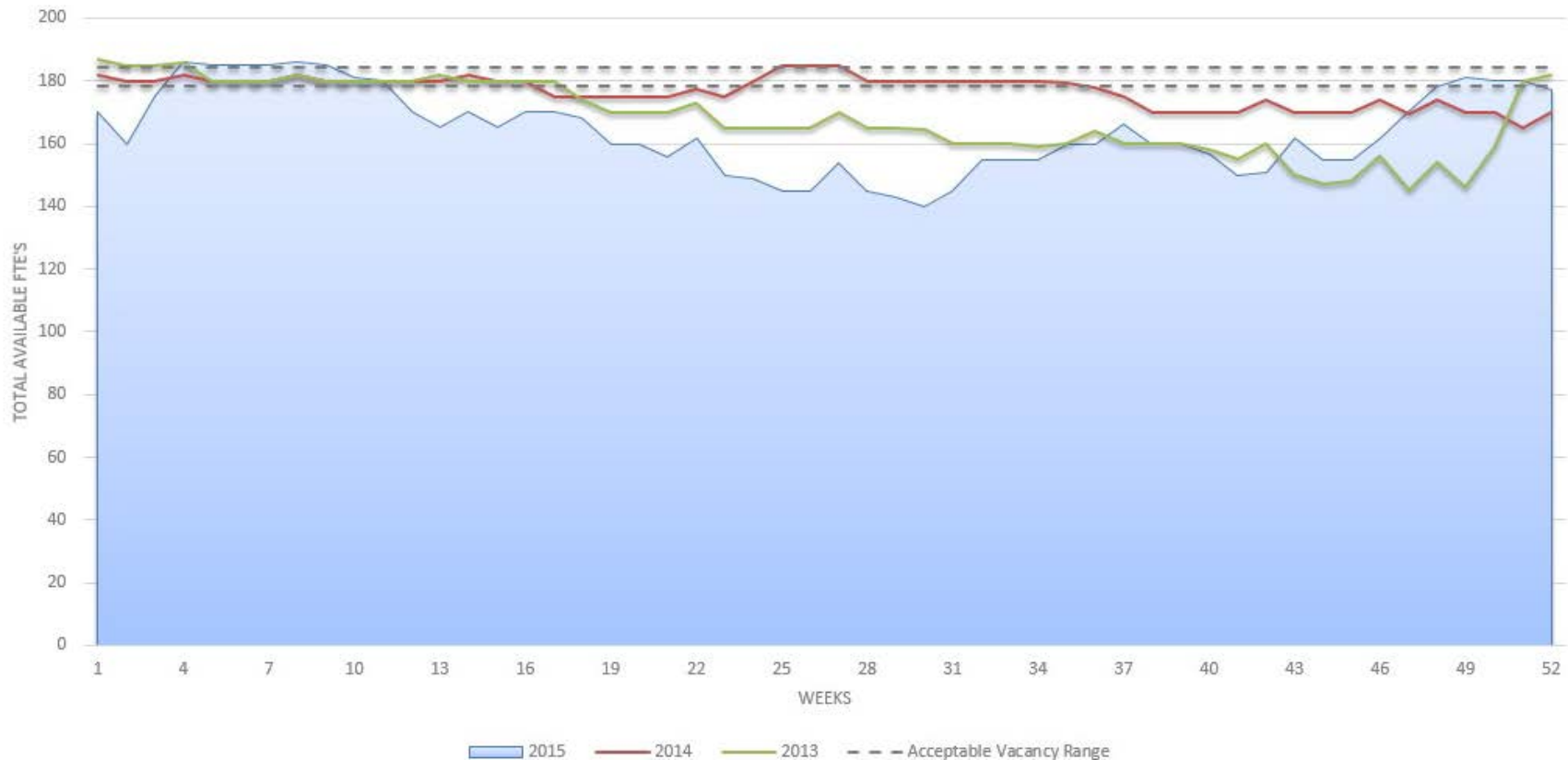
Un-reviewed Cases in Relation to Public Response

Year	Un-reviewed Cases 9/15	Queue Calls Answered	Customer Walk-ins	Email Responses	Total Public Responses
2015	27,864	59,307	77,079	22,310	158,696
2014	30,300	72,564	82,103	22,745	177,412
2013	3,937	67,421	73,485	11,293	152,199
2012	16,410	75,184	81,229	14,215	170,628

Methodology: Calls, emails and walk-ins counted from 9/1 of the previous year through 8/30 of the dividend year shown.

Impact of High Vacancy Rates

Full-Time Equivalent (FTE) Chart of PFD Eligibility Employees



Performance Detail

Core service strategy

- Target
 - Increase use of online application and support services to improve customer response time and reduce manual processes.
- Status
 - The percentage of individuals utilizing the online application to file decreased less than two percent. However, the number of individuals that electronically signed their application from that pool of individuals increased.
- Results and challenges
 - In 2015, the number of individuals that choose to file their application online slightly decreased. This decrease was unexpected as the online PFD application program had very few modifications from the prior year due to positive public feedback.

Applicant Use of Online Services

Year	% Online Applications	# Hits to myPFD	# of e-signatures
2015	81.6%	801,608	353,406
2014	82.9%	856,152	336,898
2013	83.3%	863,989	418,995
2012	82.1%	1,231,719	420,039

Methodology: Complete data will be available at the end of the calendar year.

Performance Detail

- Target
 - Maintain or reduce administrative costs from year to year.
- Results and challenges
 - The Division was successful in operating the PFD program while maintaining an insignificant increase in the amount per dividend. Although costs associated with administering the Permanent Fund Dividend program, such as postage rates and printing costs, continue to increase the estimated cost per dividend has minimally fluctuated over the last five years.

Fiscal Year	Dividend Year	Total PFD Appropriation	#Applications Received	Estimated # PFD's Paid	Estimated Cost Per PFD
FY 2016	2015	\$8,361,200	678,847	644,511	\$12.97
FY 2015	2014	\$8,245,500	677,114	641,489	\$12.85
FY 2014	2013	\$8,342,600	672,951	640,249	\$13.03
FY 2013	2012	\$8,221,000	677,733	646,805	\$12.71
FY 2012	2011	\$8,310,100	676,148	647,549	\$12.83
FY 2011	2010	\$8,634,800	668,214	641,595	\$13.46
FY 2010	2009	\$7,539,900	657,804	628,499	\$12.00
FY 2009	2008	\$7,910,300	641,291	610,768	\$12.95

*Methodology: Calendar/dividend year is used for PFD application and payment statistics. Appropriations are based on state fiscal year and become effective on July 1 of the dividend year shown. Methodology: *The Total PFD Appropriation excludes the 1007 I/A receipts which is the UAS receipts in the amount of 20K and 1005GF/Prgm funds for Pick.Click.Give..*

10 Year Financial Look Back

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Personal Services	4,629.3	4,629.5	5,215.0	5,424.9	5,750.5	5,656.4	5,829.0	5,952.4	5,854.7	6,193.7
% Change		0.0%	11.2%	3.9%	5.7%	-1.7%	3.0%	2.1%	-1.7%	5.5%
Funding Total	6,546.7	6,734.9	7,663.5	7,652.0	8,190.7	8,449.6	8,378.1	8,501.5	8,403.8	8,521.4
% Change		2.8%	12.1%	-0.2%	6.6%	3.1%	-0.9%	1.5%	-1.2%	1.4%
Position Totals	90	90	93	93	91	87	81	79	79	81
Dividend Applications Received	628,895	641,291	654,462	663,938	672,237	673,978	672,951	677,114	678,847	

*Funding totals include Unrestricted General Fund, Designated General Fund, and other.

**Positions include permanent full and part time

Key Division Challenges

- High technician turnover
- Relatively low returns on paper applications with increasing vendor and postage fees.
- Balancing day-to-day operations while modernizing DAIS

Significant Changes in results expected in FY 2017

The division will continue to focus on making enhancements to the myPFD applicant portal. This vision includes:

- Providing an access solution for individuals that do not have an Alaskan driver's license
- Introducing interactive forms such as updating direct deposit information and address changes

Additionally, the division will work to make strides in the DAIS rewrite and modernization project, as it is the future of the division.

Thank you.
Questions?