

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.



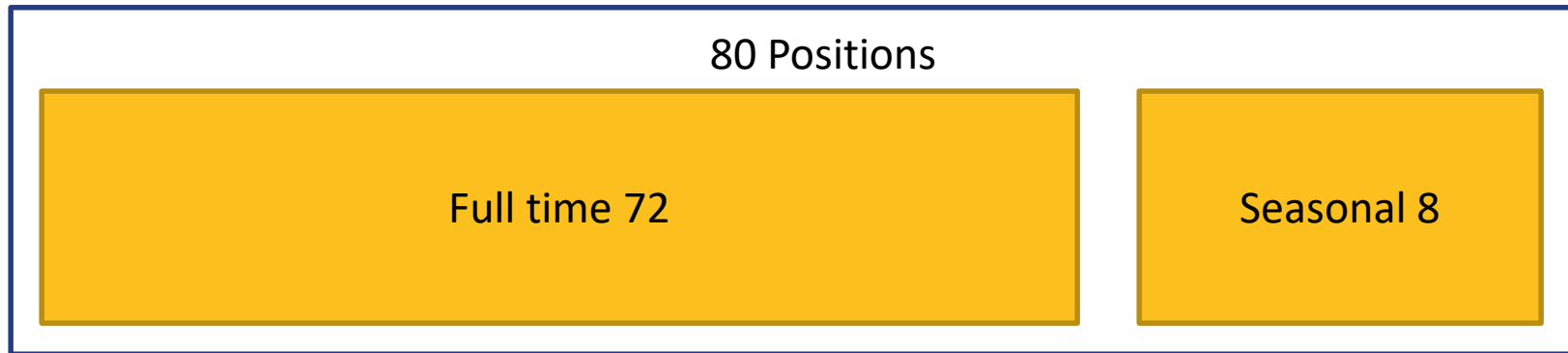


Core Services

- 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



Organization



- Eligibility -37
- Appeals -6
- Payment and Collections -6*
- Data Processing -10*
- CIU -2
- Initial Processing -7*
- Training -2

- Initial Processing

FY 2018 Budget Changes

- Positions:
 - Five deleted:
 - Data Processing- Information Systems Coordinator
 - Initial Processing- Microfilm Equipment Operator
 - Payment and Collections- Administrative Assistant II is moving to the Revenue's Administrative Services Division.
 - Criminal Investigation's Unit- Two Investigator III are moving to the Department of Public Safety
- Budget:
 - The Division is taking an overall decrease of 1%, which includes \$80k plus the positions listed above.



2016 Division Accomplishments

- In 2016, 92% of the 675,531 applications received were completed prior to the first distribution of dividend payments on October 6, 2016.
- By December 31st, 2016 the Division increased the case completion percentage to 99.64%, the second highest case closure percentage in the past nine years. This allowed the Division to start the 2017 application season with less than 3,500 prior year cases.
- The division succeeded in rendering 100% of the 4,114 informal appeal decisions within 180 days.
- The implementation of warrant Payee Positive standards continued to reduce the impact of fraudulent warrants (checks) against the Division. In 2016, the Division worked with DOA, CIU, and cashing organizations to identify counterfeit checks within hours of receiving them. We were able to stop funds from leaving the state due to a review process of warrants that don't match the Payee Positive Pay standards, so no collection efforts were necessary.



2016 Division Accomplishments

- Implemented a new audit utilizing third party analytics prior to the October 6th distribution, which resulted in 224 denials for the 2016 dividend.
- Improved the online user experience by adding new features to the myPFD self service portal, which in return reduced processing for the Division and the applicant. Two of the most common updates, change of address and bank information, can now be accomplished online using an electronic form and signature.
- The Division's management team dedicated hundreds of hours gathering the requirements necessary to move forward with soliciting a Request for Proposal (RFP) for re-platforming the Division's Dividend Application Information System (DAIS). In the near future the Division will be publishing the RFP, as the final stages of the drafting processing are approached.
- Successfully piloting the state's Shared Services collections program with Account Control Technology (ACT).



Performance Detail

Eligibility Caseload

- The division exceeded the performance measure, of determining 85 percent of eligibility cases by September 15th, prior to the mass payment of dividends in early October.
- In addition to meeting the performance measure, 8,752 prior year (2015) cases were completed in 2016.
- On average, 32 eligibility technicians are assigned to work cases that involve an additional review, so each technician is processing roughly 4,990 cases per year.

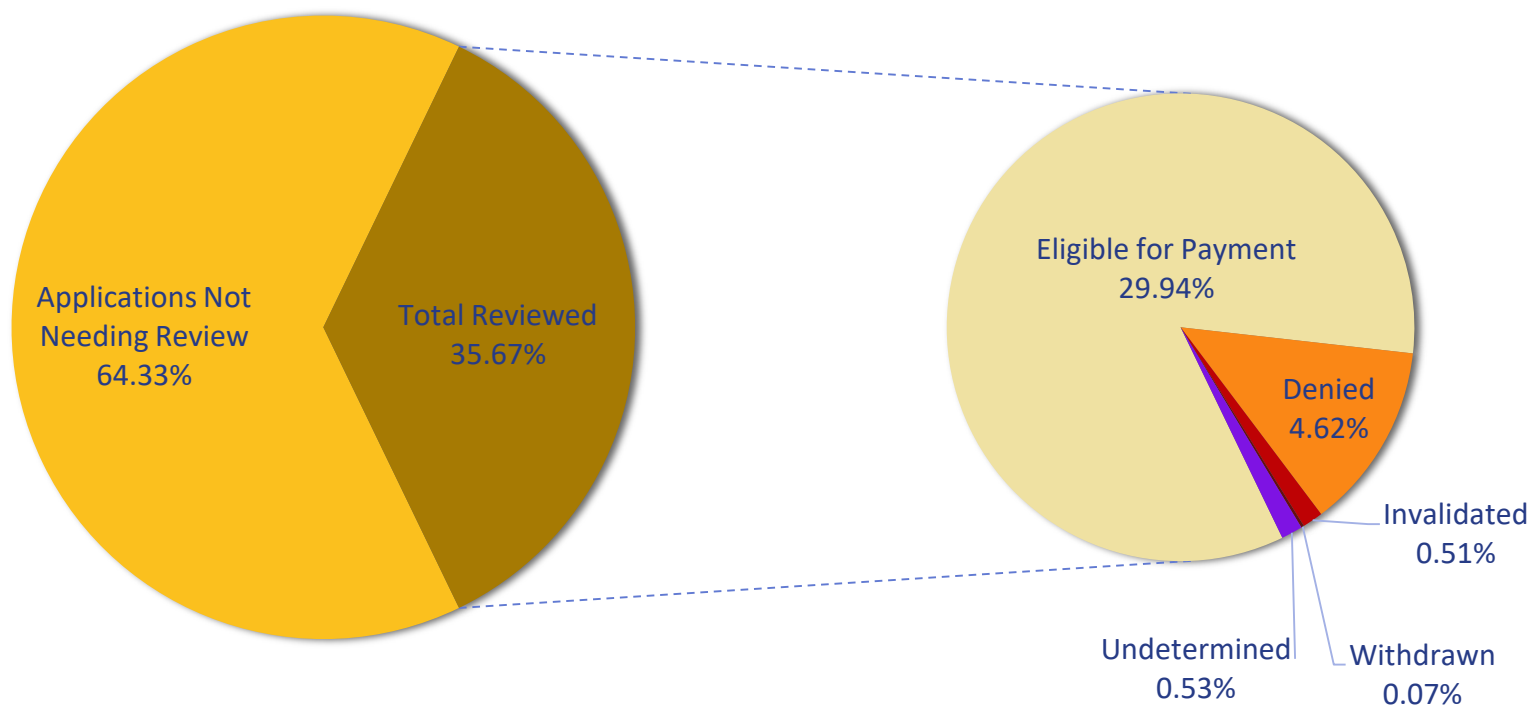
PFD Eligibility Caseloads

Year	Cases Created by 9/15	Cases Closed by 9/15	Pending Applicant Response	# Cases Reviewed by 9/15	% Cases Reviewed by 9/15
2016	177,388	147,768	11,895	159,663	90%
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.

Eligibility Review Breakdown

2016 Eligibility Review Determination Breakdown

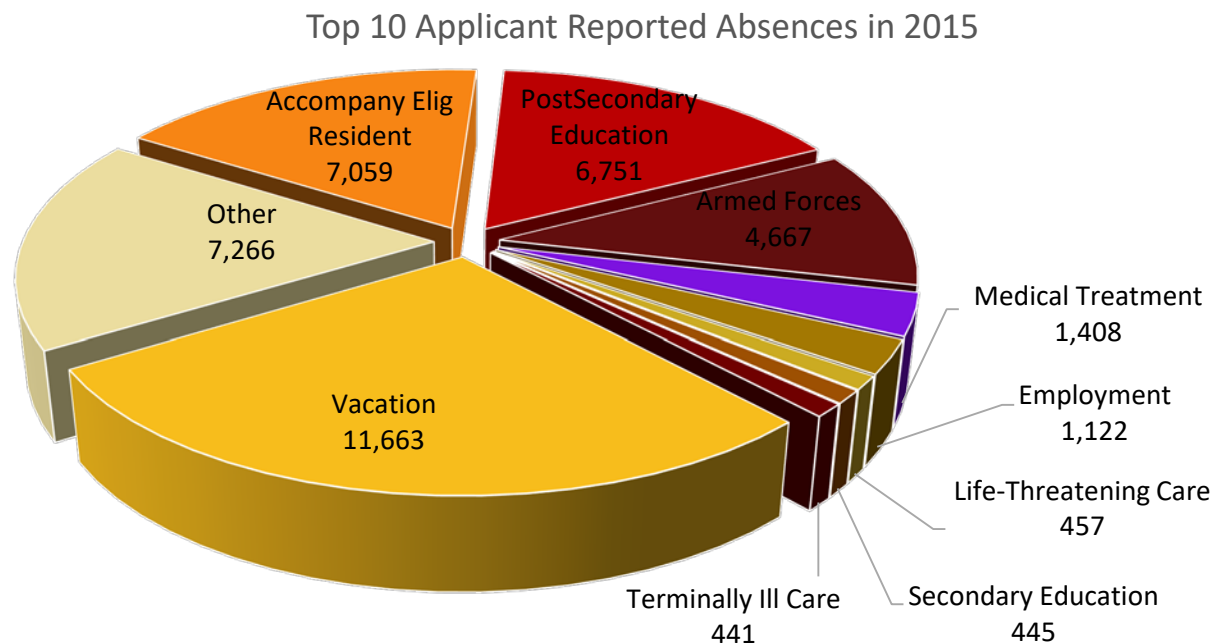


■ Applications Not Needing Review ■ Eligible for Payment ■ Denied ■ Invalidated ■ Withdrawn ■ Undetermined

Eligibility

Allowable Absences

- AS 43.23.008 An otherwise eligible individual who is absent from the state during the qualifying year remains eligible for a current year permanent fund dividend if the individual was absent for (1)-(16) allowable absences reasons.
- Over 26,000 applicants report an allowable absence





Performance Detail

Public Response

- In an effort to efficiently determine eligibility, one of the Division's main goals is to provide excellent customer service while reducing public contact. Achieving this goal has been done so by, creating intuitive self service options and accessible, understandable common Q&As.
- For the year public response reduced by;
 - 4,500 calls
 - 15,000 in-person visits

This resulted in more resources being focused on case review.

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
2016	17,725	28,452	71,313	14,569	114,334
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.

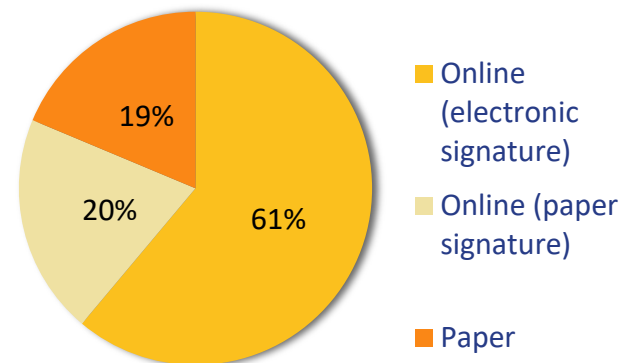
Performance Detail

Dividend Applications

- In 2016, the Division saw an overall decrease in the number of applications submitted by roughly 5,000 applications. Despite efforts to encourage online filing, the percentage of applications received online has minimally fluctuated over the past five years.
- Although the Division works closely with over 350 paper application distribution sites across Alaska, the average return on paper applications in comparison to the number of applications being printed is only 38%.
- In 2017, the Division will be committed to finding an alternative solution for both individuals to validate a myAlaska account as well as access myPFD that do not have a DMV record, which is currently necessary for authentication purposes.

**Applicants by Filing Method
(valid 2016 dividend only)**

Method	Filed	Percent %
Online (electronic signature)	409,805	61.11%
Online (paper signature)	135,451	20.20%
Paper	125,343	18.69%
Total	670,599	100.00%





Key Division Challenges

- High technician turnover
- Relatively low returns on paper applications versus cost associated with distributing paper applications.
- Balancing day-to-day operations, implementing new requirements that require system programing, while attempting to prepare for re-platforming.

Focus for FY 2018

1. The Division will begin the rewrite of the Division's application system, which will start with a Request for Proposal.
2. Redesign the 2018 dividend application to incorporate the additional data elements required to meet the voter initiative.
3. 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
 - Providing an alternative validation for individuals to sign electronic documents



Thank you.
Questions?