From: DeBartolo, Daniel T (DOR)
To: Taneeka Hansen
Cc: Arnold Liebelt
Subject: Fwd: questions from DOR meetings - 2.10 & 2.11
Date: Monday, February 13, 2017 2:30:19 PM

Taneeka,

Attached are the PFD Division responses. I'll continue to work with the agencies on the outstanding questions.

Dan

Permanent Fund Division

Representative Sullivan-Leonard asked for information on the amount of savings if the dividend application process were to go completely paper-free.

First, it is important to explain the paper distribution process. Several years ago the division significantly reduced the number of applications being mailed directly to individuals to reduce costs associated with postage. In doing so, the division began to work with locations across Alaska that were willing to support the program by becoming a "PFD distribution center." Every year the division works closely with over 350 of these centers to verify applications quantities, center locations, and contact information. These centers have allowed the division to have a point of contact, so applicants can be redirected towards their nearest distribution center when requesting a paper application. Mailing in larger quantities provides the division the opportunity to receive bulk printing rates and postage rate discounts.

With that being said, the costs directly associated with paper applications include the actual printing of the application and postage for mailing. In 2016, these costs totaled $120,705.57, $44,629.17 for printing and $76,073.40 for postage. Additionally, eight seasonal employees are required to process incoming mail including the data entry of over 100,000 paper applications received annually. Although seasonal staff will still be required to process additional supporting documentation, the overall workload would be significantly reduce allowing for a limited seasonal staffing. The eight seasonal positions employed by the division collectively account for roughly $239K in personal services.

Transitioning to a paperless environment will not only reduce the upfront costs that are associated with processing paper, a secondary cost saving

will come with a reduction in requests for additional information due to incomplete information being submitted. We estimate that at least 10,000 requests for information letters generate as a direct result of paper applications being submitted with incomplete information.

Representative Seaton asked whether the division of elections had shared the results of their 3rd party 'update' of the voter rolls with the division, to see if there were any recipients that might be removed. Ms. Race indicated that the two divisions had not communicated yet, but they might. A follow-up on this question would be appreciated.

I believe Representative Seaton was referring to the Electronic Registration Information Center (ERIC) that Division of Elections began using this past year. Please correct me if that assumption is incorrect. Although PFD already utilizes some of the data that is collected through this third party, for example National Change of Address (NCOA), we will work with the Division of Elections to improve our existing annual "Alaska Voter Registration Audit."

Representative Josephson asked whether there were any legal opinions on whether we can 'disqualify' those people receiving allowable absences. Seeing as the absences are in statute, the general answer seems to be that we could remove eligibility by modifying statute. However, I believe Representative Josephson would be interested in knowing if there are any court decisions which led to the creation of these absences.

Legislative Research may be able to more appropriately address this request. Dating back to at least 1985, the definition of "state resident" included "allowable absence" reasons:

Sec. 43.23.095 Definitions

(7)"state resident" means an individual who is physically present in the state with the intent to remain permanently in the state or, if the individual is not physically present in the state, intends to return to the state and is absent only for any of the following reasons:

(a)vocational, professional, or other specific education for which a comparable program was not reasonably available in the state;

(b)secondary or postsecondary education;

(c)military service;

(d)medical treatment;

(e)service in congress; or

(f)other reasons which the commissioner may establish by regulation;