

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Revenue  
Permanent Fund Dividend  
BRU/Component

## **Component: Permanent Fund Dividend**

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## **Component Mission**

The mission of the Permanent Fund Dividend Division is to administer the permanent fund dividend program.

## **Component Services Provided**

1. Process over 600,000 applications resulting in payment of dividends to eligible Alaskan Residents.
2. Publish an application booklet that includes detailed instructions for completing the dividend application; additional information is provided through our web site and the applicant status inquiry program available on the internet. All dividend forms are also available on-line.
3. Assist applicants with questions regarding their applications, the direct deposit program, garnishments, and other PFD-related issues at the dividend information offices.
4. Conduct informal conferences with applicants who file an appeal.

## **Component Goals and Strategies**

1. The Permanent Fund Dividend Division will increase to 70% the number of Alaskans who select direct deposit for their check.

\*Advertise the benefits of direct deposit

2. Reduce by 20% the number of applications held in the review process at the time of the dividend calculation.

\* Redesign computer edits

\* Use existing personnel in document processing

3. Improve applicants' accessibility to Information pertaining to their dividend applications.

\* Add additional information to the internet based status inquiry system

\* Explore ways to enhance and expand the existing telephone service

4. Establish an audit procedure.

\* Routinely select applications for compliance examinations

## **Key Component Issues for FY2001 – 2002**

The public experienced long delays and problems in getting through to the Dividend Division's information offices during the fall 2000 dividend distribution period. The division will find solutions to its outdated telephone system, and will adjust staffing schedules to improve its response time in 2001. Promoting increased use by dividend applicants of the new on-line application system will help reduce calls to the Division, as will faster processing of those applications selected for review.

The Division in the fall of 2000 conducted its first-ever random audit of dividend applications to verify the information supplied by applicants and to ensure that adequate controls are in place to protect the integrity of the program. Based

on the results of the 2000 project, the Division has decided to include an audit program as part of its ongoing operations by committing staff time to review randomly selected applications. By combining its existing review and appeals staff for greater efficiency, the Division expects to operate the audit program without any additional staff.

With the increased access to the Internet by the public, the Dividend Division needs to continue to capitalize on this medium by providing customer services via the Internet.

### **Major Component Accomplishments for FY2000**

The Permanent Fund Dividend Division is always looking for ways to streamline the process of accepting and reviewing more than 610,000 applications a year. The Division took a major step when it opened its online application system at the end of the filing period for the 2000 dividend and expects strong growth in 2001 and subsequent years as public acceptance of the new system grows. Increased use of the on-line application process will reduce the division's operating costs by replacing paperwork with paperless electronic data.

There was a decrease in the number of repetitive requests for information sent to applicants. The numbers went from 89,000 requests sent in 1999 to 84,000 sent in 2000. We will continue to give the public clear and concise information in order to continue to reduce repetitive requests.

### **Statutory and Regulatory Authority**

AS 43.23  
15 AAC 23

### **Key Performance Measures for FY2002**

**Measure: The percentage of dividend payments sent out on time to eligible applicants.**

*(Developed jointly with Legislature in FY2000.)*

**Measure: The average time taken to process dividend applications.**

*(Developed jointly with Legislature in FY2000.)*

**Measure: The average time taken to resolve informal appeals.**

*(Developed jointly with Legislature in FY2000.)*

#### **Current Status:**

The statutory time limit to complete an Appeal from the time it is filed with the division is one year. The division is striving to further reduce the aging of Appeal inventory to a period not to exceed six months. In FY 00, our case inventory did exceed 6 months old 25% of the time. So far in FY 01, 0% of the inventory has been older than 6 months.

**Measure: The average number of applications in review at the time of the dividend calculation.**  
*(Developed jointly with Legislature in FY2000.)*

**Measure: Reduce percentage of applications sent to the review section each year.**  
*(Not yet addressed by Legislature.)*

**Measure: The Permanent Fund Dividend Division will increase to 70% the number of Alaskans who select direct deposit for their check.**  
*(Not yet addressed by Legislature.)*

**Current Status:**

The public's use of direct deposit for their Permanent Fund Dividends has increased steadily over the years, from 59% in 1998 to 63% in 1999 and to 67% in 2000. The use of direct deposit helps reduce the division's operating costs, while at the same time getting the money to Alaskans faster.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• The percentage of dividend payments sent out on time to eligible applicants.			X		
• The average time taken to process dividend applications.			X		
• The average time taken to resolve informal appeals.		X			
• The average number of applications in review at the time of the dividend calculation.			X		
• Reduce percentage of applications sent to the review section each year.				X	
• The Permanent Fund Dividend Division will increase to 70% the number of Alaskans who select direct deposit for their check.		X			

**Permanent Fund Dividend**  
**Component Financial Summary**

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	2,953.5	2,973.6	2,993.7
72000 Travel	33.1	25.5	25.5
73000 Contractual	1,649.0	1,968.4	1,937.8
74000 Supplies	74.2	64.2	64.2
75000 Equipment	63.5	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>4,773.3</b>	<b>5,031.7</b>	<b>5,021.2</b>
<b>Funding Sources:</b>			
1007 Inter-Agency Receipts	40.2	52.0	32.0
1050 Permanent Fund Dividend Fund	4,733.1	4,979.7	4,989.2
<b>Funding Totals</b>	<b>4,773.3</b>	<b>5,031.7</b>	<b>5,021.2</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Interagency Receipts	51015	40.2	52.0	52.0	32.0	35.0
Permanent Fund Dividend Fund	51160	4,733.1	4,979.7	4,979.7	4,989.2	4,989.2
<b>Restricted Total</b>		<b>4,773.3</b>	<b>5,031.7</b>	<b>5,031.7</b>	<b>5,021.2</b>	<b>5,024.2</b>
<b>Total Estimated Revenues</b>		<b>4,773.3</b>	<b>5,031.7</b>	<b>5,031.7</b>	<b>5,021.2</b>	<b>5,024.2</b>

**Permanent Fund Dividend**

**Proposed Changes in Levels of Service for FY2002**

No service changes.

**Summary of Component Budget Changes**

**From FY2001 Authorized to FY2002 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>5,031.7</b>	<b>5,031.7</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 2 Labor Costs - Net Change from FY2001	0.0	0.0	-10.5	-10.5
<b>FY2002 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>5,021.2</b>	<b>5,021.2</b>

**Permanent Fund Dividend**  
**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	54	54	Annual Salaries	2,359,260
Part-time	3	3	COLA	32,299
Nonpermanent	42	42	Premium Pay	0
			Annual Benefits	827,497
			<i>Less 7.00% Vacancy Factor</i>	<i>(225,334)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>99</b>	<b>99</b>	<b>Total Personal Services</b>	<b>2,993,722</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	0	0	2	0	2
Administrative Clerk I	0	0	29	0	29
Administrative Clerk II	3	1	12	0	16
Administrative Clerk III	4	1	8	0	13
Administrative Manager I	0	0	1	0	1
Analyst/Programmer III	0	0	1	0	1
Analyst/Programmer IV	0	0	2	0	2
Analyst/Programmer V	0	0	2	0	2
Chf Perm Fund Div Oper	0	0	1	0	1
Division Director	0	0	1	0	1
Investigator III	1	0	0	0	1
Microfilm Equip Op I	0	0	1	0	1
PFD Specialist I	0	0	1	0	1
PFD Specialist II	0	0	2	0	2
PFD Technician II	1	0	14	0	15
PFD Unit Supervisor	1	0	3	0	4
Secretary	0	0	1	0	1
<b>Totals</b>	<b>10</b>	<b>2</b>	<b>81</b>	<b>0</b>	<b>93</b>