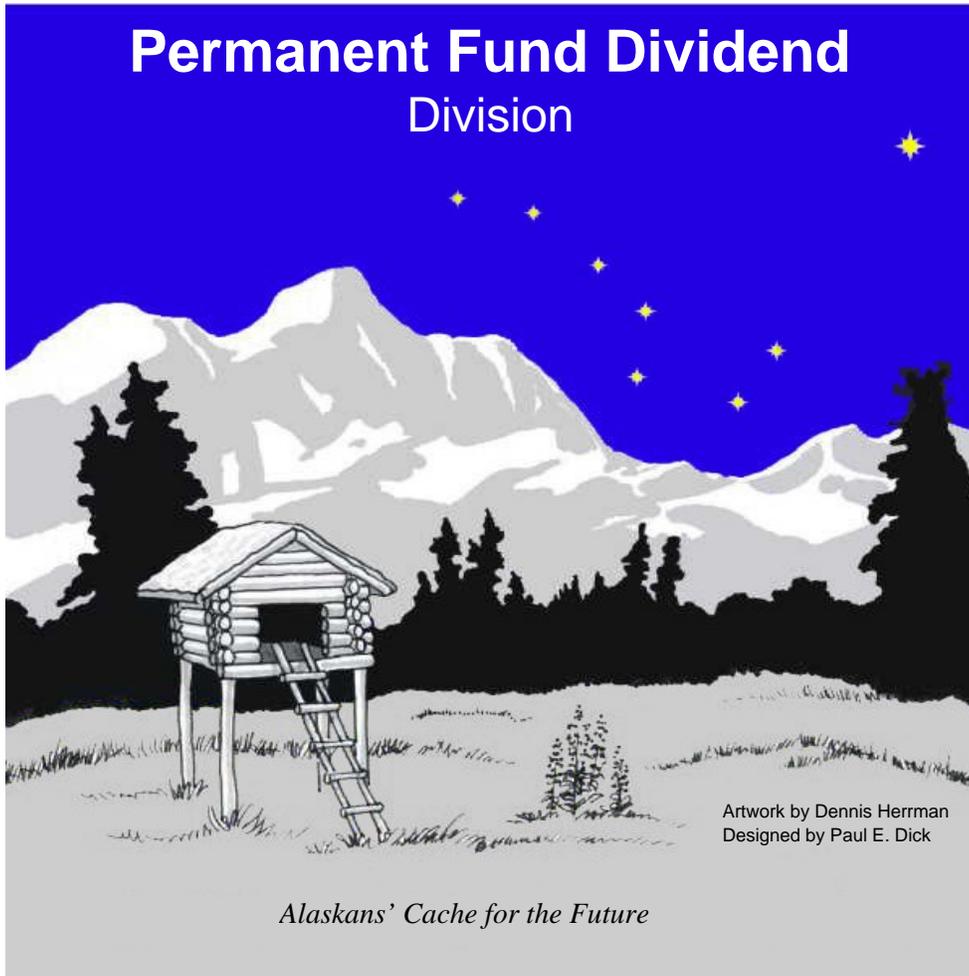


**State of Alaska
Department of Revenue**

**Permanent Fund Dividend
Division**



Alaskans' Cache for the Future

**2005
Annual Report**

Frank H. Murkowski, Governor
William Corbus, Commissioner
Sharon Barton, Director

This report is available on the Internet
www.pfd.state.ak.us

2005

This annual report provides information and data on the Permanent Fund Dividend program for calendar year 2005 and historical data.

The 2005 dividend application period was January 2 through March 31, 2005. Alaskans who were residents of the state for the entire calendar year 2004 and met other program eligibility criteria qualified for a 2005 dividend.



The Office of
Governor Frank H. Murkowski

February 24, 2006

Dear Alaskans:

The Permanent Fund Dividend (PFD) Division has summarized the 24th year of the PFD program in this report. I hope you find the information useful and interesting.

In this report, I am pleased to see the excellent results from the division's increased attention to PFD fraud. The division investigated over 1,500 fraud tips and completed over 8,000 audits this year. Over \$1.9 million were denied or assessed as a result of this work. These dollars go back into the dividend fund and into future dividends. Stories in the media about the six criminal indictments and two convictions achieved this year are a strong deterrent to those who steal identities, forge documents, or otherwise provide false information in order to receive a PFD.

As we continue to look at how we manage and use Alaska's Permanent Fund, two principles are indisputable: the importance of the PFD to every Alaskan, and the strong value of the dividend to Alaska's economy.

As we approach the 25th year of the Permanent Fund Dividend, it is good to reflect on the purposes for which the dividend was established: to allow all Alaskans to share in the state's resource wealth; to provide a reason for every Alaskan to care about the management and use of the Permanent Fund; and, recognizing that people are the most important resource to a young and growing state, to provide an incentive for Alaskans to remain in the state.

It is my pleasure to present you this 2005 report.

Sincerely yours,

A handwritten signature in blue ink that reads "Frank H. Murkowski".

Frank H. Murkowski
Governor

Permanent Fund Dividend 2005 Annual Report

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Executive Summary Section

This section provides an overview of highlights and accomplishments of the dividend program and the PFD Division for 2005. It includes the dividend calculation and dividend activity for 2005 in comparison with prior year activity. This section also summarizes new Permanent Fund Dividend legislation enacted into law in 2005.

Detailed data and information specific to dividend activities are included in other sections of this report.

2005 In Retrospect

2005 was another year of change in the PFD program, all aimed at achieving the division's goals of paying all eligible Alaskans on the scheduled payment dates, to accomplish this work as cost effectively as possible, and to maintain the highest possible level of customer service. The most significant changes are highlighted below:

- **Banner year for online filing.** A total of 211,464 Alaskans applied online for the 2005 dividend, and 61% used the e-signature option.
- **Fewer applicants paid in 2005.** For the first year since 1990, fewer dividends were paid than in the prior year. Approximately 3,600 fewer applications were approved for payment.
- **Deadline for submitting additional information changed.** A 2005 regulation eliminated the October 31 deadline for submitting supporting documentation and replaced it with the requirement to respond to requests for more information in 30 days. The response from the public has been excellent with fewer applicants forgetting about a distant deadline and/or losing necessary documents. Extensions are granted when applicants need more time to obtain their information. The changed deadline will allow the division to complete the processing of applications earlier so more applicants can be paid in the regular fall payment season.
- **2006 dividend application incentives campaign begun.** In 2004, 25% of all applicants filed online and 78% selected direct deposit. One third of all applicants waited until March to apply. Because of the benefits to all applicants, the division established payment incentives for those who do apply online in January and select direct deposit. Applicants were first notified with their 2005 dividend payment about the upcoming 2006 changes. Division representatives appeared on radio and television programs during December to explain and promote the incentives.
- **Increased fraud investigations produce results.** The fraud unit substantially increased the audit function this year, examining over 8,000 cases compared to 1,700 in 2004. Fraud tip investigation also increased by some 200 cases. The outcome was six indictments in state or federal court, 51 civil actions, and the recovery of approximately \$1.9 million.
- **Phase I of the new application information system (DAIS II) implemented.** The data entry piece of the information system was completely redesigned. The benefit to all Alaskans is that initial processing of paper applications and supporting documents will go much faster, resulting in earlier availability of status information to applicants and staff cost savings that will translate into more dollars available for dividends.
- **Optical character recognition implemented.** Use of optical character recognition (OCR) was implemented for all forms generated by the division. When these forms are returned to the division by an applicant, the computer will recognize the kind of form and link it properly to the applicant file, reducing manual processing of thousands of documents.

New Legislation

The 2005 legislature passed two bills that relate to the dividend program. Following is a brief summary of the bills. The full text can be accessed through the Alaska Legislature's web site at www.legis.state.ak.us/basis/start.asp.

HB 131 (Ch 67 SLA 2005) – Theft of Access Device. This bill recognizes theft of an access device property as a crime of theft in the second degree. An access device property in this bill includes items used for identifying an individual, such as a password, Social Security Number or birth information. This bill is relevant to the myAlaska electronic signature function used in the PFD online application.

HB 201 (Ch 83 SLA 2005) – Power of Attorney to sign a PFD application for certain military members. This bill authorizes an individual to complete, sign and file an application on behalf of a member of the armed forces who is serving outside the United States if the individual has a power of attorney from the member that authorizes the individual to file that application. This bill took effect January 1, 2006.

2005 Dividend Calculation

Calculated September 19, 2005

Amount Available for Dividends

| | | |
|---|------------------------|-------------------------|
| FY 06 PFD Fund Beginning Balance | \$ 5,842,601.56 | |
| Expenditures to date | (126,526.64) | |
| Amount Collected from Assessments of Prior Year Dividends | 82,311.11 | |
| PFD Fund Balance as of September 19, 2005 | 82,311.11 | \$ 5,798,386.03 |
| Transfer from Permanent Fund Corporation | | |
| Permanent Fund Earnings (5-year average) | 532,131,677.69 | |
| Less Appropriations (see below) | (26,928,100.00) | |
| Net Transfer from Permanent Fund Corporation | 505,203,577.69 | 505,203,577.69 |
| Reductions (see below) | | (940,085.43) |
| Total Amount Available for Dividends | | \$510,061,878.29 |

Total estimated number of eligible applicants: 603,080

The Department of Revenue uses an estimate because some applications are in review or incomplete as of the dividend calculation date. A number of these applications will be determined as payable after review or when applicants submit information needed to determine their eligibility. Also, some application types have extended filing due dates until March 31, 2006, such as estate and disabled applicants.

| | | | |
|-----------------------------|-------------------------|---|-----------------|
| Dividend Calculation | \$510,061,878.29 | = | \$845.76 |
| | 603,080 | | |

Appropriations and Reductions Detail

Appropriations

| | | |
|--|----------------------|--|
| Department of Health and Social Services (Hold Harmless) | \$12,884,700.00 | |
| Department of Corrections | 4,237,800.00 | |
| Department of Revenue Administrative Cost | | |
| Administrative Cost | 5,987,900.00 | |
| Imaging System Update Capital Project | 117,000.00 | |
| Total Department of Revenue, PFD Division | 6,104,900.00 | |
| Department of Public Safety | | |
| Council on Domestic Violence & Sexual Assault | 2,585,600.00 | |
| Department of Administration | | |
| Violent Crimes Compensation Board | 728,300.00 | |
| Office of Administrative Hearings | 113,400.00 | |
| Total Department of Administration | 841,700.00 | |
| Alaska State Legislature - Office of Victims' Rights | 273,400.00 | |
| Total Appropriations | 26,928,100.00 | |

Reductions

| | | |
|---|-------------------|--|
| Reserve for Prior-Year Dividend Liabilities | 587,834.55 | |
| Reserve for 18-Year-Old Filings for Prior Years | 352,250.88 | |
| Total Reductions | 940,085.43 | |

| | | |
|---|--|------------------------|
| Total Appropriations and Reductions Detail | | \$27,868,185.43 |
|---|--|------------------------|

Five-Year History of Dividend Calculations

| Dividend Calculation | 2005 | 2004 | 2003 | 2002 | 2001 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|
| Dividend Fund Balance as of Calculation Date ¹ | \$ 5,798,386.03 | \$ 3,608,113.93 | \$ 7,110,446.54 | \$ 15,227,909.32 | \$ 13,411,836.21 |
| Add Permanent Fund Earnings | 532,131,677.69 | 581,245,966.80 | 690,658,806.69 | 925,805,851.87 | 1,112,601,116.07 |
| Less Appropriations and Reductions | | | | | |
| Appropriations (see below) | (26,928,100.00) | (31,147,400.00) | (33,594,400.00) | (28,353,200.00) | (30,301,000.00) |
| Reductions (see below) | (940,085.43) | (1,101,300.29) | (953,757.95) | (1,263,307.56) | (3,260,605.11) |
| Total Appropriations and Reductions | (27,868,185.43) | (32,248,700.29) | (34,548,157.95) | (29,616,507.56) | (33,561,605.11) |
| Total Amount Available for Dividends | \$510,061,878.29 | \$552,605,380.44 | \$663,221,095.28 | \$911,417,253.63 | \$1,092,451,347.17 |
| Estimated Eligible Applicants | 603,080 | 600,760 | 598,813 | 591,537 | 590,423 |
| Dividend Amount ² | \$845.76 | \$919.84 | \$1,107.56 | \$1,540.76 | \$1,850.28 |

¹ Dividend amounts are calculated in mid-September to coincide with the Alaska Permanent Fund Corporation's annual meeting.

² Dividend amounts are rounded to an even amount to allow even division when computing the 50% University of Alaska College Savings Plan check-off option as provided under AS 14.40.807.

Appropriations and Reductions Detail

Appropriations

| | | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Department of Health and Social Services (hold-harmless provision for public assistance recipients) | \$12,884,700.00 | \$15,949,900.00 | \$15,405,500.00 | \$13,007,900.00 | \$16,147,300.00 |
| Department of Corrections | 4,237,800.00 | 5,092,400.00 | 6,895,400.00 | 4,257,900.00 | 3,615,100.00 |
| Department of Revenue PFD Division | 6,104,900.00 | 5,794,300.00 | 5,444,100.00 | 5,244,700.00 | 5,099,200.00 |
| Department of Public Safety | | | | | |
| Council on Domestic Violence & Sexual Assault | 2,585,600.00 | 3,107,000.00 | 4,008,800.00 | 4,004,800.00 | 4,004,800.00 |
| Batterers Intervention Program | 0.00 | 0.00 | 200,000.00 | 200,000.00 | 200,000.00 |
| Total Department of Public Safety | 2,585,600.00 | 3,107,000.00 | 4,208,800.00 | 4,204,800.00 | 4,204,800.00 |
| Department of Administration | | | | | |
| Violent Crimes Compensation Board | 728,300.00 | 875,200.00 | 1,178,400.00 | 1,175,700.00 | 1,170,700.00 |
| Office of Administrative Hearings | 113,400.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 841,700.00 | 875,200.00 | 1,178,400.00 | 1,175,700.00 | 1,170,700.00 |
| Alaska State Legislature - Office of Victims' Rights | 273,400.00 | 328,600.00 | 462,200.00 | 462,200.00 | 63,900.00 |
| Total Appropriations | \$26,928,100.00 | \$31,147,400.00 | \$33,594,400.00 | \$28,353,200.00 | \$30,301,000.00 |

Reductions

| | | | | | |
|---|---------------------|-----------------------|---------------------|-----------------------|-----------------------|
| Reserve for Prior-Year Dividend Liabilities | 587,834.55 | 881,464.06 | 502,207.72 | 1,024,643.51 | 3,165,616.65 |
| Reserve for 18-year-old Filers | 352,250.88 | 219,836.23 | 451,550.23 | 238,664.05 | 94,988.46 |
| Total Reductions | \$940,085.43 | \$1,101,300.29 | \$953,757.95 | \$1,263,307.56 | \$3,260,605.11 |

Comparison of Application and Payment Status

| | 2005 | | 2004 | | 2003 | |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Total | % Total | Total | % Total | Total | % Total |
| <u>Applicants</u> | | | | | | |
| Adult | 444,726 | 70.91% | 441,959 | 70.71% | 435,322 | 70.28% |
| Child | 182,479 | 29.09% | 183,113 | 29.29% | 184,124 | 29.72% |
| Total | 627,205 | 100.00% | 625,072 | 100.00% | 619,446 | 100.00% |
| <u>Application Status</u> | | | | | | |
| Eligible for Payment | 594,804 | 94.83% | 598,378 | 95.73% | 595,567 | 96.15% |
| Denied | 28,939 | 4.61% | 25,166 | 4.03% | 23,541 | 3.80% |
| In Review | 2,174 | 0.35% | 351 | 0.06% | 66 | 0.01% |
| In Appeal | 1,156 | 0.18% | 1,060 | 0.17% | 23 | 0.00% |
| Incomplete Application | 107 | 0.02% | 89 | 0.01% | 10 | 0.00% |
| Assessed for Repayment | 25 | 0.00% | 28 | 0.00% | 239 | 0.04% |
| Total | 627,205 | 100.00% | 625,072 | 100.00% | 619,446 | 100.00% |
| <u>Payment Status</u> | | | | | | |
| Paid by Direct Deposit | | | | | | |
| Full Dividend | 431,108 | 68.73% | 420,442 | 67.26% | 418,438 | 67.56% |
| Partial Dividend ¹ | 18,625 | 2.97% | 19,127 | 3.06% | 18,001 | 2.90% |
| Paid by Warrant | | | | | | |
| Full Dividend | 120,013 | 19.13% | 123,141 | 19.70% | 125,447 | 20.25% |
| Partial Dividend ¹ | 7,482 | 1.19% | 12,866 | 2.06% | 13,076 | 2.11% |
| Fully Garnisheed | 18,377 | 2.93% | 22,802 | 3.65% | 20,605 | 3.33% |
| Not Paid | 31,600 | 5.04% | 26,694 | 4.27% | 23,879 | 3.85% |
| Total | 627,205 | 100.00% | 625,072 | 100.00% | 619,446 | 100.00% |

¹Applications which were partially assigned and/or garnisheed.

Note: Some applications in appeal and review status were not complete as of the print date of this report. They will be processed and determined as acceptable for payment or denied in early 2006. Some applications in review and appeal status for prior years result from applications received by 18-year-olds who are filing for a dividend they did not receive as a child.

2,773 fewer dividends were paid in 2005 than in 2004.

Number of applicants who have received all 24 dividends since program inception (1982): **98,034**

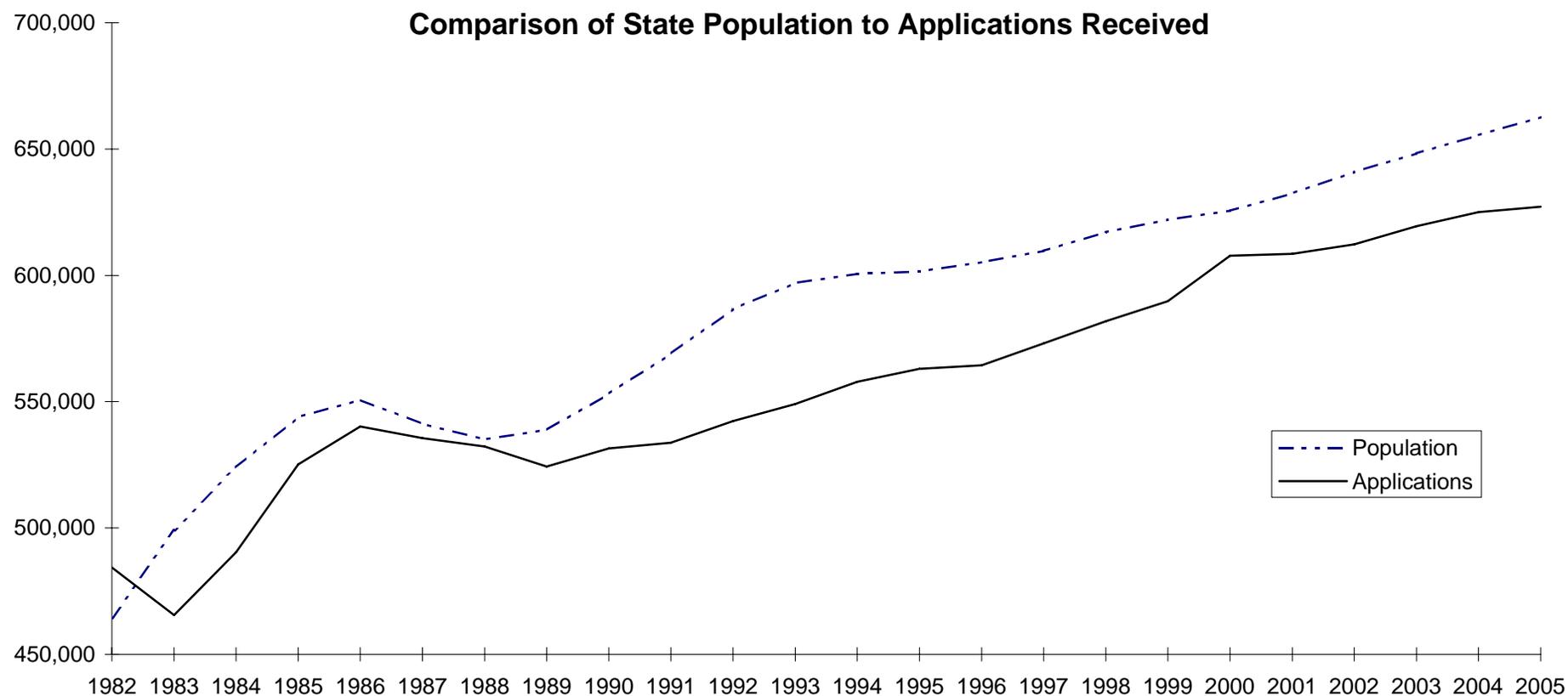
Historical Summary of Dividend Applications and Payments

| Dividend Year | State Population | Dividend Applications | | Dividend Amount | Amount Disbursed |
|------------------|---------------------|-----------------------|-------------------|--------------------|----------------------------|
| | | Received | Paid | | |
| 2005 | 662,604 | 627,205 | 594,028 | \$845.76 | \$502,405,121.28 |
| 2004 | 655,435 | 625,072 | 598,378 | \$919.84 | \$550,412,019.52 |
| 2003 | 648,243 | 619,446 | 595,567 | \$1,107.56 | \$659,626,186.52 |
| 2002 | 640,841 | 612,258 | 589,378 | \$1,540.76 | \$908,090,047.28 |
| 2001 | 632,389 | 608,504 | 586,187 | \$1,850.28 | \$1,084,610,082.36 |
| 2000 | 625,504 | 607,823 | 583,040 | \$1,963.86 | \$1,145,008,934.40 |
| 1999 | 622,000 | 589,778 | 572,790 | \$1,769.84 | \$1,013,746,653.60 |
| 1998 | 617,082 | 581,837 | 565,256 | \$1,540.88 | \$870,991,665.28 |
| 1997 | 609,655 | 573,089 | 554,733 | \$1,296.54 | \$719,233,523.82 |
| 1996 | 605,212 | 564,411 | 546,040 | \$1,130.68 | \$617,396,507.20 |
| 1995 | 601,581 | 563,052 | 541,851 | \$990.30 | \$536,595,045.30 |
| 1994 | 600,622 | 557,874 | 534,608 | \$983.90 | \$526,000,811.20 |
| 1993 | 596,906 | 549,095 | 527,952 | \$949.46 | \$501,269,305.92 |
| 1992 | 586,722 | 542,285 | 522,639 | \$915.84 | \$478,653,701.76 |
| 1991 | 569,054 | 533,710 | 512,098 | \$931.34 | \$476,937,351.32 |
| 1990 | 553,171 | 531,515 | 497,608 | \$952.63 | \$474,036,309.04 |
| 1989 | 538,900 | 524,294 | 507,551 | \$873.16 | \$443,173,231.16 |
| 1988 | 535,000 | 532,241 | 518,152 | \$826.93 | \$428,475,433.36 |
| 1987 | 541,300 | 535,590 | 529,482 | \$708.19 | \$374,973,857.58 |
| 1986 | 550,700 | 540,216 | 532,299 | \$556.26 | \$296,096,641.74 |
| 1985 | 543,900 | 525,148 | 518,476 | \$404.00 | \$209,464,304.00 |
| 1984 | 524,000 | 490,414 | 481,346 | \$331.29 | \$159,465,116.34 |
| 1983 | 499,100 | 465,569 | 457,207 | \$386.15 | \$176,550,483.05 |
| 1982 | 464,300 | 484,344 | 469,740 | \$1,000.00 | \$469,740,000.00 |
| Total | | 13,384,770 | 12,936,406 | \$24,775.45 | \$13,622,952,333.03 |

Source:

Dividend statistics were obtained from the Permanent Fund Dividend Division's Application and Payment Status report as of January 2006. Population statistics were obtained from the Alaska Department of Labor.

Comparison of State Population to Applications Received



| Year | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Population | 464,300 | 499,100 | 524,000 | 543,900 | 550,700 | 541,300 | 535,000 | 538,900 | 553,171 | 569,054 | 586,722 | 596,906 | 600,622 | 601,581 | 605,212 | 609,655 | 617,082 | 622,000 |
| Applications | 484,344 | 465,569 | 490,414 | 525,148 | 540,216 | 535,590 | 532,241 | 524,294 | 531,515 | 533,710 | 542,285 | 549,095 | 557,874 | 563,052 | 564,411 | 573,089 | 581,837 | 589,778 |

| Year | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|--------------|---------|---------|---------|---------|---------|---------|
| Population | 625,504 | 632,389 | 640,841 | 648,243 | 655,435 | 662,604 |
| Applications | 607,823 | 608,504 | 612,258 | 619,446 | 625,072 | 627,205 |

Notes

- 1) Population generally exceeds number of applications because applicants must be a resident for at least an entire year before they may qualify for a dividend.
- 2) The number 1982 applications represents accumulated data from 1979 through 1982, the first year that dividends were paid. Dividends were not paid prior to 1982 because of litigation challenging residency requirements of the dividend statutes in effect at the time.

Population statistics were obtained from the Alaska Department of Labor .

History of Dividend Amounts

| Year | Dividend Amount | Increase (Decrease) |
|--------------|----------------------------------|---------------------|
| 1982 | \$1,000.00 | |
| 1983 | 386.15 | |
| 1984 | 331.29 | -14.21% |
| 1985 | 404.00 | 21.95% |
| 1986 | 556.26 | 37.69% |
| 1987 | 708.19 | 27.31% |
| 1988 | 826.93 | 16.77% |
| 1989 | 873.16 | 5.59% |
| 1990 | 952.63 | 9.10% |
| 1991 | 931.34 | -2.23% |
| 1992 | 915.84 | -1.66% |
| 1993 | 949.46 | 3.67% |
| 1994 | 983.90 | 3.63% |
| 1995 | 990.30 | 0.65% |
| 1996 | 1,130.68 | 14.18% |
| 1997 | 1,296.54 | 14.67% |
| 1998 | 1,540.88 | 18.85% |
| 1999 | 1,769.84 | 14.86% |
| 2000 | 1,963.86 | 10.96% |
| 2001 | 1,850.28 | -5.78% |
| 2002 | 1,540.76 | -16.73% |
| 2003 | 1,107.56 | -28.12% |
| 2004 | 919.84 | -16.95% |
| 2005 | <u>845.76</u> | -8.05% |
| Total | <u><u>\$24,775.45</u></u> | |

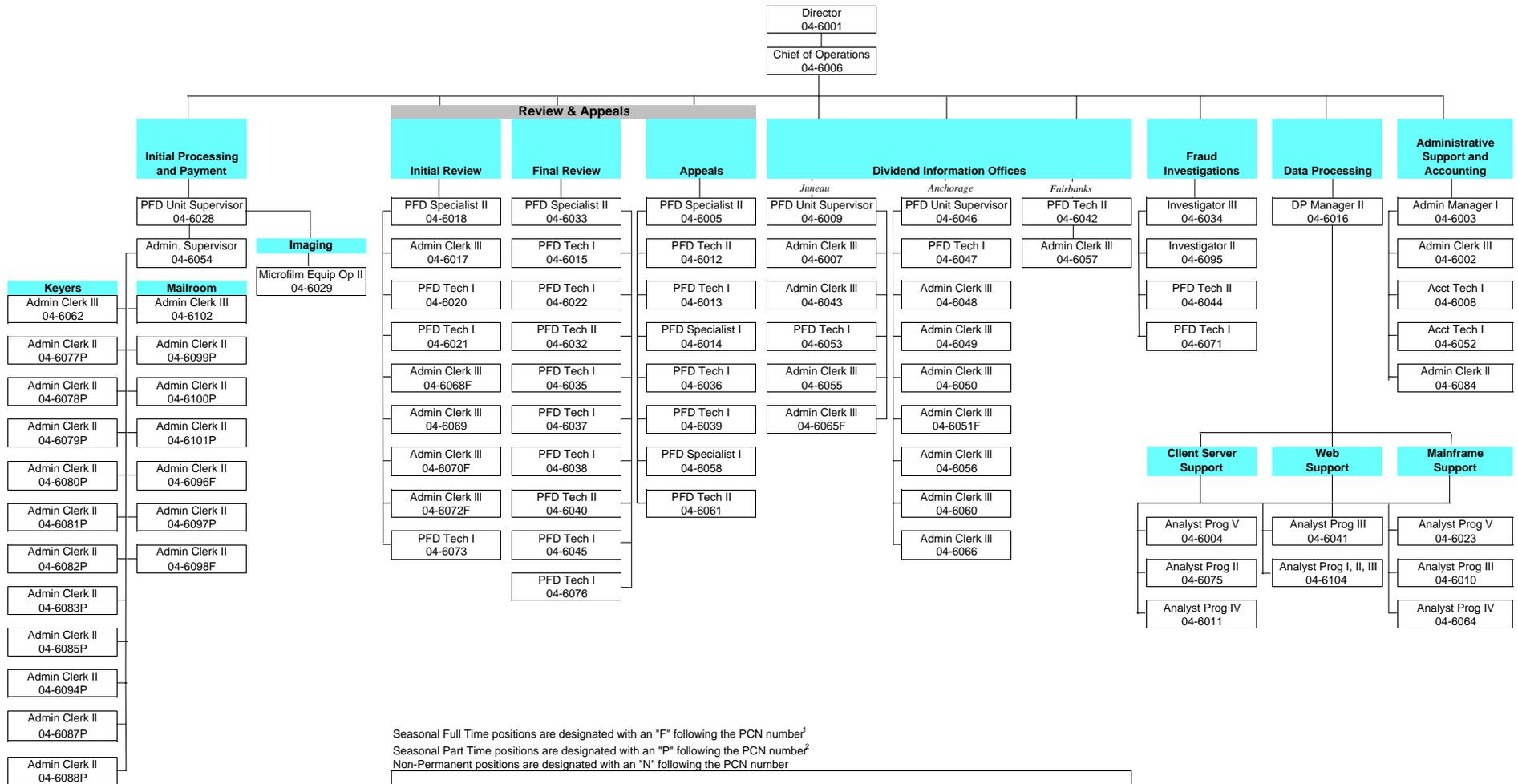
Note: 1983 dividend was the first annual dividend. The 1982 dividend was for combined years 1980 through 1982.

Organization

The Permanent Fund Dividend (PFD) Division is organized as a division within the Alaska Department of Revenue and is headquartered in Juneau. The PFD Division has dividend information offices in Anchorage, Fairbanks and Juneau. This section includes information about the division's organization and describes functions performed by the different sections within the division.

**Permanent Fund Dividend Division
Organization Chart
As of December 31, 2005**

Organization



Seasonal Full Time positions are designated with an "F" following the PCN number¹
 Seasonal Part Time positions are designated with an "P" following the PCN number²
 Non-Permanent positions are designated with an "N" following the PCN number

| Position Count | Permanent Full Time | Seasonal Full Time | Seasonal Part Time | Non-Permanent | Total |
|----------------|---------------------|--------------------|--------------------|---------------|-----------|
| Juneau | 52 | 6 | 15 | 0 | 73 |
| Anchorage | 10 | 1 | 0 | 0 | 11 |
| Fairbanks | 2 | 0 | 0 | 0 | 2 |
| Total | 64 | 7 | 15 | 0 | 86 |

¹ Seasonal Full Time positions consist of permanent employment more than nine and half months but less than twelve full months.

² Seasonal Part Time positions consist of permanent employment which is less than nine and half months per year.

Key Contacts

Director

Sharon L. Barton
Juneau Office
(907) 465-2323
Sharon_Barton@revenue.state.ak.us

Home Page: www.pfd.state.ak.us

E-mail for questions or information: dividend_information@revenue.state.ak.us

Chief of Operations

Amy Skow
Juneau Office
(907) 465-4784
Amy_Skow@revenue.state.ak.us

Initial Review

Vacant
Juneau Office
(907) 465-4776

Initial Processing & Payment

Tom Weed
Juneau Office
(907) 465-4778
Tom_Weed@revenue.state.ak.us

Final Review

Mary Graham
Juneau Office
(907) 465-3426
Mary_Graham@revenue.state.ak.us

Appeals

Wendy Hughes
Juneau Office
(907) 465-2038
Wendy_Hughes@revenue.state.ak.us

Fraud Investigations

Daniel Boone
Juneau Office
(907) 465-3277
Daniel_Boone@revenue.state.ak.us

Data Processing

Annette G.E. Smith
Juneau Office
(907) 465-2641
Annette_GE_Smith@revenue.state.ak.us

Anchorage Dividend Information Office

Kim Rydberg
Anchorage Office
(907) 269-0371
Kim_Rydberg@revenue.state.ak.us

Fairbanks Dividend Information Office

Marjorie Marlow
Fairbanks Office
(907) 451-5096
Marjorie_Marlow@revenue.state.ak.us

Juneau Dividend Information Office

Skyler Lashley
Juneau Office
(907) 465-3615
Skyler_Lashley@revenue.state.ak.us

Anchorage Office

Alaska Department of Revenue
Permanent Fund Dividend Division
616 E Street
Anchorage, AK 99501-3528

Tel (907) 269-0370

Fax (907) 269-0384
TTY (Hearing Impaired) 279-0098

Fairbanks Office

Alaska Department of Revenue
Permanent Fund Dividend Division
1005 Cushman Street
Fairbanks, AK 99701

Tel (907) 451-2820

Fax (907) 451-5142
TTY (Hearing Impaired) 451-5095

Juneau Office

Alaska Department of Revenue
Permanent Fund Dividend Division
11th Floor, State Office Building
PO Box 110461
Juneau, AK 99811-0461

Tel (907) 465-2326

Fax (907) 465-3470
TTY (Hearing Impaired) 465-2868

Toll free number (800) 733-8813

Available year-round in Alaska

Dividend Fraud Hotline (907) 465-2654 or 269-0385 Email - pfd fraud@revenue.state.ak.us

Organization and Responsibilities

During 2005, the Permanent Fund Dividend Division was staffed by 86 positions comprised of 64 full-time and 22 seasonal positions (primarily employed for mail room and data entry work). The division is headquartered in Juneau and has public information offices in Juneau, Anchorage and Fairbanks. The division was organized into eight sections: Initial Processing and Payment, Initial Review, Final Review, Appeals, Fraud Investigations, Dividend Information Offices, Data Processing, and Administrative Support and Accounting. The division's fiscal year 2006 operating budget is \$6.0 million.

Initial Processing and Payment (IPPS) is responsible for (1) receiving, preparing and imaging applications and supporting documentation, and entering application and supporting information, and garnishments into the computer system; (2) coordinating all aspects of the dividend distribution processes, including direct deposit and warrant distribution; (3) the section shares responsibility for accounting for dividend payments and related transactions; and (4) IPPS is also responsible for coordinating and managing PFD forms and distribution.

Initial Review Section (IRS) is responsible for (1) examining applications that are incomplete or flagged by the division's computer system as requiring further attention; (2) examining and processing responses to division requests for additional information; and (3) the initial review of applications with eligibility issues that cannot be handled by the computer.

Final Review is responsible for reviewing applications that have been flagged by the computer system or referred by the initial review process for having a potential problem in one or more of the following areas:

- Establishing residency
- Breaking Alaska residency
- Absences not allowed by law
- Intent to remain in Alaska

Employees work with applicants to gather information needed to determine their eligibility under the dividend program. Some cases are resolved without contacting the applicant if the applicant submits sufficient information with the application. If an applicant is found to be ineligible, staff issues a denial letter outlining the reasons for the denial and informing the applicant of his or her appeal rights.

Appeals is responsible for conducting informal conferences for applicants who disagree with their dividend denial. Appeals staff review each appeal and develop facts and information relating to matters in dispute by the applicant. Staff issue written decisions to applicants upon conclusion of an informal conference, which is usually conducted by written correspondence. If the applicant disagrees with the informal appeal decision, the applicant may request a formal hearing before an administrative law judge in the

Organization

statewide Office of Administrative Hearings in the Department of Administration. A designated employee from Appeals represents the division at formal hearings.

Fraud Investigations is responsible for investigating fraud tips received from the public and other agencies throughout the year, and conducting focused audits. Investigations may result in administrative and/or criminal penalties.

Dividend Information Offices are responsible for assisting applicants who need help with completing their applications or need information about the dividend program. Information offices are located in Anchorage, Fairbanks and Juneau.

Information office staff assist applicants in person, by telephone, and through correspondence by letter or e-mail. Staff also work with local constituent groups such as the military, native organizations, and the state Pioneers' Homes to provide information and special assistance. They also work with local media to ensure that accurate and timely information is given to the public.

Data Processing is responsible for developing and supporting the division's extensive mainframe, client server, imaging, and web applications. These computer applications include the online application system, document imaging, data entry and document identification, the applicant information database, and the dividend payment system.

The section is responsible for the programs that create the dividend payments each October. The section works with financial institutions to coordinate direct deposits to applicant accounts, and with other state agencies to coordinate printing and mailing of dividend checks.

Administrative Support and Accounting is responsible for providing division-wide assistance with all administrative functions including budget, human resources, supplies, accounts payable and miscellaneous clerical needs. The section also administers the collections function for erroneously or fraudulently paid dividends, and shares responsibility for accounting support for dividend payments and the reissue of warrants that have been stale dated or stop paid.

Permanent Fund Dividend Division History

- 1976** Voters pass a constitutional amendment to establish the Permanent Fund (Alaska Constitution, Article IX, Section 15).
- 1980** First Permanent Fund dividend legislation enacted. The legislation established a program giving every adult Alaska resident \$50 for every year of residency since statehood in 1959 and also established a Dividend Fund. Payment of dividends were stayed under litigation (Zobel v Williams) challenging the constitutionality of the program.
- 1982** U.S Supreme Court ruled the 1980 legislation unconstitutional. In response to the litigation, the legislature passed legislation authorizing equal dividend payments to all six-month residents. The first dividend amount was \$1,000. The first dividend checks were distributed June 14, 1982.
- 1983** Residency period defined as 6 months ending March 31. Filing due date established as June 30.
- 1985** Hold-harmless program funding for public assistance recipients changed from General Fund to Permanent Fund Dividend Fund.
- 1986** Olympics check-off program begins. Persons allowed to donate \$5 to Alaska Winter Olympics account in General Fund.
- 1988** *January 1988* - Permanent Fund Dividend Division established. Positions with PFD responsibilities in Administrative Services (20), Enforcement (23), and Public Services (14) transferred to the new division. Enforcement and Public Services divisions eliminated.
57 full-time positions after transfer.
32 non-permanent positions.
- 1989** Legislature changed residency period from 6 to 24 months. Individuals banned from assigning dividends (except to government) by regulation. Felons not eligible for dividends. Physical presence requirement established. Last year for Olympics check-off.
57 full-time positions.
54 non-permanent positions.
- 1990** Superior Court ruled 24-month residency requirement unconstitutional and changed the residency requirement to 12 months (Lindly v Malone). Disclosure requirements established to print program costs on dividend checks.
59 full-time positions.
56 non-permanent positions.
- 1991** Check-off program for Advance College Tuition started. Percent of dividend subject to levy for private judgments increased from 50% to 55%. Fairbanks office closed in September 1991 (2 positions). One position each transferred to Anchorage and Juneau office. First receipt cards mailed.
58 full-time positions.
54 non-permanent positions.
- 1992** Individuals banned from assigning dividends (except to government agencies) by statute. Review Unit moved from Anchorage to Juneau.
58 full-time positions.
58 non-permanent positions.
- 1993** Direct-deposit program for full dividends established. Residency period changed to calendar year. Voter registration forms included with dividend application.
62 full-time positions.
62 non-permanent positions.
- 1994** Filing due date changed to March 31. Longevity Bonus Annuity check-off program began. Legislature authorizes the division to charge fee for processing claims and assignments on dividends
61 full-time positions.
58 non-permanent positions.
- 1995** Longevity Bonus Annuity check-off program repealed.
61 full-time positions.
63 non-permanent positions.
- 1996** Misdemeanants with two prior crimes not eligible for dividends.
59 full-time positions.
62 non-permanent positions.

Permanent Fund Dividend Division History

- 1997** Fairbanks office re-opened February 1997 (2 positions).
59 full-time positions.
62 non-permanent positions.
- 1998** Internet program implemented to allow applicants to check their status online. All allowable absences defined in statutes (statutory provision for commissioner to define absences by regulation repealed). Spouses accompanying eligible residents authorized as allowable absence. Authority to file for estates (persons who die during filing period) established. Physical presence changed to 72 hours every two years (effective for 2000 dividend). Percent of dividend subject to levy for private judgment increased from 55% to 80%.
60 full-time positions.
62 non-permanent positions.
- 1999** On-line application implemented, but applicants required to print and sign full application. Direct-deposit program expanded to include partial dividends. Document Processing Unit night shift (17 positions) eliminated. Emergency regulations detailing alien eligibility adopted.
57 full-time positions.
43 non-permanent positions.
- 2000** Imaging system and new data entry system implemented January 2000. First year that applications imaged. Improved on-line Internet application implemented March 2000 (applicants required to sign signature page only). Fairbanks office moved to Cushman Street location September 1.
57 full-time positions.
43 non-permanent positions.
- 2001** Review and Appeals units consolidated into the Dividend Enforcement, Review and Appeals Unit. Alaska Supreme Court rules that immigrant aliens who form intent to remain in Alaska qualify for dividends.
63 full-time positions.
30 non-permanent positions.
- 2002** Receipt letter replaces application receipt card. Department of Health and Social Services files applications electronically. Final year securities companies participated in the direct-deposit program. Misdemeanants with one prior felony or two prior misdemeanors not eligible for dividend.
63 full-time positions.
30 non-permanent positions.
- 2003** Electronic signature for on-line applications implemented March 20, 2003. All review cases worked by year-end. Fraud Investigations moved from Anchorage to Juneau.
53 full-time positions.
30 seasonal part-time positions.
- 2004** Receipt letters eliminated. On-line application expanded to cover full application and supplemental schedule. Tri-fold direct deposit advice implemented. Selective Service registration part of the application.
54 full-time positions.
30 seasonal part-time positions.
- 2005** 30-day response regulation adopted. Fraud subpoena power authorized.. Power of Attorney allowed for military serving outside the US. Phase I of new Applicant Information system implemented. Checks issued two weeks after DD. Applicant addresses no longer public information.
64 full-time positions.
22 seasonal part-time positions.

Dividend Application Information

The dividend application filing season begins on January 2 at 12:01 a.m. when the division's online application is made available to the public. Paper applications are delivered to every household in the state beginning January 2. Within a couple of days, thousands of applications pour into the division by mail, hand delivery and on-line. The weeks that follow are hectic and busy as the division processes the thousands of applications that are received throughout the season. By the end of the 2005 filing season, the division received 627,000 applications.

In order to complete the tasks that come with the application season, the division hires seasonal employees to help open mail and key information from paper applications. These employees start during the first part of January and continue their work through mid-May, when the last of the applications are data captured and processed.

This section includes data and information relating to applications received during the filing season and the remainder of the year (mostly late applications). Applicant demographics included in this section are compiled from 2005 PFD application data.

2005 Dividend Application Detail

| Adult Applications | |
|--|----------------|
| Adult | 444,186 |
| Office of Public Advocacy | 894 |
| Application on Behalf of Another Adult | 600 |
| Estate of Adult who Died During Filing Season | 228 |
| Disabled Individual | 109 |
| 18-Year-Old Filers ¹ | 44 |
| Total Adult Applications | 446,061 |
| Child Applications | |
| Child | 179,083 |
| Child in Custody of Health and Social Services | 2,058 |
| Estate of Child who Died During Filing Season | 3 |
| Total Child Applications | 181,144 |
| Total Applications | 627,205 |

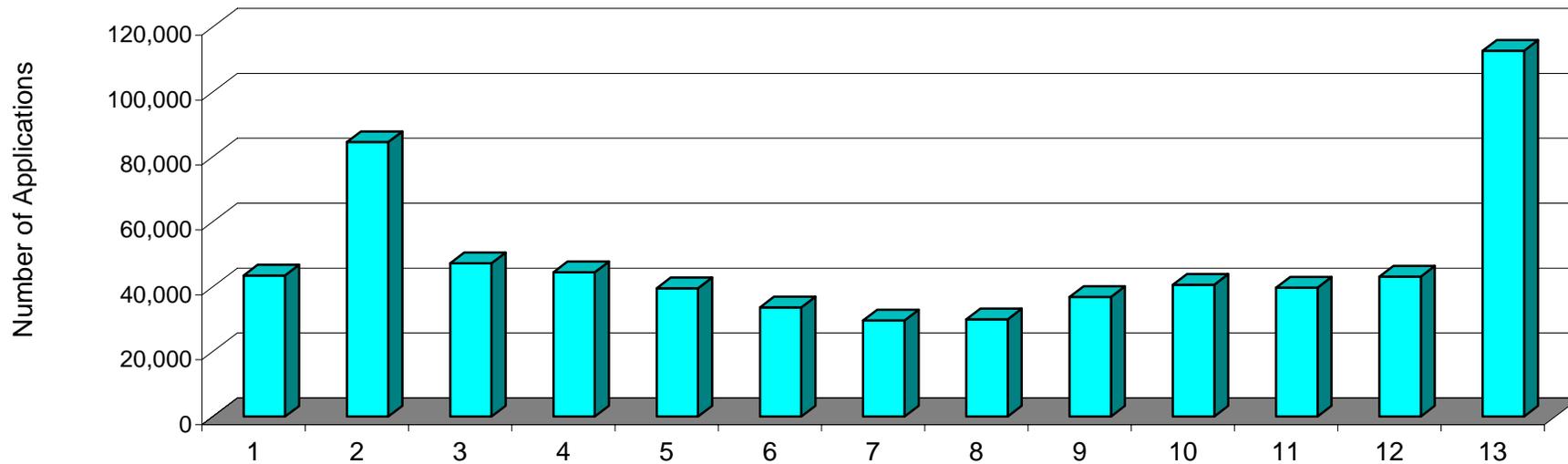
Other Facts:

- ❖ On-line applications filed: **213,331**
- ❖ On-line application with Electronic Signature: **129,822**
- ❖ On-line applications were received from every zip code in Alaska
- ❖ First-time Filers: **31,989**
- ❖ Late Applications Denied: **1,541**
- ❖ Sponsor Eligibility Forms² Filed: **155**

¹ Under regulation 15 AAC 23.133, 18-year-olds may apply for a prior year dividend that was not issued to them as a child. The 18-year-old must meet all eligibility requirements for the respective prior year and must file the application prior to his or her 19th birthday.

² Sponsor Eligibility Forms are applicable to adults who are sponsoring a child but who themselves did not apply for a dividend or were not eligible for a dividend because they were convicted of a crime or incarcerated as a result of a crime.

Application Filing Activity 2005 Dividend



| Week | Week Ending | Applications | | | % of Total |
|---------------------------|-----------------|----------------|----------------|----------------|----------------|
| | | Paper | On-line | Total | |
| 1 | January 8, 2005 | 9,164 | 34,362 | 43,526 | 6.94% |
| 2 | January 15 | 67,378 | 17,209 | 84,587 | 13.49% |
| 3 | January 22 | 31,695 | 15,525 | 47,220 | 7.53% |
| 4 | January 29 | 32,132 | 12,319 | 44,451 | 7.09% |
| 5 | February 5 | 27,934 | 11,597 | 39,531 | 6.30% |
| 6 | February 12 | 22,528 | 11,147 | 33,675 | 5.37% |
| 7 | February 19 | 18,980 | 10,679 | 29,659 | 4.73% |
| 8 | February 26 | 18,364 | 11,641 | 30,005 | 4.78% |
| 9 | March 5 | 24,193 | 12,682 | 36,875 | 5.88% |
| 10 | March 12 | 25,917 | 14,742 | 40,659 | 6.48% |
| 11 | March 19 | 25,534 | 14,224 | 39,758 | 6.34% |
| 12 | March 26 | 27,752 | 15,407 | 43,159 | 6.88% |
| 13 | March 31 | 82,741 | 29,930 | 112,671 | 17.96% |
| April 1 - December 31 | | 1,429 | 0 | 1,429 | 0.23% |
| Total Applications | | 415,741 | 211,464 | 627,205 | 100.00% |

Number of e-signed on-line applications: **129,773**
 % e-signed to total on-line applications: **61.3%**

Top 3 days paper applications received:
 March 31 (Wednesday): **56,840**
 January 10 (Monday): **28,568**
 January 24 (Monday): **17,807**

Top 3 days on-line applications received:
 March 31 (Thursday): **8,464**
 January 4 (Tuesday): **7,897**
 March 30 (Wednesday): **6,827**

How Applicants Answered Application Questions

| | Number Answered | | | % Total | | |
|---|-----------------|---------|--------------|---------|--------|--------------|
| | Yes | No | Not Answered | Yes | No | Not Answered |
| Adult Applications (446,091 applications) | | | | | | |
| Did you receive a 2004 dividend? | 407,477 | 38,614 | 0 | 91.34% | 8.66% | 0.00% |
| Are you in Alaska today? | 427,539 | 18,357 | 195 | 95.84% | 4.12% | 0.04% |
| During 2004, were you absent for more than 90 days? | 28,064 | 417,867 | 160 | 6.29% | 93.67% | 0.04% |
| During 2004, were you absent for more than 180 days? | 15,101 | 430,836 | 154 | 3.39% | 96.58% | 0.03% |
| Are you a United States citizen? | 432,294 | 13,692 | 105 | 96.90% | 3.07% | 0.02% |
| During 2004, were you on active duty in the U.S. Armed Forces? | 13,257 | 432,448 | 386 | 2.97% | 96.94% | 0.09% |
| Do you want 50% of your dividend into the UA College Savings Plan? | 1,684 | 444,407 | 0 | 0.38% | 99.62% | 0.00% |
| Do you want direct deposit into an Alaska bank account? | 349,960 | 96,131 | 0 | 78.45% | 21.55% | 0.00% |
| Child Applications (181,161 applications) | | | | | | |
| Are you the child's natural or adoptive parent? | 180,710 | 401 | 50 | 99.75% | 0.22% | 0.03% |
| Did this child live with you for a majority of 2004? | 179,867 | 1,233 | 61 | 99.29% | 0.68% | 0.03% |
| Did the child receive a 2004 dividend? | 159,724 | 21,437 | 0 | 88.17% | 11.83% | 0.00% |
| During 2004, was the child absent for more than 90 days? | 8,061 | 173,048 | 52 | 4.45% | 95.52% | 0.03% |
| During 2004, was the child absent for more than 180 days? | 5,729 | 175,368 | 64 | 3.16% | 96.80% | 0.04% |
| Is the child a United States citizen? | 179,292 | 1,833 | 36 | 98.97% | 1.01% | 0.02% |
| Do you want 50% of child's dividend into the UA College Savings Plan? | 6,393 | 174,768 | 0 | 3.53% | 96.47% | 0.00% |
| Do you want child's dividend directly deposited? | 143,269 | 37,892 | 0 | 79.08% | 20.92% | 0.00% |

**Why Applicants Were Absent From the State
For Absences During 2004 (Qualifying Year for 2005 Dividend)**

Dividend application forms ask applicants if they were absent from the state for more than 90 days and 180 days. Reasons why applicants were absent from the state are listed below.

| Absence reason | Between 91 and 180 days | | | More than 180 days | | |
|--|-------------------------|-------|-------|--------------------|-------|-------|
| | Adult | Child | Total | Adult | Child | Total |
| ❖ Accompanied an Alaska resident who was eligible for a PFD | 648 | 1,094 | 1,742 | 2,241 | 4,587 | 6,828 |
| ❖ Enrolled as a full-time student (Postsecondary Education) | 3,208 | 49 | 3,257 | 4,697 | 42 | 4,739 |
| ❖ Served on active duty in the U.S. Armed Forces | 1,540 | N/A | 1,540 | 4,868 | N/A | 4,868 |
| ❖ Received continuous medical treatment | 269 | 120 | 389 | 165 | 189 | 354 |
| ❖ Enrolled as a full-time student (Grades 7 - 12) | 364 | 267 | 631 | 495 | 201 | 696 |
| ❖ Cared for a terminally ill family member | 189 | 14 | 203 | 104 | 18 | 122 |
| ❖ Cared for a direct relative with a critical life-threatening illness | 151 | 21 | 172 | 54 | 18 | 72 |
| ❖ Served as a member of Alaska's congressional delegation or staff | 10 | N/A | 10 | 25 | N/A | 25 |
| ❖ Settled the estate of a deceased direct relative | 53 | N/A | 53 | 22 | N/A | 22 |
| ❖ Employed aboard a vessel of the U.S. Merchant Marine | 68 | N/A | 68 | 28 | N/A | 28 |
| ❖ Employed by the State of Alaska | 18 | N/A | 18 | 7 | N/A | 7 |
| Other reasons | 1,279 | 349 | 1,628 | 632 | 299 | 931 |
| Vacation | 4,627 | 364 | 4,991 | 374 | 69 | 443 |
| Sought employment out of the state | 770 | N/A | 770 | 300 | N/A | 300 |
| Part of a legal custody agreement | N/A | 91 | 91 | N/A | 53 | 53 |

❖ Allowable absence for determining dividend eligibility.

N/A - Not applicable to application type.

Note: Applicants may claim more than one type of absence on their application.

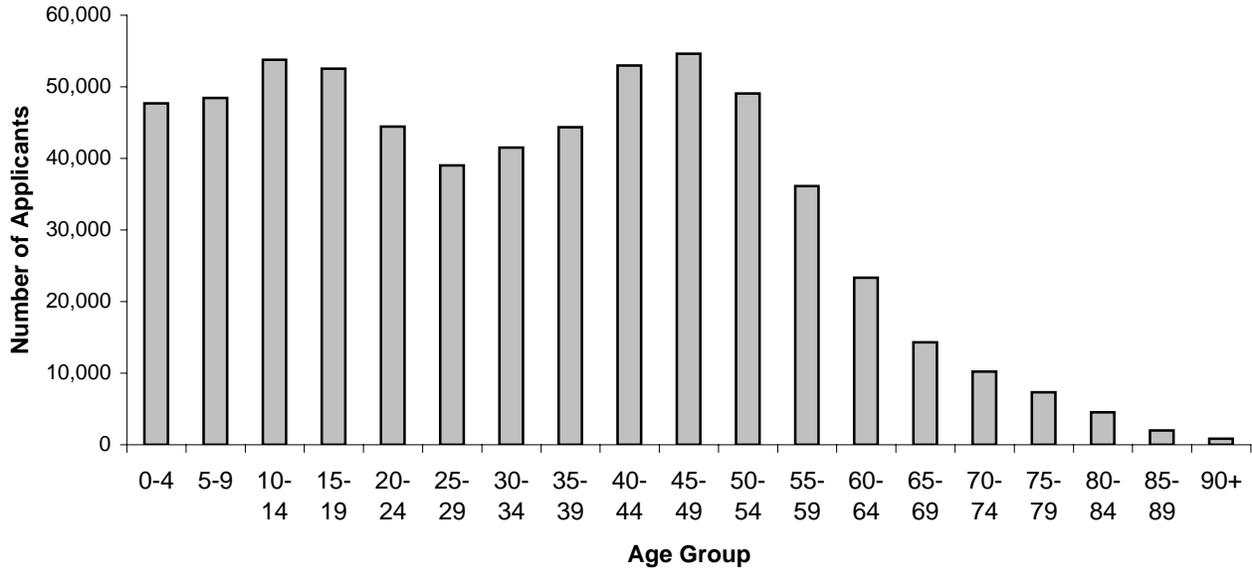
Applicant Birth State Data

| State | Applicants | % Total | State | Applicants | % Total |
|----------------------|-------------------|----------------|-----------------------------|-------------------|----------------|
| Alabama | 2,860 | 0.46% | Nebraska | 3,383 | 0.54% |
| Alaska | 256,845 | 40.95% | Nevada | 2,025 | 0.32% |
| Arizona | 5,379 | 0.86% | New Hampshire | 1,290 | 0.21% |
| Arkansas | 2,855 | 0.46% | New Jersey | 3,934 | 0.63% |
| California | 42,768 | 6.82% | New Mexico | 3,374 | 0.54% |
| Colorado | 9,138 | 1.46% | New York | 12,330 | 1.97% |
| Connecticut | 2,044 | 0.33% | North Carolina | 4,251 | 0.68% |
| Delaware | 506 | 0.08% | North Dakota | 3,488 | 0.56% |
| District of Columbia | 1,154 | 0.18% | Ohio | 8,288 | 1.32% |
| Florida | 6,945 | 1.11% | Oklahoma | 5,225 | 0.83% |
| Georgia | 4,240 | 0.68% | Oregon | 18,678 | 2.98% |
| Guam/US Possessions | 917 | 0.15% | Pennsylvania | 8,796 | 1.40% |
| Hawaii | 3,844 | 0.61% | Puerto Rico | 601 | 0.10% |
| Idaho | 7,244 | 1.15% | Rhode Island | 742 | 0.12% |
| Illinois | 9,548 | 1.52% | South Carolina | 2,095 | 0.33% |
| Indiana | 4,207 | 0.67% | South Dakota | 3,202 | 0.51% |
| Iowa | 4,753 | 0.76% | Tennessee | 2,698 | 0.43% |
| Kansas | 4,210 | 0.67% | Texas | 15,442 | 2.46% |
| Kentucky | 2,274 | 0.36% | Utah | 5,066 | 0.81% |
| Louisiana | 3,961 | 0.63% | Vermont | 874 | 0.14% |
| Maine | 2,192 | 0.35% | Virginia | 3,936 | 0.63% |
| Maryland | 2,556 | 0.41% | Washington | 32,800 | 5.23% |
| Massachusetts | 4,784 | 0.76% | West Virginia | 1,424 | 0.23% |
| Michigan | 12,011 | 1.92% | Wisconsin | 8,114 | 1.29% |
| Minnesota | 12,649 | 2.02% | Wyoming | 2,800 | 0.45% |
| Mississippi | 2,134 | 0.34% | Total United States | 579,887 | 92.50% |
| Missouri | 5,012 | 0.80% | Foreign Countries | 47,318 | 7.50% |
| Montana | 8,001 | 1.28% | Total All Applicants | 627,205 | 100.00% |

Top Ten Birth States

| | | | | | |
|---------------|----------------|---------------|----------------------|----------------|---------------|
| Alaska | 256,845 | 40.95% | Minnesota | 12,649 | 2.02% |
| California | 42,768 | 6.82% | New York | 12,330 | 1.97% |
| Washington | 32,800 | 5.23% | Michigan | 12,011 | 1.92% |
| Oregon | 18,678 | 2.98% | Illinois | 9,548 | 1.52% |
| Texas | 15,442 | 2.46% | Colorado | 9,138 | 1.46% |
| | | | Total Top Ten | 422,209 | 67.31% |

Applicant Demographics 2005 Dividend



| Age | Applicants | Gender | Applicants | Percent |
|--------------|----------------|--------------|----------------|----------------|
| 0-4 | 47,711 | Male | 320,385 | 51.08% |
| 5-9 | 48,453 | Female | 306,820 | 48.92% |
| 10-14 | 53,783 | Total | 627,205 | 100.00% |
| 15-19 | 52,520 | | | |
| 20-24 | 44,444 | | | |
| 25-29 | 39,039 | | | |
| 30-34 | 41,503 | | | |
| 35-39 | 44,343 | | | |
| 40-44 | 52,957 | | | |
| 45-49 | 54,603 | | | |
| 50-54 | 49,077 | | | |
| 55-59 | 36,150 | | | |
| 60-64 | 23,337 | | | |
| 65-69 | 14,309 | | | |
| 70-74 | 10,231 | | | |
| 75-79 | 7,321 | | | |
| 80-84 | 4,548 | | | |
| 85-89 | 2,020 | | | |
| 90-99 | 841 | | | |
| 100+ | 15 | | | |
| Total | 627,205 | | | |

Adult applicants: **444,726**
 Child applicants (< 18 years old): **182,479**

Median Age: **33 years old**

Alaska Newborns: **9,248**
 (Born in 2004 Qualifying Year)

Oldest applicant on file: **105 years old**

Most Common Names on File

Male
 Michael
 John
 James
 Robert
 David

Female
 Mary
 Jennifer
 Linda
 Elizabeth
 Patricia

Last Name
 Smith
 Johnson
 Williams
 Brown
 Jones

Age demographics are based on applicants' age at the end of the qualifying year (2004) for the 2005 dividend.

Applicant Mailing Address by City

| Zip Code | Municipality | Application Type | | Total | % of Total Applications |
|---|--------------------------|------------------|---------------|----------------|-------------------------|
| | | Adult | Child | | |
| Anchorage | | | | | |
| 99501 | Anchorage | 8,821 | 2,160 | 10,981 | 1.75% |
| 99502 | Anchorage | 14,231 | 5,574 | 19,805 | 3.16% |
| 99503 | Anchorage | 9,189 | 2,588 | 11,777 | 1.88% |
| 99504 | Anchorage | 23,320 | 9,359 | 32,679 | 5.21% |
| 99505 | Fort Richardson | 1,064 | 888 | 1,952 | 0.31% |
| 99506 | Elmendorf Air Force Base | 1,776 | 1,481 | 3,257 | 0.52% |
| 99507 | Anchorage | 21,391 | 8,828 | 30,219 | 4.82% |
| 99508 | Anchorage | 19,227 | 7,767 | 26,994 | 4.30% |
| 99509 | Anchorage | 2,413 | 590 | 3,003 | 0.48% |
| 99510 | Anchorage | 1,582 | 272 | 1,854 | 0.30% |
| 99511 | Anchorage | 2,651 | 696 | 3,347 | 0.53% |
| 99513 | Anchorage | 10 | 2 | 12 | 0.00% |
| 99514 | Anchorage | 1,938 | 913 | 2,851 | 0.45% |
| 99515 | Anchorage | 13,292 | 5,571 | 18,863 | 3.01% |
| 99516 | Anchorage | 11,923 | 4,838 | 16,761 | 2.67% |
| 99517 | Anchorage | 10,282 | 3,197 | 13,479 | 2.15% |
| 99518 | Anchorage | 6,022 | 1,956 | 7,978 | 1.27% |
| 99519 | Anchorage | 656 | 178 | 834 | 0.13% |
| 99520 | Anchorage | 1,648 | 673 | 2,321 | 0.37% |
| 99521 | Anchorage | 1,430 | 489 | 1,919 | 0.31% |
| 99522 | Anchorage | 1,451 | 450 | 1,901 | 0.30% |
| 99523 | Anchorage | 1,965 | 669 | 2,634 | 0.42% |
| 99524 | Anchorage | 2,299 | 526 | 2,825 | 0.45% |
| Total Anchorage | | 158,581 | 59,665 | 218,246 | 34.80% |
| Fairbanks North Star Borough | | | | | |
| 99701 | Fairbanks | 9,554 | 3,365 | 12,919 | 2.06% |
| 99702 | Eielson Air Force Base | 1,591 | 1,292 | 2,883 | 0.46% |
| 99703 | Fort Wainwright | 1,964 | 1,602 | 3,566 | 0.57% |
| 99704 | Clear | 79 | 22 | 101 | 0.02% |
| 99705 | North Pole | 10,359 | 4,380 | 14,739 | 2.35% |
| 99706 | Fairbanks | 1,250 | 347 | 1,597 | 0.25% |
| 99707 | Fairbanks | 4,465 | 2,990 | 7,455 | 1.19% |
| 99708 | Fairbanks | 5,374 | 0 | 5,374 | 0.86% |
| 99709 | Fairbanks | 11,547 | 4,032 | 15,579 | 2.48% |
| 99710 | Fairbanks | 1,113 | 373 | 1,486 | 0.24% |
| 99711 | Fairbanks | 1,076 | 351 | 1,427 | 0.23% |
| 99712 | Fairbanks | 5,209 | 1,936 | 7,145 | 1.14% |
| 99714 | Salcha | 655 | 0 | 655 | 0.10% |
| 99716 | Two Rivers | 273 | 93 | 366 | 0.06% |
| 99775 | Fairbanks | 675 | 141 | 816 | 0.13% |
| Total Fairbanks North Star Borough | | 55,184 | 20,924 | 76,108 | 12.13% |
| Juneau | | | | | |
| 99801 | Juneau | 13,949 | 5,068 | 19,017 | 3.03% |
| 99802 | Juneau | 2,205 | 498 | 2,703 | 0.43% |
| 99803 | Juneau | 3,212 | 977 | 4,189 | 0.67% |
| 99821 | Juneau (Auke Bay) | 1,108 | 224 | 1,332 | 0.21% |
| 99824 | Juneau (Douglas) | 1,530 | 460 | 1,990 | 0.32% |
| Total Juneau | | 22,004 | 7,227 | 29,231 | 4.66% |

Applicant Mailing Address by City

| Zip Code | Municipality | Application Type | | | % of Total Applications |
|-----------------------------|-------------------------------|------------------|-------|-------|-------------------------|
| | | Adult | Child | Total | |
| Other Municipalities | | | | | |
| 99546 | Adak | 60 | 22 | 82 | 0.01% |
| 99615 | Akhiok | 31 | 17 | 48 | 0.01% |
| 99551 | Akiachak | 359 | 275 | 634 | 0.10% |
| 99552 | Akiak | 217 | 160 | 377 | 0.06% |
| 99553 | Akutan | 103 | 16 | 119 | 0.02% |
| 99554 | Alakanuk | 363 | 340 | 703 | 0.11% |
| 99555 | Aleknagik | 87 | 49 | 136 | 0.02% |
| 99695 | Alexander Creek | 6 | 3 | 9 | 0.00% |
| 99720 | Allakaket | 130 | 62 | 192 | 0.03% |
| 99786 | Ambler | 167 | 105 | 272 | 0.04% |
| 99721 | Anaktuvuk Pass | 197 | 111 | 308 | 0.05% |
| 99556 | Anchor Point/Nikolaevsk | 1,493 | 438 | 1,931 | 0.31% |
| 99744 | Anderson | 181 | 71 | 252 | 0.04% |
| 99820 | Angoon | 352 | 122 | 474 | 0.08% |
| 99557 | Aniak/Chuathbaluk/Stony River | 384 | 185 | 569 | 0.09% |
| 99558 | Anvik | 57 | 46 | 103 | 0.02% |
| 99722 | Arctic Village | 98 | 47 | 145 | 0.02% |
| 99547 | Atka | 54 | 21 | 75 | 0.01% |
| 99791 | Atqasuk | 133 | 105 | 238 | 0.04% |
| 99723 | Barrow | 2,570 | 1,372 | 3,942 | 0.63% |
| 99724 | Beaver | 52 | 21 | 73 | 0.01% |
| 99559 | Bethel/Napaskiak | 4,354 | 2,621 | 6,975 | 1.11% |
| 99726 | Bettles Field | 38 | 4 | 42 | 0.01% |
| 99652 | Big Lake | 2,075 | 723 | 2,798 | 0.45% |
| 99785 | Brevig Mission | 170 | 3 | 173 | 0.03% |
| 99727 | Buckland | 212 | 214 | 426 | 0.07% |
| 99729 | Cantwell | 196 | 39 | 235 | 0.04% |
| 99730 | Central | 97 | 20 | 117 | 0.02% |
| 99788 | Chalkyitsik | 63 | 29 | 92 | 0.01% |
| 99561 | Chefornak | 243 | 213 | 456 | 0.07% |
| 99574 | Chenega Bay | 41 | 18 | 59 | 0.01% |
| 99563 | Chevak | 478 | 454 | 932 | 0.15% |
| 99732 | Chicken | 13 | 3 | 16 | 0.00% |
| 99564 | Chignik | 65 | 21 | 86 | 0.01% |
| 99565 | Chignik Lagoon | 63 | 28 | 91 | 0.01% |
| 99548 | Chignik Lake | 76 | 41 | 117 | 0.02% |
| 99615 | Chiniak | 85 | 17 | 102 | 0.02% |
| 99566 | Chitina | 120 | 43 | 163 | 0.03% |
| 99567 | Chugiak | 5,923 | 2,143 | 8,066 | 1.29% |
| 99733 | Circle | 73 | 27 | 100 | 0.02% |
| 99568 | Clam Gulch | 236 | 65 | 301 | 0.05% |
| 99569 | Clarks Point | 44 | 23 | 67 | 0.01% |
| 99918 | Coffman Cove | 131 | 26 | 157 | 0.03% |
| 99571 | Cold Bay/Nelson Lagoon | 50 | 15 | 65 | 0.01% |
| 99572 | Cooper Landing | 304 | 39 | 343 | 0.05% |
| 99573 | Copper Center | 843 | 371 | 1,214 | 0.19% |
| 99574 | Cordova | 1,647 | 592 | 2,239 | 0.36% |
| 99921 | Craig | 1,131 | 451 | 1,582 | 0.25% |

Applicant Mailing Address by City

| Zip Code | Municipality | Application Type | | | % of Total Applications |
|----------|---------------------------------|------------------|-------|--------|-------------------------|
| | | Adult | Child | Total | |
| 99575 | Crooked Creek | 75 | 60 | 135 | 0.02% |
| 99736 | Deering | 91 | 61 | 152 | 0.02% |
| 99737 | Delta Junction/Dot Lake/Paxson | 2,644 | 1,274 | 3,918 | 0.62% |
| 99755 | Denali National Park | 189 | 31 | 220 | 0.04% |
| 99576 | Dillingham/Koliganek/Twin Hills | 1,609 | 795 | 2,404 | 0.38% |
| 99738 | Eagle | 177 | 52 | 229 | 0.04% |
| 99577 | Eagle River | 15,989 | 6,433 | 22,422 | 3.57% |
| 99917 | Edna Bay | 14 | | 14 | 0.00% |
| 99578 | Eek | 179 | 121 | 300 | 0.05% |
| 99579 | Egegik | 61 | 20 | 81 | 0.01% |
| 99580 | Ekwok | 70 | 49 | 119 | 0.02% |
| 99825 | Elfin Cove | 46 | 5 | 51 | 0.01% |
| 99739 | Elim | 182 | 114 | 296 | 0.05% |
| 99581 | Emmonak | 442 | 312 | 754 | 0.12% |
| 99725 | Ester | 651 | 167 | 818 | 0.13% |
| 99583 | False Pass | 38 | 21 | 59 | 0.01% |
| 99740 | Fort Yukon | 423 | 200 | 623 | 0.10% |
| 99586 | Gakona/Slana | 387 | 98 | 485 | 0.08% |
| 99741 | Galena | 408 | 166 | 574 | 0.09% |
| 99742 | Gambell | 383 | 260 | 643 | 0.10% |
| 99587 | Girdwood | 1,461 | 328 | 1,789 | 0.29% |
| 99588 | Glennallen | 1,016 | 390 | 1,406 | 0.22% |
| 99589 | Goodnews Bay | 162 | 80 | 242 | 0.04% |
| 99590 | Grayling | 116 | 62 | 178 | 0.03% |
| 99826 | Gustavus | 340 | 105 | 445 | 0.07% |
| 99827 | Haines | 1,820 | 447 | 2,267 | 0.36% |
| 99743 | Healy | 681 | 242 | 923 | 0.15% |
| 99602 | Holy Cross | 131 | 80 | 211 | 0.03% |
| 99603 | Homer | 6,843 | 2,493 | 9,336 | 1.49% |
| 99829 | Hoonah | 678 | 223 | 901 | 0.14% |
| 99604 | Hooper Bay | 582 | 558 | 1,140 | 0.18% |
| 99605 | Hope | 149 | 23 | 172 | 0.03% |
| 99694 | Houston | 351 | 93 | 444 | 0.07% |
| 99745 | Hughes | 50 | 15 | 65 | 0.01% |
| 99746 | Huslia | 165 | 94 | 259 | 0.04% |
| 99922 | Hydaburg | 247 | 103 | 350 | 0.06% |
| 99923 | Hyder | 74 | 14 | 88 | 0.01% |
| 99606 | Iliamna | 304 | 83 | 387 | 0.06% |
| 99540 | Indian/Bird Creek | 170 | 43 | 213 | 0.03% |
| 99830 | Kake | 435 | 169 | 604 | 0.10% |
| 99747 | Kaktovik | 161 | 78 | 239 | 0.04% |
| 99607 | Kalskag | 140 | 97 | 237 | 0.04% |
| 99748 | Kaltag | 157 | 81 | 238 | 0.04% |
| 99608 | Karluk | 20 | 20 | 40 | 0.01% |
| 99609 | Kasigluk | 308 | 218 | 526 | 0.08% |
| 99610 | Kasilof | 1,576 | 501 | 2,077 | 0.33% |
| 99611 | Kenai | 8,318 | 3,251 | 11,569 | 1.84% |
| 99901 | Ketchikan | 8,121 | 2,798 | 10,919 | 1.74% |
| 99950 | Ketchikan Rural Area | 241 | 50 | 291 | 0.05% |
| 99749 | Kiana | 228 | 150 | 378 | 0.06% |

Applicant Mailing Address by City

| Zip Code | Municipality | Application Type | | Total | % of Total Applications |
|----------|--------------------|------------------|-------|--------|-------------------------|
| | | Adult | Child | | |
| 99612 | King Cove | 329 | 130 | 459 | 0.07% |
| 99613 | King Salmon | 371 | 113 | 484 | 0.08% |
| 99614 | Kipnuk | 373 | 301 | 674 | 0.11% |
| 99750 | Kivalina | 207 | 173 | 380 | 0.06% |
| 99925 | Klawock | 584 | 201 | 785 | 0.13% |
| 99751 | Kobuk | 74 | 71 | 145 | 0.02% |
| 99615 | Kodiak | 7,920 | 3,407 | 11,327 | 1.81% |
| 99697 | Kodiak | 22 | 10 | 32 | 0.01% |
| 99619 | Kodiak (USCG Base) | 5 | 2 | 7 | 0.00% |
| 99606 | Kokhanok | 110 | 59 | 169 | 0.03% |
| 99620 | Kotlik | 316 | 263 | 579 | 0.09% |
| 99752 | Kotzebue | 1,927 | 1,101 | 3,028 | 0.48% |
| 99753 | Koyuk | 180 | 160 | 340 | 0.05% |
| 99754 | Koyukuk | 60 | 31 | 91 | 0.01% |
| 99621 | Kwethluk | 387 | 316 | 703 | 0.11% |
| 99622 | Kwigillingok | 210 | 148 | 358 | 0.06% |
| 99757 | Lake Minchumina | 17 | 2 | 19 | 0.00% |
| 99624 | Larsen Bay | 70 | 31 | 101 | 0.02% |
| 99625 | Levelock | 38 | 18 | 56 | 0.01% |
| 99626 | Lower Kalskag | 172 | 5 | 177 | 0.03% |
| 99756 | Manley Hot Springs | 87 | 11 | 98 | 0.02% |
| 99628 | Manokotak | 263 | 179 | 442 | 0.07% |
| 99585 | Marshall | 213 | 159 | 372 | 0.06% |
| 99627 | McGrath | 276 | 116 | 392 | 0.06% |
| 99630 | Mekoryuk | 146 | 81 | 227 | 0.04% |
| 99926 | Metlakatla | 977 | 392 | 1,369 | 0.22% |
| 99903 | Meyers Chuck | 22 | 0 | 22 | 0.00% |
| 99758 | Minto | 155 | 64 | 219 | 0.03% |
| 99631 | Moose Pass | 196 | 69 | 265 | 0.04% |
| 99632 | Mountain Village | 440 | 358 | 798 | 0.13% |
| 99633 | Naknek | 353 | 131 | 484 | 0.08% |
| 99634 | Napakiak | 208 | 159 | 367 | 0.06% |
| 99760 | Nenana | 606 | 229 | 835 | 0.13% |
| 99636 | New Stuyahok | 259 | 199 | 458 | 0.07% |
| 99690 | Nightmute | 117 | 108 | 225 | 0.04% |
| 99635 | Nikiski | 1,441 | 495 | 1,936 | 0.31% |
| 99691 | Nikolai | 79 | 27 | 106 | 0.02% |
| 99638 | Nikolski | 21 | 7 | 28 | 0.00% |
| 99639 | Ninilchik | 855 | 185 | 1,040 | 0.17% |
| 99761 | Noatak | 282 | 8 | 290 | 0.05% |
| 99762 | Nome/Golovin | 2,432 | 1,215 | 3,647 | 0.58% |
| 99640 | Nondalton | 137 | 78 | 215 | 0.03% |
| 99763 | Noorvik | 352 | 275 | 627 | 0.10% |
| 99764 | Northway | 187 | 92 | 279 | 0.04% |
| 99789 | Nuiqsut | 246 | 158 | 404 | 0.06% |
| 99765 | Nulato | 218 | 105 | 323 | 0.05% |
| 99666 | Nunam Iqua | 99 | 85 | 184 | 0.03% |
| 99641 | Nunapitchuk | 275 | 229 | 504 | 0.08% |
| 99643 | Old Harbor | 161 | 66 | 227 | 0.04% |
| 99644 | Ouzinkie | 153 | 70 | 223 | 0.04% |

Applicant Mailing Address by City

| Zip Code | Municipality | Application Type | | Total | % of Total Applications |
|----------|---------------------|------------------|-------|--------|-------------------------|
| | | Adult | Child | | |
| 99645 | Palmer | 15,122 | 6,359 | 21,481 | 3.42% |
| 99647 | Pedro Bay | 43 | 26 | 69 | 0.01% |
| 99832 | Pelican | 109 | 16 | 125 | 0.02% |
| 99648 | Perryville | 79 | 41 | 120 | 0.02% |
| 99833 | Petersburg | 2,356 | 844 | 3,200 | 0.51% |
| 99649 | Pilot Point | 45 | 24 | 69 | 0.01% |
| 99650 | Pilot Station | 310 | 265 | 575 | 0.09% |
| 99651 | Platinum | 27 | 9 | 36 | 0.01% |
| 99927 | Point Baker | 48 | 15 | 63 | 0.01% |
| 99766 | Point Hope | 427 | 300 | 727 | 0.12% |
| 99759 | Point Lay | 117 | 96 | 213 | 0.03% |
| 99836 | Port Alexander | 53 | 22 | 75 | 0.01% |
| 99653 | Port Alsworth | 86 | 39 | 125 | 0.02% |
| 99549 | Port Heiden | 65 | 29 | 94 | 0.01% |
| 99550 | Port Lions | 169 | 52 | 221 | 0.04% |
| 99734 | Prudhoe Bay | 17 | 0 | 17 | 0.00% |
| 99655 | Quinhagak | 380 | 276 | 656 | 0.10% |
| 99767 | Rampart | 25 | 2 | 27 | 0.00% |
| 99656 | Red Devil | 21 | 12 | 33 | 0.01% |
| 99768 | Ruby | 134 | 71 | 205 | 0.03% |
| 99657 | Russian Mission | 192 | 146 | 338 | 0.05% |
| 99591 | Saint George Island | 76 | 35 | 111 | 0.02% |
| 99658 | Saint Marys | 391 | 292 | 683 | 0.11% |
| 99659 | Saint Michael | 193 | 195 | 388 | 0.06% |
| 99660 | Saint Paul Island | 325 | 134 | 459 | 0.07% |
| 99661 | Sand Point | 390 | 159 | 549 | 0.09% |
| 99769 | Savoonga | 385 | 301 | 686 | 0.11% |
| 99662 | Scammon Bay | 230 | 278 | 508 | 0.08% |
| 99770 | Selawik | 459 | 360 | 819 | 0.13% |
| 99663 | Seldovia | 339 | 79 | 418 | 0.07% |
| 99664 | Seward | 2,957 | 880 | 3,837 | 0.61% |
| 99665 | Shageluk | 75 | 52 | 127 | 0.02% |
| 99771 | Shaktolik | 142 | 75 | 217 | 0.03% |
| 99772 | Shishmaref | 317 | 244 | 561 | 0.09% |
| 99773 | Shungnak | 142 | 114 | 256 | 0.04% |
| 99835 | Sitka | 6,023 | 2,002 | 8,025 | 1.28% |
| 99840 | Skagway | 674 | 144 | 818 | 0.13% |
| 99667 | Skwentna | 50 | 10 | 60 | 0.01% |
| 99668 | Sleetmute | 68 | 29 | 97 | 0.02% |
| 99669 | Soldotna | 9,737 | 3,621 | 13,358 | 2.13% |
| 99670 | South Naknek | 63 | 16 | 79 | 0.01% |
| 99671 | Stebbins | 307 | 249 | 556 | 0.09% |
| 99672 | Sterling | 2,134 | 746 | 2,880 | 0.46% |
| 99774 | Stevens Village | 50 | 25 | 75 | 0.01% |
| 99674 | Sutton/Chickaloon | 659 | 248 | 907 | 0.14% |
| 99675 | Takotna | 30 | 15 | 45 | 0.01% |
| 99676 | Talkeetna | 1,115 | 252 | 1,367 | 0.22% |
| 99776 | Tanacross | 69 | 26 | 95 | 0.02% |
| 99777 | Tanana | 205 | 83 | 288 | 0.05% |
| 99677 | Tatitlek | 64 | 27 | 91 | 0.01% |

Applicant Mailing Address by City

| Zip Code | Municipality | Application Type | | | % of Total Applications |
|---|-------------------------|------------------|----------------|----------------|-------------------------|
| | | Adult | Child | Total | |
| 99778 | Teller | 151 | 103 | 254 | 0.04% |
| 99841 | Tenakee Springs | 85 | 16 | 101 | 0.02% |
| 99779 | Tetlin | 54 | 14 | 68 | 0.01% |
| 99919 | Thorne Bay | 383 | 124 | 507 | 0.08% |
| 99678 | Togiak | 455 | 319 | 774 | 0.12% |
| 99780 | Tok/Mentasta Lake | 1,194 | 377 | 1,571 | 0.25% |
| 99637 | Toksook Bay | 329 | 277 | 606 | 0.10% |
| 99683 | Trapper Creek | 393 | 76 | 469 | 0.07% |
| 99679 | Tuluksak | 249 | 208 | 457 | 0.07% |
| 99680 | Tuntutuliak | 204 | 186 | 390 | 0.06% |
| 99681 | Tununak | 190 | 138 | 328 | 0.05% |
| 99682 | Tyonek | 135 | 71 | 206 | 0.03% |
| 99684 | Unalakeet | 484 | 245 | 729 | 0.12% |
| 99685 | Unalaska | 659 | 253 | 912 | 0.15% |
| 99692 | Unalaska (Dutch Harbor) | 968 | 308 | 1,276 | 0.20% |
| 99686 | Valdez | 2,745 | 1,048 | 3,793 | 0.60% |
| 99781 | Venetie | 142 | 71 | 213 | 0.03% |
| 99782 | Wainwright | 317 | 183 | 500 | 0.08% |
| 99783 | Wales | 94 | 47 | 141 | 0.02% |
| 99928 | Ward Cove | 1,053 | 338 | 1,391 | 0.22% |
| 99629 | Wasilla | 1,062 | 398 | 1,460 | 0.23% |
| 99654 | Wasilla | 16,725 | 7,764 | 24,489 | 3.90% |
| 99687 | Wasilla | 10,241 | 4,253 | 14,494 | 2.31% |
| 99784 | White Mountain | 131 | 85 | 216 | 0.03% |
| 99693 | Whittier | 205 | 44 | 249 | 0.04% |
| 99688 | Willow | 1,910 | 591 | 2,501 | 0.40% |
| 99929 | Wrangell | 1,611 | 484 | 2,095 | 0.33% |
| 99689 | Yakutat | 460 | 175 | 635 | 0.10% |
| Total Other Municipalities | | 199,719 | 84,382 | 284,101 | 45.30% |
| Office of Public Advocacy¹ | | 894 | 0 | 894 | 0.14% |
| Health and Social Services¹ | | 0 | 2,058 | 2,058 | 0.33% |
| Total All Alaska Municipalities | | 436,382 | 174,256 | 610,638 | 97.36% |
| West Coast states | | | | | |
| Washington | | 903 | 428 | 1,331 | 0.21% |
| Oregon | | 359 | 121 | 480 | 0.08% |
| California | | 629 | 921 | 1,550 | 0.25% |
| Total West Coast States | | 1,891 | 1,470 | 3,361 | 0.54% |
| Other States | | 7,734 | 5,474 | 13,208 | 2.11% |
| Total All Applicants | | 446,007 | 181,200 | 627,207 | 100.00% |

¹Applicants reside throughout the state, however applications are submitted by the respective agency with the agency's address (Health and Social Services are filed with a Juneau address and Office of Public Advocacy are filed with an Anchorage address).

Documents Processed

| Document Type | Number | Document Type | Number |
|--|---------------|------------------------------------|-------------------------|
| Application/Supplemental Schedule | 661453 | Alien Registration Card | 1225 |
| Supporting Documentation | 136302 | Adult Certification | 1063 |
| Signature Page | 75780 | Medical Treatment Verification | 892 |
| Denial Letter | 47949 | Power of Attorney | 873 |
| Missing Information Letter | 42885 | Employment Eligibility Question | 870 |
| Garnishments and Attachments | 33840 | Child Information Letter | 651 |
| PFD Forms | 24789 | PFD Returned Warrant | 621 |
| PFD Request for Information | 21096 | Social Security Card | 619 |
| Legal Document | 20488 | Naturalization Papers | 590 |
| Vital Statistics Document | 20175 | Stop Payment Request | 562 |
| Incoming Correspondence | 13575 | Child Certification | 408 |
| Other | 12846 | Competing Sponsor Withdrawal | 378 |
| Direct Deposit (Adult) | 10081 | Moving Receipt | 335 |
| Education Verification | 8925 | Court Order | 319 |
| Informal Appeals Decision | 8147 | Formal Appeals Decision | 318 |
| Income Tax Forms | 8072 | Appeals Remand Letter | 289 |
| Personal Identification | 7007 | Hearing Position Statements | 264 |
| PFD Outcards/Printouts | 6307 | Driver License | 257 |
| Request for Informal Appeal | 5943 | Formal Appeals form | 232 |
| Birth Certificate | 5533 | Direct Deposit Withdrawal (Child) | 196 |
| Adult Supplemental Schedule | 5488 | Blank Document | 179 |
| Change of Address | 5383 | Voter Registration Card | 170 |
| Leave and Earnings Statement | 5358 | Eligibility Verification Signature | 164 |
| Prior Year Non-filer Information Form | 5349 | Appeals Overturn Letter | 163 |
| Returned Envelope | 4972 | Notice of Hearing | 129 |
| Airline Ticket | 4179 | Applicant Request for Information | 116 |
| Direct Deposit (Child) | 4044 | Sworn Statement to Reapply | 91 |
| Supplemental Schedule as Info Letter | 4018 | Applicant Withdrawal Letter | 80 |
| Envelope (late or out-of-state postmark) | 3871 | Sponsor Eligibility Form | 76 |
| Employment Record | 3544 | Jury Questionnaire | 74 |
| Outgoing Correspondence | 3296 | Superior Court Decision | 57 |
| Adult Information Letter | 3079 | Formal Hearing Motion | 55 |
| Tuition Verification | 2751 | Motion Decision | 28 |
| Appeal Fee Payment | 2610 | Reconsideration Decision | 25 |
| Rental or Lease Agreement | 1823 | Reconsideration | 20 |
| Passport | 1760 | Superior Court Appeal | 12 |
| Direct Deposit Withdrawal (Adult) | 1315 | Supreme Court Decision | 2 |
| 5-Year Eligibility Questionnaire | 1270 | | |
| | 1,235,303 | | 12,403 |
| | | Total Documents Processed | <u>1,247,706</u> |

Dividend Payment Information

The dividend payment season begins well before the first dividend payments are paid to applicants in October. The payment season actually begins in August, when the division starts to coordinate direct deposit transactions with banks and financial institutions participating in the direct deposit program.

In September, the division begins the task of calculating the dividend amount to be announced by the commissioner of Revenue later in the month. Because there are still applications pending review or appeal, the division estimates the total number of applicants who will ultimately qualify for a dividend and takes other factors, such as applications and payments for prior year dividends, into consideration when calculating the dividend. The dividend calculation is included in the executive summary section of this report.

Immediately following the dividend announcement by the commissioner, the division compiles payment data that is transmitted to banks and federal credit unions for direct deposit and the state Department of Administration for direct-deposit notices and dividend checks. Processing begins before the first payment date in October to allow ample time for printing and mailing the large volume of direct deposit advices and checks. Direct-deposit advices are printed first so that all direct deposit recipients receive notification before they are paid. Direct deposit occurs in the middle of October, two weeks prior to the first mailing of checks. Checks are mailed to eligible applicants at the end of October.

This section includes data and information related to the payment of dividends in 2005. In addition to payment of 2005 dividends, the division paid prior-year dividends during the year as 2004 pending applications were resolved through review and appeals. Some prior-year dividends were also paid from applications filed by individuals who turned 18 years old and did not receive a dividend during a prior year.

2005 Dividend Payment Activity

| | Applicants | % Total |
|-------------------------------------|------------------------------|------------------------------|
| 2005 Dividends Paid | | |
| Direct Deposit | | |
| Full Direct Deposit | 431,108 | |
| Partial Direct Deposit ¹ | | |
| <i>UA College Savings Plan</i> | 5,911 | |
| <i>Garnisheed</i> | 12,714 | |
| Fully Garnisheed or Assigned | <u>9,271</u> | |
| Total Paid by Direct Deposit | 459,004 | 77.07% |
| Check Runs | | |
| Full Payment | 120,013 | |
| Partial Payment ¹ | | |
| <i>UA College Savings Plan</i> | 1,571 | |
| <i>Garnisheed</i> | 5,911 | |
| Fully Garnisheed or Assigned | <u>9,106</u> | |
| Total Paid by Check | <u>136,601</u> | <u>22.93%</u> |
| Total 2005 Dividends Paid | <u><u>595,605</u></u> | <u><u>100.00%</u></u> |

¹ Applicants receive a partial direct deposit or payment when their dividend is garnisheed or assigned and the total amount garnisheed or assigned is less than the dividend amount. Applicants may assign up to 100% of their dividend, but only to federal, state or municipal agencies.

Direct deposit date: **October 12, 2005**
 First batch of checks issued: **October 21, 2005**

Number of checks issued in the first batch of checks:
118,236 (90.9% of all checks)

Number of checks returned undeliverable and cancelled: **1,129**
(checks are reissued after applicant contacts the division)

Number of checks for which stop payment requested: **489**
(checks are reissued after stop payment request processed)

Prior-Year Dividend Payment Activity
(Prior-Year Dividends Issued in Calendar Year 2005)

| <i>Dividend Year</i> | <i># of Checks</i> | <i>Dividend Amount</i> | <i>Total</i> |
|---------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| 2004 | 2,861 | 919.84 | 2,631,662.24 |
| 2003 | 283 | 1,107.56 | 313,439.48 |
| 2002 | 86 | 1,540.76 | 132,505.36 |
| 2001 | 62 | 1,850.28 | 114,717.36 |
| 2000 | 52 | 1,963.86 | 102,120.72 |
| 1999 | 51 | 1,769.84 | 90,261.84 |
| 1998 | 40 | 1,540.88 | 61,635.20 |
| 1997 | 39 | 1,296.54 | 50,565.06 |
| 1996 | 49 | 1,130.68 | 55,403.32 |
| 1995 | 39 | 990.30 | 38,621.70 |
| 1994 | 42 | 983.90 | 41,323.80 |
| 1993 | 23 | 949.46 | 21,837.58 |
| 1992 | 19 | 915.84 | 17,400.96 |
| 1991 | 22 | 931.34 | 20,489.48 |
| 1990 | 19 | 952.63 | 18,099.97 |
| 1989 | 25 | 873.16 | 21,829.00 |
| 1988 | 12 | 826.93 | 9,923.16 |
| 1987 | 17 | 708.19 | 12,039.23 |
| 1986 | 4 | 556.26 | 2,225.04 |
| 1982 | 1 | 1,000.00 | 1,000.00 |
| Total | <u>3,746</u> | | <u>\$ 3,757,100.50</u> |

| |
|---|
| Number of 18-Year-Old Prior-Year Dividend Applications Received in 2005: 650 |
|---|

Prior year dividends are issued for the following reasons:

- ❖ 2004 dividend applications were still in review or appeal at the close of 2004.
- ❖ Prior year 18-year-old filers. Alaska Statute 43.23.055 authorizes individuals who hadn't received a dividend when they were a child to apply for that dividend when they turn 18 or become emancipated. These applicants must meet eligibility requirements and apply for the prior-year dividend within one year of their 18th birthday.
- ❖ Disabled adults and estates have an extended filing date of one year later than the original application deadline.

Direct Deposit Summary

| | <u><i>Institution</i></u> | <u><i># Deposits</i></u> | <u><i>Amount of Deposits</i></u> | <u><i>% Total Amount</i></u> |
|----|---|--------------------------|----------------------------------|------------------------------|
| 1 | Alaska USA FCU | 157,928 | \$130,391,579.67 | 35.04% |
| 2 | Wells Fargo | 103,173 | 85,646,150.13 | 23.01% |
| 3 | First National Bank Alaska | 44,987 | 37,288,796.26 | 10.02% |
| 4 | Credit Union 1 | 32,534 | 26,857,060.20 | 7.22% |
| 5 | <u>Denali Alaskan FCU</u> | <u>23,280</u> | <u>19,244,231.47</u> | <u>5.17%</u> |
| 6 | Matanuska Valley FCU | 18,930 | 15,689,346.44 | 4.22% |
| 7 | Key Bank of Alaska | 11,710 | 9,743,710.86 | 2.62% |
| 8 | Northrim Bank | 9,384 | 7,757,730.11 | 2.08% |
| 9 | Northern Schools FCU | 7,079 | 5,841,195.69 | 1.57% |
| 10 | <u>True North FCU</u> | <u>6,890</u> | <u>5,677,694.56</u> | <u>1.53%</u> |
| 11 | First Bank | 6,525 | 5,401,974.61 | 1.45% |
| 12 | Alaska Pacific Bank | 5,008 | 4,111,969.34 | 1.10% |
| 13 | Mt. McKinley Bank | 4,699 | 3,890,867.53 | 1.05% |
| 14 | MAC FCU | 4,189 | 3,492,818.98 | 0.94% |
| 15 | <u>Denali State Bank</u> | <u>4,156</u> | <u>3,434,819.57</u> | <u>0.92%</u> |
| 16 | Tongass FCU | 2,161 | 1,797,905.48 | 0.48% |
| 17 | Advancial FCU | 1,851 | 1,551,838.19 | 0.42% |
| 18 | Northern Skies FCU | 1,546 | 1,264,391.96 | 0.34% |
| 19 | ALPS FCU | 1,147 | 954,708.13 | 0.26% |
| 20 | <u>Alaska First Bank & Trust</u> | <u>1,085</u> | <u>905,289.97</u> | <u>0.24%</u> |
| 21 | Alaska Airlines Employees FCU | 741 | 616,549.63 | 0.17% |
| 22 | Alaska District Engineers FCU | 605 | 501,717.54 | 0.13% |
| 23 | City of Fairbanks FCU | <u>125</u> | <u>101,053.62</u> | <u>0.03%</u> |
| | Total All Institutions | 449,733 | \$372,163,399.94 | 100.00% |
| | Qualified but fully garnisheed | <u>9,271</u> | <u>\$0.00</u> | |
| | Total Qualified for Direct Deposit | 459,004 | \$372,163,399.94 | |

FCU - Federal Credit Union

Direct Deposit Historical Data

| Year | Number of Applicants | | Dividend Amount | Amount of Direct Deposit | Participating Institutions | Percentage | | |
|-------------------|----------------------|-------------------|------------------|--------------------------|----------------------------|------------------------------------|---------------|---------------|
| | Total | Requested Deposit | | | | Qualified for Deposit ² | Requested | Qualified |
| 1993 | 549,066 | 205,895 | 167,618 | \$949.46 | \$159,146,586.28 | 23 | 37.50% | 30.53% |
| 1994 | 557,836 | 285,132 | 245,911 | \$983.90 | \$241,951,832.90 | 26 | 51.11% | 44.08% |
| 1995 | 563,020 | 332,224 | 284,466 | \$990.30 | \$281,706,679.80 | 28 | 59.01% | 50.53% |
| 1996 | 564,362 | 345,929 | 295,803 | \$1,130.68 | \$334,458,536.04 | 43 | 61.30% | 52.41% |
| 1997 | 573,057 | 367,693 | 318,160 | \$1,296.54 | \$412,507,166.40 | 38 | 64.16% | 55.52% |
| 1998 | 581,803 | 389,310 | 342,531 | \$1,540.88 | \$527,799,167.28 | 34 | 66.91% | 58.87% |
| 1999 ¹ | 589,738 | 407,508 | 371,262 | \$1,769.84 | \$649,647,524.81 | 34 | 69.10% | 62.95% |
| 2000 | 607,784 | 443,713 | 390,312 | \$1,963.86 | \$755,128,494.87 | 33 | 73.01% | 64.22% |
| 2001 | 608,458 | 458,848 | 404,247 | \$1,850.28 | \$735,554,215.65 | 33 | 75.41% | 66.44% |
| 2002 | 612,188 | 470,007 | 430,891 | \$1,540.76 | \$642,457,942.63 | 28 | 76.77% | 70.39% |
| 2003 | 619,220 | 482,110 | 444,268 | \$1,107.56 | \$473,617,814.63 | 24 | 77.86% | 71.75% |
| 2004 | 625,072 | 489,546 | 448,642 | \$919.84 | \$395,606,262.86 | 23 | 78.32% | 71.77% |
| 2005 | 629,554 | 495,057 | 459,004 | \$845.76 | \$372,163,399.94 | 23 | 78.64% | 72.91% |
| Total | 7,681,158 | 5,172,972 | 4,603,115 | \$16,889.66 | \$5,981,745,624.09 | | 67.35% | 59.93% |

Note 1: Beginning 1999, Permanent Fund Dividend Division implemented partial direct deposit. For 1993 through 1998, applicants qualified for direct deposit only if they received the full dividend amount.

Note 2: Applicants may not qualify for direct deposit because their bank account was closed or their direct deposit information was incomplete.

Dividend Garnishments Summary

Under state statutes, up to 80% of a dividend may be garnisheed except that a governmental agency may garnishee up to 100% of a dividend. Any amount in excess of the total amount garnisheed is paid to the applicant.

| <i>(Sorted by Amount Paid)</i> Top Ten Garnishors | Garnishment Requests | | | | | |
|---|-----------------------------|-------------------------|------------------|------------------------|-----------------|---|
| | Submitted | | Paid | | | Primary reason |
| | # Records | Amount | # Records | Amount | Average | |
| Child Support Enforcement Division | 14,395 | \$12,174,715.20 | 10,749 | \$8,056,474.06 | \$749.51 | Delinquent child support payments |
| Alaska Clerk of the Court (Private Writs) | 20,936 | 159,085,973.32 | 9,673 | 5,857,313.25 | 605.53 | Small claims, debts and restitution |
| Postsecondary Education | 5,085 | 57,795,448.21 | 3,861 | 3,102,672.60 | 803.59 | Delinquent state student loan payments |
| Department of Law | 44,805 | 32,829,356.85 | 13,918 | 2,954,480.97 | 212.28 | Fines, attorney fees, prison costs |
| Municipality of Anchorage | 54,181 | 10,543,491.04 | 17,306 | 2,147,966.18 | 124.12 | Fines, delinquent taxes, attorney fees |
| Internal Revenue Service | 6,897 | 120,012,931.29 | 4,101 | 2,887,546.98 | 704.11 | Delinquent federal income tax liabilities |
| Alaska Department of Labor | 3,824 | 5,479,690.12 | 2,054 | 1,194,432.11 | 581.52 | Delinquent employment tax liabilities |
| Department of Health and Social Services | 783 | 1,507,312.56 | 429 | 385,619.84 | 898.88 | Public assistance fraud repayments |
| U.S. Bankruptcy Court | 268 | 226,663.68 | 255 | 214,972.80 | 843.03 | Bankruptcy estate liabilities |
| City and Borough of Juneau | 1,250 | 970,387.22 | 504 | 126,635.63 | 251.26 | Fines, delinquent taxes, attorney fees |
| Total of Top Ten Garnishors | 152,424 | \$400,625,969.49 | 62,850 | \$26,928,114.42 | \$428.45 | |
| Total of Other Garnishors | 15,209 | \$140,256,459.33 | 2,220 | \$1,275,270.36 | \$574.45 | |
| Total of All Garnishors | 167,633 | \$540,882,428.82 | 65,070 | \$28,203,384.78 | \$433.43 | |

Dividend Assignments Summary

State statutes permit applicants to assign their dividend to a government agency or regional housing authority created under Alaska Statute 18.55.996. Any amount in excess of liability due the assigned agency is paid to the applicant.

| | Assignment Requests | | | | | Primary reason |
|---|----------------------------|-----------------------|------------------|-----------------------|-----------------|--|
| | Submitted | | Paid | | | |
| Top Ten Assignees | # Records | Amount | # Records | Amount | Average | |
| AVCP ¹ Housing Authority | 430 | \$363,676.80 | 382 | \$300,464.00 | \$786.55 | Mortgage payments |
| Tlingit-Haida Regional Housing | 323 | \$273,180.48 | 277 | 214,458.49 | 774.22 | Mortgage payments |
| State Division of Investments | 226 | \$191,141.76 | 196 | 163,466.84 | 834.01 | Disaster loan payments |
| Bering Straits Regional Housing Authority | 174 | \$147,162.24 | 157 | 120,236.13 | 765.84 | Mortgage payments |
| Division of Behavioral Health | 335 | \$283,329.60 | 129 | 101,679.52 | 788.21 | Cost of rehabilitation |
| Clerk of the Court | 425 | \$359,448.00 | 285 | 99,816.72 | 350.23 | Restitution and fines |
| Aleutian Housing Authority | 88 | \$74,426.88 | 78 | 63,341.06 | 812.06 | Mortgage payments |
| Department of Health and Social Services | 117 | \$98,953.92 | 75 | 57,975.07 | 773.00 | Restitution to crime victims and fines |
| Kodiak Island Housing Authority | 86 | \$72,735.36 | 82 | 54,906.72 | 669.59 | Mortgage payments |
| Municipality of Anchorage | 101 | \$85,421.76 | 188 | 32,507.73 | 172.91 | Fines, delinquent taxes and fees |
| Total of Top Ten Assignees | 2,305 | \$1,949,476.80 | 1,849 | \$1,208,852.28 | \$653.79 | |
| Total of Other Assignees | 1,603 | \$1,355,753.28 | 1,016 | \$753,743.04 | \$741.87 | |
| Total of All Assignees | 3,908 | \$3,305,230.08 | 2,865 | \$1,962,595.32 | \$685.02 | |

¹ Association of Village Council Presidents

**University of Alaska
College Savings Plan Contributions**

| Year | Applicants | | Total Contributions |
|--------------|----------------------|-----------|--------------------------------|
| 1991 | 5,018 | \$ | 2,329,943.62 |
| 1992 | 5,490 | | 2,507,537.40 |
| 1993 | 5,925 | | 2,806,199.41 |
| 1994 | 5,905 | | 2,897,904.88 |
| 1995 | 5,405 | | 2,670,684.24 |
| 1996 | 4,945 | | 2,790,779.51 |
| 1997 | 4,426 | | 2,861,877.87 |
| 1998 | 3,468 | | 2,655,048.28 |
| 1999 | 3,663 | | 3,225,384.06 |
| 2000 | 3,766 | | 3,681,902.17 |
| 2001 | 4,464 | | 4,107,056.79 |
| 2002 | 5,094 | | 3,901,412.29 |
| 2003 | 5,667 | | 3,121,888.81 |
| 2004 | 6,601 | | 3,020,373.59 |
| 2005 | <u>7,482</u> | | <u>3,150,343.08</u> |
| Total | <u>77,319</u> | \$ | <u>45,728,336.00</u> |

Legislation establishing the Alaska Education Trust Fund (AS 14.40.807) and authorizing an allowance for applicants to contribute 50% of their dividend to the fund was passed in 1990. The name of the fund was changed in 1991 to the Advance College Tuition (ACT) Payment Fund. The ACT checkoff first appeared on 1991 dividend applications.

In fall 2001, the University of Alaska developed the UA College Savings Plan program as the main program under which persons make contributions toward advanced college tuition costs. The UA College Savings Plan provides various investment strategies to individuals making contributions.

Collections Activity

The division collects dividends from applicants who were paid and subsequently determined to be ineligible to receive the dividend. Applicants are assessed 10.5% interest until the dividend is paid back.

| | 2005 | | | | | 2004 | | | | |
|--------------|---------------------|------------|--------------|------------------|------------------|---------------------|------------|--------------|------------------|------------------|
| | Beginning Inventory | New Cases | Closed Cases | Ending Inventory | Amount Collected | Beginning Inventory | New Cases | Closed Cases | Ending Inventory | Amount Collected |
| January | 469 | 2 | 30 | 441 | \$13,982 | 397 | 15 | 22 | 390 | \$18,527 |
| February | 441 | 12 | 4 | 449 | 10284 | 390 | 58 | 7 | 441 | 10,160 |
| March | 449 | 15 | 7 | 457 | 22214 | 441 | 28 | 21 | 448 | 18,327 |
| April | 457 | 18 | 12 | 463 | 14962 | 448 | 8 | 9 | 447 | 24,567 |
| May | 463 | 19 | 20 | 462 | 33119 | 447 | 21 | 9 | 459 | 11,432 |
| June | 462 | 30 | 14 | 478 | 8147 | 459 | 20 | 14 | 465 | 26,401 |
| July | 478 | 30 | 9 | 499 | 12165 | 465 | 16 | 15 | 466 | 12,398 |
| August | 499 | 16 | 20 | 495 | 46649 | 466 | 17 | 10 | 473 | 16,764 |
| September | 495 | 20 | 9 | 506 | 36817 | 473 | 7 | 5 | 475 | 24,834 |
| October | 506 | 13 | 15 | 504 | 81051 | 475 | 8 | 12 | 471 | 94,991 |
| November | 504 | 20 | 21 | 503 | 16867 | 471 | 10 | 9 | 472 | 12,060 |
| December | 503 | 8 | 24 | 487 | 21250 | 472 | 3 | 6 | 469 | 4,644 |
| Total | | 203 | 185 | | \$317,507 | | 211 | 139 | | \$275,105 |

Dividend Information Offices

The division's dividend information offices perform crucial services for applicants who need assistance with their applications, both online and paper, or have questions regarding the dividend program. Information offices are located in Anchorage, Fairbanks and Juneau. Staff in the three offices assist tens of thousands of Alaskans each year.

Peak seasons for the information offices are the filing season that begins January 2nd and ends March 31st and the dividend payment season that occurs primarily during October.

In January through March, the three offices receive thousands of applications from walk-ins. Employees assist applicants with questions about completing applications and provide information about the dividend program. Almost half of all applications were received during the first two weeks of January and last two weeks of March combined.

In September and October, employees field inquiries from applicants who want to make sure they are on file and accepted for dividend payment, and those who have questions regarding their dividend, particularly those who were garnisheed and had not received all or part of their dividend.

Although activities peak during these times of year, employees still receive thousands of contacts in the off-season. Contacts during the off-season are primarily from applicants who have been asked to provide more information or documentation to complete their applications.

Dividend Information Office Activity Summary

| | Information Office | | | <i>Total</i> |
|--|--------------------|---------------|------------------|---------------|
| | <i>Anchorage</i> | <i>Juneau</i> | <i>Fairbanks</i> | |
| Telephone Calls | 48,832 | 37,586 | 3,403 | 89,821 |
| Counter Contacts | 34,251 | 5,761 | 14,556 | 54,568 |
| Documents Processed | | | | |
| Applications received | 41,962 | 6,675 | 11,435 | 60,072 |
| Changes of address | 9,053 | 4,065 | 2,000 | 15,118 |
| Direct-deposit changes/withdrawals | 4,914 | 4,389 | 928 | 10,231 |
| Requests to stop payment of check | 21 | 542 | 19 | 582 |
| Total Documents Processed | 55,950 | 15,671 | 14,382 | 86,003 |
| Correspondence | | | | |
| E-mail responses | 4,658 | 4,720 | 3,474 | 12,852 |
| Written responses to applicant letters | 794 | 939 | 175 | 1,908 |
| Dividend income verifications ¹ | 1 | 1,852 | 0 | 1,853 |
| Total Correspondence | 5,453 | 7,511 | 3,649 | 16,613 |
| Eligibility Determinations | | | | |
| Initial Review Cases | 11,605 | 6,850 | 1,200 | 19,655 |
| Missing Information letters | 10,259 | 6,175 | 3,155 | 19,589 |
| Final Review Cases Closed | 366 | 908 | 97 | 1,371 |
| Total Eligibility Determinations | 22,230 | 13,933 | 4,452 | 40,615 |
| Data Entry | | | | |
| Applications Keyed/Documents Linked | 47,366 | 29,403 | 305 | 77,074 |

Number of toll free (1-800) calls received: 46,083
(includes calls made outside of business hours to message service)

¹Dividend income verifications are requests from agencies, i.e. Alaska Housing Finance Corporation (low-income housing), for confirmation that the applicant received a dividend. The verifications are used by agencies to determine eligibility for their programs.

Summary of Questions Answered by Telephone

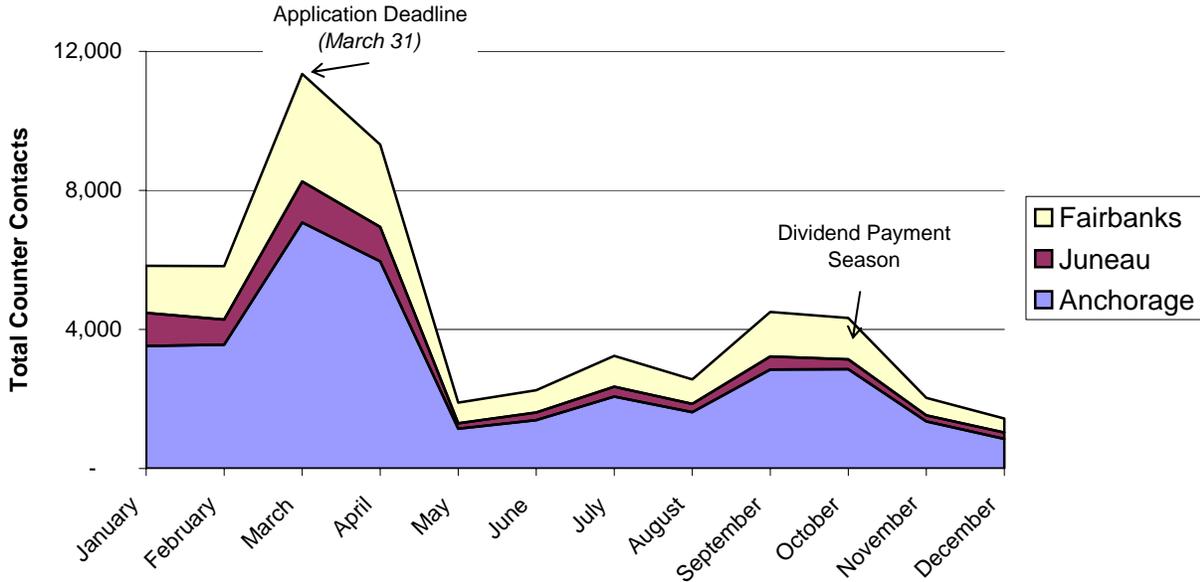
| Questions regarding | Total | Dividend Information Office | | |
|---|---------------|------------------------------------|---------------|------------------|
| | | Anchorage | Juneau | Fairbanks |
| Status of application | 34,150 | 20,493 | 12,250 | 1,407 |
| How to complete an application or form | 13,685 | 7,514 | 5,886 | 285 |
| Internet On-line Application | 7,722 | 3,571 | 3,872 | 279 |
| Direct deposit | 7,193 | 4,041 | 2,889 | 263 |
| Eligibility | 5,939 | 3,440 | 2,305 | 195 |
| Garnishments or attachments | 3,751 | 2,221 | 1,380 | 150 |
| Why an application was denied | 2,639 | 1,033 | 1,456 | 151 |
| When will the applicant get their check | 2,399 | 1,357 | 1,007 | 35 |
| Address verification or change | 2,259 | 1,736 | 423 | 100 |
| Status of an application in appeal | 1,866 | 1,203 | 627 | 36 |
| Receipt of documentation submitted | 1,631 | 247 | 1,313 | 71 |
| Status of an application in review | 1,547 | 857 | 623 | 67 |
| Birth certificate | 1,424 | 875 | 493 | 57 |
| Miscellaneous | 1,191 | 846 | 251 | 93 |
| How to complete a supplemental schedule | 1,071 | 1,012 | 54 | 4 |
| Extension request | 938 | 451 | 458 | 29 |
| Amount of the dividend for current or prior year | 703 | 426 | 263 | 14 |
| Why a person is not on file | 678 | 247 | 428 | 3 |
| Request for forms | 663 | 313 | 279 | 71 |
| Social Security Number problem | 488 | 278 | 191 | 20 |
| Absences and whether they are allowable for eligibility | 473 | 129 | 342 | 2 |
| Deceased applicant | 358 | 166 | 184 | 8 |
| IRS requirements | 292 | 49 | 228 | 15 |
| Child's application when two or more people filed for the child | 199 | 77 | 114 | 8 |
| UA College Savings program | 189 | 108 | 54 | 26 |
| Stop payment on a check | 189 | 114 | 71 | 4 |
| Requirements for being in Alaska (when applicant is absent) | 183 | 129 | 52 | 2 |
| Fraud tips | 139 | 62 | 69 | 8 |
| Eligibility for persons who are not U.S. citizens | 36 | 13 | 23 | - |
| Total Questions | 93,997 | 53,008 | 37,586 | 3,403 |
| Number of Individual Calls¹ | 87,784 | 46,795 | 37,586 | 3,403 |

¹More than one activity code may be entered on a individual telephone call when the call pertains to multiple questions.

Dividend Information Office Monthly Activity (Detail by Information Office)

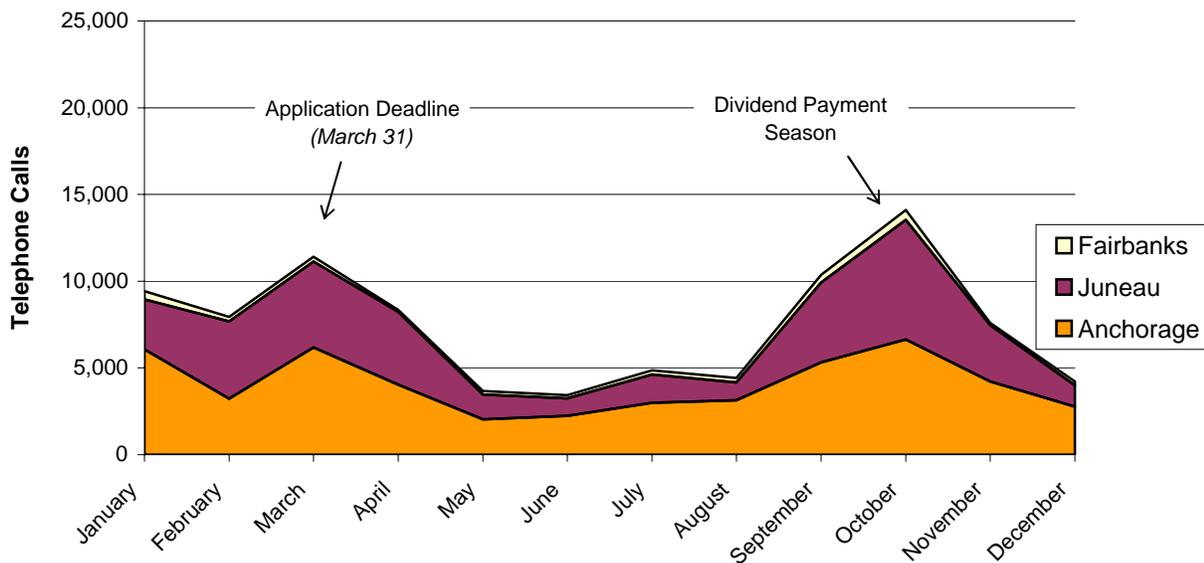
Counter Contacts

Information office employees assist thousands of applicants who walk into the local offices. During 2005, employees assisted 54,568 applicants.



Telephone Calls

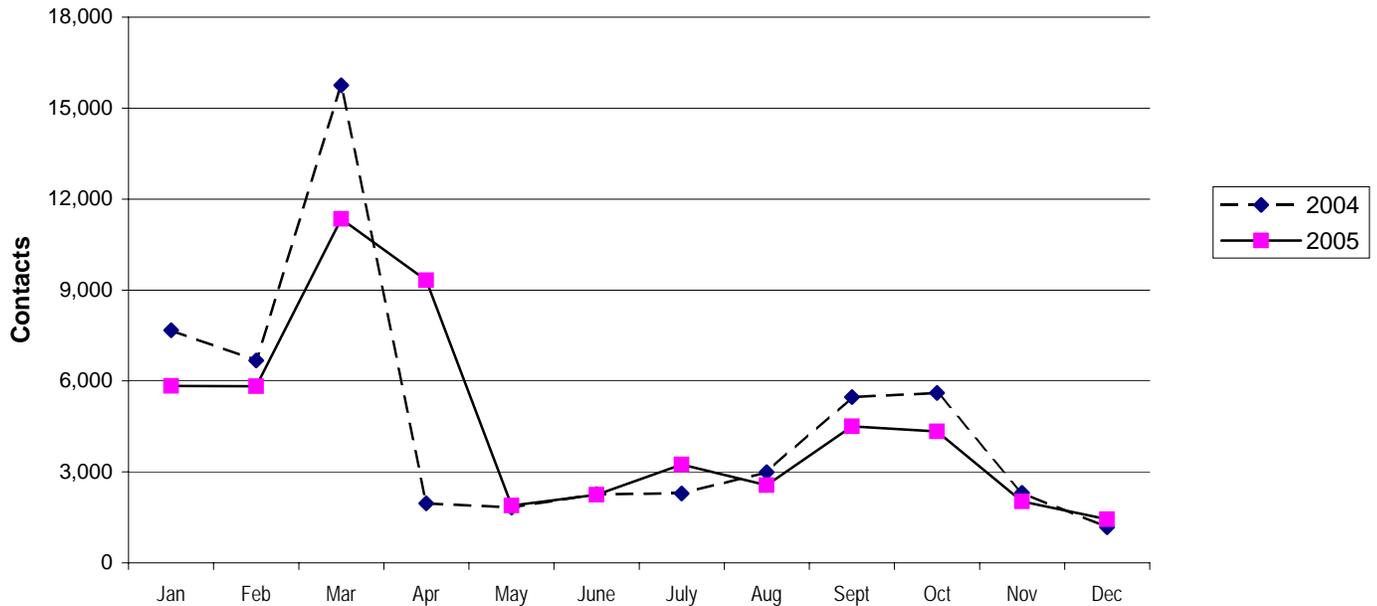
Information office employees respond to thousands of telephone calls each year from applicants requesting assistance. During 2005, employees answered 89,821 calls.



Two-Year Comparison of Information Office Activity

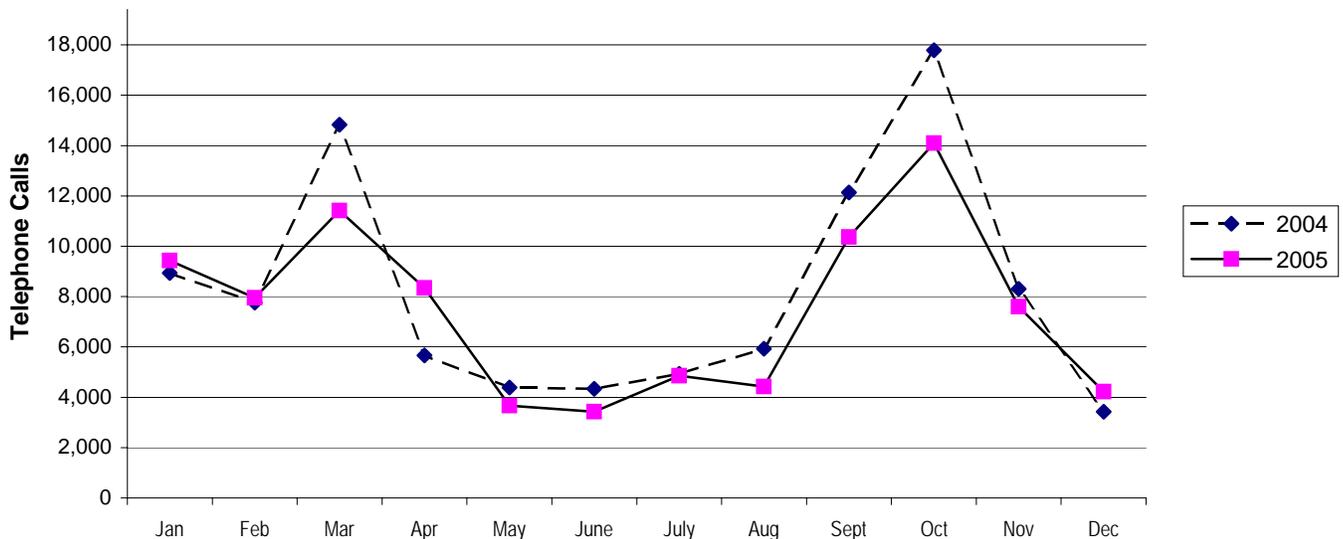
Counter Contacts

Total counter contacts in 2004 and 2005 were 55,995 and 54,568, respectively. Counter contacts are greatest during March prior to the filing due date. Counter contacts relate to persons seeking assistance for completing their application and inquiring about eligibility.



Telephone Calls

Total telephone calls answered in 2004 and 2005 were 98,445 and 89,821, respectively. Telephone call activity is greatest in October when dividend payments are made. Calls during this time relate to the status of payments or garnishments.



Initial Review

As applications are loaded onto the division's database, some are flagged for further review due to data discrepancies and/or eligibility issues.

The Initial Review Section manually reviews all flagged applications. Initial Review staff research, examine and analyze documents, supplemental information and data. Staff considers the applicant's past filing history, actions and statements. Staff makes determinations based on information available at the time of the review. If staff determines that more information is needed, or that an individual is not eligible for a dividend, automatic letters are generated. Applications with complex eligibility issues are referred to Final Review.

Initial Review Activity

| 2005 Initial Reviews | | 2004 Initial Reviews | |
|-----------------------------------|----------------|-----------------------------------|----------------|
| 2005 | Worked | 2004 | Worked |
| Jan | 5,977 | Jan | 1,055 |
| Feb | 10,910 | Feb | 11,502 |
| Mar | 10,136 | Mar | 14,909 |
| Apr | 13,480 | Apr | 12,107 |
| May | 21,022 | May | 23,043 |
| Jun | 17,798 | Jun | 22,905 |
| Jul | 13,566 | Jul | 12,840 |
| Aug | 843 | Aug | 482 |
| Sep | 3,220 | Sep | 297 |
| Oct | 202 | Oct | 557 |
| Nov | 41 | Nov | 763 |
| Dec | 0 | Dec | 690 |
| | | | |
| Initial Reviews Processed | 97,195 | Initial Reviews Processed | 101,150 |
| Total Applications Filed | 627,205 | Total Applications Filed | 625,072 |
| As % of Applications Filed | 15% | As % of Applications Filed | 16% |

| 2005 Requests for Information | | 2004 Requests for Information | |
|--|---------------|--|---------------|
| 2005 | Sent | 2004 | Sent |
| Jan | 4,816 | Jan | 17 |
| Feb | 9,097 | Feb | 13,338 |
| Mar | 8,697 | Mar | 13,740 |
| Apr | 10,698 | Apr | 7,789 |
| May | 13,706 | May | 22,010 |
| Jun | 6,674 | Jun | 8,846 |
| Jul | 8,449 | Jul | 6,744 |
| Aug | 1,218 | Aug | 323 |
| Sep | 291 | Sep | 93 |
| Oct | 68 | Oct | 111 |
| Nov | 2 | Nov | 93 |
| Dec | 1 | Dec | 136 |
| | | | |
| Requests Sent | 63,717 | Requests Sent | 73,240 |
| As % of Initial Reviews | 66% | As % of Initial Reviews | 72% |
| As % of Applications Filed | 10% | As % of Applications Filed | 12% |

Final Review

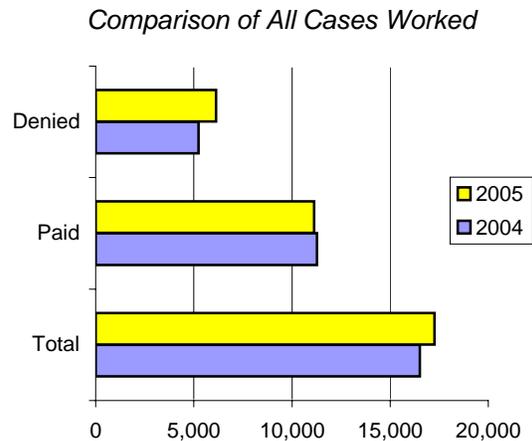
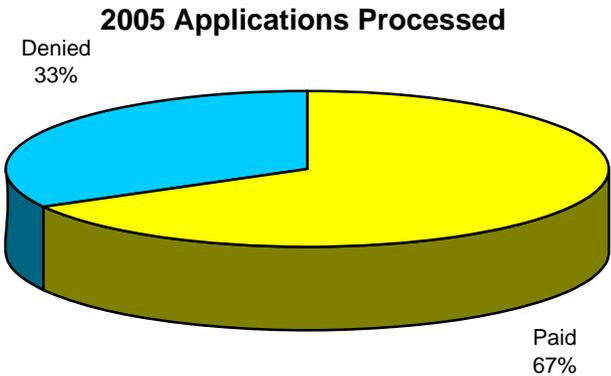
As applications are loaded onto the division's database, some are flagged for closer review because of more complex eligibility issues. Applications may also be referred from the initial review and applicant response processes if all eligibility issues could not be resolved at those levels.

The Final Review Section manually reviews all applications flagged. Review staff make eligibility determinations based on information submitted with the application, and in telephone contacts, email, and correspondence received from applicants and third parties. Staff determine if the applicant meets all eligibility requirements of the PFD program. When making determinations, staff verify establishment of Alaska residency, applicants' intent to remain an Alaska resident, reasons for absences from the state, and compliance with physical presence requirements. When it is determined that an applicant is not eligible for a dividend, staff issue a letter notifying the applicant that his or her dividend application is denied and why. The letter also notifies the applicant of his or her right to appeal the decision.

Final Review Caseload Activity

| 2005 Applications | | | | Prior Year Applications | | | |
|---------------------------------------|---------------|--------------|---------------|-------------------------|--------------|--------------|--------------|
| 2005 | Paid | Denied | Total | 2005 | Paid | Denied | Total |
| Jan | 123 | 15 | 138 | Jan | 340 | 458 | 798 |
| Feb | 509 | 104 | 613 | Feb | 49 | 99 | 148 |
| Mar | 360 | 136 | 496 | Mar | 69 | 108 | 177 |
| Apr | 560 | 187 | 747 | Apr | 35 | 36 | 71 |
| May | 1,153 | 390 | 1,543 | May | 31 | 13 | 44 |
| Jun | 1,058 | 407 | 1,465 | Jun | 11 | 48 | 59 |
| Jul | 1,026 | 548 | 1,574 | Jul | 14 | 41 | 55 |
| Aug | 1,191 | 536 | 1,727 | Aug | 24 | 11 | 35 |
| Sep | 1,557 | 560 | 2,117 | Sep | 40 | 21 | 61 |
| Oct | 1,067 | 660 | 1,727 | Oct | 38 | 33 | 71 |
| Nov | 1,241 | 657 | 1,898 | Nov | 44 | 29 | 73 |
| Dec | 573 | 972 | 1,545 | Dec | 12 | 60 | 72 |
| Processed in 2005 | 10,418 | 5,172 | 15,590 | Processed in 2005 | 707 | 957 | 1,664 |
| % Paid/Denied | 66.8% | 33.2% | | % Paid/Denied | 42.5% | 57.5% | |
| Ending Inventory at 12/31/2005 | | | 665 | | | | |
| Total 2005 Final Review Cases | | | 16,255 | | | | |

Total Cases (All Years) Worked in 2005: **17,254**
 Total Cases (All Years) Worked in 2004: **16,507**



Appeals

A person whose application is denied for payment may appeal to the PFD Division if he or she disagrees with the denial. If an application is denied, the applicant receives a letter from the division notifying him or her of the division's reason for denying the application. Along with the denial letter, the applicant receives a form that the applicant can complete to request an appeal.

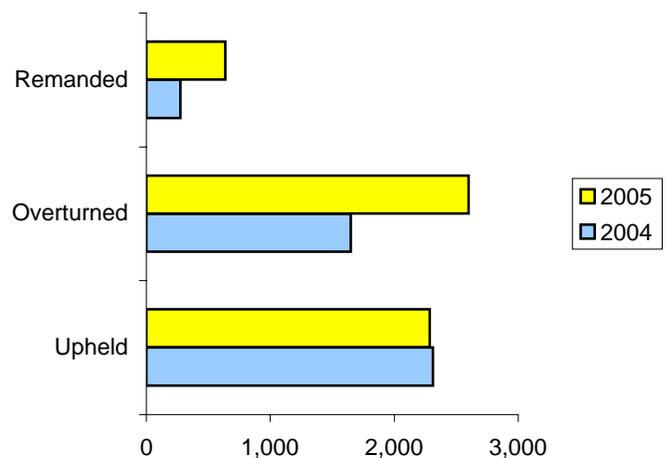
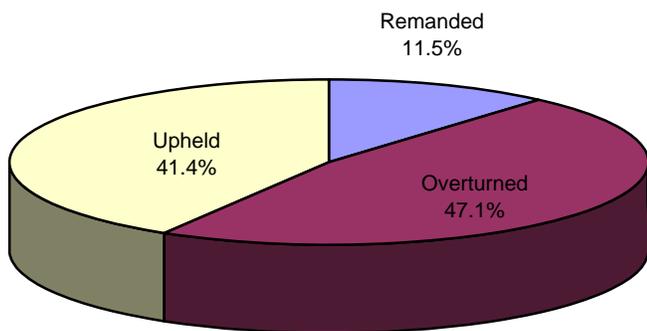
The Appeals Section conducts informal appeal conferences with applicants to make a determination to uphold or overturn the denial decision. Appeals staff review each appeal and develop facts relating to matters in dispute by the applicant and issue a written decision. If the applicant disagrees with the informal appeal decision, a formal hearing may be requested before an Administrative Law Judge in the statewide Office of Administrative Hearings in the Department of Administration. A PFD Appeals Officer represents the division at formal hearings.

Informal Appeals Caseload Activity

Resolution of Cases Worked in 2004 and 2005 - Includes Current and Prior Dividend Years

| | <i>Remanded to Review</i> | | <i>Overtured and Paid</i> | | <i>Upheld and Denied</i> | | <i>Total</i> | |
|--------------|---------------------------|--------------|---------------------------|--------------|--------------------------|--------------|--------------|--------------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Jan | 42 | 52 | 219 | 260 | 291 | 157 | 552 | 469 |
| Feb | 56 | 130 | 319 | 259 | 398 | 174 | 773 | 563 |
| Mar | 28 | 77 | 150 | 101 | 226 | 237 | 404 | 415 |
| Apr | 32 | 16 | 101 | 115 | 264 | 152 | 397 | 283 |
| May | 7 | 13 | 72 | 134 | 92 | 173 | 171 | 320 |
| Jun | 15 | 27 | 37 | 137 | 54 | 150 | 106 | 314 |
| Jul | 22 | 33 | 43 | 197 | 59 | 115 | 124 | 345 |
| Aug | 22 | 53 | 136 | 235 | 90 | 115 | 248 | 403 |
| Sep | 15 | 61 | 136 | 459 | 212 | 146 | 363 | 666 |
| Oct | 13 | 55 | 106 | 228 | 114 | 198 | 233 | 481 |
| Nov | 4 | 76 | 87 | 311 | 274 | 297 | 365 | 684 |
| Dec | 20 | 43 | 242 | 164 | 237 | 371 | 499 | 578 |
| Total | 276 | 636 | 1,648 | 2,600 | 2,311 | 2,285 | 4,235 | 5,521 |
| | 6.5% | 11.5% | 38.9% | 47.1% | 54.6% | 41.4% | 100% | 100% |

| | 2004 | 2005 | | 2004 | 2005 |
|---|--------------|--------------|--|--------------|--------------|
| <i>Number of Cases to Formal Appeal</i> | 359 | 473 | <i>% Appealed of All Applications</i> | 0.7% | 0.9% |
| <i>% of Cases to Formal Appeal</i> | 15.5% | 20.7% | <i>% Appealed of Denied Applications</i> | 15.6% | 16.6% |



Inventory of cases at end of 2005: **1,016**
 Oldest case at end of 2005: **3 months**

Fraud Investigations

The PFD Division investigates hundreds of applications each year based on information received from the public or other governmental agencies. Fraud tips are received from the public through direct contact, e-mail or the division's fraud tip telephone hotline. The division keeps the informant's name and identity confidential.

Additionally, the division conducts focused audits and investigates information that is obtained through the division's internal process and anomalies noted in processing applications.

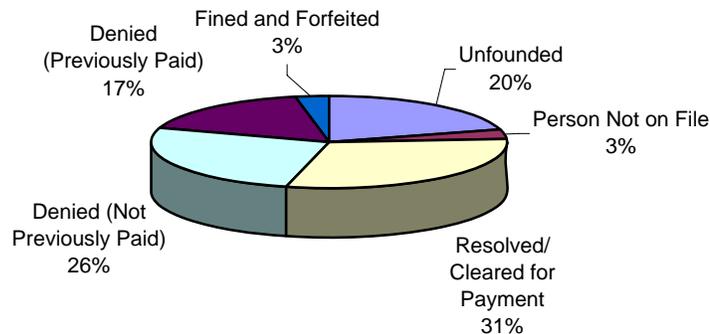
Fraudulent action by an applicant or sponsor can result in civil or criminal penalties. When cases involve criminal activity, investigators work with state and federal prosecutors to prepare cases for prosecution.

Investigations resulted in six criminal indictments during 2005, three in federal court and three in State court. The division also imposed 51 civil actions resulting in five year PFD forfeitures, and monetary fines.

Summary of Fraud Tip Investigations

| | Source of Tip | | Total | 2004 Total |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Public | Government Agency | | |
| Caseload | | | | |
| Under Investigation | 284 | 151 | 435 | 253 |
| Resolved | 1,012 | 520 | 1,532 | 1,319 |
| Total Caseload | 1,286 | 681 | 1,967 | 1,572 |
| Resolution Status | | | | |
| Unfounded | 267 | 47 | 314 | 268 |
| Person Not on File | 50 | 2 | 52 | 105 |
| Resolved/Cleared for Payment | 265 | 194 | 459 | 307 |
| Denied (Not Previously Paid) | 250 | 149 | 399 | 369 |
| Denied (Previously Paid) | 155 | 106 | 261 | 249 |
| Statement of Admissions | 0 | 0 | 0 | 1 |
| Fined and Forfeited | 25 | 22 | 47 | 20 |
| Total Resolution Status | 1,012 | 520 | 1,532 | 1,319 |
| Assessment and Payments Denied | | | | |
| Denied (Previously Paid) | 155 | 106 | 261 | 249 |
| Amount Assessed to be Paid Back | \$181,751.72 | \$120,265.56 | \$302,017.28 | \$340,911.97 |
| Denied (Not Previously Paid) | 250 | 149 | 399 | 369 |
| Amount of Payments Denied | \$222,120.18 | \$135,337.16 | \$357,457.34 | \$386,190.39 |
| Forfeited/Fined | 25 | 22 | 47 | 21 |
| Amount of Forfeited | \$154,129.23 | \$125,838.30 | \$279,967.53 | \$100,626.89 |
| Amount Fined | \$7,722.00 | \$5,595.00 | \$13,317.00 | n/a |
| Total | 430 | 277 | 707 | 639 |
| Total Amount | \$565,723.13 | \$387,036.02 | \$952,759.15 | \$827,729.25 |

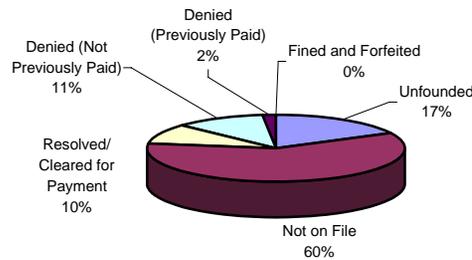
Resolved Case Status of 2005 Investigations Cases



Summary of Audit Investigations

| | Audit Project | | | | | | Total | 2004 |
|--|-----------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|
| | Out-of-State Postmark | Out-of-State IP | Jury | DMV | Elections | Cannery | | |
| Caseload | | | | | | | | |
| Under Investigation | | 0 | 0 | 12 | 0 | 0 | 12 | 16 |
| Resolved | 690 | 243 | 2,131 | 4,530 | 174 | 270 | 8,038 | 1,735 |
| Total Caseload | 690 | 243 | 2,131 | 4,542 | 174 | 270 | 8,050 | 1,751 |
| Resolved Case Status | | | | | | | | |
| Unfounded | 0 | 2 | 0 | 1,365 | 0 | 33 | 1,400 | 496 |
| Not on File | 0 | 0 | 1,880 | 2,843 | 0 | 95 | 4,818 | 210 |
| Resolved/Cleared for Payment | 342 | 92 | 42 | 191 | 14 | 86 | 767 | 432 |
| Denied (Not Previously Paid) | 347 | 147 | 203 | 119 | 77 | 25 | 918 | 530 |
| Denied (Previously Paid) | 0 | 2 | 6 | 9 | 83 | 31 | 131 | 67 |
| Fined and Forfeited | 1 | 0 | 0 | 3 | 0 | 0 | 4 | 0 |
| Total | 690 | 243 | 2,131 | 4,530 | 174 | 270 | 8,038 | 1,735 |
| Assessments and Payments Denied | | | | | | | | |
| Denied (Not Previously Paid) | 347 | 147 | 203 | 119 | 77 | 25 | 918 | 530 |
| Amount of Payments Denied | \$293,478.72 | \$124,326.72 | \$171,837.44 | \$101,015.84 | \$65,271.68 | \$21,440.32 | \$777,370.72 | \$495,587.16 |
| Denied (Previously Paid) | 0 | 2 | 6 | 9 | 83 | 31 | 131 | 67 |
| Amount Assessed | \$0.00 | \$2,027.40 | \$5,519.04 | \$9,000.84 | \$76,346.72 | \$28,515.04 | \$121,409.04 | \$85,080.42 |
| Forfeited/Fined | 1 | 0 | 0 | 3 | 0 | 0 | 4 | 0 |
| Amount of Forfeited | \$6,007.31 | \$0.00 | \$0.00 | \$17,909.46 | \$0.00 | \$0.00 | \$23,916.77 | \$0.00 |
| Amount Fined | \$625.00 | \$0.00 | \$0.00 | \$455.00 | \$0.00 | \$0.00 | \$1,080.00 | \$0.00 |
| Total | \$300,111.03 | \$126,354.12 | \$177,356.48 | \$128,381.14 | \$141,618.40 | \$49,955.36 | \$923,776.53 | \$580,667.58 |

Resolved Case Status



Data Processing

Processing over 625,000 PFD applications annually and producing timely and accurate payments requires extensive computer resources. The division uses mainframe, client server, imaging, and web applications to accomplish the task. PFD computer programs are maintained and updated at least annually by the DP staff to reflect statutory, regulatory, or administrative changes.

The use of online application and other web services results in efficiencies in program administration and better service to Alaskans. Through the division's web site, applicants can apply online or access paper forms; find the PFD statutes and regulations, general information about eligibility, specific information for students and the military; check the status of current year applications; and access links to other governmental entities that might be needed to obtain supplemental information.

Since the implementation of imaging in 2000, over 14 million paper applications and supplemental documents have been scanned and stored in the server data base. Current and prior year records are accessed by review and appeals staff in the course of determining eligibility.

DP staff are currently developing replacement applications for the original, and now outdated, Dividend Application System. When completed, all applications, except mass printing, will be located on client servers rather than the state mainframe. Future electronic developments may include the ability for applicants to change personal information online, Interactive Voice Response (IVR) for application or updating information; and broader use of Optical Character Recognition (OCR).

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| During 2005, Alaskans accessed the CheckStatus function on the PFD web site 569,075 times. |
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This publication was released by the Alaska Department of Revenue and produced at a cost of \$4.38 per copy including printing and binding at Copy Express located in Juneau, Alaska. Its purpose is to provide the public with comprehensive information and data regarding the Permanent Fund Dividend program.

The Department of Revenue complies with Title II of the Americans with Disabilities Act of 1990. This publication is available in alternative communication formats upon request. Please contact the division's representative at (907) 465-2326 or (907) 465-2868 (TTY) to make necessary arrangements.