

**Dividend Application Information System Replacement - Phase 2**

**FY2026 Request: \$4,475,000**  
**Reference No: 56757**

**AP/AL:** Appropriation

**Project Type:** Information Technology / Systems / Communication

**Category:** General Government

**Recipient:** NA

**Location:** Statewide

**House District:** Statewide (HD 1 - 40)

**Impact House District:** Statewide (HD 1 - 40)

**Contact:** Adam Crum

**Estimated Project Dates:** 07/01/2025 - 06/30/2030

**Contact Phone:** (907)465-2300

**Brief Summary and Statement of Need:**

Phase 2 of the Dividend Application Information System (DAIS) system replacement.

<b>Funding:</b>	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	Total
1004 Gen Fund	\$4,475,000						\$4,475,000
<b>Total:</b>	\$4,475,000	\$0	\$0	\$0	\$0	\$0	\$4,475,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" type="checkbox"/> Phased - underway	<input type="checkbox"/> Ongoing
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec1 Ch8 SLA2024 P15 L28 SB187 \$7,500,000

**Project Description/Justification:**

The current version of the Dividend Application Information System (DAIS) application was developed using old technology that will reach the end of mainstream support starting on January 1, 2026. The Department of Revenue is in the process of developing an innovative solution such as artificial intelligence, while implementing robust security frameworks to transform the division's existing legacy software system, the DAIS, into a modern, scalable, and efficient cloud-native application (New DAIS) that will interface with multiple online portals and other interconnections that interface with the Permanent Fund Dividend division (PFDD). This transformation will prioritize enhancing operational efficiencies, improving the user experience for Alaska residents and PFDD staff, and will create a foundation for long term technological growth, while optimizing costs.

In FY2025, the department received \$7,500,000 for the initial phase of the respective project. The Department of Revenue has gone through a comprehensive and robust Request for Proposal (RFP) and has successfully negotiated and hired a third-party firm to build the new system. The total project cost is \$11,975,000, requiring an additional \$4,475,000 of funding for FY2026 budget cycle.

The New DAIS implementation will generate significant value to the State of Alaska through

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embedded AI and automation, which will improve operating efficiencies including improving data accuracy and more importantly the Alaskan resident experience.