



# State of Alaska Department of Revenue Budget Overview

A Presentation to the House Finance Committee  
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Commissioner  
Alaska Department of Revenue

# Alaska Department of Revenue

The Department of Revenue mission is to collect, distribute and invest funds for public purposes

## Core Programs

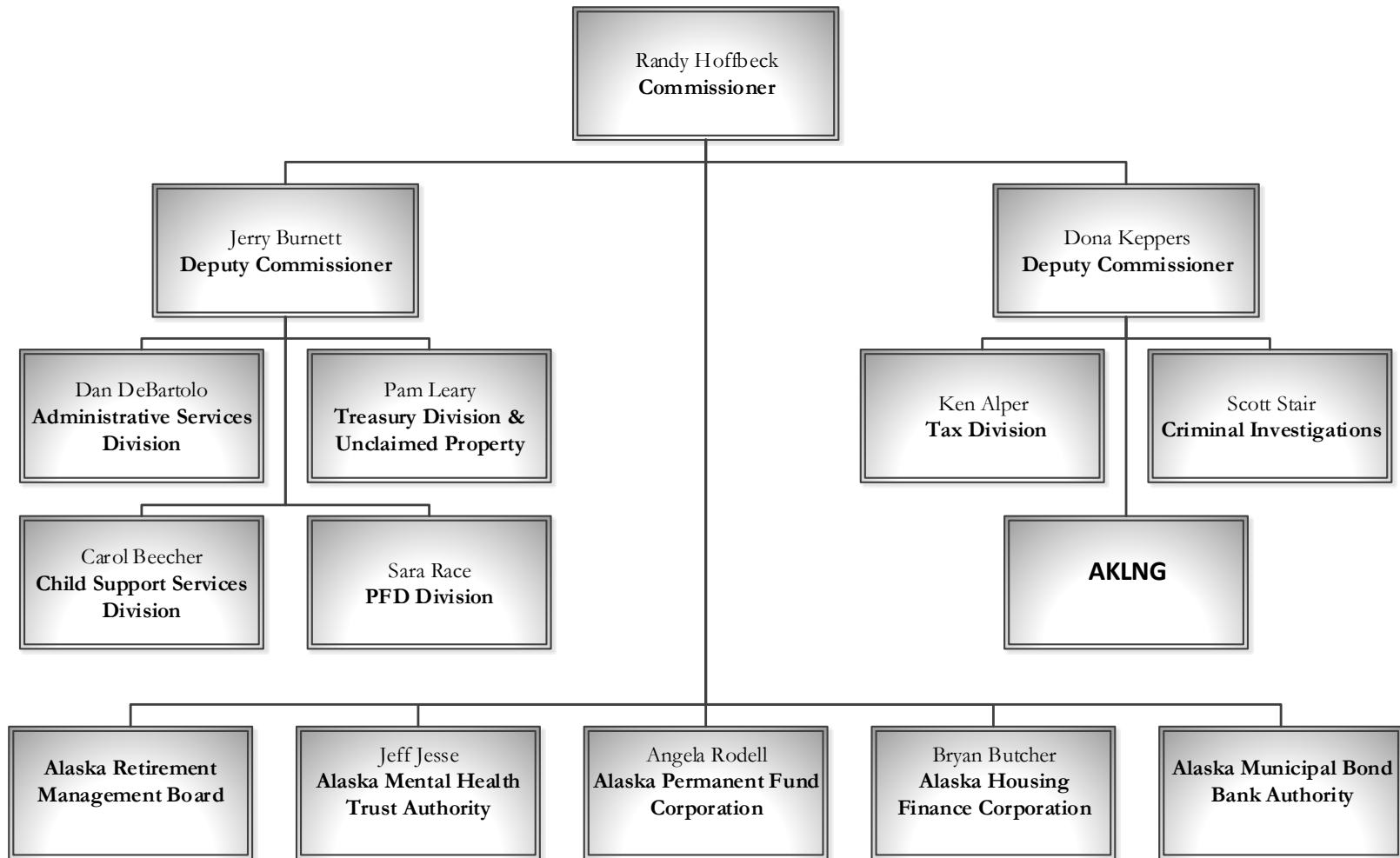
- Treasury Division - Invest
- Tax Division - Collect
- Permanent Fund Dividend Division - Distribute
- Child Support Services Division – Collect and Distribute

## Authorities, Corporations, and Boards

- Alaska Housing Finance Corporation (AHFC) – Invest and Distribute
- Alaska Permanent Fund Corporation (APFC) - Invest
- Alaska Retirement Management Board (ARMB) - Invest
- Alaska Mental Health Trust Authority (AMHTA) – Distribute
- Alaska Municipal Bond Bank Authority (AMBBA) - Distribute

# Alaska Department of Revenue

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# Alaska Department of Revenue

## FY 17 Department Snapshot of Programs

### Treasury Division

- Mission – To Manage and Invest State Funds
- Positions – 42 Full Time
- Programs under the Treasury umbrella - **\$83,851.8 (20.83% of DOR Budget)**
  - Treasury Operations - **\$10,225.6** (2.54% of DOR Budget)
  - Alaska Retirement Management Board - **\$72,039.8** (17.89% of DOR Budget)
  - Alaska Municipal Bond Bank - **\$1004.7** (.25% of DOR Budget)
  - Unclaimed Property - **\$581.7** (.14% of DOR Budget)

### Tax Division

- Mission – Collect Taxes, Forecast & Report Revenues, and Regulate Gaming
- Positions – 110 Full Time, 1 Part Time
- Tax Operations - **\$15,142.8 (3.76% of DOR Budget)**

### PFD Division

- Mission – Distribute Timely Annual Dividend Payments to Eligible Alaskans
- Positions – 72 Full Time, 9 Part Time
- PFD – Operations - **\$8,754.2 (2.17% of DOR Budget)**

# Alaska Department of Revenue

FY 17 Department Snapshot of Programs

## Child Support Services Division

- Mission – To Collect and Distribute Child Support Payments to Custodial Parents
- Positions – 224 Full Time
- Child Support Operations- **\$27,531.2 (6.84% of DOR Budget)**

## Administration and Support

- Positions – 24 Full Time
- Programs under the Administration umbrella - **\$4,049.9 (1.0% of DOR Budget)**
  - Commissioner's Office
  - Administrative Services Division
  - Criminal Investigation Unit
  - Natural Gas Commercialization - AKLNG

## Permanent Fund Corporation

- Mission – To Maximize the Value of The Permanent Fund Within Return Objectives
- Positions – 48 Full Time, 2 Part Time
- APFC Operations and Management Fees - **\$160,300.8 (39.82% of DOR Budget)**

# Alaska Department of Revenue

FY 17 Department Snapshot of Programs

## Alaska Housing Finance Corporation

- Mission – To Provide Alaskans Access to Safe, Quality and Affordable Housing
- Positions – 313 Full Time, 37 Part Time and Non-Perm
- AHFC Operations- **\$96,075.7 (23.87% of DOR Budget)**

## Alaska Mental Health Trust Authority

- Mission – To Administer the AMHTA as a Perpetual Trust and to Ensure a Comprehensive and Integrated Program to Improve the Lives of Beneficiaries
- Positions – 16 Full Time
- AMHTA and LTCO Operations - **\$4,998.6 (1.24% of DOR Budget)**

# Alaska Department of Revenue

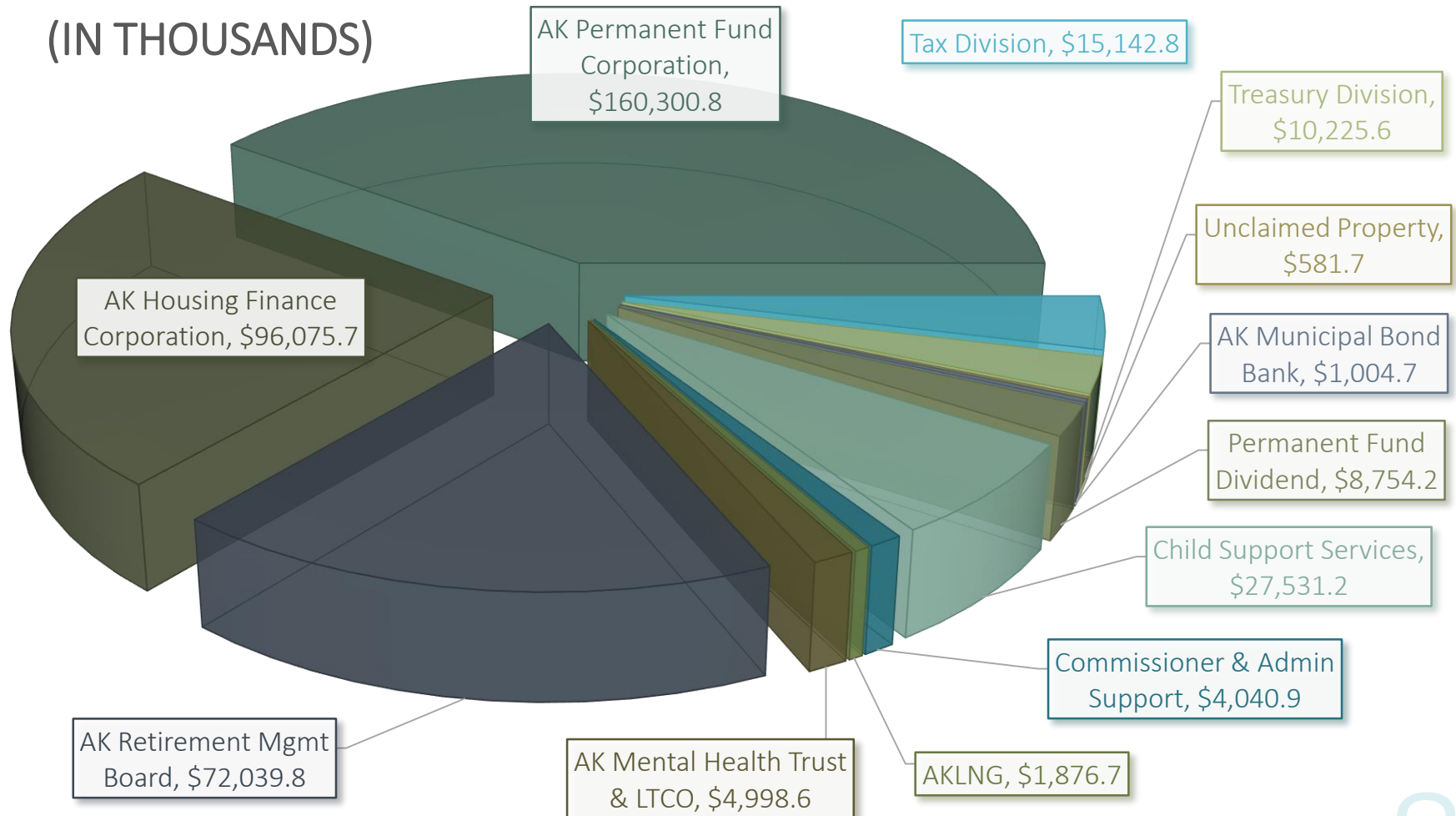
Summary of UGF and Position Reductions – FY 15 Management Plan to FY 17 Governor

- Since the start of FY15, the Department has cut **\$5.9 million (-19.1%)** in UGF spending. The Tax Division has felt the greatest impact as **\$2.65 million (15.5%)** of its total budget has been reduced during that period.
- The Treasury Division reduced **\$1.75 million (35.8%)** in UGF spending primarily due to management fee reductions and cost allocation changes.
- The Child Support Services Division reduced **\$1.1 million (10.1%)** in UGF spending via staff reductions and programmatic changes.
- During this period the Department will have **eliminated 48 positions**:  
Tax – **29**   Child Support – **6**   AHFC – **3**   Treasury – **3**   PFD – **2**  
Admin Services – **2**   Commissioner – **2**   Criminal Investigations – **1**

# Alaska Department of Revenue

FY 17 Governor's Budget by Program Including Unallocated Reduction (See Handout)

(IN THOUSANDS)





# Alaska Department of Revenue

FY 17 Governor's Budget Key Changes (Including Unallocated Reduction)

## Key Reductions

Tax Division – (\$757.9) UGF and 8 full time positions

Treasury Division – (\$324.1) UGF/Other and 3 full time positions

Child Support Services Division – (\$789.9) UGF/Fed and 6 full time positions

## Key Increment Requests

Treasury Division – **\$711.5** – Add two investment officers and one support position

Treasury Division - **\$857.8** – Move investment officer salaries to market level

Natural Gas Commercialization (AKLNG) - **\$1,876.7**

Consulting and Legal Services - \$1,700.0

Non-Permanent Project Coordination Position - \$111.7

Travel and Support Costs - \$65.0

# Alaska Department of Revenue

FY 17 Governor's Budget Key Changes – Alaska Permanent Fund Corporation Requests

## **Rules based stock portfolio**

<i>Staff:</i>	3 investment, 1 risk, 1 IT
<i>Annual salary cost:</i>	\$882,000
<i>Annual fee savings:</i>	\$3.2 million

## **Special opportunities**

<i>Staff:</i>	Investment analyst
<i>Annual salary cost:</i>	\$145,000
<i>Savings:</i>	\$44 M over the life of one investment

## **\$216,000 for staff retention adjustments**

It is important that the APFC be able to retain experienced, skilled professionals that are critical to managing and growing the Permanent Fund.

# Alaska Department of Revenue

FY 17 Capital Budget Requests - Governor

- Child Support Services Database Replatforming (NSTAR)  
**Capital Funding – 1,700.0 UGF Match/3,000 Fed**

These funds will be used to move the case management system off the aging and expensive mainframe, and keep them compliant with the Feds for at least the next fifteen years.

- Alaska Housing Finance Corporation Multiple Projects  
**Capital Funding - 15,950.0 UGF/3,900.0 Other/1,500.0 DGF/16,500.0 Fed**

## General Fund Detail (UGF/DGF)

- \$6.85 million Homeless Assistance Program
- \$3.0 million Supplemental Housing Development Program
- \$1.85 million Federal and Other Competitive Grants
- \$1.5 million Beneficiary and Special Needs Housing
- \$1.5 million Rental Assistance for Victims (EHP)
- \$1.0 million Teacher, Health, & Public Safety Professionals Housing
- \$1.0 million Cold Climate Housing Research Center (CCHRC)
- \$750,000 HUD Federal HOME Grant

# Thank You

Please find our contact information below:

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