



State of Alaska

Department of Revenue

FY 18 Budget Overview

Presentation to the House Finance Committee
January 23, 2017



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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

Department Home and Resource Links

<http://dor.alaska.gov>

FY18 Proposed Department Budget

<https://www.omb.alaska.gov/html/budget-report/departments-table.html?dept=Rev&fy=18&type=Proposed>

Core Programs and Links

- Treasury Division - **Invest** - <http://treasury.dor.alaska.gov>
Performance - <https://www.omb.alaska.gov/html/performance/details.html?p=153>
- Tax Division - **Collect** - <http://www.tax.alaska.gov>
Performance - <https://www.omb.alaska.gov/html/performance/details.html?p=152>
- Permanent Fund Dividend Division - **Distribute** - <http://pfd.alaska.gov/Division-Info/About-Us>
Performance - <https://www.omb.alaska.gov/html/performance/details.html?p=154>
- Child Support Services Division - **Collect and Distribute** - <http://childsupport.alaska.gov/Overview.aspx>
Performance - <https://www.omb.alaska.gov/html/performance/details.html?p=147>

Alaska Department of Revenue

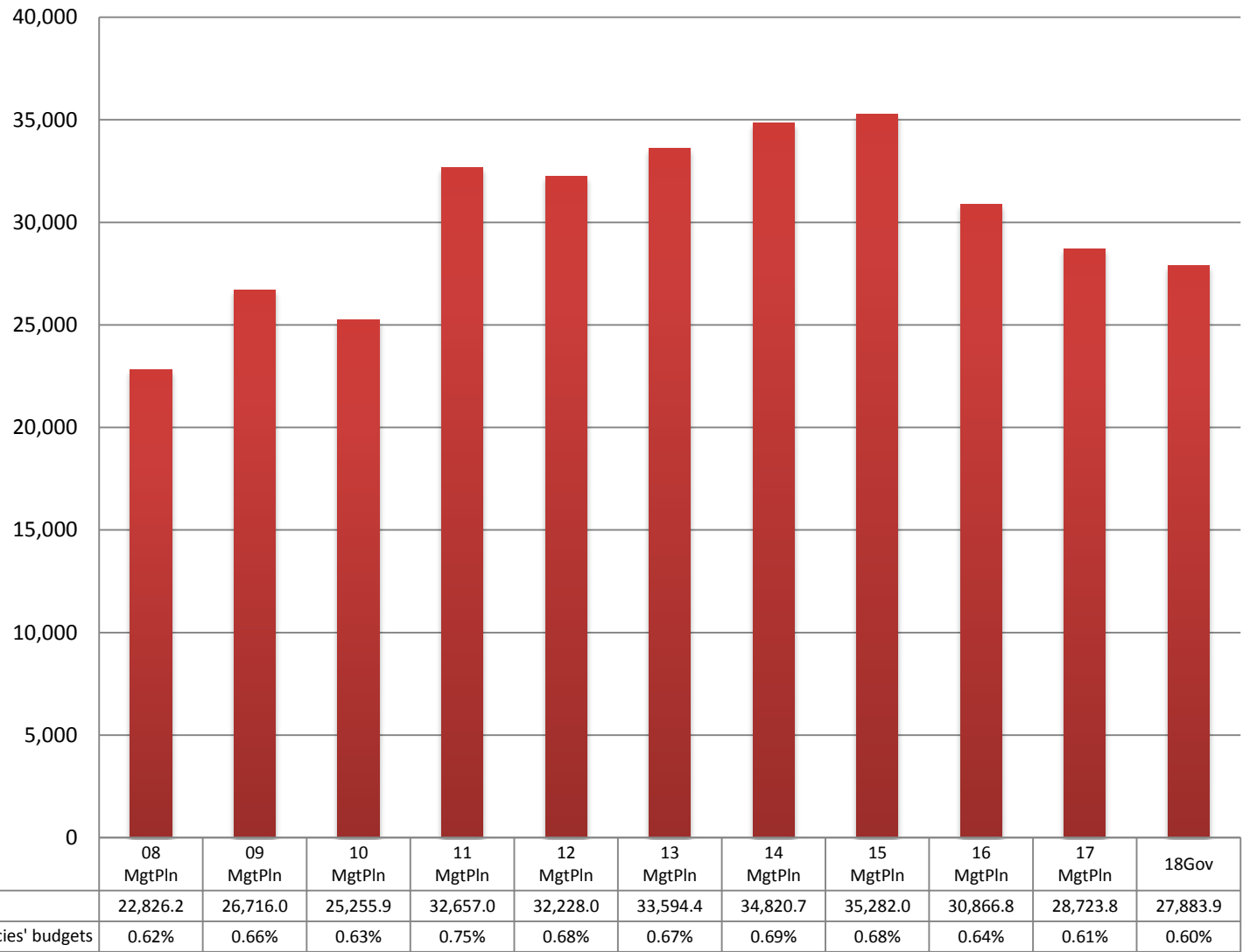
The Department of Revenue mission is to collect, distribute and invest funds for public purposes

Authorities, Corporations, and Boards

- Alaska Housing Finance Corporation (AHFC) - **Invest and Distribute** -
<https://www.ahfc.us/about-us>
Performance - <https://www.omb.alaska.gov/html/performance/details.html?p=143>
- Alaska Permanent Fund Corporation (APFC) - **Invest** -
<http://www.apfc.org/home/Content/aboutAPFC/aboutAPFC.cfm>
Performance - <https://www.omb.alaska.gov/html/performance/details.html?p=150>
- Alaska Retirement Management Board (ARMB) - **Invest** -
<http://treasury.dor.alaska.gov/armb>
Performance - <https://www.omb.alaska.gov/html/performance/details.html?p=145>
- Alaska Mental Health Trust Authority (AMHTA) - **Distribute** -
<http://mhtrust.org/about/mission>
Performance - <https://www.omb.alaska.gov/html/performance/details.html?p=144>
- Alaska Municipal Bond Bank Authority (AMBBA) - **Distribute** -
<http://treasury.dor.alaska.gov/ambba>
Performance - <https://www.omb.alaska.gov/html/performance/details.html?p=149>

Department of Revenue Share of Total Agency Operations

(GF Only)
(\$ Thousands)



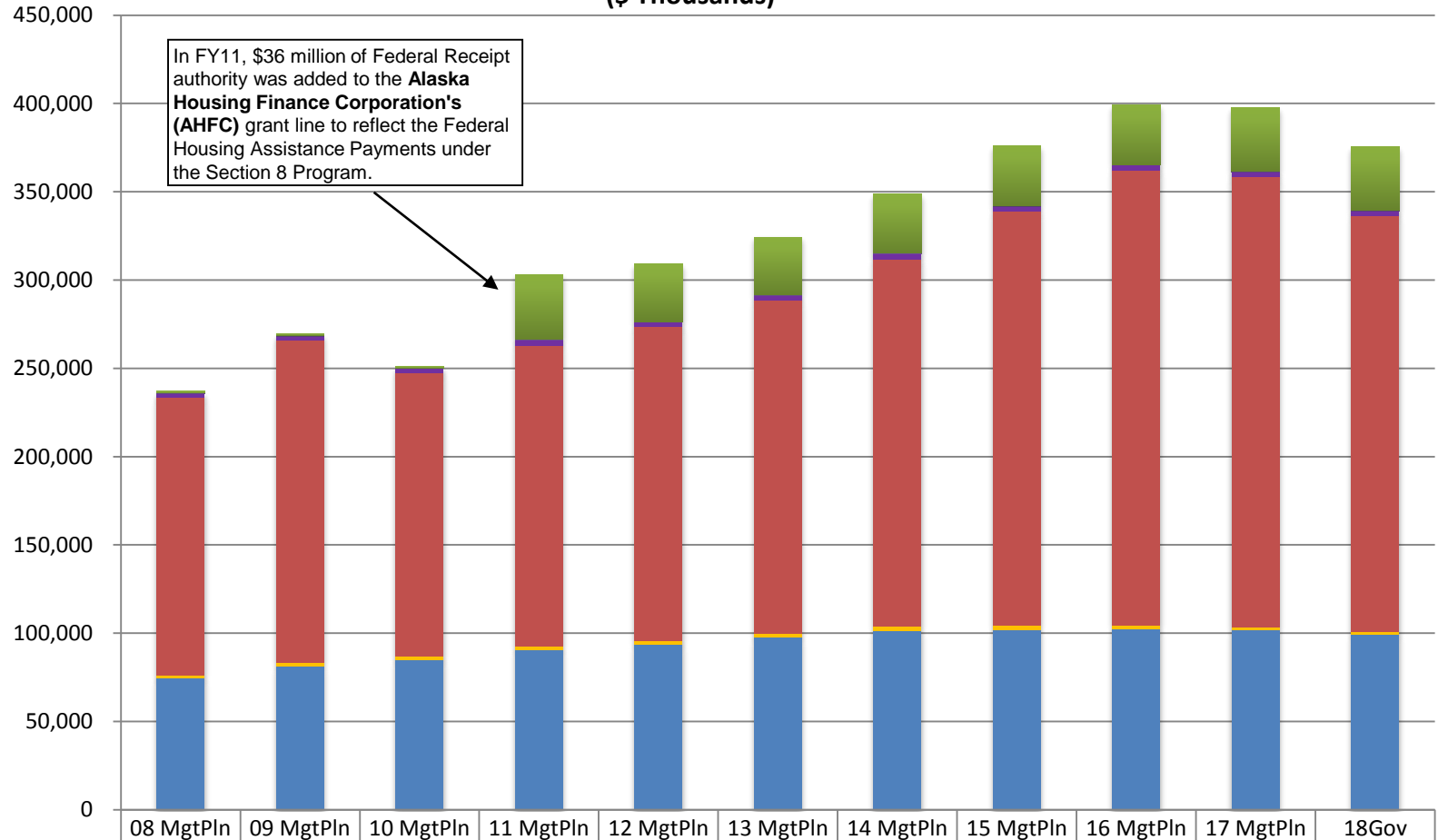
The GF budget grew by \$5.1 million between FY08 and the FY18 Governor's Request - an average annual growth rate of 2%.

This equates to \$83 per resident worker.*

* Per the most recent available workforce data from the Department of Labor, there were 334,628 resident workers in Alaska in 2014.

Department of Revenue Line Items

(All Funds)
(\$ Thousands)



	08 MgtPln	09 MgtPln	10 MgtPln	11 MgtPln	12 MgtPln	13 MgtPln	14 MgtPln	15 MgtPln	16 MgtPln	17 MgtPln	18Gov
Grants, Benefits	830.0	930.0	885.0	36,830.0	32,800.0	32,800.0	33,800.0	33,800.0	33,800.0	35,800.0	35,900.0
Capital Outlay	400.3	407.4	489.8	579.8	331.0	396.0	455.0	446.0	468.0	540.9	452.9
Commodities	2,386.2	2,611.5	2,502.0	2,593.7	2,548.5	2,579.9	2,824.7	2,739.5	2,702.5	2,681.2	2,594.8
Services	157,183.7	182,455.3	160,407.4	170,783.1	177,849.1	188,661.9	208,040.9	234,770.2	257,648.4	254,993.6	235,718.4
Travel	1,618.1	1,891.2	2,046.9	2,097.8	2,170.3	2,210.5	2,330.8	2,215.9	2,256.8	1,946.8	1,732.8
Personal Services	74,532.7	81,357.8	84,811.9	90,343.9	93,506.9	97,744.4	101,513.5	102,079.3	102,417.4	101,542.7	99,163.8

Appropriations within the Department of Revenue

(GF Only)
(\$ Thousands)

The **Taxation and Treasury** appropriation increased \$12.5 million from FY08 to its peak in FY15 (an increase of 55%). Significant reductions were made in FY16 totaling \$3.9 million (see box to right).

Significant increases FY08-15 include:
FY09/10 Audit Masters Positions- \$800.0;
FY11 Commercial Analysts Positions- \$400.0;
FY11 CBR Mgmt Fees Changed to GF -\$2.1 million;
FY12-14 Additional CBR Mgmt Fees \$1.1 million;
FY14 Audit Master/O&G Auditor-\$279.0;
FY14 Film Office Positions-\$198.0;
FY15 SB138 (Gas Pipeline)

Reductions in FY16 included:
-Tax Division Staff (12 PFT's, 2 Temp) - (\$1.6 million);
-Child Support Services Division Juneau/Wasilla office closures and other cuts - (\$607.2);
-Agency Unallocated (taken in Treasury) -

The **Child Support Services** appropriation increased by \$3.45 million from FY07 to its peak in FY14 (an increase of 57%). A large driver of this was replacement of ARRA

The Commissioner's Office within the **Administration and Support** appropriation has received over the years various one-time appropriations for oil and gasline development. Along with appropriations to the Natural Gas Commercialization allocation, the appropriation has

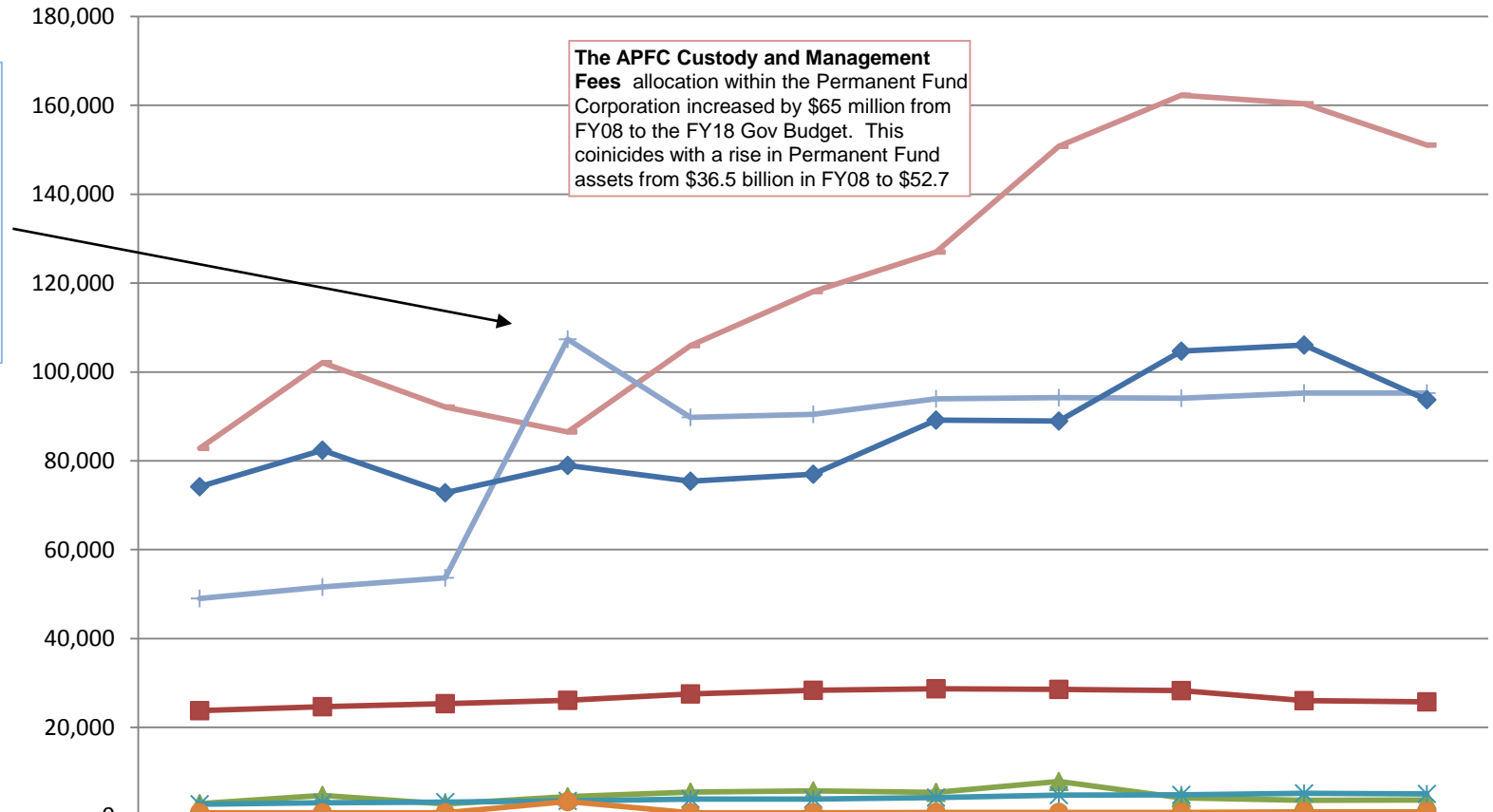
	08 MgtPln	09 MgtPln	10 MgtPln	11 MgtPln	12 MgtPln	13 MgtPln	14 MgtPln	15 MgtPln	16 MgtPln	17 MgtPln	18Gov
◆ Taxation and Treasury	13,916.0	16,177.1	17,055.4	20,061.6	20,894.1	22,081.8	23,627.6	23,759.6	19,887.6	19,100.6	18,559.7
■ Child Support Services	7,300.4	7,497.5	7,000.1	7,243.0	8,989.8	9,432.4	9,528.4	9,407.7	8,931.7	8,021.2	7,857.8
▲ Administration and Support	828.8	2,629.1	778.2	2,369.6	1,758.3	1,781.4	1,253.8	1,203.2	1,093.3	647.8	653.1
✧ Mental Health Trust Authority	103.4	107.0	110.1	220.9	265.9	298.8	410.9	911.5	954.2	954.2	813.3

Appropriations within the Department of Revenue

(All Funds)
(\$ Thousands)

From FY10 to FY11
AHFC's authorization
increased by \$38.1
million.
\$36 million in Federal
Receipt authority was
added to the budget to
reflect Federal
Housing Assistance
Payments under the
Section 8 Program in
the budget.

**The APFC Custody and Management
Fees** allocation within the Permanent Fund
Corporation increased by \$65 million from
FY08 to the FY18 Gov Budget. This
coincides with a rise in Permanent Fund
assets from \$36.5 billion in FY08 to \$52.7

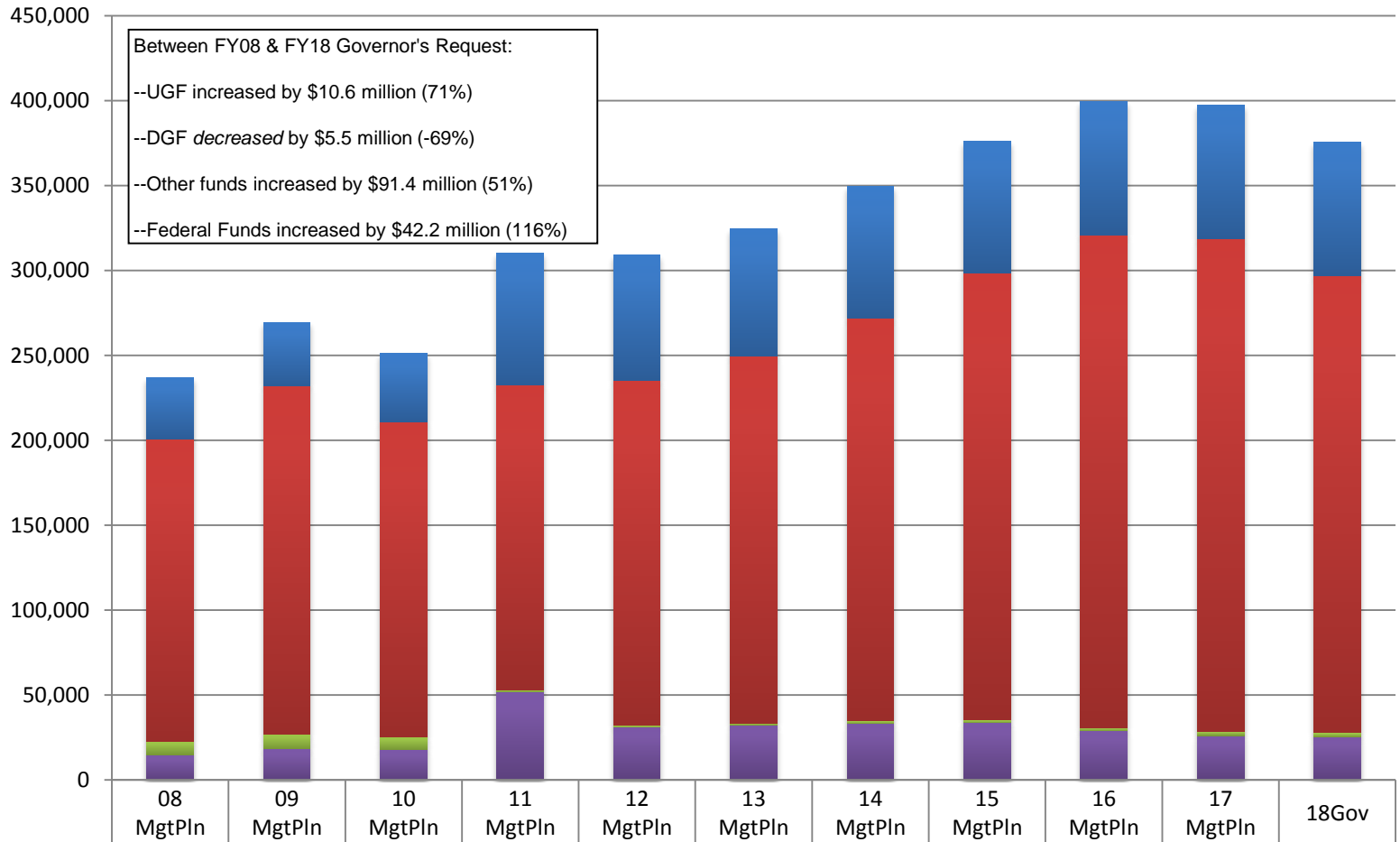


	08 MgtPln	09 MgtPln	10 MgtPln	11 MgtPln	12 MgtPln	13 MgtPln	14 MgtPln	15 MgtPln	16 MgtPln	17 MgtPln	18Gov
AK Permanent Fund Corporation	82,793.2	102,063.1	92,122.1	86,482.7	105,939.0	118,086.1	126,995.2	150,806.9	162,254.8	160,359.4	151,023.6
AK Housing Finance Corporation	49,038.3	51,628.5	53,646.2	107,342.4	89,782.3	90,483.8	93,963.5	94,256.3	94,075.7	95,239.9	95,238.9
Taxation and Treasury	74,200.5	82,392.1	72,831.2	78,948.2	75,432.9	76,985.1	89,154.2	88,953.9	104,694.3	106,061.3	93,779.1
Child Support Services	23,795.3	24,700.0	25,370.8	26,092.6	27,574.9	28,361.8	28,711.9	28,542.1	28,321.0	26,063.1	25,769.6
Administration and Support	2,879.8	4,695.1	2,824.3	4,445.0	5,463.8	5,715.0	5,414.7	7,862.4	4,192.8	3,605.3	3,667.7
Mental Health Trust Authority	2,740.4	3,043.1	3,208.2	3,460.5	3,859.0	3,922.4	4,230.2	4,783.5	4,854.8	5,171.4	5,077.5
Municipal Bond Bank Authority	825.9	826.0	828.1	3,361.4	834.0	838.5	845.2	845.8	899.7	1,004.8	1,006.3

Department of Revenue

Total Funding Comparison by Fund Group

(All Funds)
(\$ Thousands)



Federal Receipts (Fed)	36,479.4	37,214.4	40,349.1	77,748.5	73,935.2	74,884.2	77,542.3	77,584.4	78,130.6	78,786.9	78,665.5
Other State Funds (Other)	177,645.	205,722.	185,538.	179,632.	203,042.	215,914.	236,951.	263,184.	290,295.	289,994.	269,013.
Designated General (DGF)	7,977.8	8,385.0	7,437.1	1,151.2	1,185.7	1,285.2	1,384.6	1,450.6	1,883.8	2,622.2	2,483.5
Unrestricted General (UGF)	14,848.4	18,331.0	17,818.8	51,912.8	31,042.3	32,309.2	33,436.1	33,831.4	28,983.0	26,101.6	25,400.4

Department of Revenue

Allocation and/or Program	Funding (in thousands)	# of Employees	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
Treasury Division	\$10,079.8: \$3,380.3 UGF, \$359.0 DGF, \$6,340.5 other	40 PFT 1 PPT	All Alaskans		Critical	High	No	No	Yes
Unclaimed Property	\$584.5: \$584.5 DGF	4 PFT	All Alaskans		Beneficial	High	No	No	Yes; AS 34.45
Alaska Retirement Management Board (ARMB)	\$9,594.0: \$9,594.0 other		All Alaskans		Critical	High	No	No	Yes; AS 37.10.210-390
ARMB Custody & Management Fees	\$50,000.0: \$50,000.0		All Alaskans		Critical		No	No	Yes; AS 37.10.210-390
Alaska Municipal Bond Bank Authority Operations	\$1,006.3: \$1,006.3 Other	1 PFT	All Alaskans		Beneficial	High	No	No	Yes; AS 44.85

Department of Revenue

Allocation and/or Program	Funding (in thousands)	# of Employees	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
Permanent Fund Dividend Division	\$8,611.8: \$373.0 DGF, \$8,238.8 Other	67 PFT 8 PPT	675,531 applied in 2016	4%	Critical	High	No	No	Yes; AS 37.13 AS 43.23
Child Support Services Division	\$25,769.6: \$7,811.8 UGF, \$46.0 DGF, \$17,911.8 Fed	194 PFT	121,600 (approx)		Beneficial	High	No	Yes; Social Security Act	Yes; AS 25.27.010
Tax Division	\$14,909.0: \$13,091.9 UGF, \$771.0 DGF, \$1,046.1 Other	102 PFT	20,000 Tax payers	5%	Critical	High	No	No	Yes
Office of the Commissioner	\$917.2: \$134.7 UGF, \$193.2 Other, \$589.3 Fed	3 PFT	Alaskans not directly served		Critical	High	Yes	No	Yes; AS 43.05.010
Administrative Services Division	\$2,750.5: \$518.4 UGF, \$1,445.9 Other, \$786.2 Fed	13 PFT	Alaskans not directly served		Important	High	No	No	No

Department of Revenue Corporations

Allocation and/or Program	Funding (in thousands)	# of Employees	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
Alaska Housing Finance Corporation Operations	\$94,759.5: \$35,688.5 Other, \$59,071.0 Fed	314 PFT 22 PPT 14 NP	All Alaskans		Beneficial	High	No	Yes	Yes; AS 18.55, AS 18.56
Alaska Corporation for Affordable Housing	\$479.4: \$172.2 Other, \$307.2 Fed	2 PFT	All low to moderate income Alaskans		Beneficial	High	No	Yes	Yes; AS 18.55, AS 18.56
Alaska Permanent Fund Corporation (APFC)	\$12,254.4: \$12,254.4 Other	47 PFT 2 PPT 2 NP	All Alaskans		Critical	High	Yes; Article IX Sec. 15	No	Yes; AS 37.13
APFC Investment Management Fees	\$138,769.2: \$138,769.2 Other		All Alaskans		Critical	High	Yes; Article IX Sec. 15	No	Yes; AS 37.13

Thank You

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