

State of Alaska Department of Revenue

FY20 Operating Budget Overview
Department of Revenue: Core Divisions
Presentation to the House Finance Subcommittee
Brad Ewing, Admin. Services Director
March 7, 2019



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Dept. of Revenue FY20 Operating Budget: Details by Component

Allocation and/or Program	Funding (in thousands)	# of Budgeted Positions / Filled	Rating of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
Tax Division	\$13,723.2: \$12,178.6 UGF, \$791.0 DGF, \$753.6 Other	96/85 PFT	Effective	No	No	Yes
Treasury Division	\$10,164.2: \$3,182.0 UGF, \$6,982.2 Other	42/40 PFT 1/1 PPT	Effective	No	No	Yes
Unclaimed Property	\$523.8: \$523.8 DGF	3/3 PFT	Effective	No	No	Yes AS 34.45
Alaska Retirement Management Board (ARMB)	\$9,939.2: \$9,939.2 Other		Effective	No	No	Yes AS 37.10.210-390
ARMB Custody & Management Fees	\$110,000.0: \$110,000.0 Other		Effective	No	No	Yes AS 37.10.210-390
Permanent Fund Dividend Division	\$8,549.8: \$15.0 UGF, \$372.8 DGF, \$8,162.0 Other	67/60 PFT 6/3 PPT	Effective	No	No	Yes AS 37.13 AS 43.23
Child Support Services Division	\$25,412.9: \$7,699.3 UGF, \$50.0 DGF, \$17,663.6 Fed	196/179 PFT	Effective	No	Yes Social Security Act	Yes AS 25.27.010

Dept. of Revenue FY20 Operating Budget: Details by Component (Cont'd)

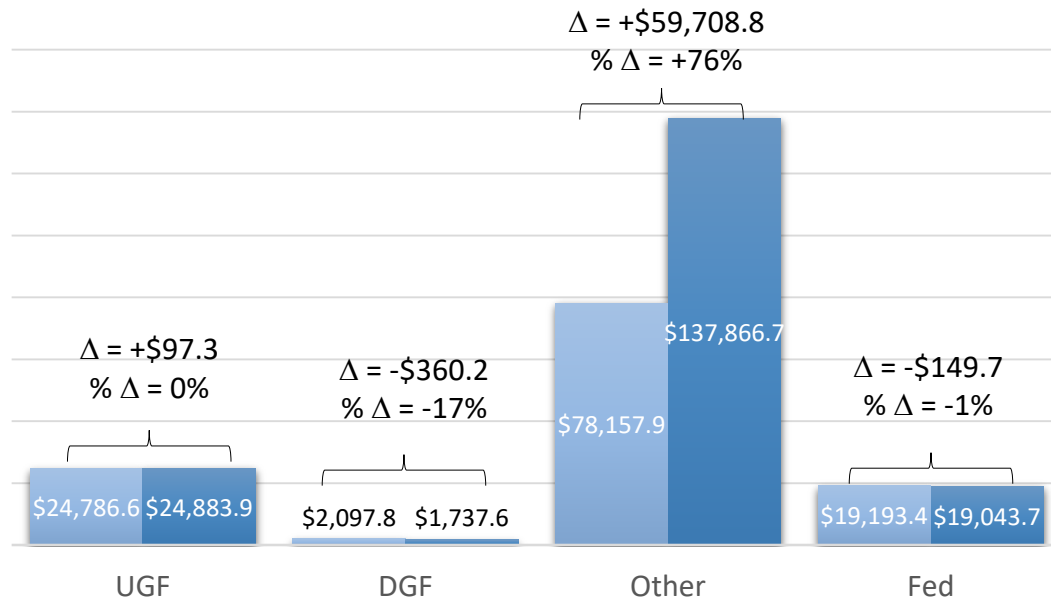
Allocation and/or Program	Funding (in thousands)	# of Budgeted Positions / Filled	Rating of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
Office of the Commissioner	\$2,039.4: \$1,284.3 UGF, \$173.1 Other, \$582.0 Fed	11/9 PFT 1/1 NP	Effective	No	No	Yes AS 43.05.010
Administrative Services Division	\$2,763.5: \$524.7 UGF, \$1,440.7 Other, \$798.1 Fed	12/12 PFT	Effective	No	No	No
Criminal Investigations Unit	\$415.9: \$415.9 Other	2/2 PFT	Effective	No	No	No

Dept. of Revenue FY20 Operating Budget: Core Divisions

- -\$891.4 from FY19 to FY20 (excl. mgmt. fees)
- -7 positions from FY19 to FY20

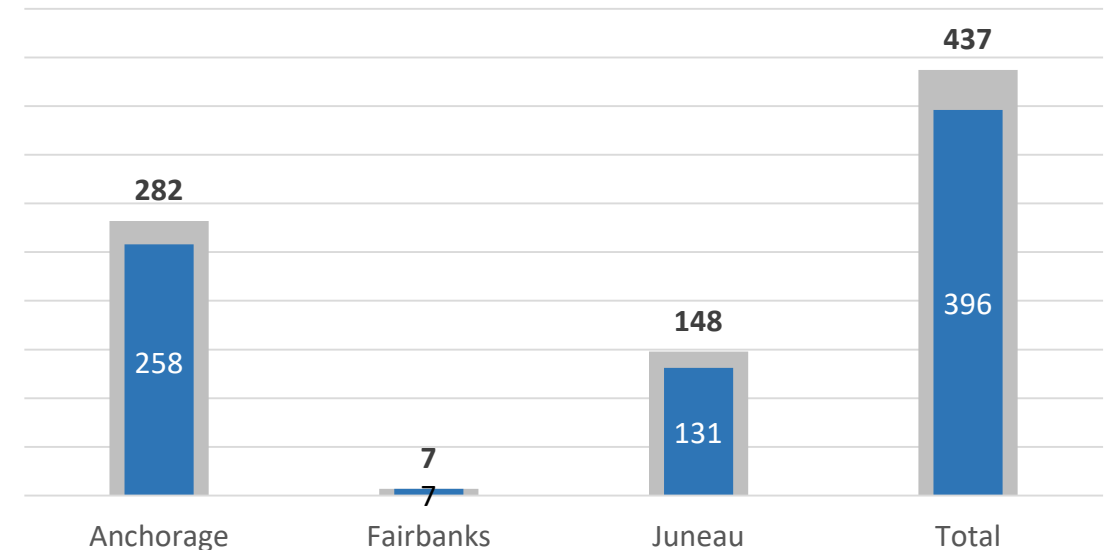
DOR Core Divisions: Fund Source Comparison
(\$ in thousands)

■ FY2019 Management Plan ■ FY2020 Governor Amend



DOR Core Divisions: Position Count and Employees
FY20 Gov. Amended Proposed Budget

■ Budgeted Positions ■ Filled (as of 1/15/2019)

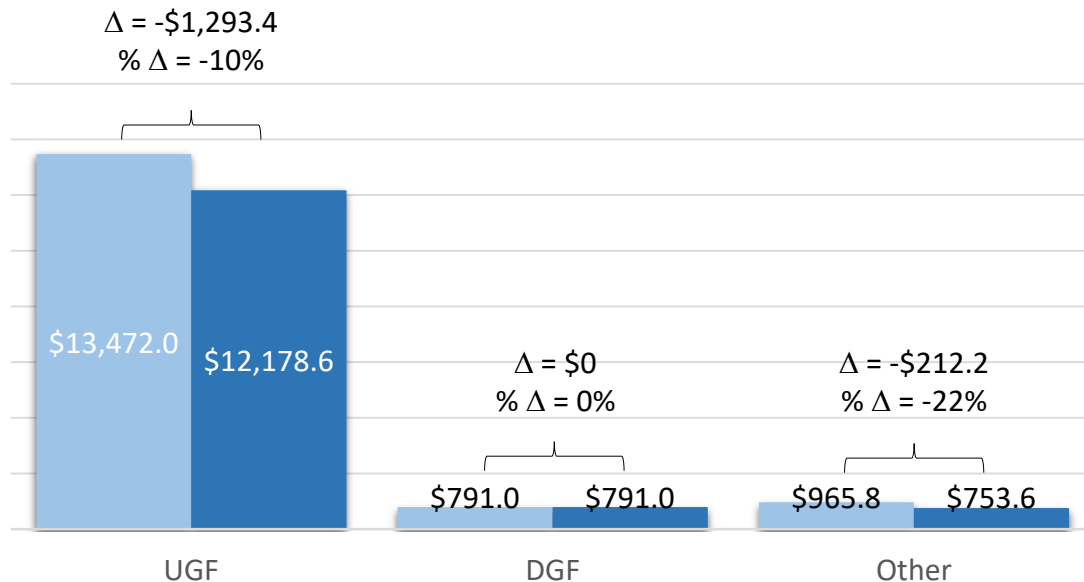


Dept. of Revenue FY20 Operating Budget: Tax Division

- -\$1,505.6 (-10%) and -3 positions from FY19 to FY20, -24% from FY15 to FY20
- Transfer of Economic Research Group to Commissioner's Office

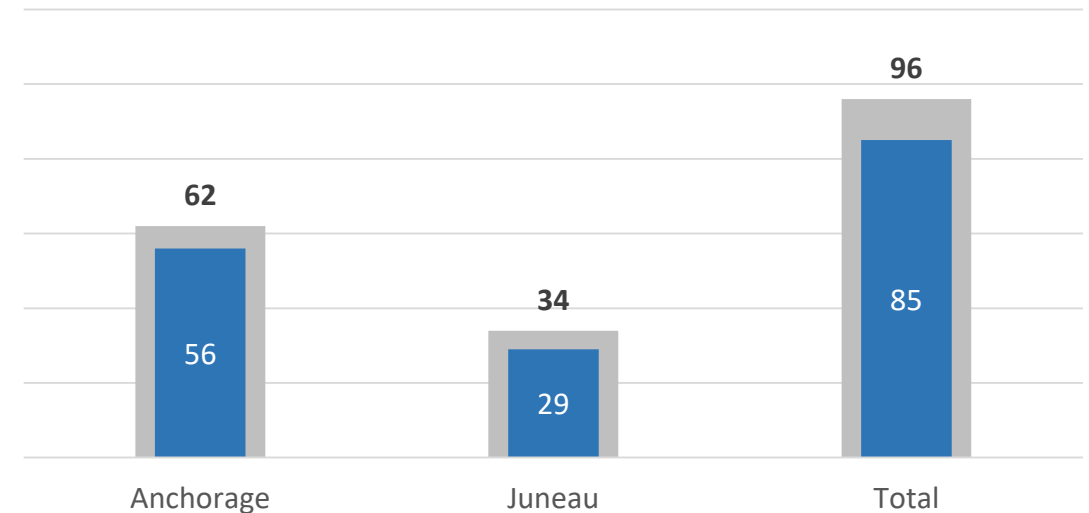
Tax Division: Fund Source Comparison
(\$ in thousands)

■ FY2019 Management Plan ■ FY2020 Governor Amend



Tax Division: Position Count and Employees
FY20 Gov. Amended Proposed Budget

■ Budgeted Positions ■ Filled (as of 1/15/2019)

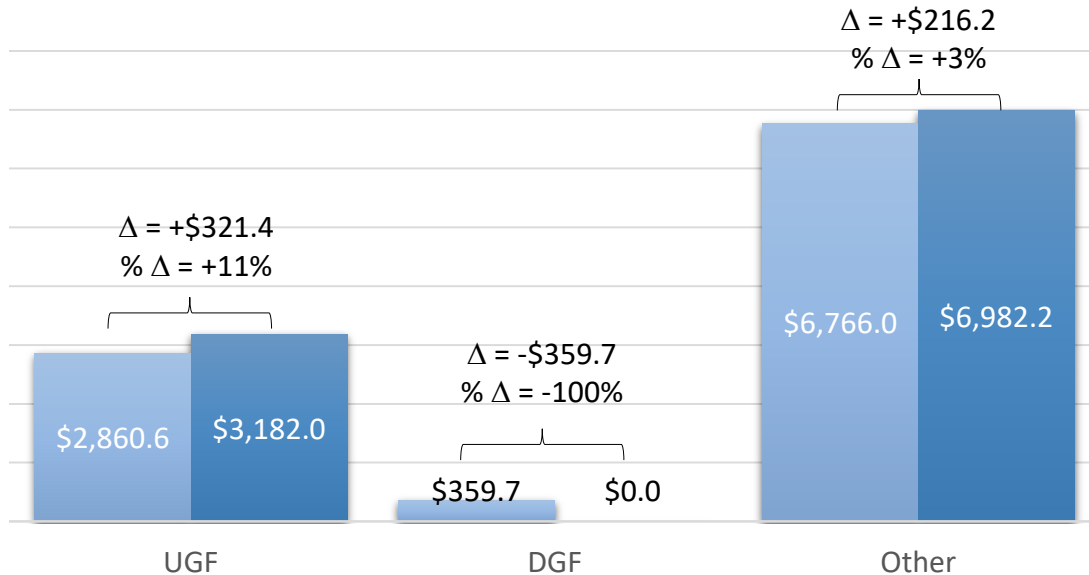


Dept. of Revenue FY20 Operating Budget: Treasury Division

- +\$177.9 (+2%) from FY19 to FY20
- Fund source change, align manager fees with actuals

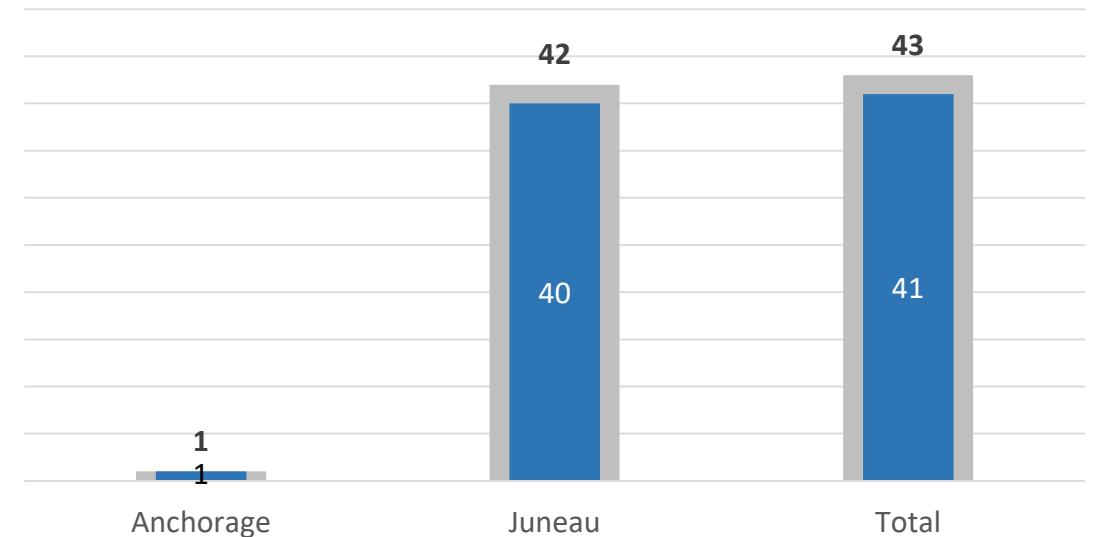
Treasury: Fund Source Comparison
(\$ in thousands)

■ FY2019 Management Plan ■ FY2020 Governor Amend



Treasury: Position Count and Employees
FY20 Gov. Amended Proposed Budget

■ Budgeted Positions ■ Filled (as of 1/15/2019)



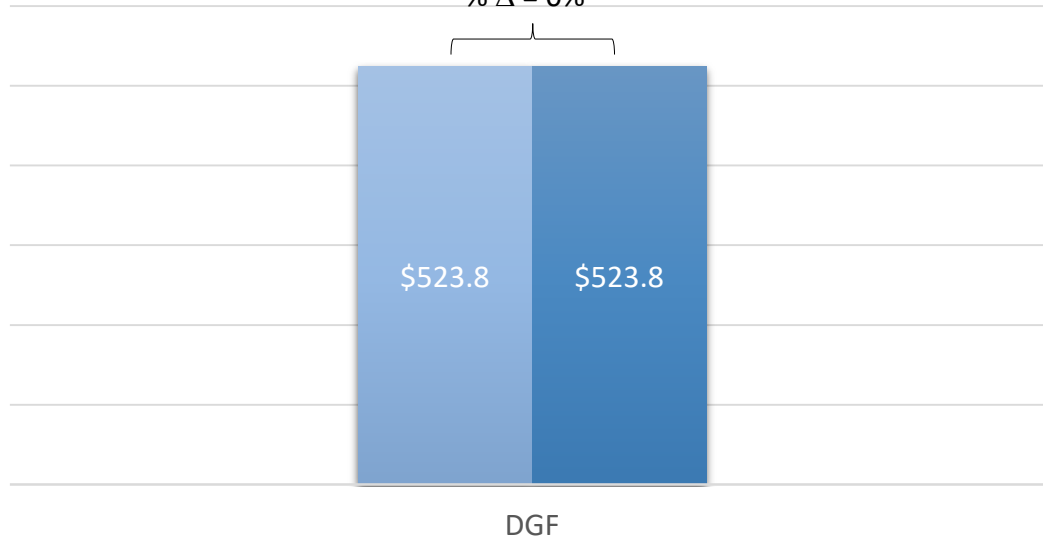
Dept. of Revenue FY20 Operating Budget: **Unclaimed Property**

- No proposed changes from FY19 to FY20

Unclaimed Property: Fund Source Comparison
(\$ in thousands)

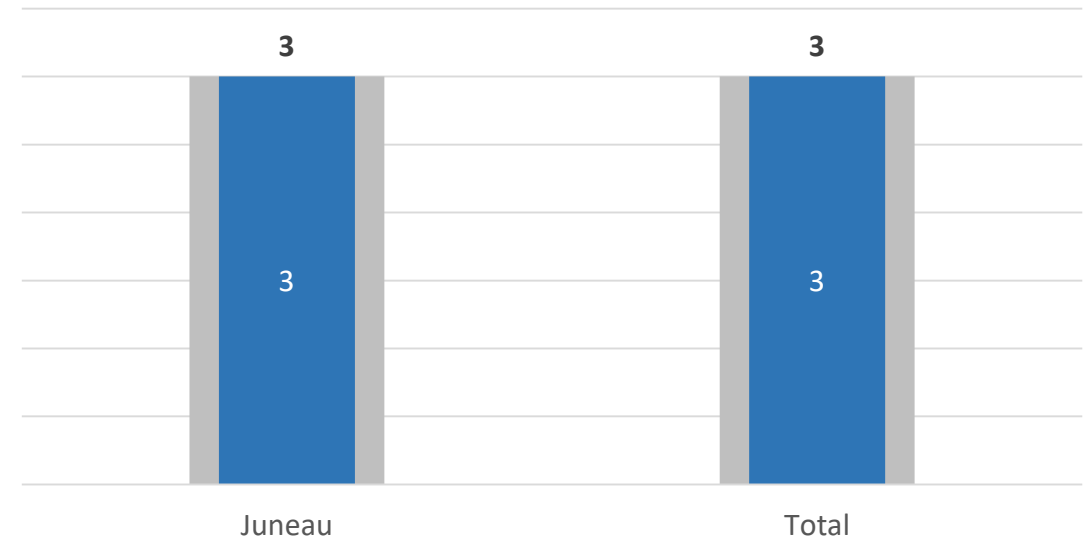
■ FY2019 Management Plan ■ FY2020 Governor Amend

$\Delta = \$0.0$
 $\% \Delta = 0\%$



Unclaimed Property: Position Count and Employees
FY20 Gov. Amended Proposed Budget

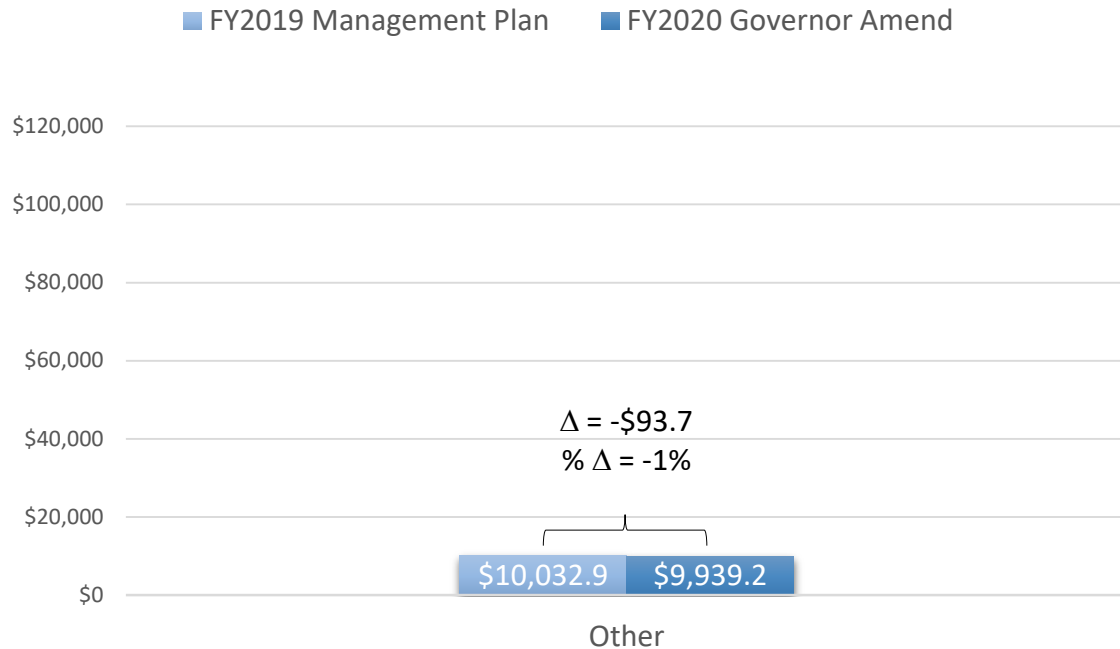
■ Budgeted Positions ■ Filled (as of 1/15/2019)



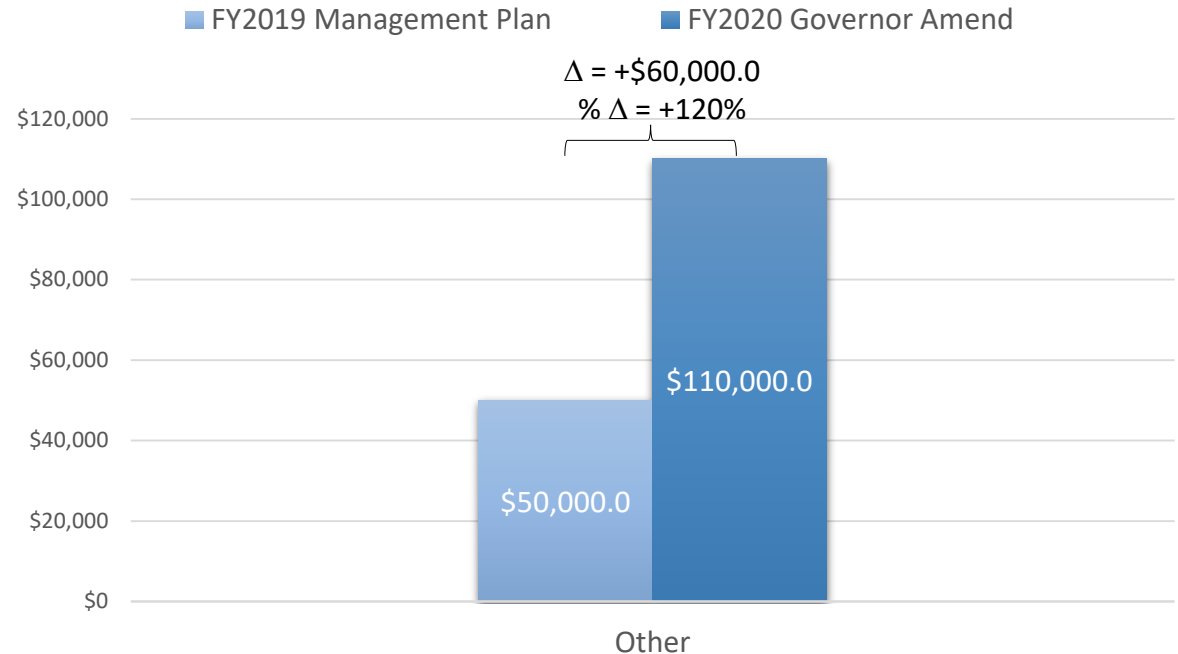
Dept. of Revenue FY20 Operating Budget: Alaska Retirement Management Board

- ARMB proposed funding decrease of -\$93.7 (-1%) from FY19 to FY20
- ARMB Custody & Management from proposed funding increase of +\$60,000.0 (+120%) from FY19 to FY20

ARMB: Fund Source Comparison
(\$ in thousands)



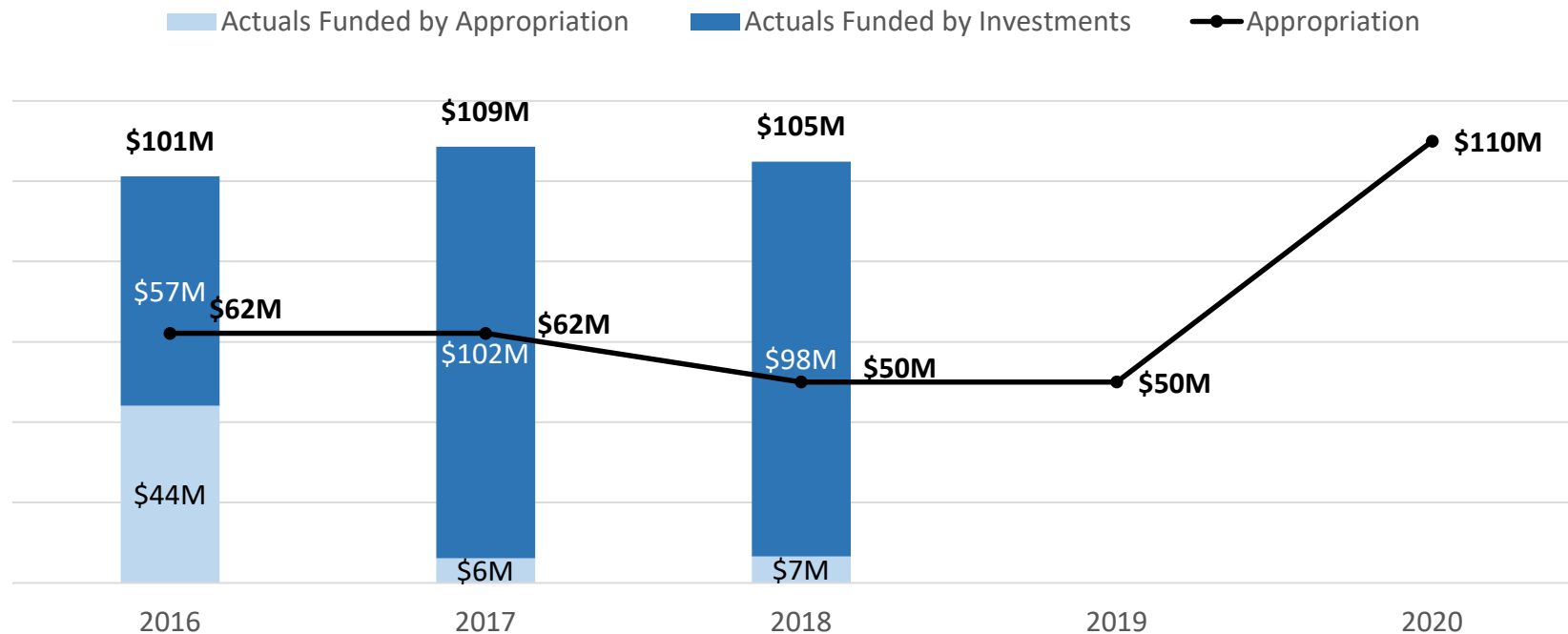
ARMB Custody & Mgmt. Fees: Fund Source Comparison
(\$ in thousands)



Dept. of Revenue FY20 Operating Budget: **ARMB Management Fees**

- FY20's increased appropriation request represents a change in practice whereby DOR is requesting an appropriation for the entire amount of fees paid.
- Previously, DOR requested an appropriation only for those funds that were paid through the state accounting system.

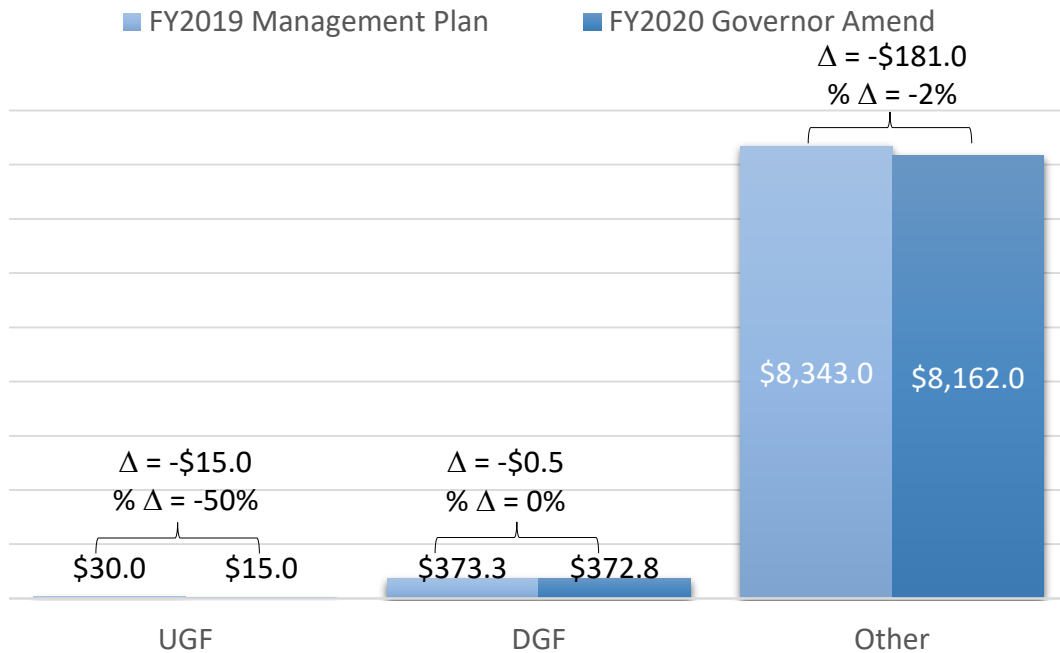
ARMB Management Fees and Appropriation



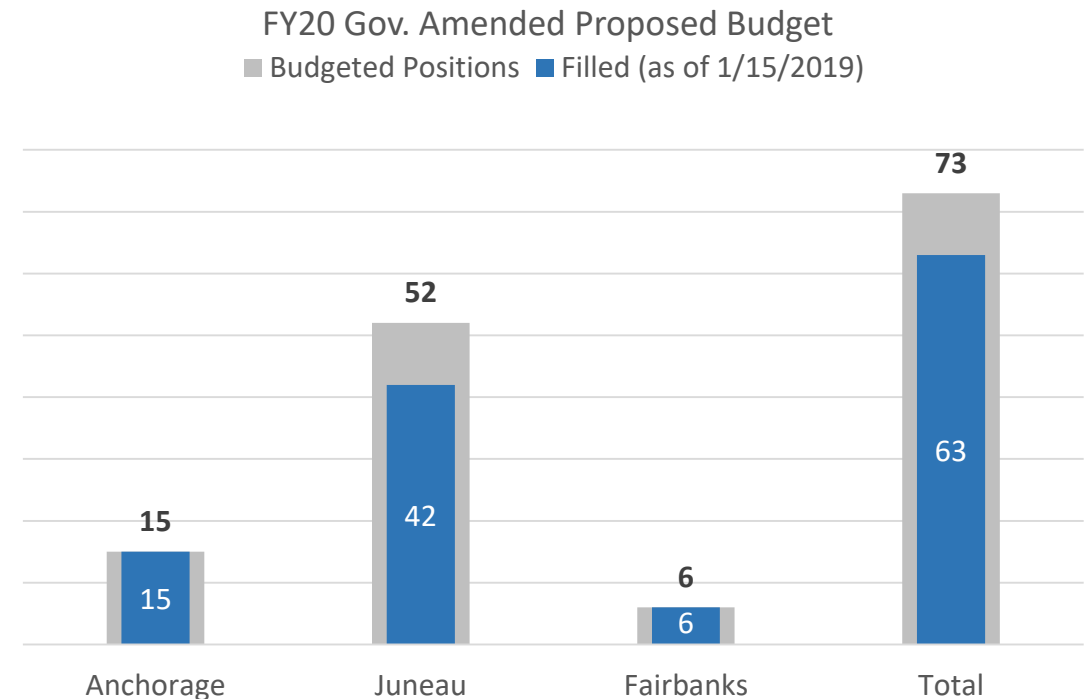
Dept. of Revenue FY20 Operating Budget: Permanent Fund Dividend Division

- -\$196.5 (-2%) from FY19 to FY20
- -3 positions from FY19 to FY20

PFD: Fund Source Comparison
(\$ in thousands)



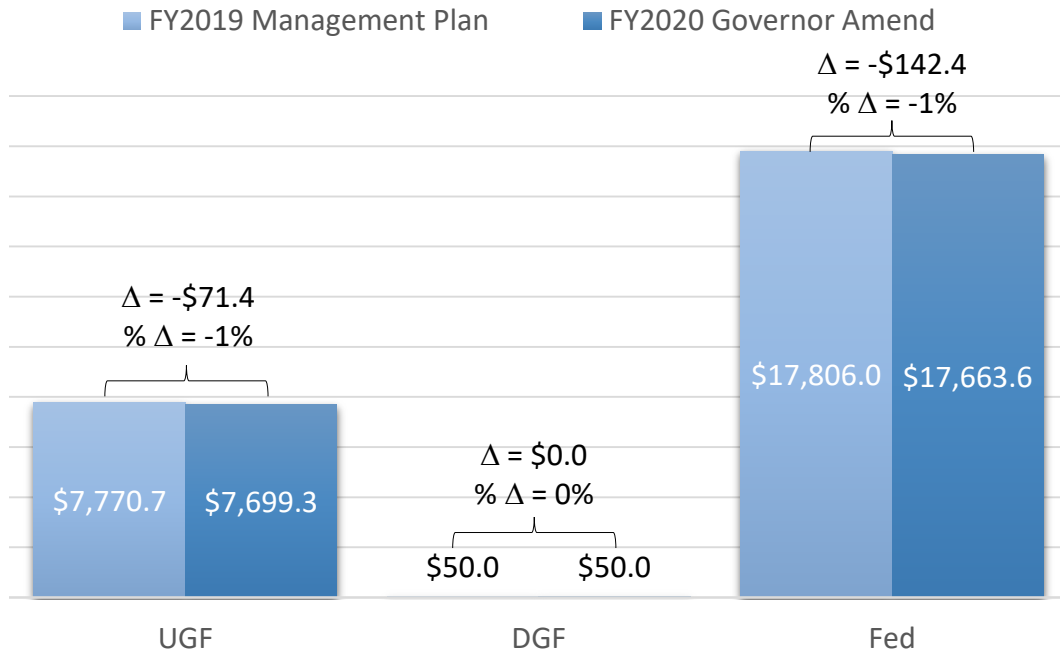
PFD: Position Count and Employees



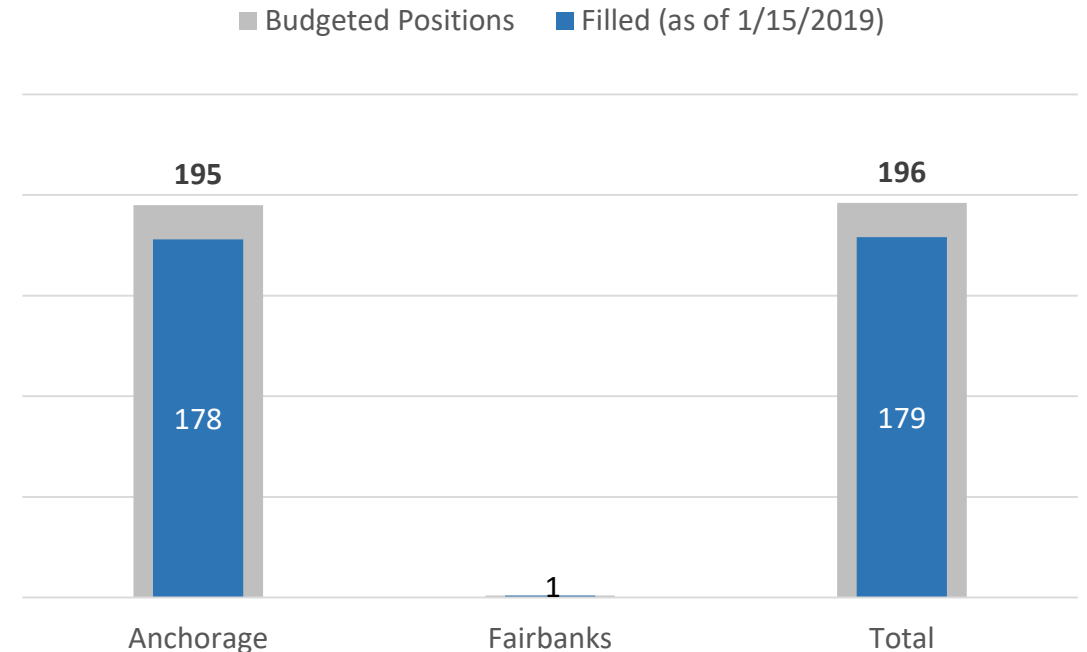
Dept. of Revenue FY20 Operating Budget: Child Support Services Division

- -\$213.8 (-1%) from FY19 to FY20, -11% from FY15 to FY20

CSSD: Fund Source Comparison
(\$ in thousands)



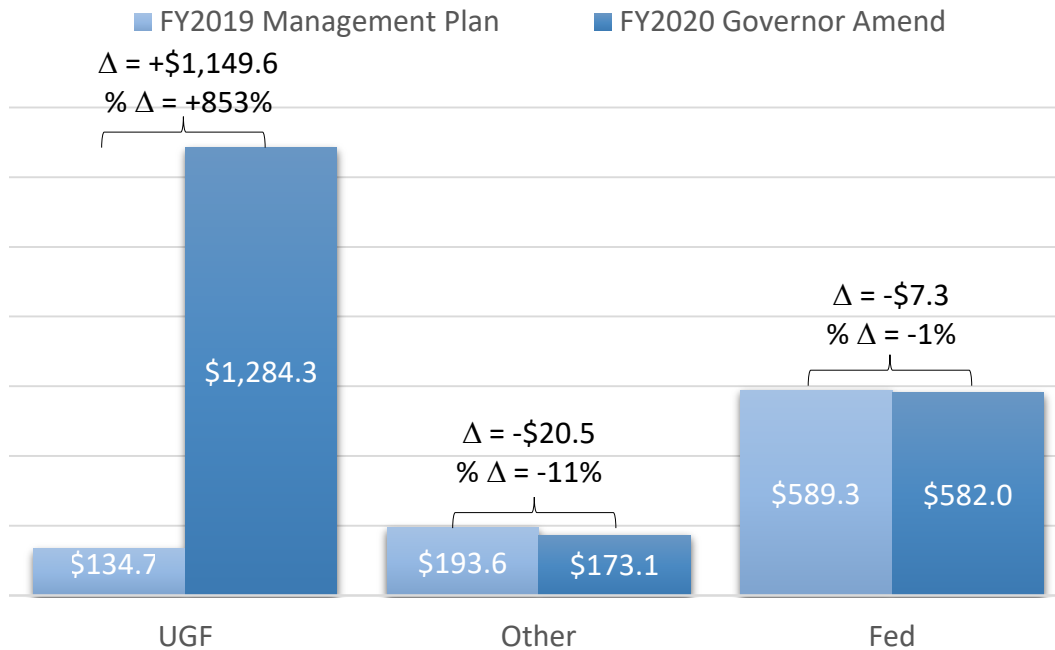
CSSD: Position Count and Employees
FY20 Gov. Amended Proposed Budget



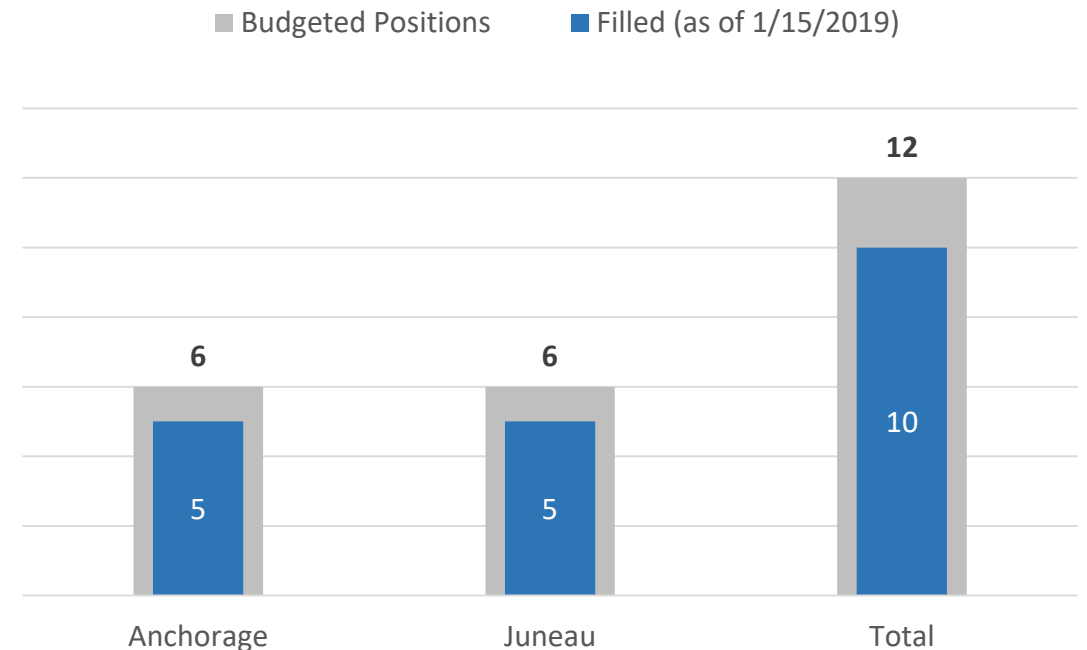
Dept. of Revenue FY20 Operating Budget: Commissioner's Office

- +\$1,121.8 (+122%) from FY19 to FY20
- Transfer of Economic Research Group from Tax Division to Commissioner's Office

Commissioner's Office: Fund Source Comparison
(\$ in thousands)



Commissioner's Office: Position Count and Employees
FY20 Gov. Amended Proposed Budget



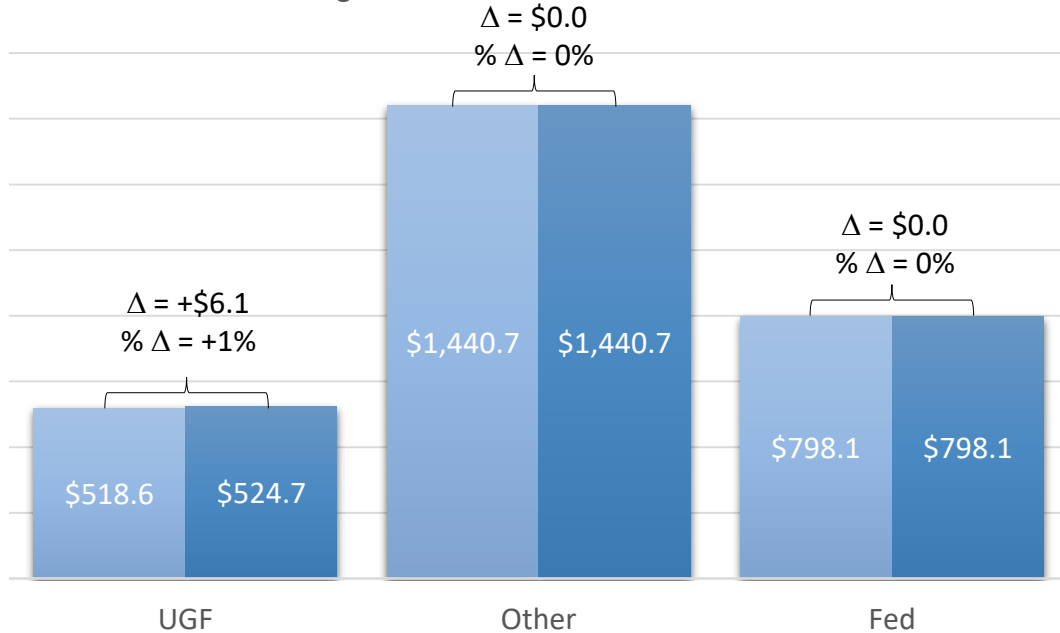
Dept. of Revenue FY20 Operating Budget: Administrative Services Division

- +\$6.1 (0%) from FY19 to FY20
- -1 position from FY19 to FY20

Administrative Services: Fund Source Comparison

(\$ in thousands)

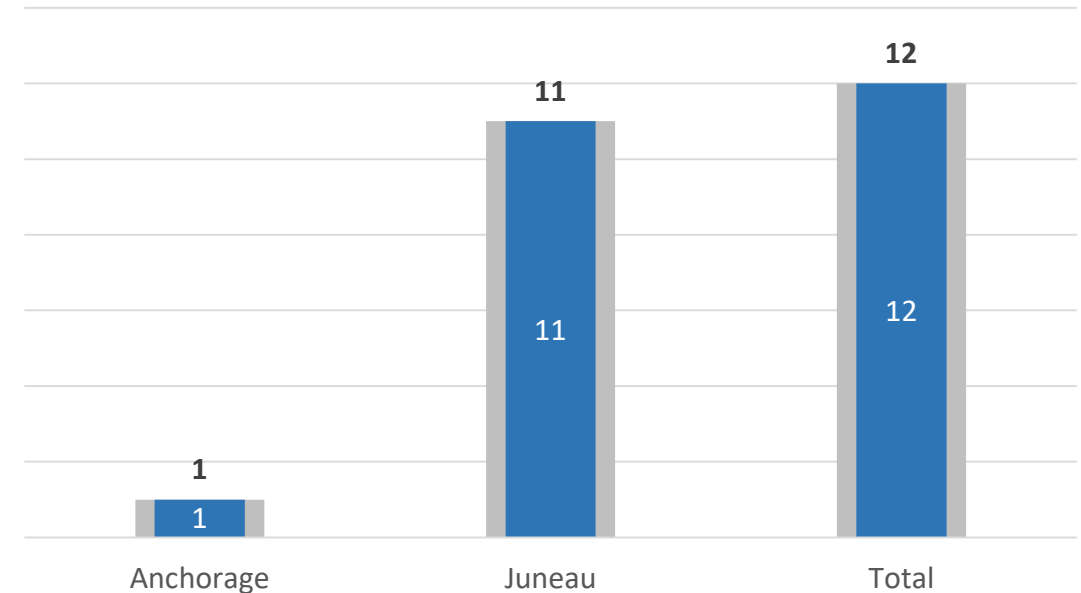
■ FY2019 Management Plan ■ FY2020 Governor Amend



Administrative Services: Position Count and Employees

FY20 Gov. Amended Proposed Budget

■ Budgeted Positions ■ Filled (as of 1/15/2019)



Dept. of Revenue FY20 Operating Budget: Criminal Investigations Unit

- No funding changes from FY19 to FY20
- Administrative Order 306

CIU: Fund Source Comparison

(\$ in thousands)

FY2019 Management Plan FY2020 Governor Amend

$\Delta = \$0.0$

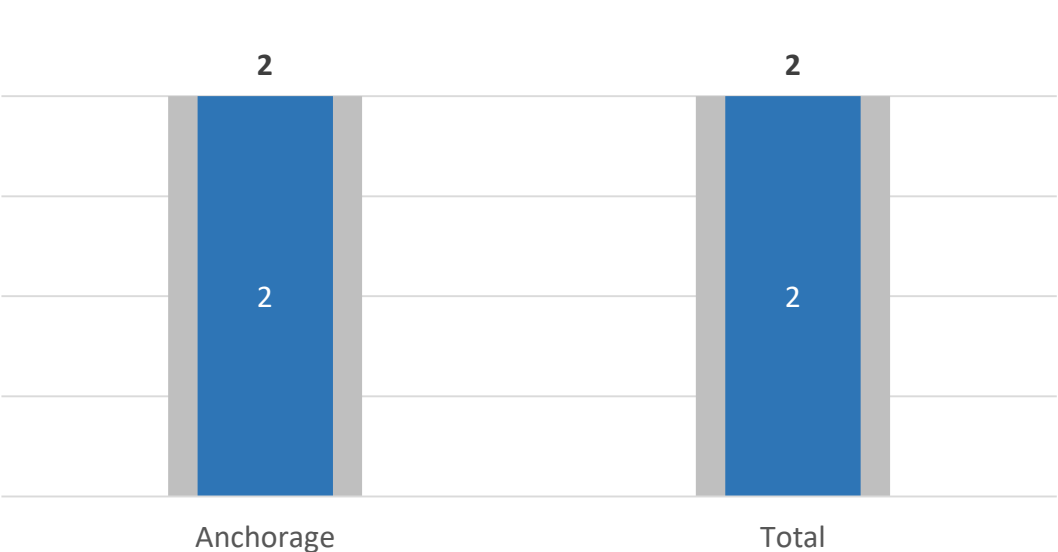
$\% \Delta = 0\%$



CIU: Position Count and Employees

FY20 Gov. Amended Proposed Budget

Budgeted Positions Filled (as of 1/15/2019)



Dept. of Revenue FY20 Operating Budget: [Change Summary](#)

- Statewide Support: Executive Branch 50% travel reduction
-\$53.3 GF | -\$117.1 Fed | -\$375.6 Other
- Tax Division reductions in positions: -\$78.6 GF | -\$212.0 Other, -3 PFT
- Transfer the Economic Research Group from Tax Division to Commissioner's Office
- PFD Division efficiency gains: -\$176.5 Other, -1 PFT | -2 PPT
- Child Support Services Division efficiency gains: -\$68.0 GF | -\$132.0 Fed
- Align management fee authorization with actual fees paid
 - Alaska Retirement Management Board: +\$60,000.0 Other
 - Treasury Division: +\$117.2 UGF | +\$70.4 Other

Dept. of Revenue FY20 Operating Budget: [Legislative Impact](#)

- Administrative Orders
 - #302: ASD consolidation
 - #304: Procurement consolidation
 - #305: Human Resources (HR) consolidation
 - #306: Statewide Investigator Unit
- Gov. Proposed Bills Impacting Positions and Operating Funds
 - Exempt position reform
 - Pay increment reform
 - Bi-weekly payroll
 - Eliminate quasi-dedicated funds
 - Reduce regulations for small charitable gaming
- Governor's Directives
 - Travel and hire policy

Sustainable, Predictable, Affordable