

Department of Revenue

FY2027 Governor's Budget Overview

House Finance Committee

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THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Agenda

- Department Overview & Introduction
- Year-over-Year Budget Comparison
- Division Budget Overview
- Corporations & Authorities Budget Overview



Department Overview: **Mission and Introduction**

Mission: To Collect, Distribute, and Invest funds for public purposes



Agency Divisions

- Tax Division
- Treasury Division
- Permanent Fund Dividend Division
- Child Support Enforcement



Corporations & Authorities

- Alaska Housing Finance Corporation (AHFC)
- Alaska Mental Health Trust Authority (AMHTA)
- Alaska Municipal Bond Bank Authority (AMBBA)
- Alaska Permanent Fund Corporation (APFC)

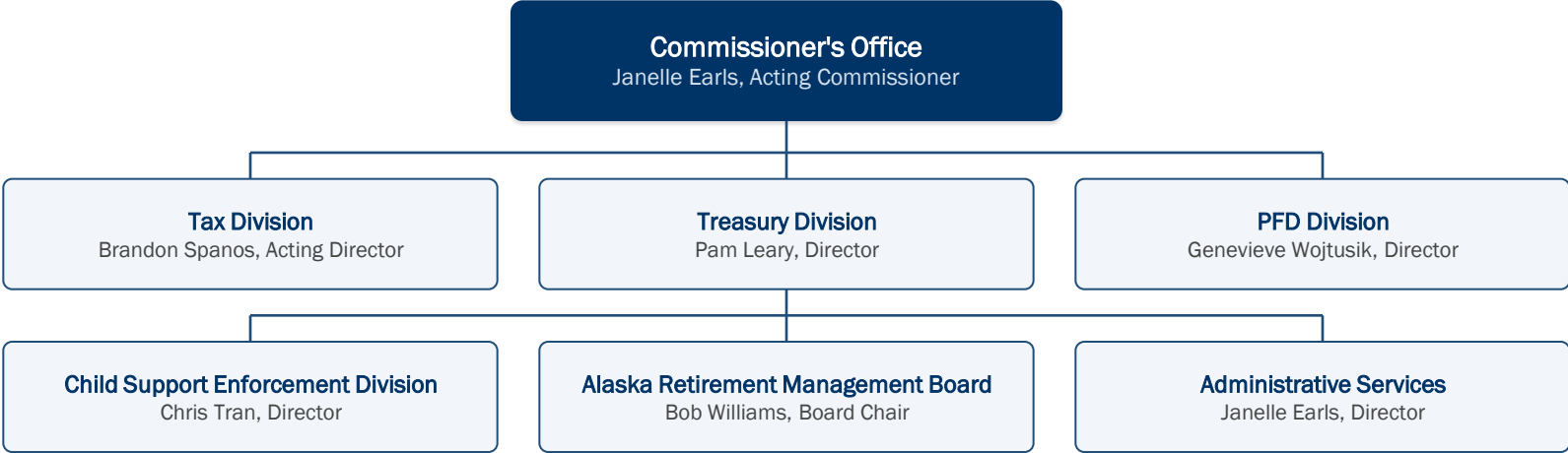


Statewide Items

- Permanent Fund
- Shared Taxes
- Retirement & Debt Service
- Dividend Raffle



Department Overview: Organization



Corporations & Authorities



Department Overview: Total Budget by Fund Group

FY2027 GOVERNOR'S BUDGET

\$485,634.6

All Funds (in thousands)

CHANGE FROM ADJ BASE

-\$3,783.4 (-0.8%)

UGF
+\$91.4 (+0.2%)

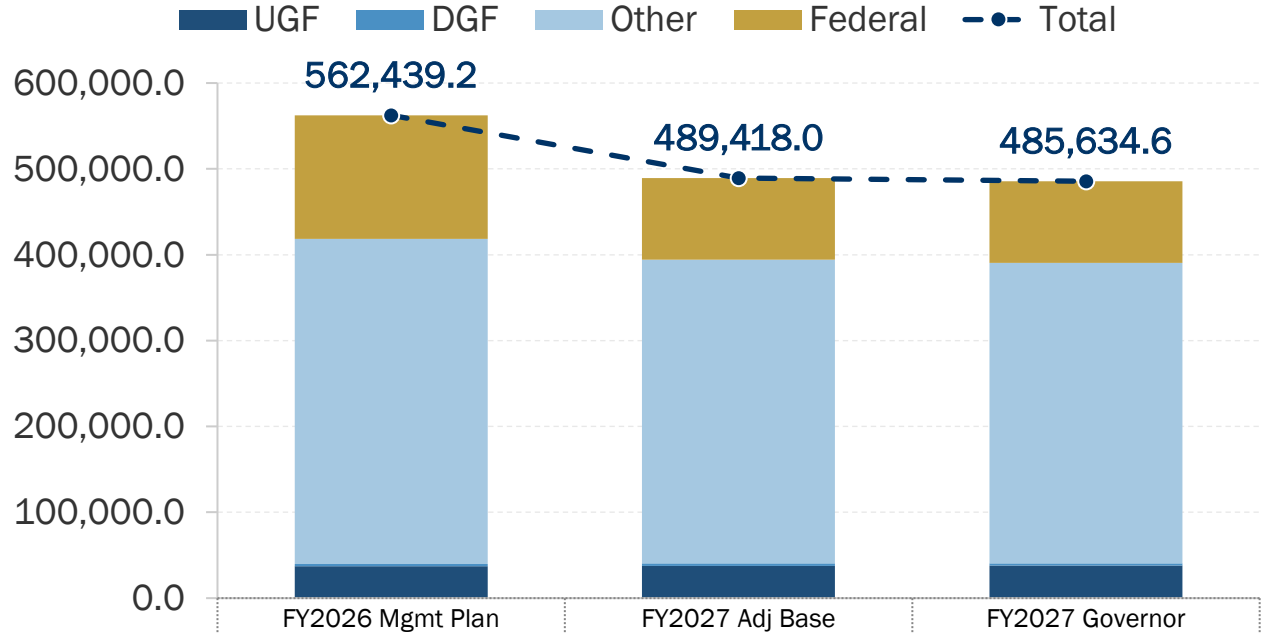
DGF
+\$2.9 (+0.1%)

Other (Ret/Corp)
-\$3,944.6 (-1.1%)

Federal
+\$66.9 (+0.1%)

The decrease from FY2026 Mgmt Plan to FY2027 Adj Base primarily reflects the technical back-out of the Alaska Housing Finance Corporation COVID Housing operating multi-year appropriations (Other & Federal funds).

The Governor's change from Adj Base in Other funds is primarily driven by investment management fee appropriations for the Alaska Retirement Management Board and Alaska Permanent Fund Corporation. See subsequent slides for detail by division.



	FY2026 Mgmt Plan	FY2027 Adj Base	FY2027 Governor
Federal	143,906.7	95,097.2	95,164.1
Other	378,589.5	353,919.2	349,974.6
DGF	2,673.9	2,755.4	2,758.3
UGF	37,269.1	37,646.2	37,737.6
Total	562,439.2	489,418.0	485,634.6

Department Overview: **Across-the-Board Adjustments**



Salary, Health & Retirement **\$5,385.5**

DRIVERS

- Collectively bargained and statutory cost of living adjustment (COLA) increases
- Bargained & plan-recommended health insurance increases
- Public employees' retirement system (PERS) contribution rate increase

FUND BREAKDOWN

UGF \$1,062.1	DGF \$81.5
Other \$2,958.3	Federal \$1,283.6

Present in all division and corporation budgets



IT Classification Study **\$336.0**

DESCRIPTION

Department of Administration statewide study that modernizes IT job classification titles and aligns pay closer to market rates. Applied to classified IT positions department-wide.

FUND BREAKDOWN

UGF \$112.1	DGF \$7.3
Other \$149.7	Federal \$66.9

Present in non-corporate division budgets (Tax, Treasury, PFD, Child Support)



Divisions Overview: No Major Changes

Division / Component	Mission	FY27 Gov	Change from FY26 Mgmt Plan	% Change
Tax Division	<i>Collect taxes, inform stakeholders, regulate charitable gaming</i>	20,445.4	+665.9	3.4%
Child Support	<i>Collect and distribute child support</i>	30,989.6	+1,060.6	3.5%
Commissioner's Office	<i>Collect, distribute, and invest funds for public purposes</i>	1,634.2	+46.1	2.9%
Administrative Services	<i>Cost-effective admin, financial, HR, procurement, and IT services</i>	3,739.3	+123.3	3.4%
Facilities Rent	<i>Facility operations, maintenance, repair, and renewal</i>	2,373.0	+156.5	7.1%
Long Term Care Ombudsman	<i>Protect health, safety, and rights of AK seniors in long-term care</i>	1,280.2	+57.4	4.7%
Alaska Sustainable Energy Corp.	<i>Finance sustainable energy development</i>	411.2	+8.4	2.1%
Total		60,872.9	+2,118.2	3.6%



Department Overview: Treasury Division

Mission: To manage the State's funds consistent with prudent investment guidelines and Governmental Accounting Standards Board rules.

FY2027 Governor Proposals

- ▶ Delete Long-Term Vacant State Comptroller: -\$227.2 All Funds, -1 permanent full-time
- ▶ Technical changes are salary and benefits adjustments and the IT class study implementation

Budget Summary by Fund Group

Fund Group	FY2026 Mgmt Plan	FY2027 Governor	Change	% Change
UGF	2,425.7	2,453.8	+28.1	1.2%
DGF	413.9	418.1	+4.2	1.0%
Other	10,253.2	10,407.9	+154.7	1.5%
Federal	0.0	0.0	0.0	0.0%
Total	13,092.8	13,279.8	+187.0	1.4%



Department Overview: Alaska Retirement Management (ARM) Board

Mission: To manage the State's retirement and benefit plan funds consistent with prudent investment guidelines and Governmental Accounting Standards Board rules.

FY2027 Governor Proposals

- ▶ Outside Legal Services through the Dept. of Law (*Private Equity Investment Review*): \$150.0 Other
- ▶ Technical changes are salary and benefits adjustments reimbursed to the Treasury Division

Budget Summary by Fund Group

Fund Group	FY2026 Mgmt Plan	FY2027 Governor	Change	% Change
UGF	0.0	0.0	0.0	0.0%
DGF	0.0	0.0	0.0	0.0%
Other	11,853.7	12,320.0	+466.3	3.9%
Federal	0.0	0.0	0.0	0.0%
Total	11,853.7	12,320.0	+466.3	3.9%



Department Overview: ARM Board Custody and Management Fees

Mission: To manage the State's retirement and benefit plan funds consistent with prudent investment guidelines and Governmental Accounting Standards Board rules.

FY2027 Governor Proposals

▶ External Management Profit Sharing Fees (*Public Equities*): \$13,600.0 Other

Budget Summary by Fund Group

Fund Group	FY2026 Mgmt Plan	FY2027 Governor	Change	% Change
UGF	0.0	0.0	0.0	0.0%
DGF	0.0	0.0	0.0	0.0%
Other	35,000.0	48,600.0	+13,600.0	38.9%
Federal	0.0	0.0	0.0	0.0%
Total	35,000.0	48,600.0	+13,600.0	38.9%



Department Overview: Permanent Fund Dividend (PFD) Division

Mission: To administer the PFD program, assuring that all eligible Alaskans receive timely dividends, fraud is prosecuted, and all stakeholders are treated with respect.

FY2027 Governor Proposals

- ▶ New Dividend Application Information System Cloud Server, Data Hosting, and Infrastructure: \$611.6 Other
- ▶ Federal Postage Rate Increases: \$33.7 Other
- ▶ Technical changes are salary and benefits adjustments and the IT class study implementation

Budget Summary by Fund Group

Fund Group	FY2026 Mgmt Plan	FY2027 Governor	Change	% Change
UGF	0.0	0.0	0.0	0.0%
DGF	387.4	399.8	+12.4	3.2%
Other	9,559.6	10,660.8	+1,101.2	11.5%
Federal	0.0	0.0	0.0	0.0%
Total	9,947.0	11,060.6	+1,113.6	11.2%



Department Overview: Alaska Mental Health Trust Authority

Mission: To administer the Alaska Mental Health Trust and ensure a comprehensive mental health program for Trust beneficiaries.

FY2027 Governor Proposals

- ▶ Maintain the Mental Health Trust Authority Operating Budget: \$298.5 Other
- ▶ Minor Cleanup of Interagency Receipt Authority: -\$13.5 Other
- ▶ Technical changes are salary and benefits adjustments

Budget Summary by Fund Group

Fund Group	FY2026 Mgmt Plan	FY2027 Governor	Change	% Change
UGF	0.0	0.0	0.0	0.0%
DGF	0.0	0.0	0.0	0.0%
Other	5,503.3	5,947.9	+444.6	8.1%
Federal	0.0	0.0	0.0	0.0%
Total	5,503.3	5,947.9	+444.6	8.1%



Department Overview: Alaska Housing Finance Corporation (AHFC)

Mission: To provide Alaskans access to safe, quality, affordable housing.

FY2027 Governor Proposals

- ▶ Debt Service Payment Paid from the AHFC Dividend: -\$685.0 UGF
- ▶ Delete Long-Term Vacant Positions: -\$490.1 Other, -2 permanent full-time
- ▶ Technical changes are salary and benefits adjustments

Budget Summary by Fund Group

Fund Group	FY2026 Mgmt Plan*	FY2027 Governor	Change	% Change
UGF	3,185.0	2,500.0	-685.0	-21.5%
DGF	0.0	0.0	0.0	0.0%
Other	42,129.3	42,566.7	437.4	1.0%
Federal	71,924.4	72,544.8	620.4	0.9%
Total	117,238.7	117,611.5	372.8	0.3%

*FY2026 Management Plan figures have been adjusted to exclude the COVID 19 federal stimulus operating multi-year appropriations. The carryforward amounts for FY2026 total \$27,628.6 in Statutory Designated Program Receipts (Other) and \$30,093.1 Federal. These two multi-year appropriations expire at the end of FY2026.



Department Overview: Alaska Permanent Fund Corporation (APFC)

Mission: To manage and invest the assets of the Permanent Fund and other funds designated by law.

FY2027 Governor Proposals

- ▶ Restore APFC to the historical single appropriation structure: No change in overall cost
- ▶ Fully-Fund Incentive Compensation Program: \$860.0 Other
- ▶ IT Security and Office Support: \$384.1 Other
- ▶ Data Center Equipment: \$307.0 | Cyclical Tech: \$195.9 Other | Investment Subscriptions: \$41.7

Budget Summary by Fund Group

Fund Group	FY2026 Mgmt Plan	FY2027 Governor	Change	% Change
Other	28,018.3	31,047.7	+3,029.4	10.8%
Total	28,018.3	31,047.7	+3,029.4	10.8%



Department Overview: APFC Investment Management Fees

Mission: To manage and invest the assets of the Permanent Fund and other funds designated by law.

FY2027 Governor Proposals

- ▶ Align Investment Management Fee Budget Authority: -\$19,990.7 Other
- ▶ Restore APFC historical budget (*Transfer from IT and Software Licensing*): \$11,877.7 Other

Budget Summary by Fund Group

Fund Group	FY2026 Mgmt Plan	FY2027 Governor	Change	% Change
Other	186,564.4	178,451.4	-8,113.0	-4.3%
Total	186,564.4	178,451.4	-8,113.0	-4.3%



Department Overview: APFC Facilities Rent Non State Owned

Mission: Provide operating expenditures for annual facility operations, maintenance and repair, and renewal of non-state-owned buildings.

FY2027 Governor Proposals

► Increase for Office Leases (*Anchorage & Juneau*): \$66.0 Other

Budget Summary by Fund Group

Fund Group	FY2026 Mgmt Plan	FY2027 Governor	Change	% Change
Other	583.0	649.0	+66.0	11.3%
Total	583.0	649.0	+66.0	11.3%



Thank You

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