

# **State of Alaska FY2026 Governor's Operating Budget**

**Department of Revenue**

## Department of Revenue

### Mission

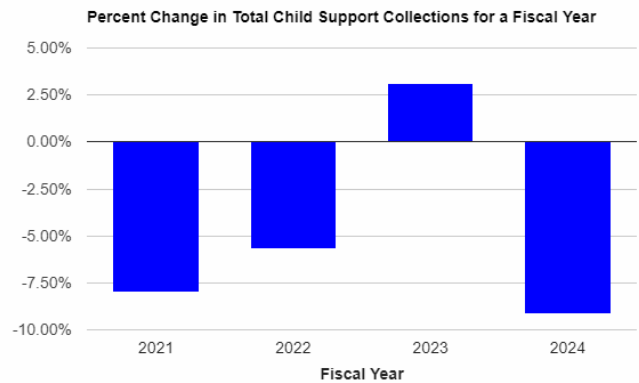
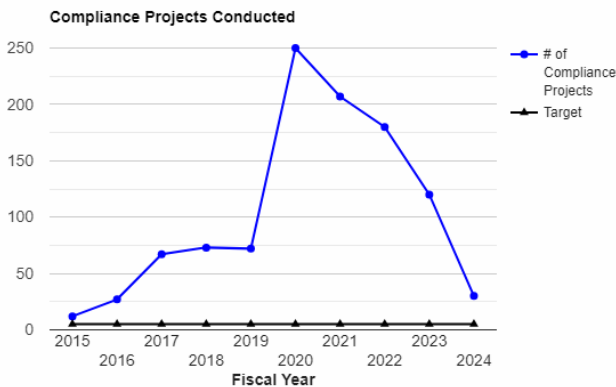
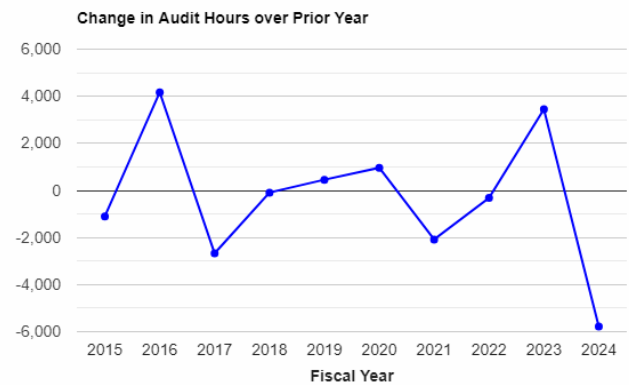
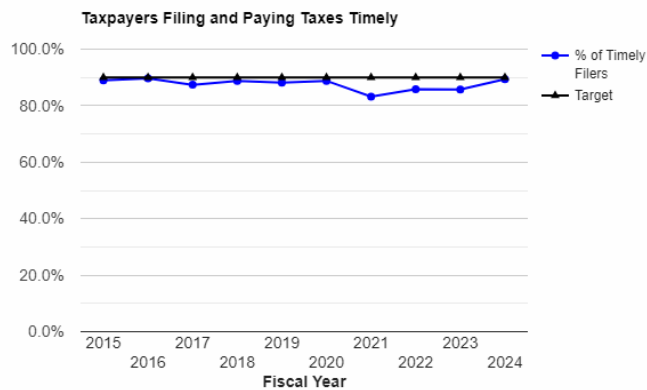
The mission of the Department of Revenue is to collect, distribute and invest funds for public purposes. Alaska Constitution Article 9; Alaska Statute (AS) 25.27, AS 37, AS 43

	Core Services (in priority order)	UGF	DGF	Other	Fed	Total	PFT	PPT	NP	% GF
1	Funds Collection	24,807.8	1,142.1	43,693.4	80,671.0	150,314.2	408.9	10.0	8.6	72.5%
2	Funds Distribution	5,551.4	1,062.3	51,780.6	65,912.1	124,306.4	286.5	11.1	9.2	18.5%
3	Funds Investment	2,342.4	307.5	281,348.2	19,067.0	303,065.1	135.6	2.9	4.1	7.4%
4	Safety for Alaskans	589.5	0.0	450.0	0.0	1,039.5	6.0	0.0	0.0	1.6%
	<b>FY2025 Management Plan</b>	<b>33,291.1</b>	<b>2,511.9</b>	<b>377,272.1</b>	<b>165,650.1</b>	<b>578,725.2</b>	<b>837.0</b>	<b>24.0</b>	<b>22.0</b>	

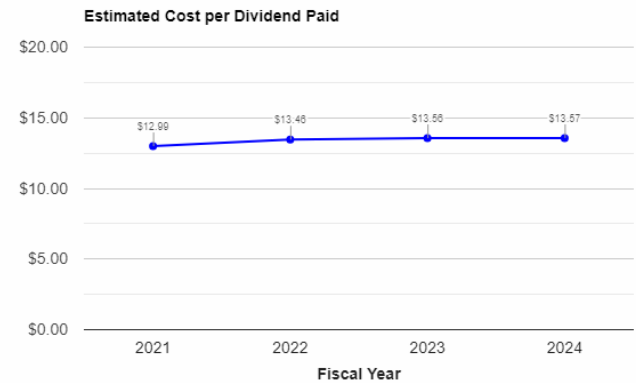
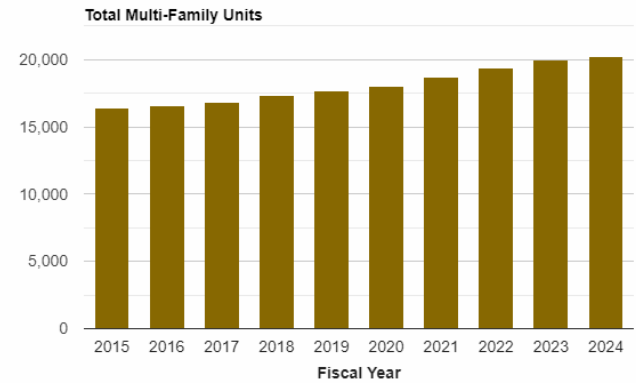
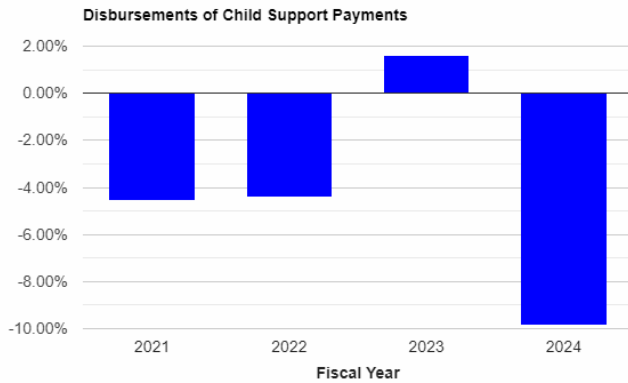
### Measures by Core Service

(Additional performance information is available on the web at <https://omb.alaska.gov/results/>.)

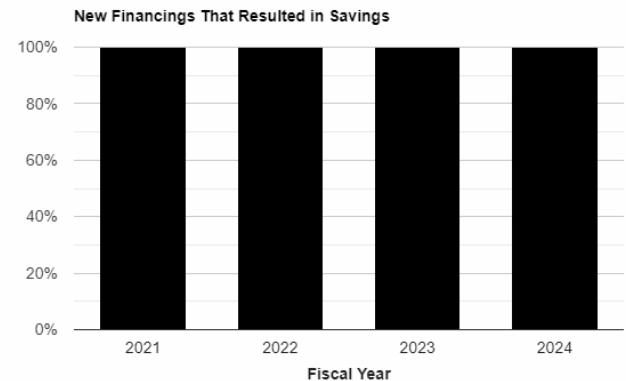
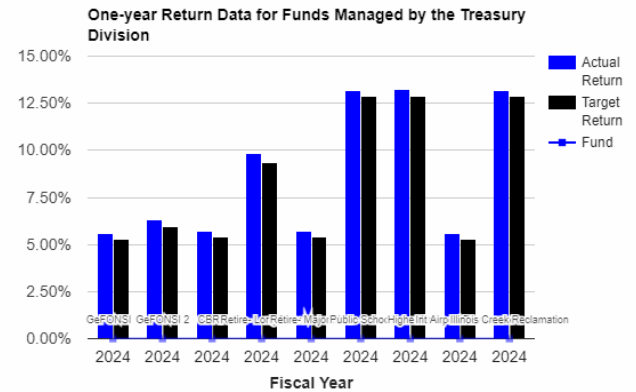
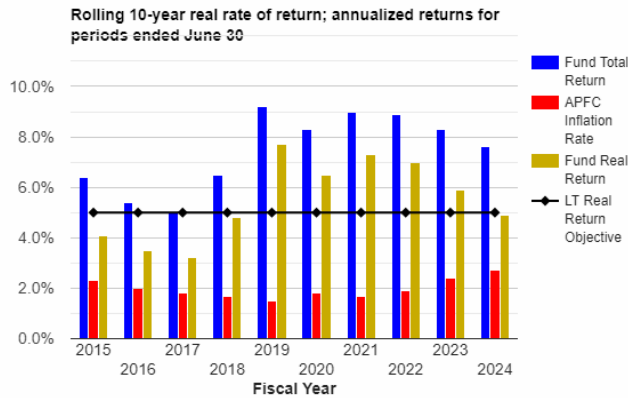
#### 1. Funds Collection



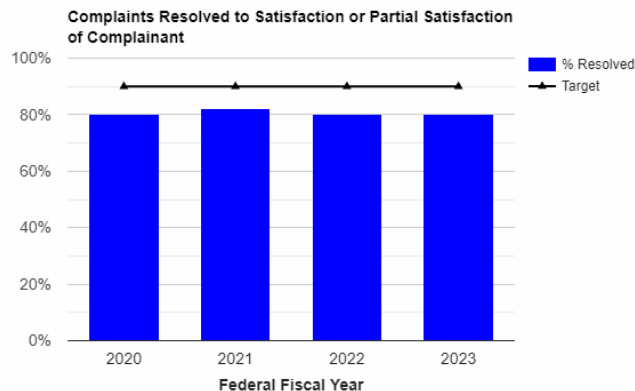
## 2. Funds Distribution



## 3. Funds Investment



#### 4. Safety for Alaskans



### Major Department Accomplishments in 2024

#### Funds Collection

- Total child support collections in FY2024 were approximately \$98 million, of which \$5.4 million was recovery of Temporary Assistance for Needy Families funds, netting over \$92 million disbursed to families.

#### Funds Distribution

- Unclaimed Property returned approximately \$13.7 million to current or former Alaskan owners and businesses.
- The Alaska Mental Health Trust Authority provided more than \$24.1 million in funding, supporting 192 grants.

#### Funds Investment

- The Alaska Housing Finance Corporation purchased 1,437 mortgages for a total loan value of \$495 million.
- The Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) defined benefit plans' performance was 9.22 percent, surpassing its three-year, five-year, and 10-year benchmark performance targets and achieving top quartile performance when compared to peers during these periods. The average return was nine percent during the plan's 40-year investment history.
- The State's underlying credit rating profile improved. As of September 13, 2024, the State's General Obligation (GO) debt ratings are as follows: 'AA/A+/Aa3/AA' from S&P Global Ratings (S&P), Fitch Ratings, Moody's Investors Service, Inc. (Moody's), and Kroll Bond Rating Agency, respectively. The outlook on Moody's rating is positive, and the remaining credit agencies have a stable outlook. On April 30, 2024, S&P upgraded their long-term rating to 'AA' from 'AA-' for State of Alaska GO Bonds, with a stable credit outlook. The rating increase reflects the State's profile benefiting from the build-up and maintenance of

strong liquidity, high reserves, and commitment to structural budgetary balancing practices over multiple years, including controls on recurring expenditure growth.

- The State issued \$110 million of general obligation refunding bonds, Series 2024A, which refunded \$120 million of the State's outstanding Series 2010A General Obligation (GO) bonds with net present value savings of approximately \$4 million. Refunding these GO bonds saved \$4.5 million from future debt service payments and did not extend the term of the original bonds, thus lowering overall debt service payment commitments from the general fund.

### **Safety for Alaskans**

- The Long-Term Care Ombudsman's Office (LTCO) conducted 827 in-person facility visits to ensure the safety and well-being of seniors in assisted living and nursing homes statewide.

### **Key Department Challenges**

- Preparing for and managing threats of digital disruption and cyberattacks.

### **Funds Collection**

- Accurately evaluating current and potential revenue sources.
- Improving the quality of financial data to support revenue forecasts with the goal of developing a stable fiscal policy for the State.

### **Funds Distribution**

- Ensuring the efficient distribution of child support, dividends, and other funds.

### **Funds Investment**

- Managing investment risk during times of market volatility.

### **Significant Changes in Results to be Delivered in FY2026**

- The Department of Revenue has a renewed focus on fostering investment in Alaska by meeting with diverse investor groups, municipalities, and State agencies to identify and encourage economic development that benefits Alaskans.
- The Department of Revenue will continue to assertively work with the credit rating agencies to continually improve the State's credit profile, as well as the State's investment outlook.
- The emergence of artificial intelligence (AI) has the potential to drive operational efficiencies and generate cost savings for the State of Alaska. The department will pursue opportunities to develop multiple proofs of concept, promote industry expertise in review and implementation, and create an internal data environment that will ensure data safety and security.

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