

# **State of Alaska FY2015 Governor's Operating Budget**

## **Department of Revenue Commissioner's Office Component Budget Summary**

**Component: Commissioner's Office**

**Contribution to Department's Mission**

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

**Major Component Accomplishments in 2013**

Please see department accomplishments.

**Key Component Challenges**

- To provide key decision makers with the information necessary to adopt a fiscal plan to insure that the State of Alaska has the financial resources necessary to provide constitutionally required public services in an era of volatile oil prices and declining production.
- To estimate oil and gas revenues in light of the highly volatile oil and gas market coupled with uncertainties in the U.S. economy.
- To contribute to efforts to start large-scale natural gas development in Alaska and commercialization of North Slope natural gas reserves.
- To maintain the integrity of core tax programs in the face of resource demands from major revenue and investment initiatives.
- To maintain the State of Alaska's credit ratings with Standard and Poor's, Fitch Ratings, and Moody's Investors Service. Regular communication of state current events to the rating analysts, as well as ensuring analysts' concerns are relayed to State leadership, are key to meeting this challenge.
- To respond to rapid changes in the banking industry, including temporary regulation changes for the Federal Depository Insurance Program, permanent changes in the Federal Reserve banking reserve requirements, and uncertainty in the nation's banking system.
- To manage the increase in the total assets in General Fund and Other Non-segregated Investments (GeFONSI), the Constitutional Budget Reserve Fund and other smaller funds managed by Treasury that have grown to the point that they now are larger than the assets of the retirement funds managed by Treasury. At this time, the total assets under management is over 48 billion, a total which is double that of FY2006.
- To use technology improvements to process approximately 650,000 Permanent Fund Dividend applications and another 1.5 million supporting documents annually and within a limited budget. The increase in applications and public contact will prove to be a key challenge in communication costs, resource allocation, and timely payment.
- The Child Support Services Division continues to face stringent federal requirements for data reliability that must be met to achieve the highest possible incentive revenue and to avoid possible penalties to the Department of Revenue and the Department of Health and Social Services, Division of Public Assistance.

**Significant Changes in Results to be Delivered in FY2015**

Please see department changes in results.

**Statutory and Regulatory Authority**

AS 09.25.100	Public Records
AS 09.50	Code of Civil Procedure
AS 10.25.570	Electric and Telephone Cooperative Act
AS 14.25.180	Teachers' Retirement - Management and Investment of Fund
AS 16.10.265	Purchase of Fish from Permit Holders
AS 16.10.290	Security for Collection of Wages and Payment for Raw Fish
AS 18.26	Alaska Medical Facility Authority
AS 18.56	Alaska Housing Finance Corporation
AS 25.25	Uniform Interstate Family Support Act
AS 25.27	Child Support Service Agency
AS 34.45	Unclaimed Property
AS 37.05	Fiscal Procedures Act
AS 37.07	Executive Budget Act
AS 37.10	Public Funds
AS 37.13	Alaska Permanent Fund and Corporation
AS 37.14	Trust Funds
AS 37.15	State Bonding Act
AS 37.17	Alaska BIDCO Assistance Program
AS 38.05.036	Audit of Royalty and Net Profit Payments and Costs
AS 39.35.110	Public Employees Retirement System of Alaska - Investments
AS 43	Revenue and Taxation
AS 44.25	Department of Revenue
AS 44.83.386	Alaska Energy Authority - Investment of Fund
AS 44.85	Alaska Municipal Bond Bank Authority
AS 45.98.050	Historical District Loan Act - Sale or Transfer of Mortgages and Notes

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<b>Commissioner's Office Component Financial Summary</b>			
All dollars shown in thousands			
	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	803.2	854.5	860.6
72000 Travel	131.4	39.4	39.4
73000 Services	470.0	81.5	63.6
74000 Commodities	22.5	38.9	38.9
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,427.1</b>	<b>1,014.3</b>	<b>1,002.5</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	216.3	255.6	241.3
1007 Interagency Receipts	704.1	185.0	186.1
1133 CSSD Administrative Cost Reimbursement	506.7	573.7	575.1
<b>Funding Totals</b>	<b>1,427.1</b>	<b>1,014.3</b>	<b>1,002.5</b>

<b>Estimated Revenue Collections</b>				
Description	Master Revenue Account	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
<b>Unrestricted Revenues</b>				
Unrestricted Fund	68515	0.6	0.0	0.0
<b>Unrestricted Total</b>		<b>0.6</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	506.7	573.3	567.9
Interagency Receipts	51015	704.1	186.1	181.0
<b>Restricted Total</b>		<b>1,210.8</b>	<b>759.4</b>	<b>748.9</b>
<b>Total Estimated Revenues</b>		<b>1,211.4</b>	<b>759.4</b>	<b>748.9</b>

**Summary of Component Budget Changes  
From FY2014 Management Plan to FY2015 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
<b>FY2014 Management Plan</b>	<b>255.6</b>	<b>0.0</b>	<b>185.0</b>	<b>573.7</b>	<b>1,014.3</b>
<b>Adjustments which will continue current level of service:</b>					
-Reverse Alaska State Employees Association One-Time Payment Sec22f Ch14 SLA2013 (HB65) and Sec12 Ch15 SLA2013 (HB66)	-0.3	0.0	-0.3	-0.4	-1.0
-FY2015 Salary Increases	1.9	0.0	2.4	3.2	7.5
-FY2015 Health Insurance and Working Reserve Rate Reductions	-0.9	0.0	-1.0	-1.4	-3.3
<b>Proposed budget decreases:</b>					
-Reduction in Contractual Services	-15.0	0.0	0.0	0.0	-15.0
<b>FY2015 Governor</b>	<b>241.3</b>	<b>0.0</b>	<b>186.1</b>	<b>575.1</b>	<b>1,002.5</b>