

FY2024 Governor Amended Budget Overview

Department of Revenue

February 23, 2023



THE STATE
of **ALASKA**

GOVERNOR MIKE DUNLEAVY

Agenda

- Department overview and introduction
- FY2024 Department budget priorities
- Year-over-year budget comparisons
- Division budget overview
- Corporations and Authorities budget overview
 - Alaska Mental Health Trust Authority
 - Alaska Housing Finance Corporation (AHFC)
 - Alaska Permanent Fund Corporation (APFC)
- FY2023 Supplementals

Department Overview: **Mission and Introduction**

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

Commissioner Designee Adam Crum

Values

- Integrity
- Stewardship
- Professionalism
- Empowerment

Agency Divisions

- Tax Division
- Treasury Division
- Permanent Fund Dividend Division
- Child Support Enforcement Division
- Commissioner's Office and Administrative Services

Corporations & Authorities

- Alaska Permanent Fund Corp
- Alaska Housing Finance Corp
- Alaska Mental Health Trust Authority
- Alaska Muni Bond Bank Authority

Statewide Items

- Permanent Fund
- Shared Taxes
- Retirement and Debt Service
- Oil & Gas Tax Credits
- Dividend Raffle

Department Overview: Budget Priorities

Enterprise Risk Management and Security: The goal of the enterprise risk management initiative (ERM) is to develop a holistic view of the risks associated with achieving the Department of Revenue's most important goals and objectives.

Permanent Fund Dividend: The PFD Division has implemented security measures in the last year that will significantly reduce potential fraud in future dividend application periods.

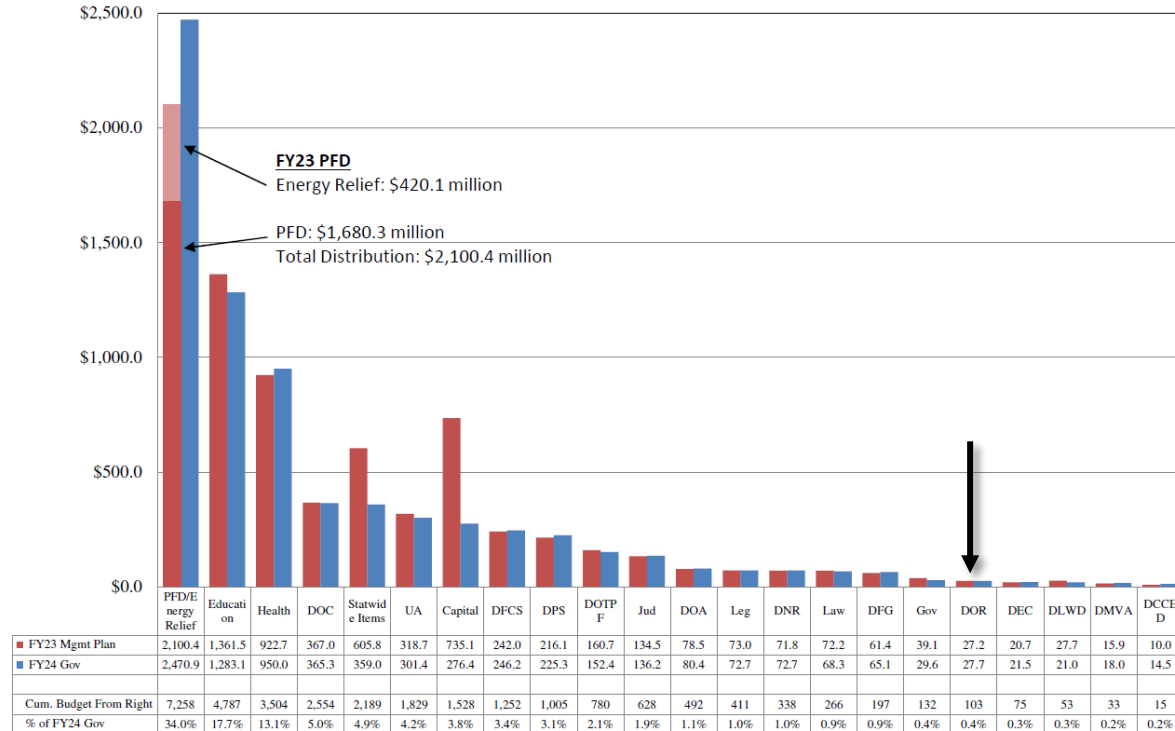
- Multi Factor Authentication (MFA).
- myAlaska account tracing and matching.

Chief Risk Officer : The Chief Risk Officer position was established within the Department of Revenue to build a holistic ERM framework.

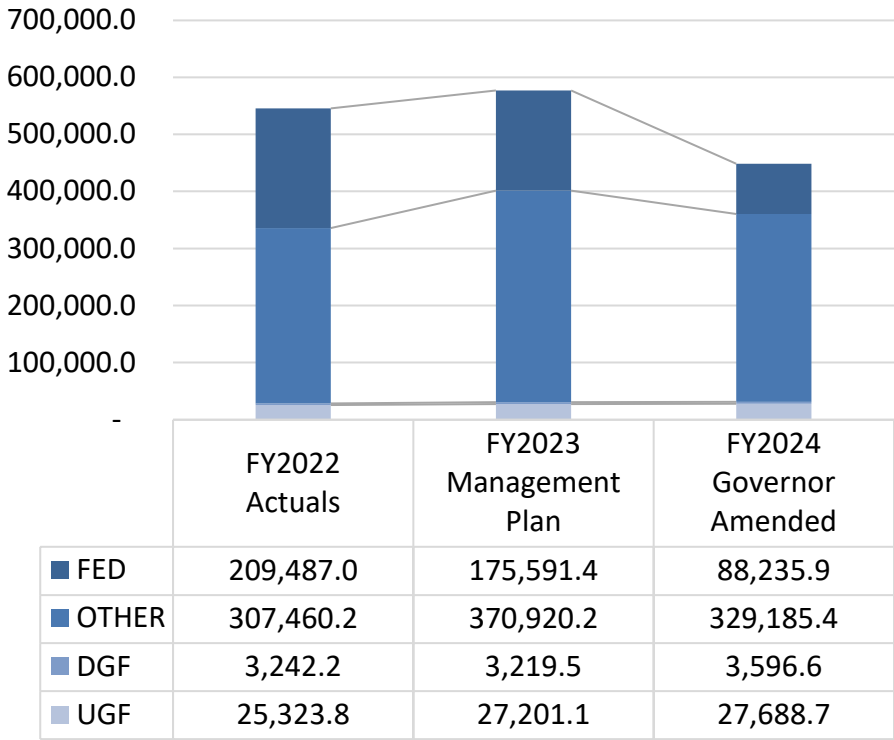
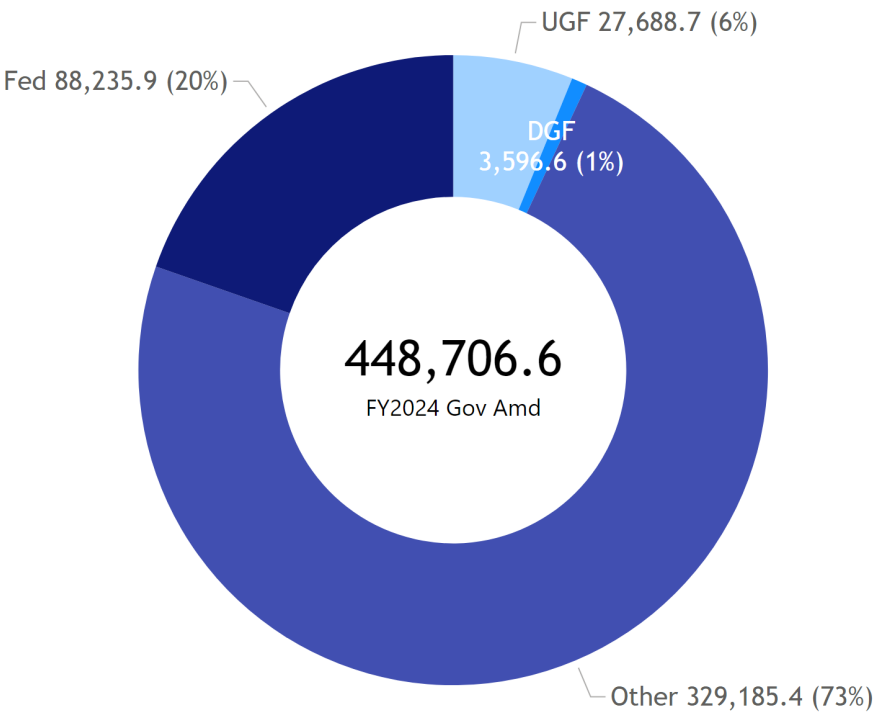
Economic Development and Policy: working with other state agencies on state economic and policy initiatives to assist in finding creative solutions to support economic growth into the future.

Department Overview: Statewide UGF Comparison

Swoop Graph - UGF Only
FY24 Governor's Budget Compared to FY23 Management Plan
 (Millions)

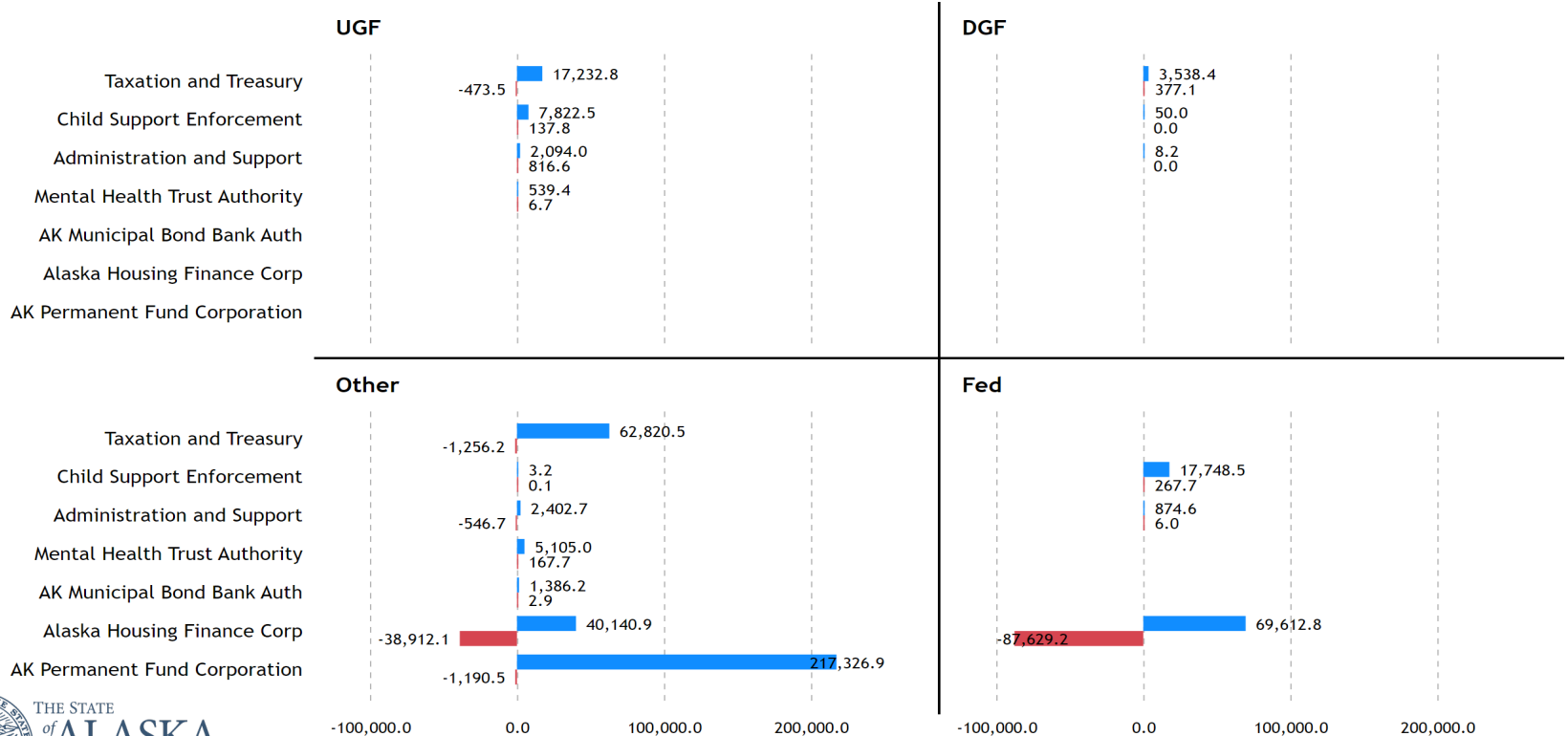


Department Overview: Total Budget by Fund Group



Department Overview: FY2024 Gov Amd. Appropriation by Fund Group

● FY2024 Gov Amd ● Change from FY2023 MP



Note: Figures are in Thousands unless otherwise denoted

Department Overview: FY2024 Governor Amended

Increases from FY2023 MP

- Salary Adj \$456.6 UGF; \$34.5 DGF
- Tax IT System Cloud Hosting \$373.6 UGF
- PFD IT System Maintenance \$326.4 Other
- Higher Ed Fund \$342.6 DGF (-\$342.6 UGF)

Decreases from FY2023 MP

- Reverse Multi-Year Covid Housing Stimulus \$40M Other; \$92.8M Fed
- Reverse One-Time FY23 PFD Security \$2,000.0 Other

Fund Group	FY2022 Actuals	FY2023 Management Plan (MP)	FY2024 Gov Amd.	FY2023 MP to FY2024 Gov Amd.	% Change
UGF	25,323.8	27,201.1	27,688.7	487.6	1.8%
DGF	3,242.2	3,219.5	3,596.6	377.1	11.7%
Other	307,460.2	370,920.2	329,185.4	(41,734.8)	-11.3%
Fed	209,487.0	175,591.4	88,235.9	(87,355.5)	-49.7%
Total	545,513.2	576,932.2	448,706.6	(128,225.6)	-22.2%

Department Overview: Tax Division

Mission: Collect taxes, inform stakeholders and regulate charitable gaming.

FY2024 Gov Amd. Proposals

- Tax Revenue Management System (TRMS) Cloud Server Hosting: \$373.6 UGF
- Transfer Criminal Investigations Unit (CIU) Direct Funding to the CIU Component: -\$781.6 UGF
- Salary Adjustments: \$260.3 UGF; \$17.1 DGF; \$2.4 Other; \$279.8 Total

Fund Group	FY2023 MP	FY2024 Gov Amd.	FY2023 MP to FY2024 Gov Amd.	% Change
UGF	16,322.7	16,175.0	(147.7)	-0.9%
DGF	899.2	916.3	17.1	1.9%
Other	198.9	201.3	2.4	1.2%
Total	17,420.8	17,292.6	(128.2)	-0.7%

Department Overview: Treasury Division

Mission: to manage the state's funds consistent with prudent investment guidelines and Governmental Accounting Standards Board (GASB) rules.

FY2024 Gov Amd. Proposals

- Restore Higher Education Investment Fund (Technical Item): -\$342.6 UGF; \$342.6 DGF
- Restore Cash Management: \$685.0 Other (Interagency Receipts)
- Salary Adjustments: \$16.8 UGF; \$5.4 DGF; \$61.6 Other; \$83.8 Total

Fund Group	FY2023 MP	FY2024 Gov Amd.	FY2023 MP to FY2024 Gov Amd.	% Change
UGF	1,383.6	1,057.8	(325.8)	-23.5%
DGF	1,173.5	1,521.5	348.0	29.7%
Other	8,402.6	9,149.2	746.6	8.9%
Total	10,959.7	11,728.5	768.8	7.0%

Department Overview: Permanent Fund Dividend (PFD) Division

Mission: to administer the Permanent Fund Dividend program, assuring that all eligible Alaskans receive timely dividends, fraud is prosecuted, and all internal and external stakeholders are treated with respect.

FY2024 Gov Amd. Proposals

- Reverse One-Time Dividend Application Identity Verification: -\$2,000.0 Other (PFD Fund)
- Dividend Application Information System Maintenance and Support: \$326.4 Other
- Transfer Criminal Investigations Unit (CIU) Direct Funding to the CIU Component: -\$469.3 Other
- Salary Adjustments: \$2.1 DGF; \$137.7 Other; \$139.8 Total

Fund Group	FY2023 MP	FY2024 Gov Amd.	FY2023 MP to FY2024 Gov Amd.	% Change
DGF	379.6	381.7	2.1	0.6%
Other	10,193.2	8,188.0	(2,005.2)	-19.7%
Total	10,572.8	8,569.7	(2,003.1)	-18.9%

Department Overview: Child Support Enforcement Division

Mission: To collect and distribute child support.

FY2024 Gov Amd. Proposals

- Appropriation Name Change to Child Support Enforcement
- Salary Adjustments: \$137.8 UGF; \$0.1 Other; \$267.7 Fed; \$405.6 Total

Fund Group	FY2023 MP	FY2024 Gov Amd.	FY2023 MP to FY2024 Gov Amd.	% Change
UGF	7,684.7	7,822.5	137.8	1.8%
DGF	50.0	50.0	0.0	0.0%
Other	3.1	3.2	0.1	3.2%
Fed	17,480.8	17,748.5	267.7	1.5%
Total	25,218.6	25,624.2	405.6	1.6%

Department Overview: Criminal Investigations Unit, Administrative Services

Mission: to enforce Department of Revenue's criminal laws and regulations through investigation, public education and use of legal process, and provide inter-law enforcement agency support through data exchange and joint operations.

FY2024 Gov Amd. Proposals

- Centralize Funding from the Tax and PFD Divisions: \$781.6 UGF; \$469.3 Other
- Delete Duplicate Interagency Receipts (linked to item above): -\$1,250.9 Other
- Salary Adjustments: \$15.1 UGF; \$9.0 Other; \$24.1 Total

Fund Group	FY2023 MP	FY2024 Gov Amd.	FY2023 MP to FY2024 Gov Amd.	% Change
UGF	0.0	796.7	796.7	>999%
Other	1,250.9	478.3	(772.6)	-61.8%
Total	1,250.9	1,275.0	24.1	1.9%

Alaska Mental Health Trust Authority & Long-Term Care Ombudsman Office

Mission: to administer the Alaska Mental Health Trust as a perpetual trust and to ensure Alaska has a comprehensive and integrated mental health program to support the needs of Trust beneficiaries.

FY2024 Gov Amd. Proposals

- The Mental Health Trust Authority's Operating Budget begins at zero each new cycle
- Proposals are dispersed across agency operating and capital budgets

Fund Group	FY2023 MP	FY2024 Gov Amd.	FY2023 MP to FY2024 Gov Amd.	% Change
UGF	532.7	539.4	6.7	1.3%
Other	4,937.3	5,105.0	167.7	3.4%
Total	1,250.9	5,105.0	174.4	3.2%

Alaska Housing Finance Corporation (AHFC)

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

FY2024 Gov Amd. Proposals

- Housing Choice Voucher Program: \$3,000.0 Fed
- New Multifamily and Conventional Low Rent Program: \$1,340.0 Fed
- Salary Adjustments to Match HB226 5% COLA: \$1,357.6 Other; \$796.1 Fed; \$2,153.7 Total

Fund Group	FY2023 MP	FY2024 Gov Amd.	FY2023 MP to FY2024 Gov Amd.	% Change
Other	78,880.9	39,968.5	(38,912.4)	-49.3%
Fed	156,935.1	69,292.8	(87,642.3)	-55.8%
Total	235,816.0	109,261.3	(126,554.7)	-53.7%

Alaska Housing Finance Corporation (AHFC) Continued

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

Housing Stimulus Appropriations

- Designated Program Receipts for Housing (FY23-FY24): \$40,000.0 Other (1108 SDPR)
- Federal Housing and Homeless Stimulus (FY21-FY23): \$81,100.7 Fed (1265 Covid Fed)
- Federal Housing and Homeless Stimulus (FY22-FY23): \$11,677.7 Fed (1265 Covid Fed)

Fund Group	FY2023 MP	FY2024 Gov Amd.	FY2023 MP to FY2024 Gov Amd.	% Change
Other	78,880.9	39,968.5	(38,912.4)	-49.3%
Fed	156,935.1	69,292.8	(87,642.3)	-55.8%
Total	235,816.0	109,261.3	(126,554.7)	-53.7%

Alaska Permanent Fund Corporation (APFC)

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

FY2024 Gov Amd. Proposals

- Incentive Compensation: \$1,200.0 Other (1105 Perm Fund Corp Receipts)
- Consulting and IT Improvements: \$251.0 Other
- Tri-Annual Workstation Replacement: \$239.7 Other
- Board Honorarium: \$6.9 Other
- Salary Adjustments: \$116.3 Other

Fund Group	FY2023 MP	FY2024 Gov Amd.	FY2023 MP to FY2024 Gov Amd.	% Change
Other	22,649.4	24,463.3	1,813.9	8.0%
Total	22,649.4	24,463.3	1,813.9	8.0%

APFC Investment Management Fees

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

FY2024 Gov Amd. Proposals

- External Fixed Income to Internal Management: -\$8,500.0 Other (1105 Perm Fund Corp Receipts)
- Alternative Portfolio Growth: \$2,300.0 Other
- Investment Systems, Data Strategy, and Custody Fees: \$3,200.0 Other

Fund Group	FY2023 MP	FY2024 Gov Amd.	FY2023 MP to FY2024 Gov Amd.	% Change
Other	195,868.0	192,863.6	(3,004.4)	-1.5%
Total	195,868.0	192,863.6	(3,004.4)	-1.5%

FY2023 Supplemental

FY2023 Supplemental Proposals

- Tax Division TRMS Cloud Server Hosting: \$186.8 UGF – mid FY2023 implementation
- AHFC Salary Adjustments to Match HB226 5% COLA: \$1,357.6 Other; \$796.1 Fed; \$2,153.7 Total
- AHFC Federal Stimulus for Housing Lapse Extension to FY2024 – Existing Multi-Year Appropriation

Thank you

Questions? Contact

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