

# FY2024 Governor Amended Budget Overview

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Department of Revenue

February 24, 2023



THE STATE  
*of* **ALASKA**  
GOVERNOR MIKE DUNLEAVY

# Agenda

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- 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**

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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

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**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.

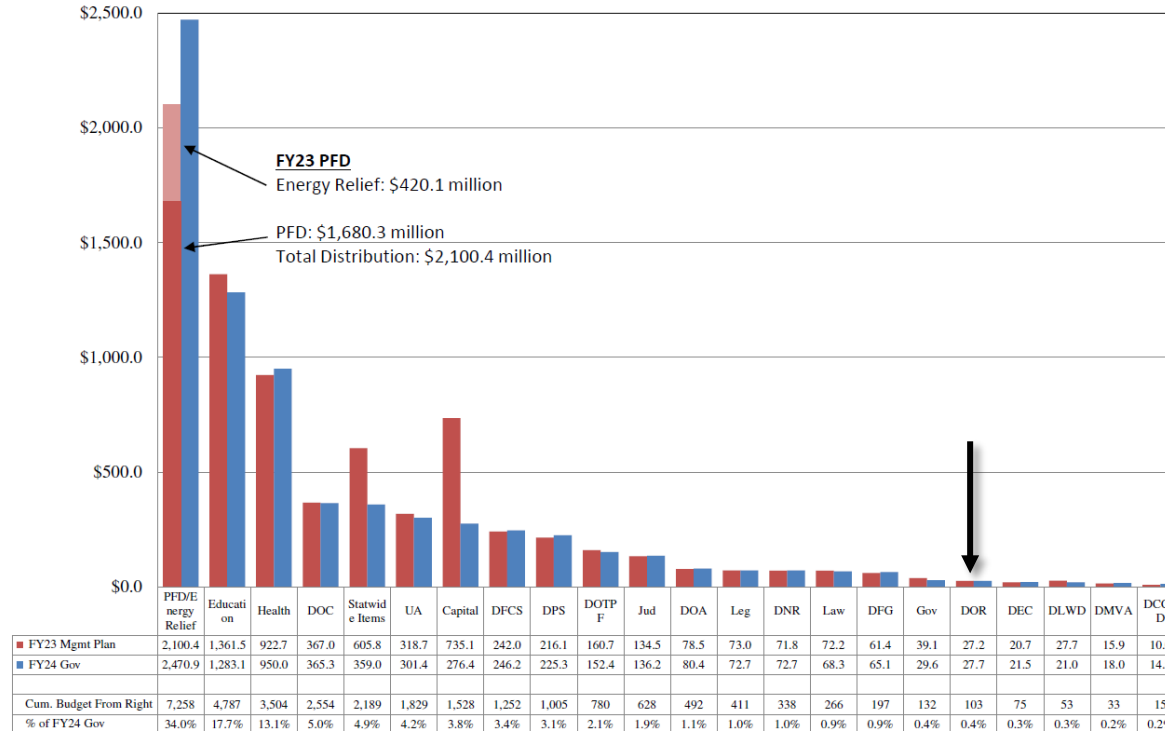
- Multi Factor Authentication (MFA).
- myAlaska account tracing and matching.

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

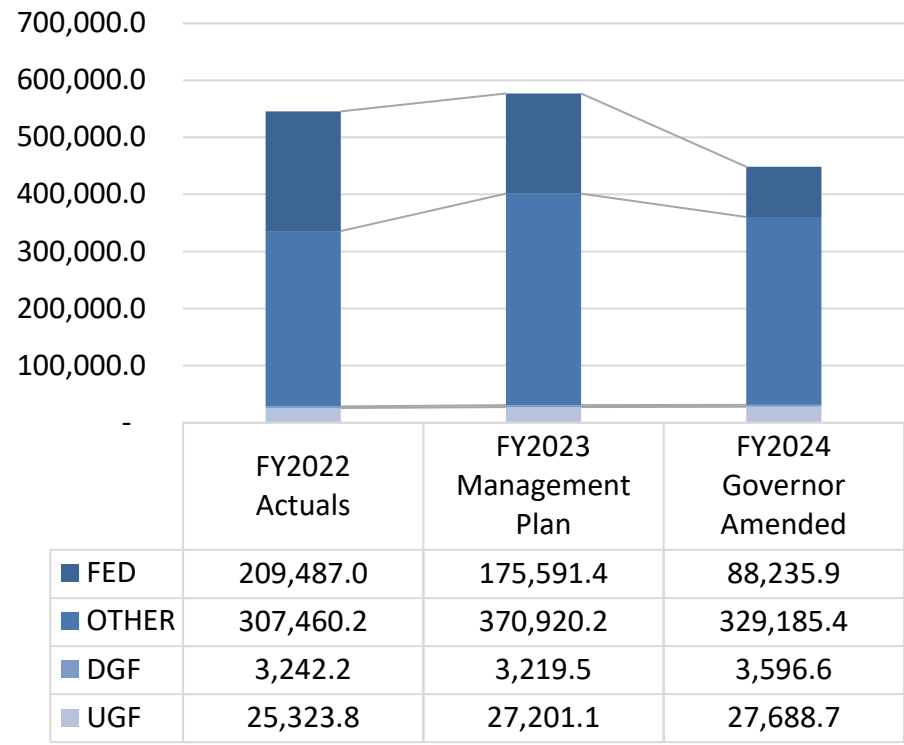
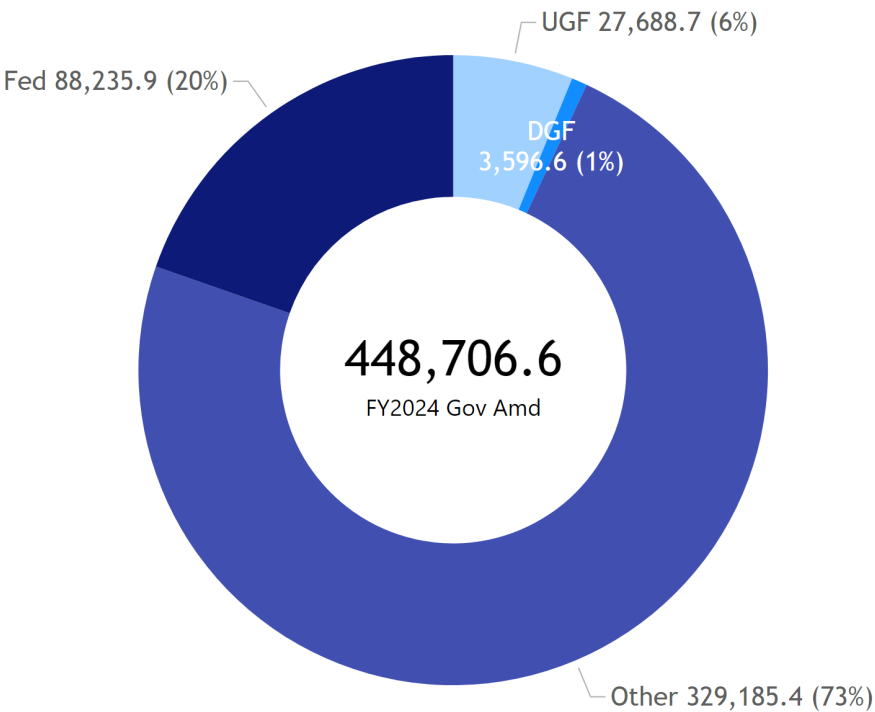
**Economic Development and Policy:** working with other state agencies on state economic and policy initiatives to assist in finding creative solutions to support economic growth into the future.

# Department Overview: Statewide UGF Comparison

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

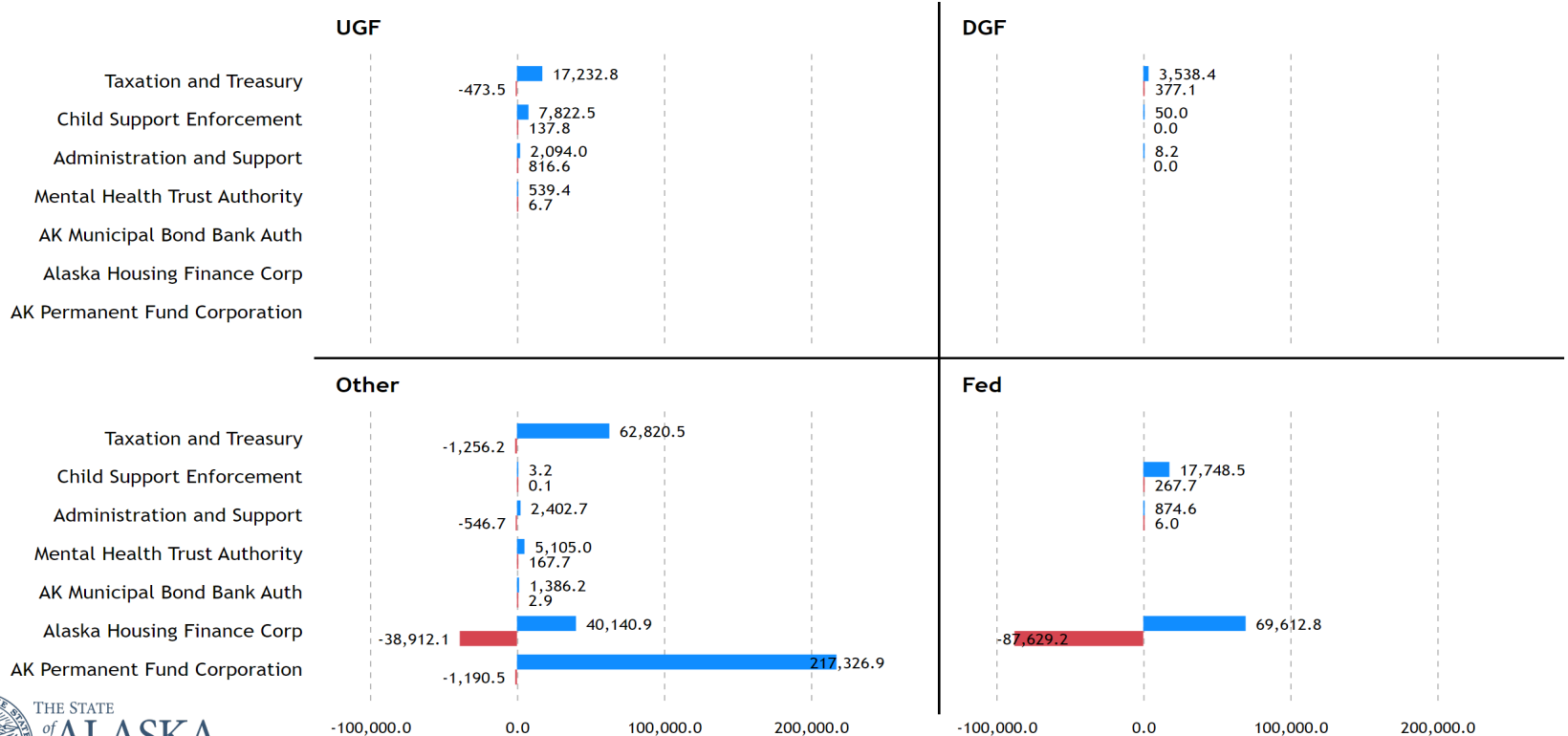


# Department Overview: Total Budget by Fund Group



# 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%
<b>Total</b>	<b>545,513.2</b>	<b>576,932.2</b>	<b>448,706.6</b>	<b>(128,225.6)</b>	<b>-22.2%</b>



# 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%
<b>Total</b>	<b>17,420.8</b>	<b>17,292.6</b>	<b>(128.2)</b>	<b>-0.7%</b>

# 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%
<b>Total</b>	<b>10,959.7</b>	<b>11,728.5</b>	<b>768.8</b>	<b>7.0%</b>

# 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%
<b>Total</b>	<b>10,572.8</b>	<b>8,569.7</b>	<b>(2,003.1)</b>	<b>-18.9%</b>

# 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%
<b>Total</b>	<b>25,218.6</b>	<b>25,624.2</b>	<b>405.6</b>	<b>1.6%</b>

# 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%
<b>Total</b>	<b>1,250.9</b>	<b>1,275.0</b>	<b>24.1</b>	<b>1.9%</b>

# 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%
<b>Total</b>	<b>1,250.9</b>	<b>5,105.0</b>	<b>174.4</b>	<b>3.2%</b>

# 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%
<b>Total</b>	<b>235,816.0</b>	<b>109,261.3</b>	<b>(126,554.7)</b>	<b>-53.7%</b>

# 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%
<b>Total</b>	<b>235,816.0</b>	<b>109,261.3</b>	<b>(126,554.7)</b>	<b>-53.7%</b>



# 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%
<b>Total</b>	<b>22,649.4</b>	<b>24,463.3</b>	<b>1,813.9</b>	<b>8.0%</b>

# 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%
<b>Total</b>	<b>195,868.0</b>	<b>192,863.6</b>	<b>(3,004.4)</b>	<b>-1.5%</b>

## 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

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Questions? Contact

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