

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Revenue  
Administration and Support  
Budget Request Unit

## **Administration and Support Budget Request Unit**

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### **BRU Mission**

The mission of the Office of the Commissioner is to provide support and policy direction to the divisions in the department. Specifically, the Commissioner's Office assists the divisions in setting and reaching their goals at the lowest possible cost and with the best service to the public; to provide information and expertise as needed by the Office of the Governor, other departments, and the legislature in managing the state's finances; and to operate the hearing officer section for the child support, permanent fund dividend, and charitable gaming appeals.

The Commissioner's Office also oversees the Liquid Natural Gas Project, which is working toward the development of stranded gas resources.

The mission of the Division of Administrative Services is to provide support services for departmental programs. Specifically, the Administrative Services Division provides other divisions and agencies in the Department with a high level of quality administrative support in the most cost effective manner. The Division is responsible for ensuring that all accounting, personnel, and procurement actions initiated within the department are in compliance with statutes, regulation and administrative policy. It is essential that all services are provided as efficiently as possible in all support areas, thereby enabling other BRU's to fulfill their assigned tasks.

### **BRU Services Provided**

The Commissioner's Office provides management oversight to all operating agencies. Key responsibilities include providing policy direction and oversight of the divisions responsible for the administration of the Permanent Fund Dividend program; administration and enforcement of charitable gaming laws; administration and enforcement of state tax laws; investment and management of nearly all state funds; and oversight of enforcement and collection of child support obligations and orders.

The Commissioner or his designee serves on various boards and commissions including the Alaska Permanent Fund Corporation, the Alaska State Pension Investment Board, the Alaska Housing Finance Corporation, the Alaska Industrial Development and Export Authority, the Alaska Municipal Bond Bank Authority, the Alaska Student Loan Corporation and the State Bond Committee.

The Administrative Services Division is comprised of three sections. The Human Resource Section provides centralized personnel and payroll services to the line divisions and other agencies organizationally tied to the department for administrative purposes. The Fiscal/Budget/Procurement Section serves as the general accounting section for the Department and is responsible for budget preparation, expenditure projections, accounts payable, travel accounting, records management, contract administration and general accounting transactions. The section also implements the department's purchasing policies and is responsible for general supply support, lease management and property control. The Information Technology Team (ITT) is responsible for programming and maintenance support for department-wide information systems. All data processing equipment and software purchases are reviewed and approved by the data processing manager to ensure conformity with the Department's established standards and long term plans.

### **BRU Goals and Strategies**

We continue to assess and evaluate the way we do business in the operating divisions of the Department of Revenue. Our management philosophy stresses ongoing reassessment of our programs to provide better service to the public in a cost effective way. We continue to identify cost-saving ways to consolidate, innovate, and streamline our functions. This approach must be balanced, however, with continued perseverance of the department's main mission to collect and invest funds for public purposes. A delicate balance must be achieved in which we can continue to fund operating efficiencies without jeopardizing our ability to collect and invest funds for public purposes.

### **Key BRU Issues for FY2001 – 2002**

- The Commissioner's Office is concerned that a growing number of Alaskans may be purchasing untaxed cigarettes via the Internet or through mail-order promotions to avoid the state's \$1-a-pack cigarette tax. In addition to the loss of state revenue, such access to cigarettes is contrary to the state's efforts to reduce smoking - especially by minors. The Commissioner's Office will be actively involved in the Tax Division's effort to secure legislative approval of a tax stamp program for Alaska. Under the proposed legislation, all cigarettes brought into Alaska would be required to have a state tobacco tax stamp. Such a visible proof that taxes have been paid would help the Tax Division in its enforcement efforts, while also producing upward of an estimated million dollars a year in revenue to the state.
- Formal appeals of Permanent Fund dividend denials and child support orders come to the Hearing Office Section of the Commissioner's Office. It is the goal of the Commissioner's Office to move those appeals to a hearing in a timely fashion, and to issue decisions in a language that is understandable to the public. Although the hearing decisions are legal documents, often entered into the record on appeal to the courts, it is important to remember that most dividend applicants and many child support participants do not have legal counsel, and the hearing decisions need to answer their questions and explain the applicable laws clearly.
- The Commissioner's Office will assist the Permanent Fund Dividend Division in responding to two areas of public concern:
  - 1) Finding a solution to the growing problem of long wait times for callers to the dividend information offices during the weeks leading up to and immediately following the dividend distribution each fall. The answers will be found in modernizing the phone system to provide more automated information to callers, and encouraging more people to use the on-line application system the public to speed up processing of their dividends.
  - 2) The division in 2001 will launch its first-ever internal audit program to randomly select several hundred dividend applications each year to verify the eligibility information provided by the applicants. The Commissioner's Office will assist the division in setting criteria for its eligibility audit program, which is intended to help ensure the integrity of the dividend program.

### **Major BRU Accomplishments for FY2000**

- The Tax Division, working with the Commissioner's Office, embarked on a major revision in FY 2000 to its twice-yearly state revenue forecast booklets. The expanded format is intended to acknowledge the growing role in Alaska's budget filled by federal funding and investment earnings, and to help educate policy makers and the public on the state's fiscal future. The Commissioner's Office will continue working in FY 2001-2002 to add additional information to the revenue forecasts to explain the state's overall financial health.
- Completed full classification revisions for the Tax Technician series and the Permanent Fund Dividend Technician/Specialist series.
- Implemented department wide security policy through the coordination, installation and configuration of four highly sophisticated, state of the art firewall systems located in Fairbanks, Anchorage and Juneau.

**Administration and Support  
BRU Financial Summary by Component**

*All dollars in thousands*

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b> None.												
<b>Non-Formula Expenditures</b>												
Commissioner's Office	141.6	417.0	294.6	853.2	146.1	447.6	812.3	1,406.0	146.0	451.4	806.0	1,403.4
Administrative Services	416.0	299.3	312.5	1,027.8	374.9	296.1	407.5	1,078.5	372.1	329.1	371.2	1,072.4
REV State Facilities Rent	0.0	0.0	0.0	0.0	206.6	0.0	0.0	206.6	206.6	0.0	0.0	206.6
<b>Totals</b>	<b>557.6</b>	<b>716.3</b>	<b>607.1</b>	<b>1,881.0</b>	<b>727.6</b>	<b>743.7</b>	<b>1,219.8</b>	<b>2,691.1</b>	<b>724.7</b>	<b>780.5</b>	<b>1,177.2</b>	<b>2,682.4</b>

**Administration and Support**

**Proposed Changes in Levels of Service for FY2002**

No anticipated change

**Administration and Support**

**Summary of BRU Budget Changes by Component**

**From FY2001 Authorized to FY2002 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	<b>727.6</b>	<b>743.7</b>	<b>1,219.8</b>	<b>2,691.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Commissioner's Office	-0.1	3.8	-6.3	-2.6
-Administrative Services	-2.8	33.0	-36.3	-6.1
<b>FY2002 Governor</b>	<b>724.7</b>	<b>780.5</b>	<b>1,177.2</b>	<b>2,682.4</b>