

# **State of Alaska FY2003 Governor's Operating Budget**

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

## Component: Commissioner's Office

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## Component Mission

The mission of the Office of the Commissioner is to provide support and policy direction to the divisions in the department.

## Component Services Provided

Much of the commissioner's office staff time is spent on policy direction and oversight of the Permanent Fund Dividend program, the state's charitable gaming laws and tax laws, management of state funds, and oversight of the child support program.

The commissioner and staff also have devoted substantial time this past year to:

Organizing the state's research and analysis — and response — to fiscal, tax and financing issues related to

- encouraging and promoting development of Alaska's North Slope natural gas resources.
- Assisting the Office of the Governor, the Legislature and others in developing options for a long-term state fiscal plan.

The commissioner or a designee also serves on the board of directors of the Alaska Permanent Fund Corporation, Alaska State Pension Investment Board, Alaska Housing Finance Corporation, Alaska Industrial Development and Export Authority, Alaska Municipal Bond Bank Authority, Alaska Student Loan Corporation and State Bond Committee.

## Component Goals and Strategies

The two most significant issues facing the commissioner's office over the next year will be:

To assist in the state's efforts to promote commercialization of the North Slope's enormous natural gas reserves.

- To assist the Office of the Governor and the Legislature in their quest for a long-range fiscal plan for sustainable state revenues.

The commissioner's office also has as its goal by the end of calendar 2002 to achieve acceptable and consistent levels of quality public services at the child support and dividend divisions, assisting those divisions in setting up efficient programs to deal with the massive numbers of public contacts that come into the offices on a daily basis.

## Key Component Issues for FY2002 – 2003

The commissioner's office will devote a substantial amount of its resources to assisting the Office of the Governor and the Legislature in developing a long-term fiscal plan for the state. This will include research and analysis of revenue issues and proposals, and assisting in presenting that information to the public.

- The commissioner's staff will continue to assist the Child Support Enforcement Division in meeting its goal of providing prompt, courteous and accurate service to the public. Collections are up substantially at the child support division, and the backlog in the accounting section has been resolved. The next step will be to improve our customer service work to the high standards the public deserves.

The commissioner's staff will help direct the Permanent Fund Dividend Division toward implementing an effective

audit procedure for random selection of dividend applicants to verify their eligibility information. The dividend program has never had an audit program for verifying the accuracy of random applications, and we believe it is important to adopt such a program to show the public that we have adequate safeguards in place and to deter fraudulent applicants.

- Formal appeals of Permanent Fund dividend denials and child support orders come to the hearing office section of the commissioner's office. 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.

### **Major Component Accomplishments in 2001**

- The Tax Division, working with the commissioner's office, embarked on a major revision 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 fall 2000 and spring 2001 forecast books were a good start in this effort, which will continue through Fiscal 2002.
- The formal hearing staff has succeeded in reducing the time it takes to hold a hearing and issue a decision in dividend and child support appeals. We have more work to do in this area, however, and will continue looking for ways to speed up the delivery of appeal answers to the public.
- The commissioner's office and the Tax Division devoted substantial resources in 2001 to assisting the Legislature and the Office of the Governor in understanding the fiscal issues of a natural gas project, including devoting a significant amount of staff time for the Joint Legislative Committee on Natural Pipeline and the Governor's Alaska Highway Natural Gas Advisory Council.
- Working with the governor's Office of Management and Budget and the Legislature, the commissioner's office assisted in a statewide series of town meetings to educate people on the state's fiscal problems. This work will continue during the 2002 legislative session.
- The commissioner's office assisted the Child Support Enforcement Division in winning legislative approval in the 2001 session for extending the federally mandated requirements of welfare reform as they pertain to management of state child support programs. Several enforcement and collection tools would have expired June 30, 2001, without legislature approval to extend the "sunset clause."

### **Statutory and Regulatory Authority**

AS 04  
AS 09.25.100  
AS 09.50  
AS 10.25.570  
AS 14.25.180  
AS 16.10.265  
AS 16.10.290  
AS.18.26  
AS 18.56  
AS 25.25  
AS 25.27  
AS 34.45  
AS 37.05.200  
AS 37.10  
AS 37.10.050-.087  
AS 37.13

AS 37.14.011  
AS 37.14.110  
AS 37.14.120  
AS 37.14.200  
AS 37.15  
AS 37.17  
AS 38.05.036  
AS 39.35.110  
AS 43  
AS 44.25  
AS 44.82  
AS 44.83.386  
AS 44.85  
AS 45.98.050

**Commissioner's Office**  
**Component Financial Summary**

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	704.4	792.3	754.3
72000 Travel	55.7	43.0	14.8
73000 Contractual	173.2	738.7	198.1
74000 Supplies	14.2	29.4	17.4
75000 Equipment	6.4	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>953.9</b>	<b>1,603.4</b>	<b>984.6</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	172.8	346.0	151.7
1007 Inter-Agency Receipts	332.4	311.7	321.8
1053 Investment Loss Trust Fund	0.9	0.0	0.0
1108 Statutory Designated Program Receipts	0.2	494.3	0.0
1133 Indirect Cost Reimbursement	447.6	451.4	511.1
<b>Funding Totals</b>	<b>953.9</b>	<b>1,603.4</b>	<b>984.6</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Interagency Receipts	51015	332.4	311.7	311.7	321.8	321.8
Statutory Designated Program Receipts	51063	0.2	494.3	0.0	0.0	0.0
UA Indirect Cost Recovery	51115	447.6	451.4	451.4	511.1	511.1
<b>Restricted Total</b>		<b>780.2</b>	<b>1,257.4</b>	<b>763.1</b>	<b>832.9</b>	<b>832.9</b>
<b>Total Estimated Revenues</b>		<b>780.2</b>	<b>1,257.4</b>	<b>763.1</b>	<b>832.9</b>	<b>832.9</b>

## Commissioner's Office

## Proposed Changes in Levels of Service for FY2003

No anticipated service changes

**Summary of Component Budget Changes**  
**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>346.0</b>	<b>451.4</b>	<b>806.0</b>	<b>1,603.4</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	3.2	8.6	13.8	25.6
-Delete one-time supplemental appropriation, CH 38 SLA 2001 (SB158)	-200.0	0.0	0.0	-200.0
<b>Proposed budget decreases:</b>				
-Eliminate Authorization for Uncollectible Statutory Designated Program Receipts	0.0	0.0	-498.6	-498.6
<b>Proposed budget increases:</b>				
-FY2003 State Facilities Rent increase	2.5	0.0	0.0	2.5
-Increase in funding for administrative functions per the Administrative Cost Allocation Plan	0.0	51.1	0.6	51.7
<b>FY2003 Governor</b>	<b>151.7</b>	<b>511.1</b>	<b>321.8</b>	<b>984.6</b>

**Commissioner's Office**

**Personal Services Information**

	Authorized Positions		Personal Services Costs	
	<u>FY2002</u> <u>Authorized</u>	<u>FY2003</u> <u>Governor</u>		
Full-time	11	10	Annual Salaries	581,304
Part-time	0	0	COLA	18,634
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	177,756
			<i>Less 3.01% Vacancy Factor</i>	(23,394)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>11</b>	<b>10</b>	<b>Total Personal Services</b>	<b>754,300</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Commissioner	0	0	1	0	1
Dep Commissioner	0	0	1	0	1
Exec Secretary II	0	0	1	0	1
Law Office Assistant I	1	0	0	0	1
Paralegal Asst I	0	0	1	0	1
Project Asst	1	0	0	0	1
Revenue Hearing Examiner I	1	0	1	0	2
Revenue Hearing Examiner II	0	0	1	0	1
Spec Asst To The Comm II	0	0	1	0	1
<b>Totals</b>	<b>3</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>10</b>