

State of Alaska FY2003 Governor's Operating Budget

Department of Revenue

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Department Mission

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

The department provides administrative support for the following independent boards and corporations:

- Alaska Permanent Fund Corporation
- Alaska Housing Finance Corporation
- Alaska Mental Health Trust Authority
- Alaska Municipal Bond Bank Authority
- Alaska State Pension Investment Board
- Alcoholic Beverage Control Board

Department Goals and Strategies

Commissioner's Office

One of the largest tasks over the next year will be to help lead the state's efforts to promote commercialization of the

- North Slope's enormous natural gas reserves. Lower 48 market growth has increased the possibility that construction could begin in a couple of years on a gasline to bring Alaska natural gas to mid-America. The state needs to respond quickly and with complete information as North Slope oil and gas producers, pipeline operators, potential investors and others review different options for commercializing Alaska's natural gas reserves. The department's goal is ensuring a fair return to the state treasury from the public resource.

Tax Division

The division's goals are intended to ease the filing burden on taxpayers and include:

Streamline and simplify the fisheries business tax licensing and filing process to reduce the administrative burden on

- taxpayers and promote tax compliance.
- Design and implement software to eliminate unnecessary examination efforts currently being performed on 70% of corporate returns filed.
- Create a cost-effective web-based electronic filing and licensing application development process.

Treasury Division

The division will assist state agencies with conversion to electronic remittances of revenues and related information.

Automate collection of retirement contributions, unemployment insurance and workers compensation payments, oil

- and gas and court systems payments via Automated Clearing House.
- Work with agencies to clear receipts within 15 days to reduce CBRF borrowing for cash flow.

Child Support Division

The division is committed to increasing its cost-effectiveness ratio -- the total operating budget vs. total collections. To this end, the division will:

Automate processes to locate noncustodial parents.

- Increase information on the computer so automated enforcement actions will be taken.
- Utilize automated financial data matches.

Permanent Fund Dividend Division

- The division is starting 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 and provide a very public deterrent to fraud.

Alcoholic Beverage Control Board

In a concerted effort to help reduce alcohol-related accidents and deaths, the ABC Board will:

Partner with state troopers and local police departments to curb alcohol shipping to dry communities.

- Oversee training of bartenders to ensure that drunken patrons are not served.
- Help state troopers and police respond to complaints of liquor establishments serving drunken patrons.
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Key Department Issues for FY2002 – 2003

Commissioner's Office

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.

Child Support Division

Child support is critical as more families continue to leave public assistance. The bulk of child support is distributed

- to families that were formerly on public assistance. The division will continue to focus on getting child support to all parents as quickly as possible, while, at the same time, being responsive and fair to non-custodial parents. Recent changes in federal regulations require child support agencies to change the way medical support orders are enforced. This means we must revise state laws and change procedures. We will also educate employers and parents about the new requirements.

Permanent Fund Dividend Division

- The 2001 version of the online web based application fell short of the expectations to bring to applicants a user-friendly, quick and easy method of filing for a Permanent Fund dividend on the internet. The division is working on a version that will be simple to use and will allow applicants to use both PC and Mac computers. This new application system will go online in January 2002.

Alaska Municipal Bond Bank Authority

Fiscal Years 2001 and 2002 represent one of the most active periods in the Bond Bank's history. Outstanding debt

- has increased by over 27% during this time frame, to a balance of \$214.5 million. The Bond Bank will continue to seek to maintain the diversity of the borrowers in the pool, including attempts to attract stronger credits in order to maintain overall credit strength.

Alaska Permanent Fund Corporation

Ensure investment policies maintain the delicate balance between the fund's competing mandates of protecting the

- principal to benefit future generations and producing income to benefit current generations.

Alaska Housing Finance Corporation

A plan was established in 1995 for AHFC to transfer some of its assets to the state to help meet budgetary needs.

- That plan called for a "dividend" to the state of \$50 million per year, along with an annual capital budget contribution from AHFC of \$53 million. Although the transfer plan has successfully achieved a consistent payment amount, the \$103 million has exceeded the corporation's net income over the past few years. Discussions should occur to bring the total transfer in line with the corporation's net income.

Due to recent changes in federal housing programs, AHFC is able to take advantage of new program funding that

- becomes available. AHFC has applied for and received 430 new Section 8 Housing Choice vouchers. The program helps eligible low-income Alaska families lease privately owned rental units from participating landlords in 11 communities throughout Alaska. Increments using available federal funds have been requested to cover administrative expenses.
- AHFC has developed a Fiscal 2003 budget strategy to fund the deferred maintenance and major renovation of public housing facilities owned and operated by the corporation. The strategy would complete the list of projects covered under AHFC's 10-year modernization plan by combining federal funds and corporate receipts toward the issuance of tax-exempt bonds.

Alaska Mental Health Trust Authority

In light of the stock market changes and volatility, the Mental Health Trust Authority wants to key on maintaining a

- principal reserve account balance sufficient to protect the disbursement rate over time so as to allow the comprehensive integrated mental health program budget to remain funded at a constant level.

Alcoholic Beverage Control Board

Investigator staffing remains at levels below what was available before construction of the Trans-Alaska Pipeline.

- Inadequate staffing increases the chances of underage drinking and alcohol-related accidents and deaths. The ABC Board is seeking a budget increment to add one investigator to its two-investigator Anchorage staff.

Major Department Accomplishments in 2001

Tax Division

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.

Treasury Division

The following funds exceeded their benchmarks in Fiscal 2001: the General Fund, Alaska Children's Trust,

- Constitutional Budget Reserve Fund, Exxon Valdez Oil Spill Trust Fund, Retiree Health Insurance Long-term Care and Major Medical Funds, Public School Trust, and International Airports Revenue and Construction Funds. Implemented a master lease program to allow tax-exempt financing of smaller purchases that were previously financed at taxable rates or purchased for cash.

Child Support Division

The division collected a record \$91 million in Fiscal 2001, almost \$5.5 million more than in Fiscal 2000.

- The division reduced backlogs in all sections. Most notably, at the end of Fiscal 2000, the accounting section had more than 3,000 actions more than 30 days old. At the end of Fiscal 2001, there were fewer than 300 cases more than 30 days old.
- Automating employment data collected through a new federal system allowed the division in Fiscal 2001 to automatically send out wage-withholding orders to out-of-state employers. This has increased collections. Federally required changes to the financial portion of the division's computer system were completed.
- The division helped establish a new family pro-se center opened by the Court System.
- The division implemented a new receipt imaging system that reduces the turnaround time for recording payments and mailing checks, and improves accounting controls.

Alaska Municipal Bond Bank Authority

- The Bond Bank in Fiscal 2001 completed six bond issuances for a total of almost \$51 million. The communities benefiting from these issuances include the Northwest Arctic Borough, Kenai Peninsula Borough, Kodiak Island Borough, Lake and Peninsula Borough, Wrangell, Nome, Petersburg, Saint Paul and Seward.

Alaska State Pension Investment Board

In 2001 the Public Employees and Teachers Retirement Systems both exceeded their benchmark returns.

Permanent Fund Corporation

Each Permanent Fund Corporation portfolio -- stocks, bonds and real estate -- beat its respective benchmark.

Alaska Housing Finance Corporation

The U.S. Department of Housing and Urban Development awarded AHFC a score of 100% in the annual Public

- Housing Assessment. The score measures performance in four areas of management of the 1,365 public housing units owned by AHFC:

Alaska Mental Health Trust Authority

The Mental Health Trust Authority used trust land and income for a plan to downsize and build the new state

- psychiatric hospital while improving the Southcentral community-based services to allow for the reduced number of patient beds.

Governor's Key Department-wide Performance Measures for FY2003

Measure:

Child Support Enforcement Division: Total collections.

Alaska's Target & Progress:

The division has made consistent progress in increasing its total collections.

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- Fiscal 2001: \$90,902,600
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- Fiscal 2000: \$85,430,700
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- Fiscal 1999: \$80,940,400
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Measure:

Permanent Fund Dividend Division: Number of applicants who select direct deposit, as a percentage of total applications.

Alaska's Target & Progress:

The division continues to promote the use of direct deposit, with applicants selecting the option in greater numbers every year.

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- October 2001 dividend: 75%
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- October 2000 dividend: 73%
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- October 1999 dividend: 69%
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Measure:

Tax Division: Number of tax returns filed electronically.

Alaska's Target & Progress:

The division started with the Motor Fuel Tax and Oil and Gas Production Tax programs in Fiscal 2001, and will continue expanding its electronic filing option to include additional tax programs.

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- Fiscal 2001: 98.92% of all Oil and Gas Production Tax returns were filed electronically, and 10.19% of Motor Fuel Tax returns were delivered to the department electronically.

Measure:

Commissioner's Office: The average time taken to respond to complaints and questions that have been elevated to the commissioner's office.

Sec 136 (b) (2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The average time for a written response to dividend complaints and questions addressed to the commissioner's office was 7.7 calendar days in Fiscal 2001. This follows closely the Fiscal 2000 response time of 6.6 days.

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- The average time for a written response to child support complaints and questions addressed to the commissioner's office was 11.5 calendar days in Fiscal 2001. This is consistent with the 11.23 days it took for a response in Fiscal 2000.

Measure:

Commissioner's Office: The average time taken to issue decisions in child support and Permanent Fund dividend appeals.

Sec 136 (b) (3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

- The average time to issue a child support formal appeal decision is 20 days after the hearing.
- The average time to issue a dividend formal appeal decision is 30 days after the hearing.

Measure:

Administrative Services: The cost of administrative services as compared to total personnel costs for the department.
Sec 137 (b) (3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

- Fiscal 2002 - Administrative Services budget is \$1,072.4 vs. the department's personal services budget of \$49,063.9
- Fiscal 2002 - Administrative Services total budget is 2.20% of total agency personal services.
- Fiscal 2001 - Administrative Services total budget was 2.28% of total agency personal services.

Measure:

Tax Division: The percentage of taxes collected as compared to the percentage of taxes due.
Sec 135 (b) (2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

- Division collections: \$1,344.4
- Division assessments: \$1,355.6
- Percentage of taxes collected: 99.2%

Measure:

Child Support Enforcement Division: The number of cases where adjustment is overdue by 30 days or more.
Sec 128 (b) (4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

- At June 30, 2001, the number of cases where adjustments were overdue by 30 days or more was 267.

Benchmark Comparisons:

- This is a dramatic reduction from last year at the same time when the number of cases where adjustments were overdue by 30 days or more was 3,150. The backlog was more than 6,000 cases in late fall 1999.

Background and Strategies:

- Continue to reduce backlog numbers in the accounting section.

Measure:

Child Support Enforcement Division: The percentage of cases in which there are child support orders.
Sec 128 (b) (5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

- At September 30, 2001, the number of cases with orders established was 78% of the division's total caseload.

Benchmark Comparisons:

- The national rate was 61%, per the 2001 Federal Office of Child Support Enforcement Preliminary Data Report.

Background and Strategies:

- The division will work to further increase its percentage of cases with child support orders by working toward improving its production standards in the case establishment section.

Measure:

Permanent Fund Dividend Division: The percentage of dividend payments sent out on time to eligible applicants.
Sec 138 (b) (1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

- In 2001, 95% of applicants (563,491) were paid in the October dividend distribution period vs. 93% (544,940) of eligible applicants in 2000.

Background and Strategies:

- As we gain efficiencies in reviewing cases, we will be able to increase the number of dividends sent out in October.

Measure:

Alaska Permanent Fund Corporation: The corporation's investment expenses compared to the investment expenses of other large institutional funds.
Sec 131 (b) (1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

- The Permanent Fund has four asset classes that can be evaluated: 1) domestic equities management fees; 2) non-domestic equities management fees; 3) domestic fixed-income management fees; and 4) non-domestic fixed-income management fees.
- As of June 30, 2001 the asset classes compared as follows: 1) domestic equities fees were lower than 63% of the funds surveyed; 2) non-domestic equities fees were lower than 67% of funds surveyed; 3) domestic fixed-income fees were lower than 90% of funds surveyed; and 4) non-domestic fixed-income management fees were lower than 59% of funds surveyed.

Benchmark Comparisons:

- Callan Associates Inc. 1999 Fund Sponsor Cost of Doing Business Survey.

Measure:

Alaska Housing Finance Corporation: The administrative costs per dollar of investment.
Sec 132 (b) (1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

- FY01: 4.77% (Operating Expenses/Mortgage Purchases)
- FY00: 5.82% (Operating Expenses/Mortgage Purchases)
- FY99: 5.21% (Operating Expenses/Mortgage Purchases)
- FY98: 7.65% (Operating Expenses/Mortgage Purchases)

Benchmark Comparisons:

- AHFC is using the prior year's total "actual" operating expenses divided by the mortgages purchased for the fiscal year as its benchmark. The total "actual" expenses include corporate, federal and CIP receipts used in all AHFC programs.

Measure:

Alaska Housing Finance Corporation: The percentage of AHFC-owned housing compared to privately owned housing in the marketplace.

Sec 132 (b) (3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

- Fiscal 2001 Market Share: 48.6%
- Fiscal 2000 Market Share: 43.0%
- Fiscal 1999 Market Share: 33.0%
- Fiscal 1998 Market Share: 30.0%
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Benchmark Comparisons:

- AHFC is using the prior year's "market share" for the fiscal year as its benchmark. The "market share" is calculated by dividing AHFC's loan purchases by Alaska's total mortgage loans made within the fiscal year.

Department Budget Summary by BRU

All dollars in thousands

Formula Expenditures	FY2001 Actuals				FY2002 Authorized				FY2003 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
None.												
Non-Formula Expenditures												
Child Support Enforcement	3,270.2	15,025.2	139.6	18,435.0	3,079.5	15,091.4	0.0	18,170.9	3,407.5	15,506.6	0.0	18,914.1
Alcohol Beverage Control Board	677.8	0.0	86.0	763.8	696.0	0.0	0.0	696.0	845.1	0.0	0.0	845.1
Municipal Bond Bank Authority	0.0	0.0	494.4	494.4	0.0	0.0	521.2	521.2	0.0	0.0	522.7	522.7
Permanent Fund Corporation	0.0	0.0	5,995.7	5,995.7	0.0	0.0	7,703.0	7,703.0	0.0	0.0	7,364.8	7,364.8
PFC Custody and Management Fees	0.0	0.0	34,739.6	34,739.6	0.0	0.0	47,585.8	47,585.8	0.0	0.0	47,585.8	47,585.8
Alaska Housing Finance Corp	0.0	17,351.2	18,659.0	36,010.2	0.0	20,218.6	19,269.3	39,487.9	0.0	21,012.6	22,047.5	43,060.1
AHFC Anch. State Office Bldg.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,228.1	1,228.1
Mental Health Trust Authority	0.0	0.0	1,023.5	1,023.5	0.0	0.0	1,040.3	1,040.3	0.0	0.0	1,532.0	1,532.0
Revenue Operations	7,556.8	0.0	32,388.4	39,945.2	7,847.8	0.0	39,495.1	47,342.9	7,837.4	0.0	5,969.2	13,806.6
ASPIB Bank Custody & Mgmt Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27,913.6	27,913.6
Administration and Support	754.9	743.7	750.9	2,249.5	924.7	780.5	1,177.2	2,882.4	759.2	845.5	784.8	2,389.5
Permanent Fund Dividend	0.0	0.0	4,962.4	4,962.4	0.0	0.0	5,131.2	5,131.2	0.0	0.0	5,276.7	5,276.7
Totals	12,259.7	33,120.1	99,239.5	144,619.3	12,548.0	36,090.5	121,923.1	170,561.6	12,849.2	37,364.7	120,225.2	170,439.1

Funding Source Summary

All dollars in thousands

Funding Sources	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
1001 Constitutional Budget Reserve Fund	121.7	125.0	125.0
1002 Federal Receipts	29,521.7	32,471.0	33,610.2
1004 General Fund Receipts	7,554.0	8,000.2	7,843.4
1005 General Fund/Program Receipts	4,584.0	4,422.8	4,880.8
1007 Inter-Agency Receipts	4,613.6	3,013.8	3,849.4
1011 Alaska Advance College Tuition Payment Fund	21.2	28.5	
1016 Federal Incentive Payments	2,553.0	2,537.9	2,607.9
1017 Benefits Systems Receipts	90.7	99.0	99.0
1027 International Airport Revenue Fund	31.3	31.6	38.6
1029 Public Employees Retirement Fund	19,586.2	23,936.7	20,276.3
1034 Teachers Retirement System Fund	10,099.5	12,505.6	10,534.7
1042 Judicial Retirement System	168.2	268.4	275.4
1045 National Guard Retirement System	57.2	99.4	102.4
1046 Student Revolving Loan Fund	22.2	22.5	27.2
1050 Permanent Fund Dividend Fund	4,930.4	5,099.2	5,244.7
1053 Investment Loss Trust Fund	131.7	17.6	22.4
1061 Capital Improvement Project Receipts	1,388.4	1,513.8	1,626.4
1066 Public School Fund	57.2	154.6	164.2
1089 Power Cost Equalization Fund	23.0	86.1	
1094 Mental Health Trust Administration	939.9	1,040.3	1,178.0
1098 Children's Trust Fund Earnings	34.3	43.2	52.7
1103 Alaska Housing Finance Corporation Receipts	15,527.8	17,168.2	16,862.2
1104 Alaska Municipal Bond Bank Receipts	494.4	521.2	522.7
1105 Alaska Permanent Fund Corporation Receipts	40,973.1	55,525.9	55,193.0
1108 Statutory Designated Program Receipts	0.2	694.3	
1133 Indirect Cost Reimbursement	1,045.4	1,081.6	1,146.6
1139 AHFC Dividend			4,000.0
1142 Retiree Health Ins Fund/Major Medical	17.5	19.9	23.4
1143 Retiree Health Ins Fund/Long-Term Care Fund	31.5	33.3	36.8
1169 PCE Endowment Fund			95.7
Totals	144,619.3	170,561.6	170,439.1

Position Summary

Funding Sources	FY2002 Authorized	FY2003 Governor
Permanent Full Time	810	828
Permanent Part Time	25	39
Non Permanent	56	50
Totals	891	917

FY2003 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Child Support Enforcement Caseload Management System - Phase 2	510,000	990,000	0	1,500,000
Child Support Enforcement Computer Replacement Project - Phase 3	66,300	128,700	0	195,000
Permanent Fund Dividend Electronic Imaging Server Upgrade	0	0	80,000	80,000
AHFC Public Housing Division Construction Program	0	0	55,249,800	55,249,800
AHFC Supplemental Housing Development Program	0	0	4,500,000	4,500,000
AHFC Low Income Weatherization	0	1,800,000	4,000,000	5,800,000
AHFC Senior Citizens Housing Development Program	0	0	1,975,200	1,975,200
AHFC Senior and Statewide Deferred Maintenance and Renovation	0	500,000	0	500,000
AHFC Pacific Terrace Replacement - Phase 1	0	500,000	0	500,000
AHFC Housing and Urban Development Capital Fund Program	0	500,000	0	500,000
AHFC Housing and Urban Development Federal HOME Grant	0	3,159,000	750,000	3,909,000
AHFC Federal and Other Competitive Grants	0	3,000,000	1,250,000	4,250,000
AHFC Competitive Grants for Public Housing	0	750,000	250,000	1,000,000
AHFC Energy Efficiency Monitoring Research	0	0	300,000	300,000
AHFC State Energy Program Special Projects	0	150,000	30,000	180,000
AHFC Central Terrace and Fairmount Renovation Phase 4 (Anchorage)	0	750,000	0	750,000
AHFC Homeless Assistance Program	0	0	1,000,000	1,000,000
AHFC Beneficiary and Special Needs Housing	0	0	800,000	800,000
Department Total	576,300	12,227,700	70,185,000	82,989,000

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Overview of Departmental Budget Changes

Treasury Division

The division is requesting two increments for Fiscal 2003:

- \$27.5 to increase a half-time unclaimed property worker to full-time to increase the recovery of assets belonging to Alaskans and, subsequently, to increase deposits to the General Fund. This would include increased work with banks and other financial institutions to ensure property is turned in to Alaska and not other states.
- \$200.0 (\$150.0 ASPIB and other funds and \$50.0 General Funds) to fund salary increases approved for investment officers and other personnel. In past years, Treasury has taken from other budget categories to cover personal services in past years but can no longer absorb the cost. The state must remain competitive with its salaries if it is to attract and retain quality investment personnel to manage the public's multi-billion-dollar portfolio. The Treasury Division determined a fair and reasonable salary level for its investment officers after surveying other operations in Alaska and consulting national averages.

Child Support Enforcement Division

- The division is requesting \$294.2 for five new positions (Range 14 caseworkers). This would be \$194.2 federal money and \$100.0 from the state General Fund program receipts. Even with improvements in recent years, the division is still short of providing quality service to thousands of parents and their children. Caseloads average more than 1,000 per worker, which does not allow enough time for personal assistance that the public deserves. By comparison, caseloads in Washington State average about 600 per child support worker.

- The division also is requesting a \$100.0 to increase its Reimbursable Service Agreement (RSA) with the Department of Law (\$66.0 federal and \$34.0 state General Fund program receipts). This increment is a function of our increased caseload and the number of cases going to court, and would provide for filling one additional position at Law. The existing RSA is \$1.35 million. The seven attorneys covered under the existing RSA each handle about 80 to 100 open cases at a time.

Alaska Housing Finance Corporation

AHFC's budget increment and transfer requests include:

- Add CIP funding to cover personal services costs.
- Add federal funding to administer 430 new Section 8 vouchers.
- Add inter-agency funding for Low-Income Home Energy Assistance Program activities.
- Add federal funding for temporary laborers and student hires.
- Transfer federal funding for line-item transfers.
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Alaska Mental Health Trust Authority

- The Mental Health Trust Authority is requesting an \$87.3 increment in trust funds to cover increased personal services costs. This increment would cover restoration of the cut from FY2002 and a graduate-student intern. It also includes funding to cover higher salaries. The trust authority absorbed the salaries in its FY 2002 budget but requests funding for FY 2003.

- The authority also request a \$30.0 increment in trust funds to pay for contractual work for a major regulations project in 2003, as required by AS 47.30.031. The regulations must address the following issues: procedures for aggrieved persons or groups to apply to the Mental Health Trust for redress, provisions that encourage trust-funded services to be integrated with services funded from other sources, provisions for long-range planning for the trust, and criteria for determining the nature and extent of services to be funded from the trust.

Alcoholic Beverage Control Board

- The ABC Board is requesting a \$96.0 increment in personal services, contractual and travel for one additional investigator position. The additional position would be added to the Anchorage office, where just two investigators are responsible for enforcing Alaska's liquor license laws for more than 1,000 license holders in the Southcentral area. Increased public concern over the enforcement of liquor license laws has stretched the two-person office beyond its ability to effectively respond to complaints, investigations and license renewal issues. The ABC Board maintains one-person offices in Fairbanks and Juneau to cover the rest of the state.

- The board also is requesting a \$35.0 increment in contractual (\$16.0) and travel (\$19.0) to pay for the additional costs of an increasing number of formal hearings on license actions. As the ABC Board takes more actions against

license holders, the number of formal hearings also increases. The increment would pay for contract hearing officers and travel costs associated with holding hearings in the communities where the licensees are located.

Summary of Department Budget Changes by BRU

From FY2002 Authorized to FY2003 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	12,548.0	36,090.5	121,923.1	170,561.6
Adjustments which get you to start of year:				
-Alaska Housing Finance Corp	0.0	0.0	4,000.0	4,000.0
Adjustments which will continue current level of service:				
-Child Support Enforcement	75.6	144.9	0.0	220.5
-Alcohol Beverage Control Board	15.2	0.0	0.0	15.2
-Municipal Bond Bank Authority	0.0	0.0	1.5	1.5
-Permanent Fund Corporation	0.0	0.0	94.6	94.6
-Alaska Housing Finance Corp	0.0	528.2	525.5	1,053.7
-Mental Health Trust Authority	0.0	0.0	19.0	19.0
-Revenue Operations	-90.7	0.0	-141.0	-231.7
-Administration and Support	-169.6	16.8	22.3	-130.5
-Permanent Fund Dividend	0.0	0.0	75.1	75.1
Proposed budget decreases:				
-Child Support Enforcement	0.0	-89.7	0.0	-89.7
-Permanent Fund Corporation	0.0	0.0	-432.8	-432.8
-AHFC Anch. State Office Bldg.	0.0	0.0	-756.6	-756.6
-ASPIB Bank Custody & Mgmt Fees	0.0	0.0	-5,800.0	-5,800.0
-Administration and Support	0.0	0.0	-498.6	-498.6
Proposed budget increases:				
-Child Support Enforcement	252.4	360.0	0.0	612.4
-Alcohol Beverage Control Board	133.9	0.0	0.0	133.9
-Alaska Housing Finance Corp	0.0	265.8	237.4	503.2
-Mental Health Trust Authority	0.0	0.0	472.7	472.7
-Revenue Operations	80.3	0.0	328.7	409.0
-Administration and Support	4.1	48.2	83.9	136.2
-Permanent Fund Dividend	0.0	0.0	70.4	70.4
FY2003 Governor	12,849.2	37,364.7	120,225.2	170,439.1