

State of Alaska FY2010 Governor's Operating Budget

Department of Revenue Commissioner's Office Component Budget Summary

Component: Commissioner's Office

Contribution to Department's Mission

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

Core Services

- Management oversight of division programs
- Coordination, development and promotion of programs for collection and investment of public funds
- Formulation of specific recurring revenue sources
- Provide controls and enforcement for the collection, investment and payment of funds (Permanent Fund Dividend, Child Support Services, Tax and Treasury Divisions)

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$1,038,700

Personnel:

Full time	5
Part time	0
Total	5

Key Component Challenges

- To contribute to efforts to start large-scale natural gas development in Alaska and commercialization of North Slope natural gas reserves, in particular, through the governor's Alaska Gasline Inducement Act (AGIA).
- To provide key decision makers (governor and legislature) with the information necessary to adopt a fiscal plan to insure that the State of Alaska has the financial resources necessary to provide constitutionally required public services in an era of volatile oil prices and declining production.
- Estimating oil and gas revenues in light of the highly volatile oil and gas market coupled with uncertainties in the U.S. economy.
- Key debt issues include maintenance of the State of Alaska's credit ratings with Standard and Poor's, Fitch Ratings, and Moody's Investors Service. Regular communication of state current events to the rating analysts as well as ensuring analysts' concerns are relayed to the state's leadership are key to meeting this challenge.
- Due to failure of the nation's fourth and fifth largest investment banks as well as the government takeover of mortgage giants FNMA and FHLMC (Fannie Mae and Freddie Mac), a lack of confidence has developed in the nation's financial system. The price of many financial instruments has plummeted, creating a challenge to maintain liquidity without selling assets at distressed prices.
- Over the past year, the assets in the General Fund and the Constitutional Budget Reserve Fund have nearly doubled. The increase in assets under management along with the complexity of managing multiple investment mandates will create new investment challenges.
- Record Permanent Fund Dividend (PFD) amounts have increased public interest in the dividend program, driving the total number of applications above average in the past two fiscal years. In 2008, 15,000 additional applicants filed for the dividend. The subsequent increase in applicant information gathering, fraud

tips, and appeals has increased public contact to its highest level since the inception of the program. The PFD Division will continue to use technology improvements to process approximately 650,000 applications and another 1.5 million supporting documents annually. However, this increase in applications and public contact will prove to be a key challenge in communication costs, resource allocation, and timely payments.

- The Child Support Services Division continues work on implementing federal medical support regulations which were published in July 2008. Legislation is currently being drafted to address these federal regulations.

Significant Changes in Results to be Delivered in FY2010

No changes in results delivered.

Major Component Accomplishments in 2008

Please see department accomplishments.

Statutory and Regulatory Authority

AS 09.25.100	Public Records
AS 09.50	Code of Civil Procedure
AS 10.25.570	Electric and Telephone Cooperative Act
AS 14.25.180	Teachers' Retirement - Management and Investment of Fund
AS 16.10.265	Purchase of Fish from Permit Holders
AS 16.10.290	Security for Collection of Wages and Payment for Raw Fish
AS.18.26	Alaska Medical Facility Authority
AS 18.56	Alaska Housing Finance Corporation
AS 25.25	Uniform Interstate Family Support Act
AS 25.27	Child Support Service Agency
AS 34.45	Unclaimed Property
AS 37.05	Fiscal Procedures Act
AS 37.07	Executive Budget Act
AS 37.10	Public Funds
AS 37.13	Alaska Permanent Fund and Corporation
AS 37.14	Trust Funds
AS 37.15	State Bonding Act
AS 37.17	Alaska BIDCO Assistance Program
AS 38.05.036	Audit of Royalty and Net Profit Payments and Costs
AS 39.35.110	Public Employees Retirement System of Alaska - Investments
AS 43	Revenue and Taxation
AS 44.25	Department of Revenue
AS 44.83.386	Alaska Energy Authority - Investment of Fund
AS 44.85	Alaska Municipal Bond Bank Authority
AS 45.98.050	Historical District Loan Act - Sale or Transfer of Mortgages and Notes

Contact Information

Contact: Jerry Burnett, Director, Administrative Services
Phone: (907) 465-2312
Fax: (907) 465-1685
E-mail: jerry.burnett@alaska.gov

**Commissioner's Office
Component Financial Summary**

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	675.5	605.7	625.0
72000 Travel	92.6	46.3	46.3
73000 Services	305.8	348.5	348.5
74000 Commodities	63.5	18.9	18.9
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,137.4	1,019.4	1,038.7
Funding Sources:			
1004 General Fund Receipts	289.3	232.3	244.2
1007 Inter-Agency Receipts	391.1	232.1	239.5
1133 CSSD Administrative Cost Reimbursement	457.0	555.0	555.0
Funding Totals	1,137.4	1,019.4	1,038.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	391.1	232.1	239.5
Indirect Cost Reimbursement	51115	457.0	555.0	555.0
Restricted Total		848.1	787.1	794.5
Total Estimated Revenues		848.1	787.1	794.5

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	232.3	555.0	232.1	1,019.4
Adjustments which will continue current level of service:				
-Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	4.5	-4.5	0.0	0.0
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	7.4	4.5	7.4	19.3
FY2010 Governor	244.2	555.0	239.5	1,038.7

**Commissioner's Office
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	FY2010 Governor		
Full-time	5	5	Annual Salaries	422,887
Part-time	0	0	COLA	11,791
Nonpermanent	0	0	Premium Pay	3,765
			Annual Benefits	196,731
			<i>Less 1.60% Vacancy Factor</i>	<i>(10,174)</i>
			Lump Sum Premium Pay	0
Totals	5	5	Total Personal Services	625,000

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Commissioner	1	0	0	0	1
Dep Commissioner	1	0	0	0	1
Exec Secretary III	0	0	1	0	1
Project Coord	1	0	0	0	1
Spec Asst To The Comm II	1	0	0	0	1
Totals	4	0	1	0	5