

State of Alaska FY2012 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
- Provide controls and enforcement for the collection, investment and payment of funds (Permanent Fund Dividend, Child Support Services, Tax and Treasury Divisions)

Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

END RESULT A: Improve business efficiencies and safety for Department employees investigating criminal activity related to the collection and distribution of funds for the Tax, Child Support Services and Permanent Fund Dividend Divisions.**Status of Strategies to Achieve End Result**

- The Criminal Investigation Unit is gaining authorization to access state and national criminal records for criminals. By accessing a name, all criminal activity associated with the person would be displayed so that the investigator can coordinate his/her investigation with any other enforcement activity deemed necessary.
- Currently, department investigators are entering situations where unknown dangers are present. By sharing information between divisions and by using the criminal database, dangerous situations can be better managed or avoided.

Key Component Challenges

- 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.
- To estimate oil and gas revenues in light of the highly volatile oil and gas market coupled with uncertainties in the U.S. economy.
- 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 Alaska Gasline Inducement Act (AGIA).
- To maintain the integrity of core tax programs in the face of resource demands from major revenue and investment initiatives and aging or nonexistent information management systems.
- To maintain 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 State leadership, are key to meeting this challenge.
- To respond to rapid changes in the banking industry, including temporary regulation changes for the Federal Depository Insurance Program, permanent changes in the Federal Reserve banking reserve requirements, and uncertainty in the nation's banking system.
- To manage the increase in the total assets in GEFONSI, the Constitutional Budget Reserve Fund and other smaller funds managed by Treasury that have grown to the point that they now are larger than the assets of the retirement funds managed by Treasury. At this time, the total assets under management by Treasury are equivalent to those of the Permanent Fund.

- To use technology improvements to process approximately 650,000 Permanent Fund Dividend applications and another 1.5 million supporting documents annually and within a limited budget. The increase in applications and public contact will prove to be a key challenge in communication costs, resource allocation, and timely payment.
- The Child Support Services Division continues to face stringent federal requirements for data reliability that must be met to achieve the highest possible incentive revenue and to avoid possible penalties to the Department of Revenue and the Department of Health and Social Services, Division of Public Assistance.

Significant Changes in Results to be Delivered in FY2012

Please see department changes in results.

Major Component Accomplishments in 2010

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

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**Commissioner's Office
Component Financial Summary**

All dollars shown in thousands

	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	533.6	545.3	559.4
72000 Travel	99.4	44.8	44.8
73000 Services	463.3	323.0	323.0
74000 Commodities	24.1	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	1,120.4	932.0	946.1
Funding Sources:			
1004 General Fund Receipts	240.2	201.2	210.9
1007 Inter-Agency Receipts	370.8	171.3	175.7
1133 CSSD Administrative Cost Reimbursement	509.4	559.5	559.5
Funding Totals	1,120.4	932.0	946.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	370.8	171.3	175.7
Indirect Cost Reimbursement	51115	509.4	559.5	559.5
Restricted Total		880.2	730.8	735.2
Total Estimated Revenues		880.2	730.8	735.2

**Summary of Component Budget Changes
From FY2011 Management Plan to FY2012 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2011 Management Plan	201.2	0.0	171.3	559.5	932.0
Adjustments which will continue current level of service:					
-FY 2012 Personal Services increases	5.2	0.0	4.4	4.5	14.1
-Correct Unrealizable Fund Sources for Personal Services Increases	4.5	0.0	0.0	-4.5	0.0
FY2012 Governor	210.9	0.0	175.7	559.5	946.1

Commissioner's Office Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2011 Management Plan	FY2012 Governor		
Full-time	4	4	Annual Salaries	383,824
Part-time	0	0	COLA	4,907
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	187,693
			<i>Less 2.95% Vacancy Factor</i>	(17,024)
			Lump Sum Premium Pay	0
Totals	4	4	Total Personal Services	559,400

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Commissioner	1	0	0	0	1
Dep Commissioner	1	0	0	0	1
Program Coordinator I	1	0	0	0	1
Special Assistant	0	0	1	0	1
Totals	3	0	1	0	4

Component Detail All Funds
Department of Revenue

Component: Commissioner's Office (123)
RDU: Administration and Support (50)

	FY2010 Actuals	FY2011 Conference Committee (Final)	FY2011 Authorized	FY2011 Management Plan	FY2012 Governor	FY2011 Management Plan vs FY2012 Governor	
71000 Personal Services	533.6	533.7	538.3	545.3	559.4	14.1	2.6%
72000 Travel	99.4	44.8	44.8	44.8	44.8	0.0	0.0%
73000 Services	463.3	330.0	330.0	323.0	323.0	0.0	0.0%
74000 Commodities	24.1	18.9	18.9	18.9	18.9	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,120.4	927.4	932.0	932.0	946.1	14.1	1.5%
Fund Sources:							
1004 Gen Fund	240.2	198.1	201.2	201.2	210.9	9.7	4.8%
1007 I/A Rcpts	370.8	169.8	171.3	171.3	175.7	4.4	2.6%
1133 CSSD Reimb	509.4	559.5	559.5	559.5	559.5	0.0	0.0%
Unrestricted General (UGF)	240.2	198.1	201.2	201.2	210.9	9.7	4.8%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	370.8	169.8	171.3	171.3	175.7	4.4	2.6%
Federal Funds	509.4	559.5	559.5	559.5	559.5	0.0	0.0%
Positions:							
Permanent Full Time	4	4	4	4	4	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Revenue

Component: Commissioner's Office (123)
RDU: Administration and Support (50)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2011 Conference Committee (Final) To FY2011 Authorized *****												
FY2011 Conference Committee												
	ConfCom	927.4	533.7	44.8	330.0	18.9	0.0	0.0	0.0	4	0	0
1004 Gen Fund		198.1										
1007 I/A Rcpts		169.8										
1133 CSSD		559.5										
Reimb												
ADN 0411015 FY11 Non-covered Salary Increase Year 1 CH56 SLA10 (HB421) (CH41 SLA10 P51 L5) (HB300)												
	FisNot	4.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		3.1										
1007 I/A Rcpts		1.5										
: \$4.6												
Subtotal		932.0	538.3	44.8	330.0	18.9	0.0	0.0	0.0	4	0	0
***** Changes From FY2011 Authorized To FY2011 Management Plan *****												
ADN 0411041 Adjust Personal Services to Match Spending Plan												
	LIT	0.0	7.0	0.0	-7.0	0.0	0.0	0.0	0.0	0	0	0
This line item transfer moves funding from contractual services to personal services in order to balance the spending plan and keep the budgeted vacancy rate within recommended guidelines. The funding is available from contractual services through management of program related contracts.												
Subtotal		932.0	545.3	44.8	323.0	18.9	0.0	0.0	0.0	4	0	0
***** Changes From FY2011 Management Plan To FY2012 Governor *****												
FY 2012 Personal Services increases												
	SalAdj	14.1	14.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		5.2										
1007 I/A Rcpts		4.4										
1133 CSSD		4.5										
Reimb												
This change record includes the following personal services increases: : \$14.1												
Alaska State Employees Assn (GGU) FY2012 Health Insurance Increased Costs : \$1.9												

Change Record Detail - Multiple Scenarios With Descriptions
Department of Revenue

Component: Commissioner's Office (123)
RDU: Administration and Support (50)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
Non-Covered Employees FY2012 Health Insurance Increased Costs : \$5.7												
Alaska State Employees Association (GGU) FY 12 COLA increases : \$1.6												
Non-Covered Employees FY 12 COLA increases : \$4.9												
Correct Unrealizable Fund Sources for Personal Services Increases												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		4.5										
1133 CSSD		-4.5										
Reimb												
The Commissioner's Office and Administrative Services Division components receive a share of their funding from indirect cost recovery receipts billed to the department's federal program for Child Support Enforcement. The amount that can be collected each year is determined by both the negotiated indirect cost rate for the Department of Revenue, and the federal participation rate for the Child Support program. The department has budget authority in the CSSD Reimbursable funding source (1133) that is not currently collectible and is not projected to be collectible in FY2012. This fund change will keep the amount of uncollectible receipt authority from increasing, and provide a usable funding source for the salary adjustments.												
Totals		946.1	559.4	44.8	323.0	18.9	0.0	0.0	0.0	4	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2012 Governor (8665)
Component: Commissioner's Office (123)
RDU: Administration and Support (50)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
04-0001	Commissioner	FT	A	XE	Anchorage	AA	30M	12.0		135,000	0	0	58,888	193,888	71,176
04-0003	Special Assistant	FT	A	XE	Juneau	AA	21A	12.0		67,560	1,808	0	37,829	107,197	39,352
04-3050	Dep Commissioner	FT	A	XE	Anchorage	AA	28F / J	12.0		121,380	3,099	0	55,121	179,600	65,931
04-8008	Program Coordinator I	FT	A	GP	Anchorage	200	18D / E	12.0		59,884	0	0	35,855	95,739	35,146
													Total Salary Costs:	383,824	
													Total COLA:	4,907	
													Total Premium Pay::	0	
													Total Benefits:	187,693	
													Total Pre-Vacancy:	576,424	
													Minus Vacancy Adjustment of 2.95%:	(17,024)	
													Total Post-Vacancy:	559,400	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	559,400	
Total Component Months:		48.0													

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	211,605	205,356	36.71%
1007 Inter-Agency Receipts	180,133	174,813	31.25%
1133 CSSD Administrative Cost Reimbursement	184,686	179,232	32.04%
Total PCN Funding:	576,424	559,400	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Revenue
Travel

Component: Commissioner's Office (123)
RDU: Administration and Support (50)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
72000	Travel		99.4	44.8	44.8
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
72000 Travel Detail Totals			99.4	44.8	44.8
72110	Employee Travel (Instate)	Instate transportation, lodging, meals and incidentals for staff business and training.	73.5	21.3	21.3
72120	Nonemployee Travel (Instate Travel)	Instate transportation, lodging, meals and incidentals for expert witness and specialized contract services	1.9	0.0	0.0
72410	Employee Travel (Out of state)	Out of state transportation, lodging, meals & incidentals for department business and staff training.	21.4	20.0	20.0
72420	Nonemployee Travel (Out of state Emp)	Out of state transportation, lodging, meals & incidentals for expert witness and specialized contract services.	2.5	3.5	3.5
72900	Other Travel Costs	Other travel costs not covered elsewhere	0.1	0.0	0.0

Line Item Detail
Department of Revenue
Services

Component: Commissioner's Office (123)
RDU: Administration and Support (50)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor	
73000	Services		463.3	323.0	323.0	
Expenditure Account			FY2010 Actuals	FY2011 Management Plan	FY2012 Governor	
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor	
73000 Services Detail Totals			463.3	323.0	330.0	
73025	Education Services	Training, conferences, memberships, and employee tuition	7.7	0.7	10.0	
73050	Financial Services	Accounting, auditing, financial management, and/or consulting services for the Department of Revenue	80.0	80.0	80.0	
73075	Legal & Judicial Svc	Transcription/recording services	1.0	1.0	1.0	
73150	Information Technlgy	IT costs including training, software licensing, and software maintenance	4.2	4.2	5.0	
73156	Telecommunication	Local, long distance, cellular and telecommunications equipment charges; data/network; and television	25.1	25.1	25.6	
73225	Delivery Services	Delivery and courier services	2.8	2.8	3.0	
73450	Advertising & Promos	Advertising and public notice for contracts, recruitments, and required public notices.	0.0	0.0	0.5	
73525	Utilities	Document disposal	0.0	0.0	1.0	
73650	Struc/Infstruct/Land	Repairs/maintenance of structures or infrastructure, space rental	2.8	2.8	2.8	
73675	Equipment/Machinery	Repairs, maintenance, rentals and/or leases of office furniture and equipment	13.2	13.2	13.4	
73750	Other Services (Non IA Svcs)	Other services including program management/consulting, printing and copying	24.5	24.3	20.0	
73805	IT-Non-Telecommnctns	Admin	ETS chargeback for computer services (including EPR, MICS charges for mainframe usage, and VPN)	2.3	2.5	2.5
73806	IT-Telecommunication	Admin	ETS chargeback for telecommunications EPR, line fees and service requests	14.7	14.6	14.7
73809	Mail	Admin	Central mailroom services including pick up and delivery of U.S. mail, postage, mailing of state warrants	2.5	2.5	2.5
73810	Human Resources	Admin	Human resource and payroll services provided by the	3.0	3.1	3.1

Line Item Detail
Department of Revenue
Services

Component: Commissioner's Office (123)

RDU: Administration and Support (50)

Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor	
73000 Services Detail Totals			463.3	323.0	330.0	
		Division of Personnel				
73811	Building Leases	Admin	Cost of space in state owned facility	74.0	78.5	86.3
73812	Legal	Law	Regulations review; legal services relating to State Assessment Review Board and other oil and gas issues	173.6	35.8	26.0
73814	Insurance	Admin	Risk Management	0.1	0.1	0.1
73815	Financial	Admin	Division of Finance AKSAS/AKPAY	0.3	0.3	0.4
73816	ADA Compliance	Labor	Share of cost for ADA compliance	0.1	0.1	0.1
73819	Commission Sales (IA Svcs)	Admin	State Travel Office fees	1.7	1.7	1.9
73821	Hearing/Mediation (IA Svcs)	Admin	OAH hearing officers for State Assessment Review Board	29.6	29.6	30.0
73827	Safety (IA Svcs)	Admin	Building security services	0.1	0.1	0.1

Line Item Detail
Department of Revenue
Commodities

Component: Commissioner's Office (123)
RDU: Administration and Support (50)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
74000	Commodities		24.1	18.9	18.9
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
74000 Commodities Detail Totals			24.1	18.9	18.9
74200	Business	Business supplies including books and educational; equipment and furniture; office supplies; desktop computers, printers and IT equipment less than \$5,000 per item; and subscriptions including electronic access to information	20.1	15.2	15.2
74480	Household & Instit.	Institutional supplies	0.8	0.5	0.5
74650	Repair/Maintenance (Commodities)	Repair and maintenance supplies	3.2	3.2	3.2

Restricted Revenue Detail
Department of Revenue

Component: Commissioner's Office (123)
RDU: Administration and Support (50)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51015	Interagency Receipts	370.8	171.3	175.7

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
59040	Revenue	Department-wide	04001000	11100	370.8	171.3	175.7
	Support services provided by the Commissioner's Office are billed through the department's internal administrative cost allocation plan.						

Restricted Revenue Detail
Department of Revenue

Component: Commissioner's Office (123)
RDU: Administration and Support (50)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51115	Indirect Cost Reimbursement	509.4	559.5	559.5

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51115	Indirect Cost Recov		04001000	11100	509.4	559.5	559.5
Indirect cost recovery receipts are received from the federal Child Support Enforcement Program and are allocated to agencies that incur overhead costs in support of CSSD.							

Inter-Agency Services
Department of Revenue

Component: Commissioner's Office (123)
RDU: Administration and Support (50)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2010 Actuals	FY2011		
					Management Plan	FY2012 Governor	
73805	IT-Non-Telecommnctns	ETS chargeback for computer services (including EPR, MICS charges for mainframe usage, and VPN)	Inter-dept	Admin	2.3	2.5	2.5
73805 IT-Non-Telecommnctns subtotal:					2.3	2.5	2.5
73806	IT-Telecommunication	ETS chargeback for telecommunications EPR, line fees and service requests	Inter-dept	Admin	14.7	14.6	14.7
73806 IT-Telecommunication subtotal:					14.7	14.6	14.7
73809	Mail	Central mailroom services including pick up and delivery of U.S. mail, postage, mailing of state warrants	Inter-dept	Admin	2.5	2.5	2.5
73809 Mail subtotal:					2.5	2.5	2.5
73810	Human Resources	Human resource and payroll services provided by the Division of Personnel	Inter-dept	Admin	3.0	3.1	3.1
73810 Human Resources subtotal:					3.0	3.1	3.1
73811	Building Leases	Cost of space in state owned facility	Inter-dept	Admin	74.0	78.5	86.3
73811 Building Leases subtotal:					74.0	78.5	86.3
73812	Legal	Regulations review; legal services relating to State Assessment Review Board and other oil and gas issues	Inter-dept	Law	173.6	35.8	26.0
73812 Legal subtotal:					173.6	35.8	26.0
73814	Insurance	Risk Management	Inter-dept	Admin	0.1	0.1	0.1
73814 Insurance subtotal:					0.1	0.1	0.1
73815	Financial	Division of Finance AKSAS/AKPAY	Inter-dept	Admin	0.3	0.3	0.4
73815 Financial subtotal:					0.3	0.3	0.4
73816	ADA Compliance	Share of cost for ADA compliance	Inter-dept	Labor	0.1	0.1	0.1
73816 ADA Compliance subtotal:					0.1	0.1	0.1
73819	Commission Sales (IA Svcs)	State Travel Office fees	Inter-dept	Admin	1.7	1.7	1.9
73819 Commission Sales (IA Svcs) subtotal:					1.7	1.7	1.9
73821	Hearing/Mediation (IA Svcs)	OAH hearing officers for State Assessment Review Board	Inter-dept	Admin	29.6	29.6	30.0
73821 Hearing/Mediation (IA Svcs) subtotal:					29.6	29.6	30.0
73827	Safety (IA Svcs)	Building security services	Inter-dept	Admin	0.1	0.1	0.1
73827 Safety (IA Svcs) subtotal:					0.1	0.1	0.1
Commissioner's Office total:					302.0	168.9	167.7
Grand Total:					302.0	168.9	167.7