

State of Alaska FY2008 Governor's Operating Budget

Department of Revenue

Department of Revenue

Mission

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

Core Services

- 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 for the following operating divisions:
 - 1) Tax Division
 - 2) Treasury Division
 - 3) Permanent Fund Dividend Division
 - 4) Child Support Services Division
- Provide administrative support for the following independent authorities, boards and corporations:
 - 1) Alaska Retirement Management Board
 - 2) Alaska Mental Health Trust Authority
 - 3) Long Term Care Ombudsman's Office
 - 4) Alaska Municipal Bond Bank Authority
 - 5) Alaska Natural Gas Development Authority
 - 6) Alaska Housing Finance Corporation
 - 7) Alaska Permanent Fund Corporation

End Results	Strategies to Achieve Results
<p>A: Maximize compliance with current tax and gaming statutes.</p> <p><u>Target #1:</u> Percentage of taxes collected compared to taxes due between 92% and 98%. <u>Measure #1:</u> Percentage of taxes collected compared to the taxes due.</p>	<p>A1: Increase tax audit coverage (audit activities improve compliance and revenue).</p> <p><u>Target #1:</u> Open 20 new audit cases (taxpayers that have not been audited by us in the prior five years). <u>Measure #1:</u> Number of new audits opened.</p> <p>A2: Increase voluntary compliance from identifying non-filers.</p> <p><u>Target #1:</u> Find 30 non-filers through compliance work. <u>Measure #1:</u> Number of non-filers brought into compliance.</p>
End Results	Strategies to Achieve Results
<p>B: Improve the risk adjusted return of funds under the stewardship of the Treasury Division by continually improving investment returns.</p> <p><u>Target #1:</u> For the funds under the fiduciary responsibility of the Commissioner of Revenue, exceed the applicable one-year target returns. <u>Measure #1:</u> Actual returns compared with target returns</p>	<p>B1: Portfolio Investment Officer staff is continually upgraded in experience and education.</p> <p><u>Target #1:</u> Increase average longevity of the investment officers to 5 years. <u>Measure #1:</u> The average longevity of investment officers. (Include the Chief Investment Officer and the 5 public market and 3 private market staff reporting to the Chief</p>

<p>reported by consultant or the custodian bank.</p>	<p>Investment Officer.) <u>Target #2:</u> At least 4 investment staff will have their Chartered Financial Analyst (CFA) designation. <u>Measure #2:</u> Number of investment staff with Chartered Financial Analyst designation.</p>
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End Results	Strategies to Achieve Results
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<p>C: Collection and distribution of child support due to the children served by CSSD.</p> <p><u>Target #1:</u> Increase collections by 3%, net PFD. <u>Measure #1:</u> Percent of change in total collections, net PFD collections.</p>	<p>C1: Improve the environment necessary for increased child support collections.</p> <p><u>Target #1:</u> Increase paternities established to 100%. <u>Measure #1:</u> Percentage of paternities established.</p> <p><u>Target #2:</u> Increase cases with orders to 93.5%. <u>Measure #2:</u> Percentage of cases with orders.</p> <p><u>Target #3:</u> Increase current collections to 55%. <u>Measure #3:</u> Percentage of current collections.</p> <p><u>Target #4:</u> Increase number of cases with arrearage collections to 71%. <u>Measure #4:</u> Percentage of cases with arrearage collections.</p> <p><u>Target #5:</u> Increase the cost effectiveness ratio to 4.55. <u>Measure #5:</u> Cost effectiveness ratio.</p> <p><u>Target #6:</u> Reduce cases with no collections for one year or more to 12% or less of cases eligible for collections. <u>Measure #6:</u> Percentage of cases with no collections for one year or more versus total cases eligible for collection.</p>
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End Results	Strategies to Achieve Results
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<p>D: All eligible Alaskans, whose applications are not on appeal, receive their Permanent Fund Dividend (PFD) in October.</p> <p><u>Target #1:</u> 100% of eligible applicants not in appeal are paid in October. <u>Measure #1:</u> Percentage of eligible applicants not in appeal who are paid in October.</p>	<p>D1: Provide PFD staff with needed training to perform effectively.</p> <p><u>Target #1:</u> 100% of new PFD staff receive standardized training within first three months. <u>Measure #1:</u> Percentage of new staff that receive standardized training within first three months.</p>
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Major Activities to Advance Strategies
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- TAX DIVISION: Enforce tax compliance through audit; focus tax examination activity on high risk returns and errors; streamline tax examination process
- TREASURY: Define roles of potential new asset class managers; perform adequate due diligence; automate download of accounting data
- PERMANENT FUND DIVISION: Cross train staff to work in multiple functional areas; allocate staff across unit lines to address peak work load
- CHILD SUPPORT SERVICES: Improve communications, processes and interface with other states; establish and train a special collections unit
- CHILD SUPPORT SERVICES: Establish paternity; inform obligees of accurate amounts due; locate employers and assets of non-custodial parents

FY2008 Resources Allocated to Achieve Results

FY2008 Department Budget: \$238,836,000	Personnel:	
	Full time	872
	Part time	53
	Total	925

Performance Measure Detail

A: Result - Maximize compliance with current tax and gaming statutes.

Target #1:Percentage of taxes collected compared to taxes due between 92% and 98%.
Measure #1: Percentage of taxes collected compared to the taxes due.

Taxes Collected Compared to Taxes Due

Fiscal Year	% of Taxes Collected
FY 2002	96.6%
FY 2003	98.5%
FY 2004	99.7%
FY 2005	98.6%
FY 2006	96.0%
FY 2007	Forecast: 96.0%

Analysis of results and challenges: At the margin, this percentage is driven primarily by the Tax Division's resolution of large and complex oil and gas income and production tax cases. Too high a percentage indicates that the division is not assessing difficult taxpayers or issues where the State is likely to collect less than 100%. Too low a figure indicates that the State is being overly aggressive with taxpayers and then settling too easily. A balanced result indicates a balanced approach. In 2005, the Tax Division collected \$1,522.1 million out of \$1,544.4 million voluntarily reported or assessed by the department.

The Division performed outside of our target range again in 2005. The results reflect increased assessments offset by proportionately larger increases in overall collections resulting from higher oil prices. Rising oil revenue does not fully account for missing the target in 2005. We missed the target using the averages over the last five years as well as applying 2005 assessment collections to average voluntary collections over the past five years.

Current collections on assessments reflect both current and past audit activity. These results are reflective of the historical decline in the Division's audit effort that continued through 2005. Sustained success in this and other enforcement related performance measures can only follow increased enforcement efforts. While a single assessment may temporarily push the Division into our target range we do not foresee sustainable performance within the target range during 2007 or 2008.

A1: Strategy - Increase tax audit coverage (audit activities improve compliance and revenue).

Target #1:Open 20 new audit cases (taxpayers that have not been audited by us in the prior five years).

Measure #1: Number of new audits opened.

Number of New Audit Cases Opened

Fiscal Year	# of Cases
FY 2002	9
FY 2003	13
FY 2004	7
FY 2005	14
FY 2006	5
FY 2007	Forecast: 20

Analysis of results and challenges: The Tax Division maintains 100% coverage in oil and gas income and production taxes (and new oil and gas audit subjects are not included in this measure). An audit presence in each of the other tax types improves long-term voluntary compliance as well as generates new audit revenues. Furthermore, once established, audit generated revenues tend to recur as taxpayers modify their reporting to become consistent with the audit findings. Not included in the new audit count are audits of exploration tax credit claims by existing taxpayers. These audits do not meet our definition of "new audits" although they represent new and expanded audit effort by the division. Despite improvement in FY2005, the division failed to reach our goal of twenty new audit cases as a result of continued redirection of audit resources to major revenue and development projects in FY2006. The Tax Division continued to experience high vacancy among the professional audit staff, which resulted in a job classification study in FY2006.

We view twenty new audit subjects annually as an appropriate target and this remains our goal for FY2007.

A2: Strategy - Increase voluntary compliance from identifying non-filers.

Target #1:Find 30 non-filers through compliance work.

Measure #1: Number of non-filers brought into compliance.

New Filers Through Compliance

Fiscal Year	# of New Filers
FY 2004	38
FY 2005	45
FY 2006	900*
FY 2007	Forecast: 300

Internet tobacco tax compliance project yielded 700 new taxpayers in FY2006.

Analysis of results and challenges: The Tax Division encourages voluntary compliance as the most effective tool for collecting tax revenues. An important aspect of voluntary compliance is for taxpayers to believe that they are paying about the same amount in taxes as other similarly situated taxpayers. Seeking out and finding new taxpayers and bringing them into compliance assists revenue both in long-term voluntary compliance as well as bringing in the revenues from the new taxpayers. The division does not believe there are any major oil and gas taxpayers not filing, but we are going after the tax types that constitute the other 20% of its revenue responsibilities. This target and measure does not include federal or multi-state compliance programs in which we currently participate. New tax programs accounted for 16 of the 45 taxpayers brought into compliance during FY2005. In FY2006, an Internet tobacco tax compliance project yielded 700 new taxpayers. We maintain our target of 30 non-filers as an appropriate goal for our mix of maturing and established programs.

B: Result - Improve the risk adjusted return of funds under the stewardship of the Treasury Division by continually improving investment returns.

Target #1: For the funds under the fiduciary responsibility of the Commissioner of Revenue, exceed the applicable one-year target returns.

Measure #1: Actual returns compared with target returns reported by consultant or the custodian bank.

One-year Return Data for Funds Managed by the Treasury Division

Fiscal Year	Fund	Actual Return	Target Return
FY 2006	Gen Fund/Other Non-segregated Fu	2.92%	2.38%
FY 2006	AK Children's Trust Fund	3.73%	3.51%
FY 2006	Public School Trust Fund	4.11%	3.62%
FY 2006	Int'l Airports Revenue Fund	2.19%	1.50%
FY 2006	Const Budg Resv Fund-Main Acct	1.98%	1.25%
FY 2006	Const Budg Resv Fund-Sub Acct	8.57%	7.80%
FY 2006	Retirement Hlth Ins Fund-Longter	8.60%	8.91%
FY 2006	Retirement Hlth Ins Fund-Maj Med	1.68%	1.01%
FY 2006	Power Cost Equalization Fund	8.43%	8.38%

FY2006 one-year return data is for the period 7/1/2005 through 6/30/2006.

Analysis of results and challenges: A combination of investments that is expected to produce the highest investment return for a given amount of risk is known as "point on the efficient frontier." Each fiduciary for a fund reviews points on the efficient frontier and selects the combination of investments consistent with their appetite for risk and returns of the fund. This selection is known as the target return.

Target returns assume the rate of indexes invested in the same proportions as the assets at the corresponding point on the efficient frontier. A fund will exceed the target rate of return if the amount of money invested matches the asset allocation at that point on the efficient frontier and the investment managers earned more than the index. Returns will be less if the manager underperformed or if assets were not allocated to overweight higher performing asset classes.

B1: Strategy - Portfolio Investment Officer staff is continually upgraded in experience and education.

Target #1: Increase average longevity of the investment officers to 5 years.

Measure #1: The average longevity of investment officers. (Include the Chief Investment Officer and the 5 public market and 3 private market staff reporting to the Chief Investment Officer.)

Average Longevity of Investment Staff

Fiscal Year	# of Years
FY 2003	N/A
FY 2004	2.6 years
FY 2005	2.8 years
FY 2006	3.8 years
FY 2007	Forecast: 4 years

Analysis of results and challenges: A seasoned investment staff contributes to improved investment

performance. Over the past four years, investment performance relative to other public pension funds has markedly improved. During the fiscal year ended June 2006 the PERS/TRS retirement funds ranked in the top 25% of public pension funds.

Target #2: At least 4 investment staff will have their Chartered Financial Analyst (CFA) designation.
Measure #2: Number of investment staff with Chartered Financial Analyst designation.

Number of Staff Holding CFA Designation

Fiscal Year	# of Staff
FY 2002	3
FY 2003	3
FY 2004	3
FY 2005	4
FY 2006	4
FY 2007	Forecast: 5

Analysis of results and challenges: The Chartered Financial Analyst (CFA) designation takes a minimum of three years to obtain. Investment returns have steadily improved, as has the average longevity of the investment staff and their individual progress towards obtaining CFA designations. For the period ended September 2006, twenty-nine out of thirty-six (80%) of the internally managed Department of Revenue funds exceeded their target returns.

C: Result - Collection and distribution of child support due to the children served by CSSD.

Target #1: Increase collections by 3%, net PFD.
Measure #1: Percent of change in total collections, net PFD collections.

Percent Change in Total Collections for a Fiscal Year

Fiscal Year	Percent Change
FY 2002	7.4%
FY 2003	6.2%
FY 2004	4.2%
FY 2005	1.92%
FY 2006	3.72%

Analysis of results and challenges: The division increased non-PFD collections from FY2005 to FY2006 in the amount of \$3,348,800 or 3.72%. Increasing total collections allows the division to increase distributions to custodial parents. This improves the financial support that benefits children's lives. The increase in FY2002 relates to the implementation of the mandatory multi-state federal financial institution data match program. During FY2003, the state financial institute data match program was initiated which accounted for the increase in that year. The division continues to expect a steady but gradual increase in non-PFD collections as projected increases will have to come from much smaller operational changes as no significant federal or state major enhancements are planned at this time.

C1: Strategy - Improve the environment necessary for increased child support collections.

Target #1: Increase paternities established to 100%.

Measure #1: Percentage of paternities established.

Percentage of Paternities Established

Fiscal Year	Percentage Established
FFY 2002	89.6%
FFY 2003	89.3%
FFY 2004	87.0%
FFY 2005	105.0%

FFY 2006 data will be available in mid to late November, 2006.

Analysis of results and challenges: Improving the number of paternities that the division establishes allows cases to be available for establishing an order and, in turn, allows money to start flowing to the family. The federal government measures this by taking the number of children with paternity established or acknowledged in the current fiscal year divided by the number of children born out of wedlock for the prior fiscal year, which can result in more than 100% of paternities established.

Target #2: Increase cases with orders to 93.5%.

Measure #2: Percentage of cases with orders.

Percentage of Cases With Orders

Fiscal Year	Percentage w/Orders
FY 2002	83%
FY 2003	81%
FY 2004	84.7%
FY 2005	92.3%
FY 2006	93.2%

Analysis of results and challenges: Collections cannot be made without a proper order in place. Establishing this quickly and effectively is one of the keys to a successful child support program. Reviewing and streamlining the division's process in establishing cases will aid in the timeliness of collecting and distributing child support.

Target #3: Increase current collections to 55%.

Measure #3: Percentage of current collections.

Percentage of Current Collections

Fiscal Year	Percentage
FFY 2002	54%
FFY 2003	53.2%
FFY 2004	54.2%
FFY 2005	52%

FFY 2006 data will be available in mid to late November, 2006.

Analysis of results and challenges: Also a main component to any child support program, collecting current money due is crucial to the financial well-being of the children it is intended to benefit. Increased information systems for new hires with the federal government and Alaska employers will enhance our ability to streamline the withholding process, improving the overall ability to collect current support quickly.

Target #4: Increase number of cases with arrearage collections to 71%.

Measure #4: Percentage of cases with arrearage collections.

Percentage of Cases with Arrearage Collections

Fiscal Year	Percentage
FFY 2002	68.4%
FFY 2003	66.5%
FFY 2004	65.4%
FFY 2005	67.9%

FFY 2006 data will be available in mid to late November, 2006.

Analysis of results and challenges: A higher concentration on cases with special collection needs will increase overall collections.

Target #5: Increase the cost effectiveness ratio to 4.55.

Measure #5: Cost effectiveness ratio.

Cost Effectiveness Ratio

Fiscal Year	Ratio
FFY 2002	4.49
FFY 2003	4.24
FFY 2004	4.42
FFY 2005	4.52

FFY 2006 data will be available in mid to late November, 2006.

Analysis of results and challenges: Two components, expenses and collections, figure into this target. Overall, showing the highest possible amount of collections for the least amount spent is highly sought. With improved automation and new ideas to streamline, we hope to meet this target.

Target #6: Reduce cases with no collections for one year or more to 12% or less of cases eligible for collections.

Measure #6: Percentage of cases with no collections for one year or more versus total cases eligible for collection.

Cases With No Collections for 1 Year or More

Fiscal Year	Percentage
FY 2002	NA
FY 2003	NA
FY 2004	23%
FY 2005	12.92%
FY 2006	12.64%

Analysis of results and challenges: A recent analysis of outstanding collections showed a relationship between those cases with the highest outstanding balances and those with no recent collections. A portion of the cases with no collections for one year or more are designated as "hard to collect". To address the problem of hard to collect cases, in October, 2005, CSSD assembled a specialized team of child support specialists. It is anticipated that in FY2007 the percentage of cases with no collections will begin to decrease as more of the "hard to collect" cases are handled by this team. As of June 30, 2006, CSSD had begun collection efforts on 337 hard to collect cases. Collections have been made on 133 of those cases totaling \$192,349.

D: Result - All eligible Alaskans, whose applications are not on appeal, receive their Permanent Fund Dividend (PFD) in October.

Target #1: 100% of eligible applicants not in appeal are paid in October.

Measure #1: Percentage of eligible applicants not in appeal who are paid in October.

Eligible Applicants Paid in October

Year	% of Applicants
2002	93.6%
2003	93.7%
2004	94.0%
2005	96.0%
2006	98.79%

Analysis of results and challenges: The division exceeded the goal of 98% set for 2006. This can be attributed to additional increases in on-line filing, increased use of automation in processing, cross-utilization of staff, and implementation of the new Dividend Application Information System (DAIS II).

D1: Strategy - Provide PFD staff with needed training to perform effectively.

Target #1: 100% of new PFD staff receive standardized training within first three months.

Measure #1: Percentage of new staff that receive standardized training within first three months.

Standardized Training of Staff Within First Three Months

Year	% of Staff Trained
2004	50%
2005	100%
2006	100%

Analysis of results and challenges: Standardized training was developed and implemented between December 2003 and January 2004. This training is proving to be effective for all staff and is updated with each session taught. All new employees were given this training in 2006.

Key Department Challenges

- To continue to support the efforts of the Governor's Office to commercialize the large reserves of North Slope natural gas and to construct a gas pipeline to bring the gas to market.
- To continue 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.
- Key debt issues include maintenance of the State's credit ratings with Standard and Poor's, Fitch Ratings, and Moody's Investor's 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.
- The Tax Division will be developing and implementing regulations for the Petroleum Production Tax (PPT) and three new cruise ship taxes with revenue sharing provisions.
- The Permanent Fund Dividend Division is completing DAIS III, the new PFD eligibility and case management system. The division continues to use and maintain the PFD payment system that was developed in 1982 while seeking funding for a new system that will provide more flexibility in issuing payments and responding to new initiatives.
- In the Child Support Services Division, the federal establishment of tribal child support programs continues to require extensive coordination and personnel time supporting these new entities. There could be a wide variety of new systems developed to support these programs which could result in a lack of reliable data.

Significant Changes in Results to be Delivered in FY2008

- The Tax Division will conduct more audits as a result of continued efforts to revitalize its audit programs, with full professional staffing and auditor training. As audit groups are fully staffed, resultant taxpayer compliance will increase tax dollars collected.
- In the Treasury Division, Asset Accounting's efforts to further automate the financial statement preparation process will result in financial statements for all funds and trusts published online within 10 business days after the end of each month.
- In the Permanent Fund Dividend Division, the projected increase in PFD applications filed early and online will result in completion of eligibility work through the final review stage before PFD payment dates for the first time in the history of the program.
- The Child Support Services Division anticipates significant increases in electronic payments received from federal governmental agencies and clients. Outreach efforts to make CSSD clients aware of electronic funds transfer and the debit card program will continue, resulting in more clients benefiting from these payment options. The division will also be working on other user-friendly methods for making and receiving child support payments.

Major Department Accomplishments in 2006

- The Tax Division provided economic analysis and testimony related to the Petroleum Production Tax (PPT) legislation during 2006, resulting in the passage of House Bill 3001. The division is currently holding public workshops to further the writing of the PPT regulations.
- The Tax Division completed economic analysis and provided information on two major citizen tax initiatives: the cruise ship tax initiative and the gas reserves tax initiative.
- Since the end of FY2004, the State has maintained a stable credit rating. Agency credit ratings affect the State's ability to borrow money at favorable interest rates.
- Five of the six funds managed by the Treasury Division exceeded their benchmarks for the year ended June 30, 2006; in addition, 29 of the 33 sub-funds exceeded their benchmarks for this time period.
- Increased efforts in fraud investigations by the Permanent Fund Dividend Division resulted in seven federal and state convictions, with four additional indictments pending for PFD fraud cases. The division increased the number of cases audited and investigated, and the number of denials and assessments increased from \$1.6 million in FY2005 to \$2.5 million in FY2006.
- The Child Support Services Division has shown improved results in child support collection efforts when comparing the results in FY2006 to the data from FY2005. In FY2005, the division handled 52,558 cases, 92.3% with orders and collections of \$98.9 million. In FY2006, there were 54,235 cases, 93.2% with orders and collections of \$101.4 million.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

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|-------------------------------------|--|
| 1. Tax Division | 7. Alaska Permanent Fund Corporation |
| 2. Treasury Management | 8. Alaska Retirement Management Board |
| 3. Child Support Services Division | 9. Alaska Housing Finance Corporation |
| 4. Permanent Fund Dividend Division | 10. Alaska Municipal Bond Bank Authority |
| 5. Commissioner's Office | 11. Alaska Mental Health Trust Authority |
| 6. Administrative Services Division | 12. Alaska Natural Gas Development Authority |

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Department Budget Summary by RDU

All dollars shown in thousands

	FY2006 Actuals				FY2007 Management Plan				FY2008 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
<u>Formula Expenditures</u>	None.											
<u>Non-Formula Expenditures</u>												
Taxation and Treasury	9,742.0	0.0	44,110.0	53,852.0	11,136.8	0.0	54,282.9	65,419.7	14,824.6	0.0	61,977.0	76,801.6
Child Support Services	0.0	15,462.0	5,538.1	21,000.1	336.7	16,361.9	5,741.5	22,440.1	1,981.7	16,494.9	5,938.8	24,415.4
Administration and Support	5,304.5	943.0	1,591.8	7,839.3	3,290.0	1,244.3	1,556.1	6,090.4	867.6	1,325.7	1,655.1	3,848.4
AK Natural Gas Dev Authority	1,053.8	0.0	0.0	1,053.8	1,073.6	0.0	0.0	1,073.6	335.2	0.0	0.0	335.2
Mental Health Trust Authority	0.0	0.0	2,058.5	2,058.5	0.0	0.0	2,274.9	2,274.9	48.3	0.0	2,892.7	2,941.0
AK Municipal Bond Bank Auth	0.0	0.0	484.2	484.2	0.0	0.0	775.7	775.7	0.0	0.0	838.3	838.3
Alaska Housing Finance Corp	0.0	21,522.1	21,749.4	43,271.5	0.0	24,306.6	24,148.8	48,455.4	0.0	19,275.2	30,946.5	50,221.7
AK Permanent Fund Corporation	0.0	0.0	57,711.9	57,711.9	0.0	0.0	71,627.0	71,627.0	0.0	0.0	79,434.4	79,434.4
Totals	16,100.3	37,927.1	133,243.9	187,271.3	15,837.1	41,912.8	160,406.9	218,156.8	18,057.4	37,095.8	183,682.8	238,836.0

Funding Source Summary

All dollars in thousands

Funding Sources	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
1001 Constitutional Budget Reserve Fund	167.0	185.4	185.4
1002 Federal Receipts	35,349.2	39,033.6	33,970.1
1003 General Fund Match			1,621.7
1004 General Fund Receipts	15,367.2	15,122.3	15,654.9
1005 General Fund/Program Receipts	733.1	714.8	780.8
1007 Inter-Agency Receipts	5,734.8	5,089.8	5,676.6
1016 CSSD Federal Incentive Payments	1,634.9	1,634.9	1,800.0
1017 Benefits Systems Receipts	139.2	199.0	199.0
1027 International Airport Revenue Fund	76.7	80.9	92.7
1029 Public Employees Retirement System Fund	22,378.1	28,291.1	32,594.3
1034 Teachers Retirement System Fund	10,597.0	14,442.2	16,403.3
1042 Judicial Retirement System	184.0	398.1	427.5
1045 National Guard & Naval Militia Retirement System	36.1	249.1	251.7
1046 Student Revolving Loan Fund	91.9	95.2	104.5
1050 Permanent Fund Dividend Fund	6,032.6	6,526.7	7,261.8
1061 Capital Improvement Project Receipts	1,582.3	2,158.6	2,124.3
1066 Public School Fund	160.6	230.2	256.2
1094 Mental Health Trust Administration	1,604.3	1,738.1	2,365.9
1098 Children's Trust Earnings	36.7	40.1	45.6
1103 Alaska Housing Finance Corporation Receipts	19,192.1	21,305.2	28,197.2
1104 Alaska Municipal Bond Bank Receipts	484.2	775.7	838.3
1105 Alaska Permanent Fund Corporation Receipts	57,782.6	71,701.1	79,516.1
1108 Statutory Designated Program Receipts		750.0	750.0
1133 CSSD Administrative Cost Reimbursement	943.0	1,244.3	1,325.7
1142 Retiree Health Ins Fund/Major Medical	81.3	85.5	97.7
1143 Retiree Health Ins Fund/Long-Term Care Fund	63.5	98.2	105.7
1156 Receipt Supported Services	5,505.7	5,741.5	5,938.8
1169 PCE Endowment Fund	175.9	207.2	226.2
1175 Business License and Corporation Filing Fees and Taxes	1,137.3		
1192 Mine Reclamation Trust Fund		18.0	24.0
Totals	187,271.3	218,156.8	238,836.0

Position Summary

Funding Sources	FY2007 Management Plan	FY2008 Governor
Permanent Full Time	865	872
Permanent Part Time	53	53
Non Permanent	17	17
Totals	935	942

FY2008 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Child Support Services Computer Replacement Project - Phase 3	0	134,640	69,360	204,000
Permanent Fund Dividend Computer Replacement Project- Phase 3	0	0	117,000	117,000
AHFC Housing Loan Program/Teacher/Health and Public Safety Professionals Housing	0	0	8,000,000	8,000,000
AHFC Supplemental Housing Development Program	0	0	6,000,000	6,000,000
AHFC Low Income Weatherization	0	1,800,000	6,000,000	7,800,000
AHFC Senior Citizens Housing Development Program	0	0	5,777,600	5,777,600
AHFC Housing and Urban Development Federal HOME Grant	0	3,375,000	750,000	4,125,000
AHFC Housing and Urban Development Capital Fund Program	0	3,500,000	0	3,500,000
AHFC Federal and Other Competitive Grants	0	3,000,000	1,000,000	4,000,000
AHFC Competitive Grants for Public Housing	0	750,000	250,000	1,000,000
AHFC Energy Efficiency Monitoring Research	0	0	1,000,000	1,000,000
AHFC State Energy Program Special Projects	0	360,000	30,000	390,000
AHFC Statewide Project Improvements	0	0	2,000,000	2,000,000
AHFC Facility Management Monitoring Project	0	0	250,000	250,000
AHFC Denali Commission Projects	0	10,000,000	0	10,000,000
AHFC Homeless Assistance Program	0	0	1,500,000	1,500,000
AHFC Beneficiary and Special Needs Housing	0	0	1,750,000	1,750,000
AHFC Loussac Manor Renovation and Replacement	0	0	2,336,000	2,336,000
AHFC Mat-Su Prison	0	0	30,000,000	30,000,000
Department Total	0	22,919,640	66,829,960	89,749,600

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

Summary of Department Budget Changes by RDU

From FY2007 Management Plan to FY2008 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	15,837.1	41,912.8	160,406.9	218,156.8
Adjustments which will continue current level of service:				
-Taxation and Treasury	1.5	0.0	4.8	6.3
-Child Support Services	1,621.7	-1,162.7	-458.8	0.2
-Administration and Support	-2,500.9	0.3	0.3	-2,500.3
-AK Natural Gas Dev Authority	-773.6	0.0	0.0	-773.6
-Mental Health Trust Authority	48.3	0.0	-45.7	2.6
-AK Municipal Bond Bank Auth	0.0	0.0	0.1	0.1
-Alaska Housing Finance Corp	0.0	-5,866.7	5,929.9	63.2
-AK Permanent Fund Corporation	0.0	0.0	-370.3	-370.3
Proposed budget decreases:				
-Taxation and Treasury	0.0	0.0	-1,256.7	-1,256.7
-Mental Health Trust Authority	0.0	0.0	-10.0	-10.0
-AK Permanent Fund Corporation	0.0	0.0	-10.0	-10.0
Proposed budget increases:				
-Taxation and Treasury	3,686.3	0.0	8,946.0	12,632.3
-Child Support Services	23.3	1,295.7	656.1	1,975.1
-Administration and Support	78.5	81.1	98.7	258.3
-AK Natural Gas Dev Authority	35.2	0.0	0.0	35.2
-Mental Health Trust Authority	0.0	0.0	673.5	673.5
-AK Municipal Bond Bank Auth	0.0	0.0	62.5	62.5
-Alaska Housing Finance Corp	0.0	835.3	867.8	1,703.1
-AK Permanent Fund Corporation	0.0	0.0	8,187.7	8,187.7
FY2008 Governor	18,057.4	37,095.8	183,682.8	238,836.0