

State of Alaska FY2009 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:
 - Tax Division
 - Treasury Division
 - Permanent Fund Dividend Division
 - Child Support Services Division
- Provide administrative support for the following independent authorities, boards and corporations:
 - Alaska Retirement Management Board
 - Alaska Mental Health Trust Authority
 - Long Term Care Ombudsman's Office
 - Alaska Municipal Bond Bank Authority
 - Alaska Natural Gas Development Authority
 - Alaska Housing Finance Corporation
 - Alaska Permanent Fund Corporation

End Result	Strategies to Achieve End Result
<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 Result	Strategies to Achieve End Result
<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 1-</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</p>

<p>year target returns. <u>Measure #1:</u> Actual returns compared with target returns reported by consultant or the custodian bank.</p>	<p>(includes the Chief Investment Officer and the 5 public market and 3 private market staff reporting to the Chief 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>
---	---

End Result	Strategies to Achieve End Result
------------	----------------------------------

<p>C: All eligible Alaskans, whose applications are not on appeal, receive their Permanent Fund Dividend (PFD) in October or November.</p> <p><u>Target #1:</u> 100% of eligible applicants not on appeal are paid in October (by direct deposit) or November (by warrant). <u>Measure #1:</u> Percentage of eligible applicants not on appeal who are paid in October (by direct deposit) or November (by warrant).</p>	<p>C1: 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>
--	--

End Result	Strategies to Achieve End Result
------------	----------------------------------

<p>D: Collection and distribution of child support due to the children served by CSSD.</p> <p><u>Target #1:</u> Increase collections by 3%, net Permanent Fund Dividend collections. <u>Measure #1:</u> Percent of change in total collections, net PFD collections.</p>	<p>D1: Improve the environment necessary for increased child support collections.</p> <p><u>Target #1:</u> Ensure that paternities established are at least 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 56%. <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> Ensure that the cost effectiveness ratio is at least \$4.10. <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>
--	--

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> TAX DIVISION: Enforce tax compliance through audit; focus tax examination activity on high risk returns and errors; and streamline the tax examination process. 	<ul style="list-style-type: none"> Cross train staff to work in multiple functional areas and allocate staff across unit lines to address peak workload. CHILD SUPPORT SERVICES:

Major Activities to Advance Strategies

- TREASURY DIVISION:
- Define roles of potential new asset class managers; perform adequate due diligence; and automate download of accounting data.
- PERMANENT FUND DIVISION:
- Improve communications, processes and interface with other states; and establish and train a special collections unit.
- Establish paternity; inform obligees of accurate amounts due; and locate employers and assets of non-custodial parents.

FY2009 Resources Allocated to Achieve Results

FY2009 Department Budget: \$263,216,700

Personnel:

Full time	873
Part time	50
Total	923

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

Year	% of Taxes Collected
FY 2003	98.5%
FY 2004	99.7%
FY 2005	98.6%
FY 2006	96.0%
FY 2007	105.4%

Analysis of results and challenges: This percentage is driven primarily by the Tax Division's collections efforts. In the past, we believed that this percentage was indicative of the Division's compliance efforts. However, without the ability to reasonably estimate the amount of unreported taxes due to the state, this percentage is meaningless as a way to measure the Division's compliance efforts. In FY 2007, we collected more taxes due than what was owed during the fiscal year. This was the result of increased collection efforts and the resultant payment of back taxes owed to the State. FY 2007 was a banner year for the Division in this area. However, as stated above, this does not provide any feedback regarding our compliance activities. As such, the Division will reassess this performance measure for FY 2008 and future years and come up with a more realistic and meaningful method of measuring our success in tax and gaming compliance.

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

Year	# of Audit Cases
FY 2003	13
FY 2004	7
FY 2005	14
FY 2006	5
FY 2007	42
FY 2008	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. We exceeded our goal in FY 2007 as a result of new audit staff in the Corporate and Excise tax units. We also limited the scope on several audits, choosing to look at several taxpayers with similar audit issues as opposed to conducting a full audit of a few taxpayers. Limited scope audits not only allow us to audit more taxpayers, but they also allow us to focus on audit issues that have a greater return to the State.

We view twenty new audit subjects annually as an appropriate target and this remains our goal for FY2008.

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

Year	# of New Filers
FY 2004	38
FY 2005	45
FY 2006	900*
FY 2007	977*

Internet tobacco tax compliance project yielded 700 new taxpayers in FY2006 and 868 new taxpayers in FY2007.

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.

In FY2007, we conducted a major taxpayer education and compliance effort with the assistance of the Department of Natural Resources in the mining license tax program. Our efforts resulted in over 100 new taxpayers in this tax type. We also initiated a new Internet tobacco tax compliance project which yielded 868 new taxpayers. Although identifying non-filers is an important function of the Division, the number of non-filers identified is not as important as the number of compliance projects initiated. Therefore, in the future, our goal will be to initiate a specific number of compliance projects as opposed to generating new taxpayers.

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 1-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

Year	Fund	Actual Return	Target Return
FY 2007	Gen Fund/Other Non-segregated F	5.60%	5.28%
FY 2007	AK Children's Trust Fund	17.87%	18.68%
FY 2007	Public School Trust Fund	12.51%	12.06%
FY 2007	Int'l Airports Revenue Fund	5.49%	5.32%
FY 2007	Const Budg Resv Fund-Main Acc	5.74%	5.48%
FY 2007	Const Budg Resv Fund-Sub Acc	15.26%	15.62%
FY 2007	Retirement Hlth Ins Fund-Longter	15.69%	16.74%
FY 2007	Retirement Hlth Ins Fund-Maj Med	8.84%	8.75%
FY 2007	Power Cost Equalization Fund	15.91%	16.26%

FY2007 one-year return data is for the period 7/1/2006 through 6/30/2007.

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 earnings of passively managed 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 or are overweighted to higher earning assets at that point on the efficient frontier and the investment managers earn more than their benchmark index. Conversely, returns will be less if the manager underperforms their benchmark 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 (includes 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

Year	# of Years
FY 2003	N/A
FY 2004	2.6 years
FY 2005	2.8 years
FY 2006	3.8 years
FY 2007	4.6 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.

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

Year	# of Staff
FY 2003	3
FY 2004	3
FY 2005	4
FY 2006	4
FY 2007	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.

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

Target #1: 100% of eligible applicants not on appeal are paid in October (by direct deposit) or November (by warrant).

Measure #1: Percentage of eligible applicants not on appeal who are paid in October (by direct deposit) or November (by warrant).

Eligible Applicants Paid in October or November

Year	% of Applicants
2002	93.6%
2003	93.7%
2004	94.0%
2005	96.0%
2006	99.6%

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).

C1: 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.

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

Target #1: Increase collections by 3%, net Permanent Fund Dividend collections.

Measure #1: Percent of change in total collections, net PFD collections.

Percent Change in Total Collections for a Fiscal Year

Year	% Change
FY 2003	6.2%
FY 2004	4.2%
FY 2005	1.92%
FY 2006	3.72%
FY 2007	3.66%

Analysis of results and challenges: The division increased non-PFD collections from FY2006 to FY2007 in the amount of \$3,413,500 or 3.66%. 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. Non-PFD collections for FY2007 showed some increase from FY2006. The division continues to expect a steady but gradual increase in non-PFD collections above 3%.

D1: Strategy - Improve the environment necessary for increased child support collections.

Target #1: Ensure that paternities established are at least 100%.

Measure #1: Percentage of paternities established.

Percentage of Paternities Established

Year	Percentage Established
FFY 2003	89.3%
FFY 2004	87%
FFY 2005	105%
FFY 2006	98%
FFY 2007	91%

Analysis of results and challenges: Percentage of paternities established is measured by the federal government by taking the number of children statewide with paternity established or acknowledged in the current fiscal year (3,635 in FFY07) divided by the number of children born out of wedlock statewide for the prior fiscal year (4,002 in FFY06), which is 91%.

The number of paternities established since FFY 2005 has decreased, however the number of cases in the division needing paternity established has also decreased. This indicates that contingent factors out of the division's control are contributing to this decline; for instance, if the cases are still working their way through the court system or there is no attempt made by the family to establish paternity.

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

Measure #2: Percentage of cases with orders.

Percentage of Cases With Orders

Year	Cases with Orders	Change from Prior Year
FY 2003	81%	NA
FY 2004	84.7%	3.7%
FY 2005	92.3%	7.6%
FY 2006	93.2%	0.9%
FY 2007	93.7%	0.5%

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 orders will aid in the timeliness of collecting and distributing child support. The division continues to improve in this measure each year; overall from FY2006 to FY2007 the division increased the number of cases with orders by 0.50%

Target #3: Increase current collections to 56%.

Measure #3: Percentage of current collections.

Percentage of Current Collections

Year	Percentage
FFY 2003	53.2%
FFY 2004	54.2%
FFY 2005	52.0%
FFY 2006	54.9%
FFY 2007	56.6%

Analysis of results and challenges: In addition to being a main component of 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

Year	Percentage
FFY 2003	66.5%
FFY 2004	65.4%
FFY 2005	67.9%
FFY 2006	66.5%
FFY 2007	66.9%

Analysis of results and challenges: A higher concentration on cases with special collection needs will help the division to increase overall collections. CSSD, through a grant with the Department of Justice, assembled a team to focus on those cases that are hard to collect. This special collections program began in October, 2005 and ended in October, 2007. The division is continuing the important work of the special collections unit and we expect to continue to see improved results in this area.

Target #5: Ensure that the cost effectiveness ratio is at least \$4.10.

Measure #5: Cost effectiveness ratio.

Cost Effectiveness Ratio

Year	Ratio
FFY 2003	\$4.24
FFY 2004	\$4.42
FFY 2005	\$4.52
FFY 2006	\$4.24
FFY 2007	\$4.41

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. The increase in our cost effectiveness for FFY07 is a direct result of increased collections for that period. However, in order to continue to maintain a high level of cost effectiveness the division must be able to increase collections by approximately four and one-half times more than the increase in expenses.

Additionally, CSSD anticipates that FFY08 and FFY09 could see a decline in our cost effectiveness. As the cost of doing business continues to increase, the amount of these increases in expenditures significantly outpaces our ability to increase collections, resulting in lower cost effectiveness.

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

Year	Percentage of Cases	Change from Prior Year
FY 2003	NA	NA
FY 2004	23%	NA
FY 2005	12.92%	-10.08%
FY 2006	12.64%	-0.28%
FY 2007	12.23%	-0.41%

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 FY2008 the percentage of cases with no collections will begin to decrease as more of the "hard to collect" cases are handled by this team. In FY2007 we saw a 0.41% overall decrease in the number of cases with no collections for one year or more. As of June 30, 2007, CSSD had reviewed a total of 1,078 cases and collections have been made on 573 of those cases totaling \$1,182,029.

Key Department 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.
- The Tax Division will assist in developing a new oil and gas production tax scheme that provides ongoing and stable revenues to the state, alleviates uncertainties for taxpayers, and provides incentives for future exploration and production activities within Alaska.

- Key debt issues include maintenance of the State of Alaska'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 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; initial funding has been obtained for the first phase of a new payment 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. There is currently at least one tribe in Alaska that is operating their program and another tribe recently submitted a start up grant request.

Significant Changes in Results to be Delivered in FY2009

- 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 ten 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 continues to expect significant increases in electronic payments received from federal government agencies, other states, and clients. We continue to do outreach to make our clients aware of electronic funds transfer as well as our debit card program and we continue researching and creating other user friendly methods for making and receiving child support payments.

Major Department Accomplishments in 2007

- The Tax Division continued to assist the legislature and the governor in dealing with fiscal issues and other legislation, providing information and testimony on AGIA, oil and gas production tax, mining license tax, incentive credits for heavy oil, and issues including tax credits for vocational education, tire fees, fisheries taxes, gambling, charitable gaming, and passenger vessel tax credits.
- The Tax Division developed and implemented three cruise ship taxes, including the adoption of regulations and revenue sharing programs.
- Since the end of FY2004, the State of Alaska has maintained a stable credit rating. Agency credit ratings affect the state's ability to borrow money at favorable interest rates.
- All of the six funds managed by the Treasury Division exceeded their benchmarks for the year ended June 30, 2007; in addition, 28 of the 36 sub-funds exceeded their benchmarks for this time period.
- The Permanent Fund Dividend Division offered payment incentives for applying online, in January, and selecting direct deposit that resulted in an increase in online applications from 57% in 2006 to 66% in 2007.
- The Child Support Services Division has shown improved results in child support collection efforts when comparing the results in FY2007 to the data from FY2006. In FY2006, the division handled 54,235 cases, 93.2% with orders and collections of \$101.4 million. In FY2007 the division had 55,891 cases, 93.7% with orders and collections of \$106.3 million. Increased cases with orders result in increased collections.

Prioritization of Agency Programs

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

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

Contact Information

Commissioner: Patrick Galvin
Phone: (907) 465-2300
Fax: (907) 465-2389
E-mail: Patrick_Galvin@alaska.gov

**Administrative
Services Director:** Jerry Burnett
Phone: (907) 465-2312
Fax: (907) 465-1685
E-mail: Jerry_Burnett@alaska.gov

Department Budget Summary by RDU

All dollars shown in thousands

	FY2007 Actuals				FY2008 Management Plan				FY2009 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
Formula Expenditures	None.											
Non-Formula Expenditures												
Taxation and Treasury	66,466.4	0.0	44,100.4	110,566.8	38,627.0	0.0	60,573.5	99,200.5	16,189.2	0.0	61,662.3	77,851.5
Child Support Services	336.7	16,580.7	4,957.0	21,874.4	336.0	16,494.9	6,964.4	23,795.3	174.7	17,028.4	7,233.2	24,436.3
Administration and Support	3,603.7	1,142.0	1,026.8	5,772.5	828.8	1,244.6	806.4	2,879.8	813.6	1,244.6	827.0	2,885.2
AK Natural Gas Dev Authority	1,122.1	0.0	0.0	1,122.1	677.6	0.0	0.0	677.6	299.3	0.0	0.0	299.3
Mental Health Trust Authority	38.0	0.0	2,292.0	2,330.0	103.4	0.0	2,637.0	2,740.4	104.0	0.0	2,891.0	2,995.0
AK Municipal Bond Bank Auth	0.0	0.0	388.3	388.3	0.0	0.0	825.9	825.9	0.0	0.0	826.0	826.0
Alaska Housing Finance Corp	0.0	22,846.7	21,723.8	44,570.5	0.0	18,739.9	30,298.4	49,038.3	0.0	18,751.3	32,877.2	51,628.5
AK Permanent Fund Corporation	0.0	0.0	64,671.8	64,671.8	0.0	0.0	82,793.2	82,793.2	0.0	0.0	102,294.9	102,294.9
Totals	71,566.9	40,569.4	139,160.1	251,296.4	40,572.8	36,479.4	184,898.8	261,951.0	17,580.8	37,024.3	208,611.6	263,216.7

Funding Source Summary

All dollars in thousands

Funding Sources	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
1001 Constitutional Budget Reserve Fund	117.8	245.7	245.7
1002 Federal Receipts	37,118.5	33,434.8	33,979.7
1004 General Fund Receipts	70,852.1	39,848.4	16,821.6
1005 General Fund/Program Receipts	714.8	724.4	759.2
1007 Inter-Agency Receipts	5,103.4	5,050.0	5,338.9
1016 CSSD Federal Incentive Payments	2,308.9	1,800.0	1,800.0
1017 Benefits Systems Receipts	130.0	199.0	199.0
1027 International Airport Revenue Fund	80.9	81.0	82.3
1029 Public Employees Retirement System Fund	22,246.8	32,305.5	32,501.1
1034 Teachers Retirement System Fund	10,413.8	16,269.9	16,370.2
1042 Judicial Retirement System	183.0	425.7	428.5
1045 National Guard & Naval Militia Retirement System	23.8	250.6	251.9
1046 Student Revolving Loan Fund	66.0	95.3	96.3
1050 Permanent Fund Dividend Fund	6,822.7	6,714.9	6,946.8
1061 Capital Improvement Project Receipts	967.0	2,036.4	2,042.4
1066 Public School Fund	140.5	230.4	233.2
1094 Mental Health Trust Administration	1,811.2	2,213.0	2,467.0
1098 Children's Trust Earnings	33.4	40.1	40.7
1103 Alaska Housing Finance Corporation Receipts	20,645.0	27,627.0	30,205.8
1104 Alaska Municipal Bond Bank Receipts	388.3	825.9	826.0
1105 Alaska Permanent Fund Corporation Receipts	64,745.9	82,867.3	102,372.6
1108 Statutory Designated Program Receipts	12.2		250.0
1133 CSSD Administrative Cost Reimbursement	1,142.0	1,244.6	1,244.6
1142 Retiree Health Ins Fund/Major Medical	85.5	85.6	111.9
1143 Retiree Health Ins Fund/Long-Term Care Fund	59.7	98.2	99.0
1156 Receipt Supported Services	4,940.4	7,006.0	7,269.0
1169 PCE Endowment Fund	142.8	207.3	209.3
1192 Mine Reclamation Trust Fund		24.0	24.0
Totals	251,296.4	261,951.0	263,216.7

Position Summary

Funding Sources	FY2008 Management Plan	FY2009 Governor
Permanent Full Time	860	873
Permanent Part Time	49	50
Non Permanent	17	17
Totals	926	940

FY2009 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Child Support Services Computer Replacement Project - Phase 4	0	128,040	65,960	194,000
Permanent Fund Dividend Computer Replacement Project - Phase 4	0	0	125,000	125,000
AHFC Public Housing Software Replacement Project	0	0	1,250,000	1,250,000
AHFC Phone System Replacement	0	0	450,000	450,000
AHFC Human Resource/Payroll Implementation	0	0	387,900	387,900
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	8,000,000	8,000,000
AHFC Low Income Weatherization	0	2,000,000	6,000,000	8,000,000
AHFC Senior Citizens Housing Development Program	0	0	6,000,000	6,000,000
AHFC Housing and Urban Development Federal HOME Grant	0	3,450,000	750,000	4,200,000
AHFC Housing and Urban Development Capital Fund Program	0	3,200,000	0	3,200,000
AHFC Federal and Other Competitive Grants	0	3,000,000	1,500,000	4,500,000
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	150,000	30,000	180,000
AHFC Statewide Project Improvements	0	0	2,500,000	2,500,000
AHFC Denali Commission Projects	0	7,000,000	0	7,000,000
AHFC Loussac Manor Renovation and Replacement Phase 2	0	0	2,336,000	2,336,000
AHFC Prison Expansion and Renovations	0	0	1,000,000	1,000,000
AHFC Chugach View Siding & Window Replacement	0	2,500,000	0	2,500,000
AHFC Etolin Heights Roofing Replacement	0	0	500,000	500,000
AHFC Etolin Heights Mechanical Replacement	0	0	450,000	450,000
AHFC Statewide Energy Improvements	0	0	500,000	500,000
AHFC Statewide ADA Improvements	0	0	500,000	500,000
AHFC Bethel Community Room and Shop	0	0	2,000,000	2,000,000
AHFC Homeless Assistance Program	500,000	0	1,500,000	2,000,000
AHFC Beneficiary and Special Needs Housing	0	0	1,750,000	1,750,000
AHFC Emergency Assistance Grants for Mental Health Trust Beneficiaries	0	0	200,000	200,000
AHFC Housing Trust	2,500,000	0	7,500,000	10,000,000
Department Total	3,000,000	22,178,040	54,544,860	79,722,900

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 FY2008 Management Plan to FY2009 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	40,572.8	36,479.4	184,898.8	261,951.0
Adjustments which will continue current level of service:				
-Taxation and Treasury	-24,497.9	0.0	285.6	-24,212.3
-Child Support Services	-161.3	533.5	268.8	641.0
-Administration and Support	-15.2	0.0	20.6	5.4
-AK Natural Gas Dev Authority	-378.3	0.0	0.0	-378.3
-Mental Health Trust Authority	0.6	0.0	-2,210.3	-2,209.7
-AK Municipal Bond Bank Auth	0.0	0.0	0.1	0.1
-Alaska Housing Finance Corp	0.0	0.0	2,293.1	2,293.1
-AK Permanent Fund Corporation	0.0	0.0	6.6	6.6
Proposed budget decreases:				
-Taxation and Treasury	0.0	0.0	-5.8	-5.8
-Mental Health Trust Authority	0.0	0.0	-2.7	-2.7
-Alaska Housing Finance Corp	0.0	0.0	-400.0	-400.0
-AK Permanent Fund Corporation	0.0	0.0	-15.8	-15.8
Proposed budget increases:				
-Taxation and Treasury	2,060.1	0.0	809.0	2,869.1
-Mental Health Trust Authority	0.0	0.0	2,467.0	2,467.0
-Alaska Housing Finance Corp	0.0	11.4	685.7	697.1
-AK Permanent Fund Corporation	0.0	0.0	19,510.9	19,510.9
FY2009 Governor	17,580.8	37,024.3	208,611.6	263,216.7