

**2017 Legislature - Operating Budget
Transaction Compare - Governor Structure
Between 18Adj Base and 18Gov**

**Numbers and Language
Differences
Agencies: Rev**

Agency: Department of Revenue

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Taxation and Treasury													
Tax Division													
Delete Revenue Appeals Officer II (04-3010)	18Gov	Dec	-169.5	-169.5	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
<i>This reduction in personal services authorization will result in the deletion of 1 position. The Appeals group has not lost any positions in prior budget cycles; duties will be absorbed with other positions in the group.</i>													
<i>Position subject to delete:</i>													
<i>Full-time Revenue Appeals Officer II (04-3010), range 25, located in Anchorage</i>													
1004 Gen Fund (UGF)			-169.5										
Delete Long-Term Vacant Position (04-0033)	18Gov	Dec	-138.3	-83.6	0.0	-4.7	-50.0	0.0	0.0	0.0	-1	0	0
<i>The Tax Division has not entered into agreements with the municipalities and has been unable to fill this position.</i>													
<i>Original Fiscal Note Transaction:</i>													
<i>Municipal Taxation of Tobacco Products Ch74 SLA2014 (HB193) (Sec2 Ch16 SLA2014 P45 L19 (HB266))</i>													
<i>This bill will allow the Department of Revenue (DOR) to enter into agreements whereby DOR could sell cigarette tax stamps and collect cigarette tax revenue on behalf of a municipality if the municipality adopts a cigarette tax stamp as the mechanism for collecting cigarette taxes. This bill will allow DOR to be reimbursed by a municipality for the costs associated with selling a municipality's tax stamp and collecting the municipality's cigarette tax revenue.</i>													
<i>The following vacant position is being deleted:</i>													
<i>Full-Time Tax Technician III (04-0033), range 14 located in Anchorage.</i>													
1108 Stat Desig (Other)			-138.3										
* Allocation Difference *			-307.8	-253.1	0.0	-4.7	-50.0	0.0	0.0	0.0	-2	0	0
Treasury Division													
FY2018 Cost Allocation Plan Adjustment	18Gov	Inc	526.8	213.8	0.0	313.0	0.0	0.0	0.0	0.0	0	0	0
<i>The Treasury Division is responsible for managing the State treasury and pension funds. Treasury's federally approved cost allocation method is used to develop budgets and allocate costs equitably among each fund/trust/client agency. The method is devised to address all costs and all users in a consistent, easily-administered manner, utilizing actual, quantified statistics.</i>													
<i>There continues to be a shift in assets under management and this has a direct impact on how the Treasury Division allocates their expenses based on its cost allocation plan. With more funds managed by the Alaska Retirement Management Board (ARMB), ARMB will incur a higher percentage of costs and Treasury's component costs will go down from previous years.</i>													
1007 I/A Rcpts (Other)			526.8										
Fund Code Change Due to FY2018 Cost Allocation Plan	18Gov	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<i>The Treasury Division is responsible for managing the State treasury and pension funds. Treasury's federally approved cost allocation method is used to develop budgets and allocate costs equitably among each fund/trust/client agency. The method is devised to address all costs and all users in a consistent, easily-administered manner, utilizing actual, quantified statistics.</i>													

At the end of FY2016, there was a shift in assets under management and this will have a direct impact on how the

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Taxation and Treasury (continued)													
Treasury Division (continued)													
Fund Code Change Due to FY2018 Cost													
Allocation Plan (continued)													
<i>Treasury Division allocates their FY2017 and FY2018 expenses based on its cost allocation plan. With more funds managed by the Alaska Retirement Management Board (ARMB), ARMB will incur a higher percentage of costs and Treasury's component costs will go down from previous years. As a result, Treasury was able to reduce its general fund level in fiscal year 2018. However, this scenario can change should energy prices return to higher levels and/or new revenue sources are identified. Potential new revenue sources may include new investment mandates that may require additional expenses to implement.</i>													
1004 Gen Fund (UGF)			-348.5										
1007 I/A Rcpts (Other)			348.5										
Department of Revenue Shared Services	18Gov	Dec	-25.7	-25.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<i>The Treasury Division will be reducing its general fund levels needed for administrative support duties due to efficiencies gained through shared services within the department. It is anticipated that this change will have minimal impact on state services.</i>													
1004 Gen Fund (UGF)			-25.7										
* Allocation Difference *			501.1	188.1	0.0	313.0	0.0	0.0	0.0	0.0	0	0	0
Alaska Retirement Management Board													
Treasury Division Services Paid by Alaska Retirement Management Board with Reimbursable Services Agreement	18Gov	Inc	348.5	0.0	0.0	348.5	0.0	0.0	0.0	0.0	0	0	0
<i>This increment provides funding via inter-agency receipts paid from the pension funds managed by the Alaska Retirement Management Board (ARMB) and invested by the Treasury Division.</i>													
1017 Group Ben (Other)			172.3										
1029 PERS Trust (Other)			109.5										
1034 Teach Ret (Other)			64.5										
1042 Jud Retire (Other)			1.8										
1045 Nat Guard (Other)			0.4										
* Allocation Difference *			348.5	0.0	0.0	348.5	0.0	0.0	0.0	0.0	0	0	0
Alaska Retirement Management Board Custody and Management Fees													
Alaska Retirement Management Board Custody and Management Reduction	18Gov	Dec	-12,106.7	0.0	0.0	-12,106.7	0.0	0.0	0.0	0.0	0	0	0
<i>This decrement of \$12.1 million is primarily attributable to external manager fees which are calculated as a percentage of assets under management. The decrease brings the FY2018 budget down to better reflect anticipated costs due to changes from external managers to more in-house management and a greater proportion of fees being paid out of the externally managed funds.</i>													
1017 Group Ben (Other)			-5,217.0										
1029 PERS Trust (Other)			-4,676.3										
1034 Teach Ret (Other)			-2,100.4										
1042 Jud Retire (Other)			-76.5										
1045 Nat Guard (Other)			-36.5										
* Allocation Difference *			-12,106.7	0.0	0.0	-12,106.7	0.0	0.0	0.0	0.0	0	0	0

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Taxation and Treasury (continued)													
Permanent Fund Dividend Division													
Delete Long-Term Vacant Position (04-6058)	18Gov	Dec	-97.9	-97.9	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
<i>The following vacant position is being deleted:</i>													
<i>Information System Coordinator (04-6058), range 18, located in Juneau.</i>													
1050 PFD Fund (Other)			-97.9										
Delete Imaging Position and Reduce PFD	18Gov	Dec	-80.0	-64.7	0.0	-15.3	0.0	0.0	0.0	0.0	-1	0	0
Applications Printing/ Postage Costs													
<i>The Permanent Fund Dividend Division (PFDD) is reducing the number of applications mailed directly to Alaskan households. The reduction will directly reduce costs associated with printing and postage. Although the division coordinates with over 345 locations across Alaska, known as application distribution sites, the division has maintained a courtesy mailing list for individuals that have only ever filed by paper and met a specific criteria. As the division is challenged with budget reductions the push for Alaskans to apply online will continue to become more prominent.</i>													
<i>Due to the budget constraints the division is facing within personal services PFDD will also delete an additional position. Every position deleted significantly changes the way in which the division operates. Therefore, an imaging position was selected with the anticipation that imaging services will be combined with the Tax Division in the near future.</i>													
<i>Position subject to deletion:</i>													
<i>Full-time Microfilm/Imaging Operator I (04-6098), range 10, located in Juneau</i>													
1050 PFD Fund (Other)			-80.0										
* Allocation Difference *			-177.9	-162.6	0.0	-15.3	0.0	0.0	0.0	0.0	-2	0	0
** Appropriation Difference **			-11,742.8	-227.6	0.0	-11,465.2	-50.0	0.0	0.0	0.0	-4	0	0
Child Support Services													
Child Support Services Division													
Reduction for Interactive Voice Response	18Gov	Dec	-180.9	0.0	0.0	-180.9	0.0	0.0	0.0	0.0	0	0	0
Account Balance System													
<i>Child Support Services Division (CSSD) currently sends out quarterly statements to clients. These mail-outs could be reduced to an annual mail-out. There would be a significant savings on postage, handling, equipment wear and tear, envelope and paper costs, and staff time. In FY2016 CSSD took a budget reduction of -54.4 and reduced these statements from monthly to quarterly.</i>													
1002 Fed Rcpts (Fed)			-119.4										
1003 G/F Match (UGF)			-61.5										
Shift Federally Mandated Fee to Custodial Parents	18Gov	Dec	-100.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
<i>Federal Code of Regulations 302.33(e) mandates that an annual \$25 fee be imposed on custodial parents after the collection of the first \$500 in each federal fiscal year. Child Support Services Division (CSSD) pays this \$25 fee on behalf of the custodial parents and took a budget reduction of -100.0 to reprogram their information system to charge the \$25 fee directly to the custodial parent in FY2017. By FY2018 CSSD will have completed their reprogramming and have the ability to reduce the budget by another -100.0.</i>													
1004 Gen Fund (UGF)			-100.0										
Department of Revenue Shared Services	18Gov	Dec	-166.1	-166.1	0.0	0.0	0.0	0.0	0.0	0.0	-2	0	0

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Child Support Services (continued)													
Child Support Services Division (continued)													
Department of Revenue Shared Services (continued)													
<i>The Department of Revenue will implement shared services at a department level for travel and expenses, procurement, administrative human resource work, and accounts payable. Shared services in Revenue will increase efficiency, decrease costs and prepare the department for shared services at a statewide level. Shared services will result in the deletion of 2 positions and the transfer of 4 positions to Administrative Services.</i>													
<i>Positions subject to delete:</i>													
<i>Full-time Administrative Assistant I (04-7115), range 12, located in Anchorage, Child Support Services Division</i>													
<i>Full-time Accounting Technician II (04-7061), range 14, located in Anchorage, Child Support Services Division</i>													
<i>Positions subject to transfer to Administrative Services:</i>													
<i>Full-time Administrative Officer II (04-7069), range 19, located in Anchorage, Child Support Services Division</i>													
<i>Full-time Administrative Assistant II (04-7040), range 14, located in Anchorage, Child Support Services Division</i>													
<i>Full-time Administrative Assistant II (04-6052), range 14, located in Juneau, Permanent Fund Dividend Division</i>													
<i>Full-time Administrative Assistant II (04-3229), range 14, located in Juneau, Tax Division</i>													
			1002 Fed Rcpts (Fed)	-109.6									
			1003 G/F Match (UGF)	-56.5									
L	Reverse FY2017 Estimate of Cost Recovery for	18Gov	OTI	-46.0	0.0	0.0	-46.0	0.0	0.0	0.0	0	0	0
	Child Support Services Division Paternity												
	Testing Sec20a Ch3 4SSLA 2017 P79												
	<i>FY2017 Language:</i>												
	<i>DEPARTMENT OF REVENUE. Program receipts collected as cost recovery for paternity testing administered by the child support services agency, as required under AS 25.27.040 and 25.27.165, and as collected under AS 25.20.050(f), estimated to be \$46,000, are appropriated to the Department of Revenue, child support services agency, for child support activities for the fiscal year ending June 30, 2017.</i>												
			1005 GF/Prgm (DGF)	-46.0									
L	FY2018 Estimate of Cost Recovery for Child	18Gov	IncM	46.0	0.0	0.0	46.0	0.0	0.0	0.0	0	0	0
	Support Services Division Paternity Testing												
	<i>FY2018 Language:</i>												
	<i>DEPARTMENT OF REVENUE. Program receipts collected as cost recovery for paternity testing administered by the child support services agency, as required under AS 25.27.040 and 25.27.165, and as collected under AS 25.20.050(f), estimated to be \$46,000, are appropriated to the Department of Revenue, child support services agency, for child support activities for the fiscal year ending June 30, 2018.</i>												
			1005 GF/Prgm (DGF)	46.0									
	* Allocation Difference *			-447.0	-166.1	0.0	-280.9	0.0	0.0	0.0	-2	0	0
	** Appropriation Difference **			-447.0	-166.1	0.0	-280.9	0.0	0.0	0.0	-2	0	0

Administration and Support

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Administration and Support (continued)													
Administrative Services													
Add I/A Authority for Department of Revenue Shared Services	18Gov	Inc	445.7	424.7	0.0	21.0	0.0	0.0	0.0	0.0	0	0	0
<i>The Department of Revenue will implement shared services at a department level for travel and expenses, procurement, administrative human resource work, information technology, and accounts payable. Shared services in Revenue will increase efficiency, decrease costs and prepare the department for shared services at a statewide level. Shared services will result in the deletion of 2 positions and the transfer of 4 positions to Administrative Services.</i>													
<i>Budget authority was retained by the divisions and additional inter-agency authority is needed by Administrative Services to collect the funds through a reimbursable services agreement for the cost of services provided.</i>													
1007 I/A Rcpts (Other)			445.7										
* Allocation Difference *			445.7	424.7	0.0	21.0	0.0	0.0	0.0	0.0	0	0	0
Criminal Investigations Unit													
Remove I/A Authority for Transferring of CIU	18Gov	Dec	-406.9	-244.4	-14.0	-144.1	-4.4	0.0	0.0	0.0	0	0	0
<i>Criminal Investigations Unit (CIU) Investigators will be transferred out of the Department of Revenue and into the Department of Public Safety in order for them to be fully commissioned as Peace Officers due to the legalization of marijuana.</i>													
<i>Budget authority will only be retained by the Tax Division, Permanent Fund Dividend Division, and Child Support Services Division to fund a reimbursable services agreement with the Department of Public Safety for the cost of services provided. I/A authority is being removed from the Criminal Investigations Unit.</i>													
1007 I/A Rcpts (Other)			-406.9										
* Allocation Difference *			-406.9	-244.4	-14.0	-144.1	-4.4	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			38.8	180.3	-14.0	-123.1	-4.4	0.0	0.0	0.0	0	0	0
Alaska Mental Health Trust Authority													
Mental Health Trust Operations													
Mental Health Trust Continuing - Maintain Trust Authority Administrative Budget	18Gov	IncM	3,782.2	2,630.9	115.0	969.3	67.0	0.0	0.0	0.0	0	0	0
<i>The Alaska Mental Health Trust Authority (the Trust) administrative budget supports the operation of the Trust office and the Board of Trustees. The Trust Authority is tasked in statute with being trustees of the cash and non-cash assets of the legal trust, making budget recommendations for the Mental Health Budget Bill, developing the Comprehensive Mental Health Program Plan in conjunction with the Department of Health & Social Services, and providing leadership in Trust beneficiary-related issues. The Trust, a state corporation, is administratively housed in the Department of Revenue.</i>													
1094 MHT Admin (Other)			3,782.2										
Reduce Authority to Reflect Estimated Expenditures	18Gov	Dec	-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0	0	0
<i>Reduce authority to reflect estimated expenditures.</i>													
1180 A/D T&P Fd (DGF)			-150.0										
* Allocation Difference *			3,632.2	2,630.9	115.0	819.3	67.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			3,632.2	2,630.9	115.0	819.3	67.0	0.0	0.0	0.0	0	0	0

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Alaska Housing Finance Corporation													
AHFC Operations													
MH Trust: Housing - Grant 604 Department of Corrections Discharge Incentive Grants	18Gov	IncT	100.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0	0	0
<i>This project is a strategy in the Trust's Housing and Long Term Services and Supports focus area and the Disability Justice workgroup. It is consistent with the Housing workgroup's focus on 'community re-entry' by targeting beneficiaries exiting Department of Corrections settings who are challenging to serve due to issues related to mental illness and other conditions and will require extended supervision and support services to avoid repeat incarceration and becoming public safety concerns. The purpose of the program is to provide the immediate needed housing and support services necessary to facilitate the successful transition of clients from incarceration to community care. These funds will be administered by the Division of Behavioral Health as Assisted Living Home vouchers and, in collaboration with the Department of Corrections, will provide for alternative housing placements and the immediate service needs of the clients. This project will be referenced in the Supported Housing Office Annual Work Plan as a priority for coordination efforts of Trust funding.</i>													
1092 MHTAAR (Other)			100.0										
AO-281 Budget Place Holder for AHFC, AEA and AIDEA Efficiencies	18Gov	MisAdj	-1.0	0.0	0.0	-1.0	0.0	0.0	0.0	0.0	0	0	0
<i>Administrative Order 281 required a review process of the activities and budgets of AHFC, AEA and AIDEA. Over the course of the last two years the budgets of these agencies have been reduced by tens of millions of dollars. A comprehensive review of agency activities and costs will continue through-out FY 2018. Consolidation, colocation and support function sharing efficiencies will be implemented. As an outcome the administration has expects at least one million dollars of annual budget reductions among the three entities combined. Additionally, the administration anticipates liquidation of property and other non-monetary assets, resulting in one-time net contributions to the general fund. These changes are in discussion and budget reductions will be provided during the budget amendment process.</i>													
1103 AHFC Rcpts (Other)			-1.0										
* Allocation Difference *			99.0	0.0	0.0	-1.0	0.0	0.0	100.0	0.0	0	0	0
Anchorage State Office Building													
Reduce Funding to Close-out Component	18Gov	Dec	-100.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
<i>The Atwood building's debt service is scheduled to be completed prior to the start of FY2018 and ownership will be transferred to the State. Since ownership will be with the Department of Administration, AHFC will no longer have the responsibility of collecting rents and transferring the proceeds to the State.</i>													
1103 AHFC Rcpts (Other)			-100.0										
* Allocation Difference *			-100.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			-1.0	0.0	0.0	-101.0	0.0	0.0	100.0	0.0	0	0	0
Alaska Permanent Fund Corporation													
APFC Operations													
Workstation Life Cycle	18Gov	Dec	-25.0	0.0	0.0	0.0	-25.0	0.0	0.0	0.0	0	0	0
<i>FY2016 and FY2017 budgets included funding to refresh all of APFC's workstations over two years, a regular action necessary to ensure staff have up-to-date hardware. As this current replacement cycle will be completed by the conclusion of FY2017, this funding is not needed for FY2018.</i>													
1105 PF Gross (Other)			-25.0										
* Allocation Difference *			-25.0	0.0	0.0	0.0	-25.0	0.0	0.0	0.0	0	0	0

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Alaska Permanent Fund Corporation (continued)													
APFC Investment Management Fees													
Manager Fees Reduction	18Gov	Dec	-9,421.8	0.0	0.0	-9,421.8	0.0	0.0	0.0	0.0	0	0	0
<i>This decrement of \$9.4 million is primarily attributed to the external manager fees, which are calculated as a percentage of assets under management. APFC has worked to bring more investments in-house, and market performance has been lower than the mid-case projections, leading to lower projected fees. This decrement brings the FY2018 budget amount down to better reflect anticipated costs.</i>													
1105 PF Gross (Other)			-9,421.8										
* Allocation Difference *			-9,421.8	0.0	0.0	-9,421.8	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			-9,446.8	0.0	0.0	-9,421.8	-25.0	0.0	0.0	0.0	0	0	0
*** Agency Difference ***			-17,966.6	2,417.5	101.0	-20,572.7	-12.4	0.0	100.0	0.0	-6	0	0
**** All Agencies Difference ****			-17,966.6	2,417.5	101.0	-20,572.7	-12.4	0.0	100.0	0.0	-6	0	0

Column Definitions

18Adj Base (FY18 Adjusted Base) - FY17 Management Plan less one-time items, plus FY18 adjustments for position counts, funding transfers, line item transfers, temporary increments (IncT) from prior years, and additions for statewide items (risk management and most salary and benefit increases). The Adjusted Base is the "first cut" of the FY18 budget; it is the base to which the Governor's and the Legislature's increments, decrements, and fund changes are added.

18Gov (FY18 Governor Request) - Includes FY18 Adjusted Base plus the Governor's operating budget bill requests for increases (increments), decreases (decrements), fund source changes, and language transactions submitted by the Governor on December 15, 2016.