

**2012 Legislature - Operating Budget
Transaction Detail - Governor Structure
05-13Inc/Decs Column**

Numbers and Language

Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury | | | | | | | | | | | | |
| Tax Division | | | | | | | | | | | | |
| FY2006 CIP Receipts for Motor Fuel Tax Auditor RSA | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Tax Division enters into an annual reimbursable services agreement with DOTPF to provide auditors for the motor fuel tax program, which is funded through capital receipts. This increment provides for a fund source change from interagency receipts to CIP receipts so that anticipated receipts from this RSA are correctly recorded in the Tax Division budget.</i> | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -76.3 | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 76.3 | | | | | | | | | | |
| FY2006 Tobacco Tax Enforcement | Inc | 778.9 | 487.7 | 0.0 | 291.2 | 0.0 | 0.0 | 0.0 | 0.0 | 6 | 0 | 0 |
| <i>Tobacco Tax Enforcement</i> | | | | | | | | | | | | |
| <i>End Result: Optimal administration of current tax and gaming programs.</i> | | | | | | | | | | | | |
| <i>The department requests annualized funding of \$778.9 for tobacco tax enforcement. The funding will be used to support additional Tax Division enforcement and audit staff and associated costs, as well as contractual costs of \$206.4 with the Department of Public Safety.</i> | | | | | | | | | | | | |
| <i>During the FY2004 Special Legislative Session, at the request of Governor Murkowski, the legislature passed a bill (SB1001) that will increase the cigarette tax rate from \$1.00 per pack of 20 cigarettes to \$1.60 per pack effective January 1, 2005; with subsequent increases. The final increase and tax amount will be \$2.00 per pack on July 1, 2007.</i> | | | | | | | | | | | | |
| <i>Based on past experience in Alaska and in other states, the department is concerned that if it does not have an effective cigarette tax stamp enforcement program, cigarette bootlegging will flourish in Alaska. When the State of Michigan raised its tax rate, revenues actually decreased due to the lack of enforcement.</i> | | | | | | | | | | | | |
| <i>When the State of Hawaii enacted cigarette tax stamp legislation it hired 11 new enforcement officers. After one year of active enforcement, Hawaii's cigarette tax revenue increased nearly 50% from the previous year.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 778.9 | | | | | | | | | | |
| FY2006 Corporate Audit Program Revitalization | Inc | 998.6 | 562.1 | 9.0 | 391.5 | 36.0 | 0.0 | 0.0 | 0.0 | 9 | 0 | 0 |
| <i>Outcome: Increased Tax Revenues over next five years (and beyond)</i> | | | | | | | | | | | | |
| <i>Strategy: Investment in Tax Division to produce additional tax revenues from out of state corporations</i> | | | | | | | | | | | | |
| <i>Target: An additional \$5 million a year in tax revenues by year 5 of the investment</i> | | | | | | | | | | | | |
| <i>Measure: Incremental revenues from enforcement activities</i> | | | | | | | | | | | | |
| <i>Corporate Income tax has born the brunt of shifting resources to higher priorities. This is the first year of a five year plan to correct this imbalance.</i> | | | | | | | | | | | | |
| <i>Corporate audit effort has fallen 75% over 10 years as a result of budget pressures, resource diversion, and the inability to compete for experienced professionals. FY2005 audit effort will be at an all time low.</i> | | | | | | | | | | | | |
| <i>This investment will allow the Tax Division to:</i> | | | | | | | | | | | | |
| <i>Hire and train auditors.</i> | | | | | | | | | | | | |

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Taxation and Treasury (continued)

Tax Division (continued)

FY2006 Corporate Audit Program Revitalization
(continued)

Shift recruitment effort from the ineffective "hire knowledge" strategy to a "hire talent and train" strategy. The Tax Division can better compete for inexperienced but talented employees provided an effective training program exists. The Tax Division will contract with training experts in the field of federal and state taxation to develop a training program and materials that enable us to grow productive auditors internally from the labor pool in which we are more competitive.

The State's salary and benefit package has become uncompetitive for revenue auditors who have the experience and knowledge to perform corporate income tax audits. As a result, the division's efforts to recruit experienced corporate auditors have been unsuccessful. The Tax Division does not possess the capability to train inexperienced auditors. Auditors are diverted to research and legislative responsibilities. As a result, full time equivalent resources dedicated to audits of corporate income tax, the most impacted tax type, has declined to less than four FTEs. The Tax Division can no longer stay current with audits of Alaska's major oil and gas corporate income taxpayers. In addition, the Division needs to bolster its audit work in the fisheries and oil and gas production tax arenas.

Engage experts to identify and target strategies and opportunities targeting non-Alaskan corporations. The division would contract with multi-state and international tax experts to measure audit risk, identify audit targets, and recover lost revenue from abusive tax shelters through a combination of enforcement and amnesty programs targeting multi-state (non-Alaskan) corporations.

Actively coordinate with other state and federal agencies to identify and correct non-filers, abusive tax shelters, and common revenue recovery opportunities.

Leverage audit resources with Tax Technicians by re-establishing the compliance program to identify and correct non-filers and conduct targeted revenue producing projects using federal and state information exchanges and data mining technology.

Fill positions in the Oil and Gas Production tax and fisheries tax enforcement currently supported by audit staff. The Tax Division needs to invest efforts now in the Governor's development initiatives; in particular a project to bring Alaska's North Slope stranded gas to market. Hiring two additional economists will allow more analysis of appropriate tax structures, incentives and reforms to encourage natural resource development. Much of this work is now being performed by senior audit staff, and hiring additional economists will help in the effort to bolster audit hours.

| | | | | | | | | | | | | | |
|--|--------|--------|--------|-----|-----|-----|-----|-----|-----|-----|----|---|---|
| 1004 Gen Fund (UGF) | 998.6 | | | | | | | | | | | | |
| FY2006 Reduce increment for Corporate Audit Program | Dec | -250.0 | -250.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -3 | 0 | 0 |
| Revitalization - 2 economist positions and vacant position | | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | -250.0 | | | | | | | | | | | | |
| FY2006 CIP Receipts for Motor Fuel Tax Auditor RSA | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Tax Division enters into an annual reimbursable services agreement with DOTPF to provide auditors for the motor fuel tax program, which is funded through capital receipts. This fund source change from interagency receipts to CIP receipts corrects the Tax Division budget so that anticipated receipts from this RSA are correctly recorded.</i> | | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -20.0 | | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 20.0 | | | | | | | | | | | |

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| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Tax Division (continued) | | | | | | | | | | | | |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit | FisNot | 18.5 | 18.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 18.5 | | | | | | | | | | |
| FY2007 Replace Business License receipts with GF Concentrates Bus Lic receipts in DCCED | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 1,194.2 | | | | | | | | | | |
| 1175 BLic&Corp (DGF) | | -1,194.2 | | | | | | | | | | |
| L FY2007 CONTINGENT on enactment of SB 305 or HB 488 (OIL AND GAS PRODUCTION TAX) for FY06 operations goes in SST and HST | Suppl | 275.0 | 0.0 | 0.0 | 275.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 275.0 | | | | | | | | | | |
| FY2008 CIP Receipts for Salmon Price Report RSA | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This requests changes existing interagency receipts to CIP receipts so that budgeted authorization can be used for the annual reimbursable services agreement between Department of Fish & Game and the Tax Division to produce the Salmon Price Report.</i> | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -50.0 | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 50.0 | | | | | | | | | | |
| FY2008 Tax Auditor Salary Increases | Inc | 490.0 | 490.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>As a result of a Market Based Pay analysis, the salaries for thirty-four professional audit staff positions were increased by two state payroll ranges. The effect of this change is to increase the Tax Division's payroll burden by \$500,000. Audit staff are key to the Tax Division mission to collect taxes. Remaining competitive in the market place is instrumental in professional staff retention and the pay increase is intended to assist the division in attracting and retaining auditors. If this increment is not approved, the Tax Division would need to maintain an unacceptably high vacancy rate, which has a negative impact on the number of audits conducted and amount of taxes collected.</i> | | | | | | | | | | | | |
| <i>This increment directly affects revenues generated by three major tax audit groups: Oil and Gas, Corporate Income, and Excise Audit tax groups.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 490.0 | | | | | | | | | | |
| FY2008 Implementation of Petroleum Production Tax | Inc | 1,367.8 | 829.4 | 0.0 | 538.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment provides funding related to the passage of HB 3001 in the 2006 Second Special Session. Operating expenditures include costs for nine additional audit staff: one Oil and Gas Specialist, three Oil and Gas Revenue Auditor IV, four Oil and Gas Revenue Auditor III and one Tax Technician. These positions will fulfill the additional audit responsibilities inherent to the net profits tax on oil and gas producers. They are being added during FY2007 and will be located in Anchorage. Associated costs include systems programming costs, consultant costs to implement the new tax and associated office and computer supplies for new staff. If this increment is not approved, the Tax Division would have difficulty meeting the statutory requirements of this new tax.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 1,367.8 | | | | | | | | | | |
| FY2008 Implementation of Cruise Ship Initiative | Inc | 626.0 | 510.0 | 12.0 | 82.0 | 22.0 | 0.0 | 0.0 | 0.0 | 6 | 0 | 0 |
| <i>This increment provides the funding needed to implement the cruise ship tax initiative passed by voters in 2006. This initiative imposes an excise tax on cruise ship passengers and taxes the income of gaming or gambling activities on ships in Alaskan waters. The Tax Division projects a staffing increase of four tax auditors, two tax technicians and associated travel, contractual, supplies and equipment costs to implement and provide</i> | | | | | | | | | | | | |

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| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Tax Division (continued) | | | | | | | | | | | | |
| FY2008 Implementation of Cruise Ship Initiative (continued) | | | | | | | | | | | | |
| <i>compliance with the new taxes. These positions will become part of the Excise Audit Group located in Anchorage. If this increment is not approved, the Tax Division would have difficulty meeting the statutory requirements of these new tax types.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 626.0 | | | | | | | | | | |
| FY2008 AMD: Tax Division Audit Efficiencies | Dec | -217.3 | -200.0 | -10.0 | -6.0 | -1.3 | 0.0 | 0.0 | 0.0 | -2 | 0 | 0 |
| <i>Two vacant auditor positions will be deleted, along with funding for associated costs such as travel, supplies, and overhead. The Tax Division has been unable to fill several vacant auditor positions, in spite of an extensive advertising campaign. Since these positions have been unfilled and duties already spread among other employees, there should be no change in service.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -217.3 | | | | | | | | | | |
| L FY2008 Maximum allowable refund for capital expenditures and lease bids to eligible companies per AS 43.55.023(f), Sec21(c)Ch28 | Lang | 25,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 25,000.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 25,000.0 | | | | | | | | | | |
| FY2008 Ch. 61, SLA 2007 (SB84) - Testing & Packaging of Cigarettes | FisNot | 41.6 | 31.4 | 0.0 | 2.2 | 0.0 | 8.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| 1156 Rcpt Svcs (DGF) | | 41.6 | | | | | | | | | | |
| FY2008 Oil & Gas Production Tax: Expenditures (SB 80) | FisNot | 124.9 | 0.0 | 0.0 | 124.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 124.9 | | | | | | | | | | |
| FY2008 DID NOT PASS - Oil & Gas Production Tax: Expenditures (SB 80) | FisNot | -124.9 | 0.0 | 0.0 | -124.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | -124.9 | | | | | | | | | | |
| FY2009 Partial funding for Audit Master positions in anticipation of recruitment difficulty | Inc | 600.0 | 600.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 4 | 0 | 0 |
| <i>This increment request is based on the fiscal note for HB 2001, passed during the second special session in 2007 absent an appropriations bill.</i> | | | | | | | | | | | | |
| <i>The department will create four senior level auditor master positions in the exempt service with extensive industry oil and gas auditing experience. These positions will be classified as the Department's most senior level auditor positions and will have salaries that are consistent with market comparables beyond the current salary levels allowed under the existing Oil and Gas Revenue Auditor (OGRA) pay classification system. The need for exempt status is based upon the difficulties the department has recruiting experienced auditors to administer the tax. The department estimates the new exempt positions will cost the state approximately \$800.0 annually. In addition to the costs for auditors, the department expects that it will need one additional Programmer Analyst V position to maintain and manage the new oil and gas production tax database system at a cost of \$115.7 annually.</i> | | | | | | | | | | | | |
| <i>Contractual expenditures include \$1,013.2 annually to contract for audit assistance. This estimate is based on three auditors, working 40 hours per week each, for four years starting in January 2008 at an average rate of \$100 per hour, plus estimated transportation and lodging costs, and additional costs for training auditors. The need for such assistance is based upon the department's substantial difficulty in recruiting enough auditors to administer the oil and gas production tax. The department only anticipates the need for contract audit assistance for four years while the department recruits and trains auditors for positions that are currently vacant. The contract auditors would work in conjunction with department auditors during this time to maximize department resources</i> | | | | | | | | | | | | |

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Taxation and Treasury (continued)

Tax Division (continued)

FY2009 Partial funding for Audit Master
positions in anticipation of recruitment difficulty
(continued)

and help train department auditors. The department will also need an additional \$5.2 each year in contractual costs associated with the new Analyst Programmer V position.

1004 Gen Fund (UGF) 600.0

| | | | | | | | | | | | | |
|---|--------|-------|-----|-----|-------|-----|-----|-----|-----|---|---|---|
| FY2009 Funding for 2 contract auditors plus 30% overhead for travel related costs | IncOTI | 540.0 | 0.0 | 0.0 | 540.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
|---|--------|-------|-----|-----|-------|-----|-----|-----|-----|---|---|---|

This increment request is based on the fiscal note for HB 2001, passed during the second special session in 2007 absent an appropriations bill.

The department will create four senior level auditor master positions in the exempt service with extensive industry oil and gas auditing experience. These positions will be classified as the Department's most senior level auditor positions and will have salaries that are consistent with market comparables beyond the current salary levels allowed under the existing Oil and Gas Revenue Auditor (OGRA) pay classification system. The need for exempt status is based upon the difficulties the department has recruiting experienced auditors to administer the tax. The department estimates the new exempt positions will cost the state approximately \$800.0 annually. In addition to the costs for auditors, the department expects that it will need one additional Programmer Analyst V position to maintain and manage the new oil and gas production tax database system at a cost of \$115.7 annually.

Contractual expenditures include \$1,013.2 annually to contract for audit assistance. This estimate is based on three auditors, working 40 hours per week each, for four years starting in January 2008 at an average rate of \$100 per hour, plus estimated transportation and lodging costs, and additional costs for training auditors. The need for such assistance is based upon the department's substantial difficulty in recruiting enough auditors to administer the oil and gas production tax. The department only anticipates the need for contract audit assistance for four years while the department recruits and trains auditors for positions that are currently vacant. The contract auditors would work in conjunction with department auditors during this time to maximize department resources and help train department auditors. The department will also need an additional \$5.2 each year in contractual costs associated with the new Analyst Programmer V position.

1004 Gen Fund (UGF) 540.0

| | | | | | | | | | | | | |
|--|-----|-------|-------|-----|-----|-----|-----|-----|-----|---|---|---|
| FY2009 Programmer Analyst V for oil and gas production tax database system as outlined in fiscal note to HB 2001 | Inc | 120.9 | 115.7 | 0.0 | 5.2 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
|--|-----|-------|-------|-----|-----|-----|-----|-----|-----|---|---|---|

This increment request is based on the fiscal note for HB 2001, passed during the second special session in 2007 absent an appropriations bill.

The department will create four senior level auditor master positions in the exempt service with extensive industry oil and gas auditing experience. These positions will be classified as the Department's most senior level auditor positions and will have salaries that are consistent with market comparables beyond the current salary levels allowed under the existing Oil and Gas Revenue Auditor (OGRA) pay classification system. The need for exempt status is based upon the difficulties the department has recruiting experienced auditors to administer the tax. The department estimates the new exempt positions will cost the state approximately \$800.0 annually. In addition to the costs for auditors, the department expects that it will need one additional Programmer Analyst V position to maintain and manage the new oil and gas production tax database system at a cost of \$115.7 annually.

Contractual expenditures include \$1,013.2 annually to contract for audit assistance. This estimate is based on three auditors, working 40 hours per week each, for four years starting in January 2008 at an average rate of \$100

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| Taxation and Treasury (continued) | | | | | | | | | | | | | |
| Tax Division (continued) | | | | | | | | | | | | | |
| FY2009 Programmer Analyst V for oil and gas production tax database system as outlined in fiscal note to HB 2001 (continued) | | | | | | | | | | | | | |
| <i>per hour, plus estimated transportation and lodging costs, and additional costs for training auditors. The need for such assistance is based upon the department's substantial difficulty in recruiting enough auditors to administer the oil and gas production tax. The department only anticipates the need for contract audit assistance for four years while the department recruits and trains auditors for positions that are currently vacant. The contract auditors would work in conjunction with department auditors during this time to maximize department resources and help train department auditors. The department will also need an additional \$5.2 each year in contractual costs associated with the new Analyst Programmer V position.</i> | | | | | | | | | | | | | |
| | 1004 Gen Fund (UGF) | | 120.9 | | | | | | | | | | |
| | FY2009 Ch. 8, SLA 2008 (HB 321) Salmon Product Development Tax Credit | FisNot | 7.0 | 0.0 | 5.0 | 0.0 | 0.5 | 0.0 | 0.0 | 1.5 | 0 | 0 | 0 |
| | 1004 Gen Fund (UGF) | | 7.0 | | | | | | | | | | |
| L | FY2009 Alaska Resource Rebate Special Session - Compensation of Municipalities for Loss of Motor Fuel (Aviation) Tax Shared Rev | Special | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 0 | 0 | 0 |
| | 1004 Gen Fund (UGF) | | 100.0 | | | | | | | | | | |
| | FY2010 Restore Funding for Alaska Salmon Price Report | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Department of Revenue is mandated by statute, AS 43.80.060, to prepare and submit to the legislature the Alaska Salmon Price Report. When this legislation was passed in 2000 (HB 363, Chapter 62, SLA 2000) there was an accompanying fiscal note to provide funding for the Tax Division's staff resources needed to meet the requirements of the bill. In FY2004, \$50.0 GF of the fiscal note funding was changed to CIP Receipts to take advantage of funds available for this purpose from the Department of Fish and Game. However, this funding is no longer available from Fish and Game. The Tax Division now has \$50.0 of uncollectible CIP Receipts in their budget, and must cover the cost of preparing this report through vacancy. This request would restore the original GF funding that was provided in the fiscal note.</i> | | | | | | | | | | | | | |
| | 1004 Gen Fund (UGF) | | 50.0 | | | | | | | | | | |
| | 1061 CIP Rcpts (Other) | | -50.0 | | | | | | | | | | |
| | FY2010 Contract audit assistance during transition to Master Auditors | IncOTI | 270.0 | 0.0 | 0.0 | 270.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This was included in FY09 as a one-time increment. It was not removed in the governor's budget. This transaction removes it and will be accompanied by an associated increment.</i> | | | | | | | | | | | | | |
| | 1004 Gen Fund (UGF) | | 270.0 | | | | | | | | | | |
| | FY2010 Fourth Audit Master Position Funding- position approved in FY09 without funding in expectation of recruitment difficulty | Inc | 200.0 | 200.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment request is based on the fiscal note for the ACES legislation (HB 2001 Chapter 1 SSSLA 2007) for oil and gas tax amendments passed during the second special session in 2007 absent an appropriations bill.</i> | | | | | | | | | | | | | |
| <i>The department received authority in the FY2009 budget to create four senior level audit master positions in the exempt service with extensive industry oil and gas auditing experience. These positions are classified as the Department's most senior level auditor positions and have salaries that are consistent with market comparables beyond the current salary levels allowed under the existing Oil and Gas Revenue Auditor pay classification system.</i> | | | | | | | | | | | | | |

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| Taxation and Treasury (continued) | | | | | | | | | | | | | |
| Tax Division (continued) | | | | | | | | | | | | | |
| FY2010 Fourth Audit Master Position Funding- position approved in FY09 without funding in expectation of recruitment difficulty (continued) | | | | | | | | | | | | | |
| <i>Although funding for all four positions was requested during the FY2009 budget process, only three of the positions were funded due to anticipated recruitment difficulties. The Tax Division has now successfully recruited for and hired three of the four audit masters. In order to fill the fourth position, the amount necessary to pay the personal services costs is requested in the FY2010 budget. Without the funding for this position, the division will continue to hold it vacant, and will not have use of the needed expertise in oil and gas tax audits.</i> | | | | | | | | | | | | | |
| | 1004 Gen Fund (UGF) | | 200.0 | | | | | | | | | | |
| L | FY2010 FY10 Compensation of Municipalities for Loss of Motor Fuel (Aviation) Tax Shared Revenue 4SSLA CH 1 Sec 7 Sec 25(b), Ch 12, SLA09, P83, L21 | Lang | 55.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 55.0 | 0.0 | 0 | 0 | 0 |
| <i>This appropriation for the amount necessary in FY10, estimated to be \$55,000, holds municipal governments harmless for the loss of aviation fuel taxes that would be shared if the motor fuel tax was not suspended. Proposed legislation would suspend collection of all motor fuel taxes for one year, including fuels for highway use, watercraft and aviation. Under AS 43.40.010(e) sixty percent of the net proceeds of taxes on aviation fuel are refunded to a municipality that owns or leases and operates an airport. With higher than expected oil prices the State of Alaska is receiving surplus revenues from oil and gas taxes and royalties. At the same time, the municipal governments that operate airports are not receiving additional revenues and may not be in a position to make up for this revenue loss.</i> | | | | | | | | | | | | | |
| FY2008 amount was \$148,051: | | | | | | | | | | | | | |
| \$15,476 Anchorage | | | | | | | | | | | | | |
| \$75,398 Juneau | | | | | | | | | | | | | |
| \$27,048 Ketchikan Gateway Borough | | | | | | | | | | | | | |
| \$19,719 Kenai | | | | | | | | | | | | | |
| \$ 6,634 Kodiak | | | | | | | | | | | | | |
| \$ 1,103 Palmer | | | | | | | | | | | | | |
| \$ 1,832 Soldotna | | | | | | | | | | | | | |
| \$ 841 Wasilla | | | | | | | | | | | | | |
| | 1004 Gen Fund (UGF) | | 55.0 | | | | | | | | | | |
| | FY2011 Reduce general fund travel line item by 10 percent. | Dec | -28.4 | 0.0 | -28.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| | 1004 Gen Fund (UGF) | | -27.1 | | | | | | | | | | |
| | 1005 GF/Prgm (DGF) | | -1.3 | | | | | | | | | | |
| | FY2011 Budget Clarification Project;-- Cigarette testing program receipts | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| | 1005 GF/Prgm (DGF) | | 35.8 | | | | | | | | | | |
| | 1156 Rcpt Svcs (DGF) | | -35.8 | | | | | | | | | | |
| | FY2011 Alaska Gasline Inducement Act Information Reporting System | IncOTI | 300.0 | 0.0 | 0.0 | 300.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Alaska Gasline Inducement Act (AGIA) Information Reporting System is an integrated accounts receivable system that will electronically receive and process the licensee's monthly invoices and quarterly reimbursement</i> | | | | | | | | | | | | | |

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| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Tax Division (continued) | | | | | | | | | | | | |
| FY2011 Alaska Gasline Inducement Act | | | | | | | | | | | | |
| Information Reporting System (continued) | | | | | | | | | | | | |
| <i>requests. The current solution is an Excel spreadsheet approach that requires 100% manual processing resulting in substantial labor costs and increased opportunity for errors.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 300.0 | | | | | | | | | | |
| FY2011 CC: Reduce funding for Alaska Gasline Inducement Act Information Reporting System | Dec | -50.0 | 0.0 | 0.0 | -50.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Alaska Gasline Inducement Act (AGIA) Information Reporting System is an integrated accounts receivable system that will electronically receive and process the licensee's monthly invoices and quarterly reimbursement requests. The current solution is an Excel spreadsheet approach that requires 100% manual processing resulting in substantial labor costs and increased opportunity for errors.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -50.0 | | | | | | | | | | |
| FY2011 Petroleum Commercial Analyst Positions for Gasline and Production Tax Analysis | Inc | 800.0 | 800.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 4 | 0 | 0 |
| <i>These four exempt positions will provide the State of Alaska with expert level commercial analyses on gas and gasline tax issues. The need for exempt positions is to attract candidates with substantial industry experience without limitations of partially exempt or collective bargaining.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 800.0 | | | | | | | | | | |
| FY2011 CC: Reduce Petroleum Commercial Analyst Positions for Gasline and Production Tax Analysis | Dec | -400.0 | -400.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -2 | 0 | 0 |
| <i>These four exempt positions will provide the State of Alaska with expert level commercial analyses on gas and gasline tax issues. The need for exempt positions is to attract candidates with substantial industry experience without limitations of partially exempt or collective bargaining.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -400.0 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase | FisNot | 31.6 | 31.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>FY2011 Noncovered Employees Year 1 increase : \$31.6</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 18.5 | | | | | | | | | | |
| 1212 Stimulus09 (Fed) | | 13.1 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) Correct Unrealizable Fund Sources in the FY2011 Noncovered Year 1 Salary Increase | FisNot | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>1004 Gen Fund (UGF) 13.1</i> | | | | | | | | | | | | |
| <i>1212 Stimulus09 (Fed) -13.1</i> | | | | | | | | | | | | |
| FY2011 SEPARATE OIL & GAS PRODUCTION TAX (SB 305) | FisNot | 330.0 | 0.0 | 0.0 | 330.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>1004 Gen Fund (UGF) 330.0</i> | | | | | | | | | | | | |
| FY2011 VETO: SEPARATE OIL & GAS PRODUCTION TAX (SB 305) | Veto | -330.0 | 0.0 | 0.0 | -330.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>1004 Gen Fund (UGF) -330.0</i> | | | | | | | | | | | | |
| FY2012 Delete Vacant Chief Revenue Economic Research position (PCN 04-3255) and related costs | Dec | -150.0 | -140.0 | -5.0 | 0.0 | -5.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| <i>1004 Gen Fund (UGF) -150.0</i> | | | | | | | | | | | | |
| FY2012 Contractual funding to complete the work of the Chief Economist position that the Department has been unable to fill | Inc | 150.0 | 0.0 | 0.0 | 150.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>1004 Gen Fund (UGF) 150.0</i> | | | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------------|----------------|-------------|-------------------|-------------|-----------------|-----------|----------|----------|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Tax Division (continued) | | | | | | | | | | | | |
| FY2013 Replace Interagency Receipts with CIP Receipts | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Tax Division has budgeted interagency receipts (I/A) that were used in previous years but are not currently collectible. This fund change replaces the unusable funding with capital improvement project (CIP) receipts, which will be used in conjunction with capital projects related to the Tax Revenue Management System.</i> | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -37.0 | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 37.0 | | | | | | | | | | |
| FY2013 IT Positions for Tax Revenue Management System | Inc | 500.0 | 500.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5 | 0 | 0 |
| <i>IT positions are needed to support implementation of the Tax Revenue Management System (TRMS). All current systems will need to be maintained until the new system is fully implemented. It is anticipated that the current IT staff will need to be augmented with the following five positions:</i> | | | | | | | | | | | | |
| <i>1 - Analyst/Programmer II/III/IV/V</i> | | | | | | | | | | | | |
| <i>2 - Analyst/Programmer III/IV/V</i> | | | | | | | | | | | | |
| <i>2 - Systems Programmer II</i> | | | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 500.0 | | | | | | | | | | |
| FY2013 (HB 252) SMALL BUSINESS INCOME TAX EXEMPTION | FisNot | 113.2 | 108.5 | 0.0 | 4.7 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| <i>New language adds new categories of businesses that do not qualify for the exemption.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 113.2 | | | | | | | | | | |
| FY2013 DID NOT PASS: (HB 252) SMALL BUSINESS INCOME TAX EXEMPTION | FisNot | -113.2 | -108.5 | 0.0 | -4.7 | 0.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| <i>New language adds new categories of businesses that do not qualify for the exemption.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -113.2 | | | | | | | | | | |
| FY2013 Ch. 51, SLA 2012 (SB23 - Incorporated HB 252 Funding) - TAX/CREDIT: FILM/OIL & GAS/GAS STOR./CORP. | FisNot | 113.2 | 108.5 | 0.0 | 4.7 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| <i>New language adds new categories of businesses that do not qualify for the exemption.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 113.2 | | | | | | | | | | |
| * Allocation Total * | | 32,288.4 | 4,294.9 | -17.4 | 2,794.2 | 52.2 | 8.0 | 55.0 | 25,101.5 | 29 | 0 | 0 |
| Treasury Division | | | | | | | | | | | | |
| FY2006 Monitor investment compliance | Inc | 112.6 | 97.6 | 0.0 | 15.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| <i>Alaska State Pension Investment Board (ASPIB) commissioned a Fiduciary Audit in FY2002. One of the recommendations was that a compliance group be developed under the Comptroller. The auditors listed a minimum level of compliance that needed to be started. They also listed an optimal list of duties that should be developed over time and would take more than one staff person to implement and maintain. Treasury added the first position in FY2003 and has a baseline program going. We are seeking to add the second recommended position to complete the program.</i> | | | | | | | | | | | | |
| <i>In addition, the current Bloomberg Trading System includes a compliance module that the division is not able to fully utilize. This increment of \$15.0 would allow the division to purchase an add-on enhancement to the current trading system that will allow us to load data each night from the custodian (with accurate pricing) back to the trading system so that the compliance module can accurately test our internal portfolios for compliance with investment guidelines.</i> | | | | | | | | | | | | |
| <i>Mission and Measures: Integral to the achievement of our mission to manage the state's funds and improve risk</i> | | | | | | | | | | | | |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Treasury Division (continued) | | | | | | | | | | | | |
| FY2006 Monitor investment compliance (continued) | | | | | | | | | | | | |
| <i>adjusted returns is our ability to adequately monitor the compliance of our managers with established board investment guidelines. The early detection of violations or errors, through a well-staffed compliance function with adequate tools, should minimize the risk of these violations or errors having a negative impact on our returns.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 43.0 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 69.6 | | | | | | | | | | |
| FY2006 Unclaimed property WAGERS system internet module | IncOTI | 55.0 | 0.0 | 0.0 | 55.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>split the increment for the WAGERS system maintenance fee and internet module into 2 transactions</i> | | | | | | | | | | | | |
| 1005 GF/Prgm (DGF) | | 55.0 | | | | | | | | | | |
| FY2006 Unclaimed Property WAGERS system annual maintenance | Inc | 20.0 | 0.0 | 0.0 | 20.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1005 GF/Prgm (DGF) | | 20.0 | | | | | | | | | | |
| FY2006 Increased investment management costs due to increased market values | Inc | 127.6 | 0.0 | 0.0 | 127.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Management fees are a percentage of the market value under management. Assets under management have all grown either due to market returns or to additional funds given to Treasury to manage. For purposes of estimating our budget needs we take the actual assets at the beginning of the budgeting process and project that they will grow at median rates of return. The median return assumptions we use are provided by an external consultant.</i> | | | | | | | | | | | | |
| <i>Mission and Measures: Integral to the achievement of our mission to manage the state's funds and improve risk adjusted returns is our ability to adequately contract for management of those assets to qualified investment managers and staff.</i> | | | | | | | | | | | | |
| 1027 IntAirport (Other) | | 2.1 | | | | | | | | | | |
| 1046 Educ Loan (Other) | | 38.2 | | | | | | | | | | |
| 1066 Pub School (DGF) | | 14.7 | | | | | | | | | | |
| 1094 MHT Admin (Other) | | 15.0 | | | | | | | | | | |
| 1142 RHIF/MM (Other) | | 11.0 | | | | | | | | | | |
| 1143 RHIF/LTC (Other) | | 21.2 | | | | | | | | | | |
| 1169 PCE Endow (DGF) | | 25.4 | | | | | | | | | | |
| FY2006 Move investment officers' salaries closer to market | Inc | 80.0 | 80.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Alaska State Pension Investment Board adopted the Alaska Permanent Fund Corporation's salary schedule at their June 2003 meeting for like positions at Treasury. The \$60.0 in interagency receipts represents approximately 33% of the amount needed to fully implement the salary plan. The \$20.0 in GF represents increases in other investment officer positions that do not fill pension fund duties (cash and debt management staff).</i> | | | | | | | | | | | | |
| <i>Mission and Measures: Integral to the achievement of our mission to manage the state's pension funds and improve risk adjusted returns is our ability to adequately attract and retain qualified investment professionals. Current salaries are below both local (APFC levels) and national standards and put the funds at risk of recurring turnover in addition to longer-than-normal lengths of vacancies.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 20.0 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 60.0 | | | | | | | | | | |
| L FY2006 SB46, Sec 61(c) CBRF Investment Management Fee | Inc | 222.9 | 0.0 | 0.0 | 222.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The sum of \$125,000.00 is appropriated from the budget reserve fund to the Department of Revenue, Treasury</i> | | | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Treasury Division (continued) | | | | | | | | | | | | |
| FY2006 SB46, Sec 61(c) CBRF Investment | | | | | | | | | | | | |
| Management Fee (continued) | | | | | | | | | | | | |
| <i>Division, for the fiscal year ending June 30, 2006, for the investment management fees for the budget reserve fund.</i> | | | | | | | | | | | | |
| 1001 CBR Fund (Other) | | 222.9 | | | | | | | | | | |
| FY2006 2nd Year Fiscal Note Mine Reclamation Trust Ch137 | Inc | 6.0 | 6.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| SLA2004 (HB486) (Ch158 SLA2004 Sec2 P39 L21) | | | | | | | | | | | | |
| <i>To record a reduction in funding for the second year of the fiscal note for investment management of the Mine Reclamation Trust Fund.</i> | | | | | | | | | | | | |
| 1192 Mine Trust (Other) | | 6.0 | | | | | | | | | | |
| FY2006 LFD - Fiscal Note of Unclaimed Property Reporting | Inc | 30.0 | 20.0 | 0.0 | 10.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Time Ch90 SLA2004 (SB231) - FY06 Agency Request | | | | | | | | | | | | |
| <i>Fiscal Note shows 60.0 for FY05 and nothing there after. Agency only backed out 30.0 of FN, therefore, it results in an increment request for FY06.</i> | | | | | | | | | | | | |
| 1005 GF/Prgm (DGF) | | 30.0 | | | | | | | | | | |
| L FY2006 SB46, Sec. 61(c) AMD: CBRF Investment | Dec | -55.9 | 0.0 | 0.0 | -55.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Management Fee | | | | | | | | | | | | |
| <i>The original estimate for the amount needed for investment management fees for the Constitutional Budget Reserve Fund has been adjusted from 222.9 to 167.0, a reduction of \$55.9.</i> | | | | | | | | | | | | |
| 1001 CBR Fund (Other) | | -55.9 | | | | | | | | | | |
| FY2006 Ch. 94, SLA 2005 (SB 147) Sport Fish Facility | FisNot | 1,398.6 | 0.0 | 10.0 | 1,388.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Bonds/Surcharges | | | | | | | | | | | | |
| 1009 Rev Bonds (Other) | | 1,398.6 | | | | | | | | | | |
| FY2006 Ch. 28, SLA 2005 (SB 153) International Airports | FisNot | 15.0 | 0.0 | 15.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Revenue Bonds | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 15.0 | | | | | | | | | | |
| FY2006 Ch. 9, FSSLA 2005 (SB 141) Public Employee/Teacher | FisNot | 214.5 | 214.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3 | 0 | 0 |
| Retirement/Boards | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 214.5 | | | | | | | | | | |
| FY2006 Ch. 7, FSSLA 2005 (SB 73) School Bond | FisNot | 10.0 | 0.0 | 10.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Reimbursement/Virology Lab | | | | | | | | | | | | |
| <i>There was a title change from State Virology Lab</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 10.0 | | | | | | | | | | |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee | FisNot | 146.4 | 146.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Salary and Benefit | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 24.3 | | | | | | | | | | |
| 1005 GF/Prgm (DGF) | | 4.2 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 96.5 | | | | | | | | | | |
| 1027 IntAirport (Other) | | 2.8 | | | | | | | | | | |
| 1046 Educ Loan (Other) | | 2.0 | | | | | | | | | | |
| 1066 Pub School (DGF) | | 6.9 | | | | | | | | | | |
| 1098 ChildTrErn (DGF) | | 1.4 | | | | | | | | | | |
| 1142 RHIF/MM (Other) | | 2.6 | | | | | | | | | | |
| 1143 RHIF/LTC (Other) | | 1.6 | | | | | | | | | | |
| 1169 PCE Endow (DGF) | | 4.1 | | | | | | | | | | |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Treasury Division (continued) | | | | | | | | | | | | |
| L FY2006 Sec. 61(c), Ch. 3 FSSLA 2005 (SB 46) CBRF Investment Management Fee | Inc | 167.0 | 0.0 | 0.0 | 167.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The original estimate for the amount needed for investment management fees for the Constitutional Budget Reserve Fund has been adjusted from 222.9 to 167.0, a reduction of \$55.9.</i> | | | | | | | | | | | | |
| 1001 CBR Fund (Other) | | 167.0 | | | | | | | | | | |
| L FY2006 Supermajority vote failed so CBRF Investment Management Fee is ineffective | Dec | -167.0 | 0.0 | 0.0 | -167.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The original estimate for the amount needed for investment management fees for the Constitutional Budget Reserve Fund has been adjusted from 222.9 to 167.0, a reduction of \$55.9.</i> | | | | | | | | | | | | |
| 1001 CBR Fund (Other) | | -167.0 | | | | | | | | | | |
| FY2007 Maintain partial funding for Unclaimed Property WAGERS system Internet module | Inc | 2.5 | 0.0 | 0.0 | 2.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Eliminate one-time funding for purchase of Unclaimed Property WAGERS system module that allows owners to file their claims directly on the Internet.</i> | | | | | | | | | | | | |
| 1005 GF/Prgm (DGF) | | 2.5 | | | | | | | | | | |
| FY2007 Mine Reclamation Trust Fund managment fee increase | Inc | 6.0 | 6.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>To record an increase in funding for the third year of the fiscal note for investment management of the Mine Reclamation Trust Fund.</i> | | | | | | | | | | | | |
| 1192 Mine Trust (Other) | | 6.0 | | | | | | | | | | |
| FY2007 Investment officer's salaries closer to market - Phase II | Inc | 182.8 | 182.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment would allow the Treasury Division to be able to attract and retain State Investment Officers in a very competitive and dynamic employment market. Key staff work diligently to improve the risk adjusted return of funds under the stewardship of the Treasury Division. The state invests in external and internal training to ensure employees are competent in their accounting, investment and analytical responsibilities. This investment is lost when employees take this experience and move on to more lucrative employment opportunities.</i> | | | | | | | | | | | | |
| <i>End results: Integral to the achievement of our mission to manage the state's funds and improve risk adjusted returns is our ability to adequately attract and retain qualified investment professionals.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 54.8 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 128.0 | | | | | | | | | | |
| L FY2007 CBRF Investment Management Fees | Inc | 185.4 | 0.0 | 0.0 | 185.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Investment management fees for the constitutional budget reserve fund.</i> | | | | | | | | | | | | |
| 1001 CBR Fund (Other) | | 185.4 | | | | | | | | | | |
| FY2007 Eliminate funding for management of Mental Health Trust funds | Dec | -15.0 | 0.0 | 0.0 | -15.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Eliminate direct funding to Treasury for investment management fees for Mental Health Trust funds. Fees will be billed directly to the Mental Health Trust Authority in the future.</i> | | | | | | | | | | | | |
| 1094 MHT Admin (Other) | | -15.0 | | | | | | | | | | |
| FY2007 CC: Reduction - Investment officer's salaries closer to market - Phase II | Dec | -20.0 | -20.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment would allow the Treasury Division to be able to attract and retain State Investment Officers in a very competitive and dynamic employment market. Key staff work diligently to improve the risk adjusted return of funds under the stewardship of the Treasury Division. The state invests in external and internal training to ensure employees are competent in their accounting, investment and analytical responsibilities. This investment is lost when employees take this experience and move on to more lucrative employment opportunities.</i> | | | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Treasury Division (continued) | | | | | | | | | | | | |
| FY2007 CC: Reduction - Investment officer's salaries closer to market - Phase II (continued) | | | | | | | | | | | | |
| <i>End results: Integral to the achievement of our mission to manage the state's funds and improve risk adjusted returns is our ability to adequately attract and retain qualified investment professionals.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -20.0 | | | | | | | | | | |
| FY2008 Mine Reclamation Trust Fund Management Fee Increase | Inc | 6.0 | 6.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>To record an increase in funding for the fourth year of the fiscal note for investment management of the Mine Reclamation Trust Fund.</i> | | | | | | | | | | | | |
| 1192 Mine Trust (Other) | | 6.0 | | | | | | | | | | |
| FY2008 Move State Investment Officer Salaries to Market | Inc | 355.7 | 355.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment would allow the Treasury Division to continue to attract and retain State Investment Officers by narrowing the difference between state salaries and current salaries available in the employment market both inside and outside of Juneau. The Treasury Division has developed an investment staff that has achieved above average investment returns on over \$20 billion of assets. Debt, cash and financial operations combined are a money management operation in excess of \$30 billion.</i> | | | | | | | | | | | | |
| <i>The state invests in internal and external training to ensure these employees are competent in their accounting, investment and analytical responsibilities. This investment is lost when employees take this experience and move on to more lucrative employment opportunities. Financial results are published and monitored closely in world financial centers. State Investment Officers achieving the best results will attract the attention of potential employers. By offering salaries comparable to market, the state is in a better position to retain competent investment staff.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 124.5 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 231.2 | | | | | | | | | | |
| FY2008 AMD: Investment Officer Salary adjustment | Dec | -170.0 | -170.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This adjustment reduces the amount of the increment request in the FY2008 Governor's budget to bring investment officer salaries closer to market pay. The effect of this change is to reduce the number of Treasury's investment officers who will receive salary increases.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -59.5 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -110.5 | | | | | | | | | | |
| FY2009 Increase In-house Investment Management | Inc | 360.0 | 329.2 | 12.1 | 6.2 | 12.5 | 0.0 | 0.0 | 0.0 | 2 | 0 | 0 |
| <i>This request, if approved, will establish two new exempt investment officer positions in the Treasury Division's portfolio section for fixed-income and equity investments. Funding for these positions will come from the general fund (30%) and inter-agency receipts (70%), paid from the pension funds managed by the ARM Board and invested by Treasury.</i> | | | | | | | | | | | | |
| <i>Treasury's fixed-income staff manages nine separated fixed-income investment mandates, including the newly added Enhanced Cash and Treasury Inflation Protected Securities (TIPS) mandates. Fixed income assets under direct active management total in excess of \$12 billion for these mandates. The division's existing fixed-income staff have an outstanding reputation for skill and investment competence, not just in terms of competitive returns, but also in terms of dollars saved in management fees by taking back assets from Blackrock Asset Management.</i> | | | | | | | | | | | | |

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| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Treasury Division (continued) | | | | | | | | | | | | |
| FY2009 Increase In-house Investment Management (continued) | | | | | | | | | | | | |
| <p><i>Staff are looking into additional repatriations from separate account external managers. The knowledge and professional competence is in place to manage the assets "in-house," however the existing professional staff consists of five positions and capacity with the number of mandates and the size of assets under management is constrained. If this request is approved, the cost of the additional fixed-income investment officer position will be more than offset by the savings in external management fees.</i></p> <p><i>An additional equity investment officer is necessary to address growth of Treasury's private market and public market equity programs, and to provide oversight of the public market investment programs. Assets under management have not only increased, but the number of investment funds managed has increased as well. To satisfy the requirements of SB141, a number of additional investment funds must be managed and monitored by investment staff. This position will assist in managing these funds. While private market investment returns have exceeded 20%, earning the returns has proven labor intensive. Additionally, recent changes in governmental accounting practices require significantly greater involvement of equity investment staff in the auditing and valuation of private market investments. The additional investment officer will assist in monitoring investments and performing in-depth financial analysis on current and prospective investments and investment managers. An additional equity investment officer will make it possible to bring some equity investment in-house with potential for additional savings of investment manager fees.</i></p> <p><i>If this request is not approved, the division's ability to maximize returns, satisfy legal mandates, and contain external management fee costs will be compromised.</i></p> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 126.0 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 234.0 | | | | | | | | | | |
| FY2009 Increased Investment Management Cost for Retiree Health Insurance Major Medical Fund | Inc | 25.0 | 0.0 | 0.0 | 25.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>This increment, if approved, will fund increased costs of investment management services for the Retiree Health Insurance Major Medical Fund. Management costs are increasing as the assets under management are growing (35.9% in FY2007 from \$152.4 to \$207.1 million).</i></p> <p><i>If this request is not approved, the division will be required to absorb allocable costs that exceed the current amount appropriated from the Retiree Health Insurance Major Medical Fund by charging some of the allocable costs against the division's general fund appropriation.</i></p> | | | | | | | | | | | | |
| 1142 RHIF/MM (Other) | | 25.0 | | | | | | | | | | |
| FY2009 Bring Retained Fees for State Bond Committee Financial Advisor Services On-Budget | Inc | 250.0 | 0.0 | 0.0 | 250.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>This increment, if approved, would allow the Treasury Division to expend receipts collected solely for the purpose of settling bills with the State Bond Committee's financial advisor.</i></p> <p><i>At each bond closing, the bank handling the closing transaction distributes proceeds. Instead of a direct distribution (retained fee) to the financial advisor, which is the current practice, the distribution for those services would instead be recorded as an incoming restricted receipt; the financial advisor would bill the state for their service and be paid with a treasury warrant, thereby moving the expenditure "on budget."</i></p> <p><i>Bringing this expenditure "on-budget" in FY2009 will provide for clear transparency and accountability with regard</i></p> | | | | | | | | | | | | |

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|---|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | | |
| Treasury Division (continued) | | | | | | | | | | | | | |
| FY2009 Bring Retained Fees for State Bond Committee Financial Advisor Services | | | | | | | | | | | | | |
| On-Budget (continued) | | | | | | | | | | | | | |
| <i>to costs expended for financial advisory services for the State Bond Committee by fiscal year. If this increment request is not approved, the expense will remain "off-budget."</i> | | | | | | | | | | | | | |
| | 1108 Stat Desig (Other) | | 250.0 | | | | | | | | | | |
| L | FY2009 FY09 management costs due to increased fund balance | Special | 4,080.0 | 0.0 | 0.0 | 4,080.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| | 1001 CBR Fund (Other) | | 4,080.0 | | | | | | | | | | |
| | FY2009 Ch. 30, SLA 2008 (HB 314) G.O. Bonds for Transportation Projects | FisNot | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 0 | 0 | 0 |
| | 1004 Gen Fund (UGF) | | 1.0 | | | | | | | | | | |
| | FY2010 Update Fund Sources for Retiree Health | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Due to changes by the Alaska Retirement Management Board to the structure of the Retiree Health Care Trust Fund, the fund sources with the specific and now outdated designation of "Retiree Health Care" will be replaced with the broader designation of "Benefit System Receipts." Once changed, the Department of Revenue will be consistent with other departments in its use of the "Benefit System Receipts" fund source.</i> | | | | | | | | | | | | | |
| | 1017 Group Ben (Other) | | 81.7 | | | | | | | | | | |
| | 1142 RHIF/MM (Other) | | -2.6 | | | | | | | | | | |
| | 1143 RHIF/LTC (Other) | | -79.1 | | | | | | | | | | |
| | FY2010 Implement Cost Allocation Plan for Federal Compliance | 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 management of state pension funds, the state's general fund, the Constitutional Budget Reserve Fund, and various other state funds and accounts. Fulfillment of this responsibility includes allocating costs equitably among funds under management. Due to the participation by federal programs in providing funding to the state pension funds, a federally-approved cost allocation plan is required to bring the division into compliance with federal OMB circular A-87.</i> | | | | | | | | | | | | | |
| <i>In September, 2008, the Treasury Division received federal approval of a new cost allocation plan with an effective date retroactive to July 1, 2008. The cost allocation plan is based on fund net asset values as of the end of the prior, prior fiscal year (for example, the cost allocation plan in FY2010 will be based on FY2008 fund net asset values). Treasury's cost allocation method will be used to develop budgets and agreements for charging users of Treasury services, and for allocating 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, quantifiable statistics.</i> | | | | | | | | | | | | | |
| <i>To implement the plan, Treasury requests an increment from the general fund to replace funding for expenditures previously allocable to unbudgeted RSA's, and to adjust other funding sources to accommodate changes that will occur under the new plan.</i> | | | | | | | | | | | | | |
| | 1004 Gen Fund (UGF) | | 420.0 | | | | | | | | | | |
| | 1007 I/A Rcpts (Other) | | -85.6 | | | | | | | | | | |
| | 1027 IntAirport (Other) | | -53.2 | | | | | | | | | | |
| | 1046 Educ Loan (Other) | | -43.6 | | | | | | | | | | |
| | 1066 Pub School (DGF) | | -135.7 | | | | | | | | | | |
| | 1098 ChildTrErn (DGF) | | -26.9 | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|--------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Treasury Division (continued) | | | | | | | | | | | | |
| FY2010 Implement Cost Allocation Plan for Federal Compliance (continued) | | | | | | | | | | | | |
| 1143 RHIF/LTC (Other) | | -21.7 | | | | | | | | | | |
| 1169 PCE Endow (DGF) | | -53.3 | | | | | | | | | | |
| FY2010 Additional Funding to Implement Cost Allocation Plan for Federal Compliance | Inc | 152.0 | 109.1 | 1.2 | 39.7 | 2.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>The Treasury Division is responsible for management of state pension funds, the state's general fund, the Constitutional Budget Reserve Fund, and various other state funds and accounts. Fulfillment of this responsibility includes allocating costs equitably among funds under management. Due to the participation by federal programs in providing funding to the state pension funds, a federally-approved cost allocation plan is required to bring the division into compliance with federal OMB circular A-87.</i></p> <p><i>In September, 2008, the Treasury Division received federal approval of a new cost allocation plan with an effective date retroactive to July 1, 2008. The cost allocation plan is based on fund net asset values as of the end of the prior, prior fiscal year (for example, the cost allocation plan in FY2010 will be based on FY2008 fund net asset values). Treasury's cost allocation method will be used to develop budgets and agreements for charging users of Treasury services, and for allocating 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, quantifiable statistics.</i></p> <p><i>To implement the plan, Treasury requests an increment from the general fund to replace funding for expenditures previously allocable to unbudgeted RSA's, and to adjust other funding sources to accommodate changes that will occur under the new plan.</i></p> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 152.0 | | | | | | | | | | |
| L FY2010 Constitutional Budget Reserve Fund Investment Management, Sec 27(c), Ch 12, SLA09, P88, L5 | Lang | 1,673.0 | 301.4 | 3.4 | 1,362.7 | 5.5 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>This request is for the amount necessary for FY2010 operating costs related to management of the Constitutional Budget Reserve Fund (CBRF).</i></p> | | | | | | | | | | | | |
| 1001 CBR Fund (Other) | | 1,673.0 | | | | | | | | | | |
| FY2010 (HB 161) Juneau Support Bldg/AHFC Bldg | FisNot | 1,026.0 | 0.0 | 10.0 | 390.0 | 0.0 | 0.0 | 0.0 | 626.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 626.0 | | | | | | | | | | |
| 1163 COP (Other) | | 400.0 | | | | | | | | | | |
| FY2010 DID NOT PASS, (HB 161) Juneau Support Bldg/AHFC Bldg | FisNot | -1,026.0 | 0.0 | -10.0 | -390.0 | 0.0 | 0.0 | 0.0 | -626.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | -626.0 | | | | | | | | | | |
| 1163 COP (Other) | | -400.0 | | | | | | | | | | |
| L FY2011 Constitutional Budget Reserve Fund Investment Management Fee Increase due to Increased Assets Under Management | Lang | 387.0 | 69.7 | 0.8 | 315.2 | 1.3 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>This request is for the amount necessary for FY2011 operating costs related to management of the Constitutional Budget Reserve Fund (CBRF).</i></p> | | | | | | | | | | | | |
| 1001 CBR Fund (Other) | | 387.0 | | | | | | | | | | |
| FY2011 AMD: Funding for Investment Officer to Replace External Investment Manager | Inc | 220.0 | 209.7 | 3.3 | 6.0 | 1.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>This request will establish full year funding for one new exempt investment officer position in the Treasury</i></p> | | | | | | | | | | | | |

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|---|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | | |
| Treasury Division (continued) | | | | | | | | | | | | | |
| FY2011 AMD: Funding for Investment Officer to Replace External Investment Manager (continued) | | | | | | | | | | | | | |
| <i>Division's portfolio section, which was added during FY2010. Exempt investment officers are authorized by AS 39.25.110(26). Funding for this position will come from inter-agency receipts paid from the pension funds managed by the Alaska Retirement Management Board (ARMB) and invested by the Treasury Division. The full annual cost of the position is estimated to be \$220.0 and includes salary, benefits, travel, training, supplies and other costs associated with an additional position.</i> | | | | | | | | | | | | | |
| <i>This new position would support an internal effort to begin active management of other public market investments. Opportunities currently exist to provide active emerging market equity investment management through the use of exchange traded funds (ETF). ETFs are very attractive as investments because of their low costs, and stock-like features. ETFs have an embedded cost of approximately 58 basis points versus 100 basis points for management fees by external investment managers. The 42 point difference represents a potential savings to the State by using an in-house investment officer in making the asset allocation decisions.</i> | | | | | | | | | | | | | |
| <i>Approval of this request and related funding in the Alaska Retirement Management Board (ARMB) component will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.</i> | | | | | | | | | | | | | |
| | 1007 I/A Rcpts (Other) | | 220.0 | | | | | | | | | | |
| L | FY2011 AMD: Change Constitutional Budget Reserve Fund Investment Management Fees to General Fund | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This request changes the funding source for the amount necessary for FY2011 operating costs related to management of the Constitutional Budget Reserve Fund (CBRF).</i> | | | | | | | | | | | | | |
| | 1001 CBR Fund (Other) | | -2,060.0 | | | | | | | | | | |
| | 1004 Gen Fund (UGF) | | 2,060.0 | | | | | | | | | | |
| | FY2011 Reduce general fund travel line item by 10 percent. | Dec | -2.3 | 0.0 | -2.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| | 1004 Gen Fund (UGF) | | -2.3 | | | | | | | | | | |
| | FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The department's FY11 budget request for CBRF funds has been changed to GF in both the House and the Senate. All CBRF as a fund source has been removed from the DOR's budget.</i> | | | | | | | | | | | | | |
| | 1001 CBR Fund (Other) | | -8.0 | | | | | | | | | | |
| | 1004 Gen Fund (UGF) | | 8.0 | | | | | | | | | | |
| | FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The department's FY11 budget request for CBRF funds has been changed to GF in both the House and the Senate. All CBRF as a fund source has been removed from the DOR's budget.</i> | | | | | | | | | | | | | |
| | 1001 CBR Fund (Other) | | -5.6 | | | | | | | | | | |
| | 1004 Gen Fund (UGF) | | 5.6 | | | | | | | | | | |
| | FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase | FisNot | 66.8 | 66.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>FY2011 Noncovered Employees Year 1 increase : \$66.8</i> | | | | | | | | | | | | | |
| | 1001 CBR Fund (Other) | | 14.3 | | | | | | | | | | |
| | 1004 Gen Fund (UGF) | | 16.5 | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|---------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Treasury Division (continued) | | | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 | | | | | | | | | | | | |
| Noncovered Employees Salary Increase | | | | | | | | | | | | |
| (continued) | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 34.3 | | | | | | | | | | |
| 1027 IntAirport (Other) | | 0.3 | | | | | | | | | | |
| 1046 Educ Loan (Other) | | 0.1 | | | | | | | | | | |
| 1066 Pub School (DGF) | | 0.7 | | | | | | | | | | |
| 1169 PCE Endow (DGF) | | 0.6 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) Correct Unrealizable Fund Sources in the FY2011 Noncovered Year 1 Salary Increase | FisNot | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1001 CBR Fund (Other) | | -14.3 | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 14.3 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) LFD: Correct funding for FY 2011 Noncovered Employees Salary Increase | FisNot | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 0.6 | | | | | | | | | | |
| 1169 PCE Endow (DGF) | | -0.6 | | | | | | | | | | |
| FY2011 Ch. 95, SLA 2010 (HB 424) G.O. BONDS:EDUC./LIBRARY/RESEARCH FACIL. | FisNot | 10.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 10.0 | | | | | | | | | | |
| L FY2011 Sec 36, Ch 43, SLA 2010 - Sale of GO bonds expenses for library, education, and educational research facilities | Special | 4,766.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 4,766.4 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 4,766.4 | | | | | | | | | | |
| L FY2012 Reverse FY11 Funding for Constitutional Budget Reserve Fund Management SLA2010 CH41 Sec 34(b) | OTI | -2,060.0 | -371.1 | -4.2 | -1,677.9 | -6.8 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This reverses the FY2011 language section appropriation for the investment management of the Constitutional Budget Reserve Fund (CBRF).</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -2,060.0 | | | | | | | | | | |
| FY2012 Investment Management of Constitutional Budget Reserve Fund | IncM | 2,592.4 | 371.1 | 4.2 | 2,210.3 | 6.8 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This request is for the amount necessary for FY2012 operating costs related to investment management of the Constitutional Budget Reserve Fund (CBRF).</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 2,592.4 | | | | | | | | | | |
| L FY2012 Investment Management of Constitutional Budget Reserve Fund | Lang | 2,592.4 | 371.1 | 4.2 | 2,210.3 | 6.8 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This request is for the amount necessary for FY2012 operating costs related to investment management of the Constitutional Budget Reserve Fund (CBRF). OMB duplicated this transaction in section 1</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 2,592.4 | | | | | | | | | | |
| L FY2012 AMD: Remove Investment Management of Constitutional Budget Reserve Fund | Lang | -2,592.4 | -371.1 | -4.2 | -2,210.3 | -6.8 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This request is for the amount necessary for FY2012 operating costs related to investment management of the Constitutional Budget Reserve Fund (CBRF). OMB duplicated this transaction in section 1</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -2,592.4 | | | | | | | | | | |
| FY2012 With the change to an endowment structure beginning in FY12, trust earnings is no longer an active fund code | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |

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|--|---------------|----------------------|----------------------|-------------|-----------------|-------------|-------------------|------------|----------------|----------|----------|----------|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Treasury Division (continued) | | | | | | | | | | | | |
| FY2012 With the change to an endowment structure beginning in FY12, trust earnings is no longer an active fund code (continued) | | | | | | | | | | | | |
| 1098 ChildTrEm (DGF) | | -15.2 | | | | | | | | | | |
| 1099 ChildTrPrn (DGF) | | 15.2 | | | | | | | | | | |
| FY2013 Investment Management of Constitutional Budget Reserve Fund | | | | | | | | | | | | |
| <i>This is the amount necessary for FY2013 operating costs related to investment management of the Constitutional Budget Reserve Fund (CBRF).</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 399.6 | | | | | | | | | | |
| FY2013 Investment Management of Power Cost Equalization Endowment Fund | | | | | | | | | | | | |
| <i>This is the amount necessary for FY2013 operating costs related to investment management of the Power Cost Equalization Endowment Fund (PCE).</i> | | | | | | | | | | | | |
| 1169 PCE Endow (DGF) | | 80.4 | | | | | | | | | | |
| FY2013 Eliminate Unrealizable Funding | | | | | | | | | | | | |
| <i>The Children's Trust is no longer under the fiduciary management of the Treasury Division and the division will have no additional investment management costs.</i> | | | | | | | | | | | | |
| <i>The Mine Trust continues to be under the fiduciary management of Treasury, however the costs allocable to this fund source are very minimal, and declining as other funds grow. At this time the amount is not collectible and is not projected to be collectible in the near future. Likewise, \$250.0 in statutory designated program receipts are not collectible.</i> | | | | | | | | | | | | |
| 1099 ChildTrPrn (DGF) | | -15.2 | | | | | | | | | | |
| 1108 Stat Desig (Other) | | -250.0 | | | | | | | | | | |
| 1192 Mine Trust (Other) | | -24.0 | | | | | | | | | | |
| FY2013 AMD: Statewide Bankcard Compliance Costs | | | | | | | | | | | | |
| <i>Replace FY 2013 Governor's budget released December 15, 2011 language section below with appropriation in Section 1.</i> | | | | | | | | | | | | |
| <i>[Sec. 27. BANKCARD SERVICE FEES. (d) The amount necessary to compensate the Department of Revenue for compliance costs required for the state to accept bankcard or credit card payments during the fiscal year ending June 30, 2013, is appropriated for that purpose to the Department of Revenue.]</i> | | | | | | | | | | | | |
| <i>FY2013 December budget -- \$9,589.4</i> | | | | | | | | | | | | |
| <i>FY2013 Amendment -- \$77.0</i> | | | | | | | | | | | | |
| <i>TOTAL FY2013 -- \$9,666.4</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 77.0 | | | | | | | | | | |
| L FY2013 Sec 26(a), Ch 17, SLA 2012 (SB 160) - Expenses of sale and issuance of GO bonds if voters approve bonds. (FY13-FY16) | Cntngt | 3,559.2 | 0.0 | 0.0 | 3,559.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Contingent on enactment of SB163. Should also be on voter approval</i> | | | | | | | | | | | | |
| 1008 G/O Bonds (Other) | | 3,559.2 | | | | | | | | | | |
| * Allocation Total * | | 19,264.4 | 2,010.9 | 53.5 | 12,400.3 | 22.3 | 0.0 | 0.0 | 4,777.4 | 6 | 0 | 0 |

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Numbers and Language

Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Alaska State Pension Investment Board | | | | | | | | | | | | |
| FY2006 Monitor investment compliance | Inc | 104.6 | 0.0 | 0.0 | 104.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Alaska State Pension Investment Board (ASPIB) commissioned a Fiduciary Audit in FY2002. One of the recommendations was that a compliance group be developed under the Comptroller. The auditors listed a minimum level of compliance that needed to be started. They also listed an optimal list of duties that should be developed over time and would take more than one staff person to implement and maintain. Treasury added the first position in FY2003 and has a baseline program going. We are seeking to add the second recommended position to complete the program.</i> | | | | | | | | | | | | |
| <i>In addition, the current Bloomberg Trading System includes a compliance module that the division is not able to fully utilize. This increment of \$35.0 would allow the division to purchase an add-on enhancement to the current trading system that will allow us to load data each night from the custodian (with accurate pricing) back to the trading system so that the compliance module can accurately test our internal portfolios for compliance with investment guidelines.</i> | | | | | | | | | | | | |
| <i>Mission and Measures: Integral to the achievement of our mission to manage the state's pension funds and improve risk adjusted returns is our ability to adequately monitor the compliance of our managers with established board investment guidelines. The early detection of violations or errors, through a well-staffed compliance function with adequate tools, should minimize the risk of these violations or errors having a negative impact on our returns.</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 67.4 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 36.0 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 0.6 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 0.6 | | | | | | | | | | |
| FY2006 Move investment officers' salaries closer to market | Inc | 60.0 | 0.0 | 0.0 | 60.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Alaska State Pension Investment Board adopted the Alaska Permanent Fund Corporation's salary schedule at their June 2003 meeting for like positions at Treasury.</i> | | | | | | | | | | | | |
| <i>Mission and Measures: Integral to the achievement of our mission to manage the state's pension funds and improve risk adjusted returns is our ability to adequately attract and retain qualified investment professionals. Current salaries are below both local (APFC levels) and national standards and put the funds at risk of recurring turnover in addition to longer-than-normal lengths of vacancies.</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 38.4 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 20.4 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 1.0 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 0.2 | | | | | | | | | | |
| FY2006 Increase in legal and other investment contractual fees | Inc | 380.3 | 0.0 | 0.0 | 380.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>To reflect increased legal costs associated with increased activity in pertaining to class actions and other corporate governance issues; and, increased contract fees for external performance management, manager selection consultants and other interdepartmental contractual costs.</i> | | | | | | | | | | | | |
| <i>This increment also includes \$100.0 for the SBS and Deferred Compensation plans for performance measurement by an external consultant and for manager searches. The number of options available to participants has increased which has resulted in increased costs for performance measurement services. In addition, this increment will provide sufficient funds to allow the board to perform searches for new options when the need arises.</i> | | | | | | | | | | | | |
| <i>Missions and Measures: Integral to the achievement of our mission to manage the state's pension funds and</i> | | | | | | | | | | | | |

**2012 Legislature - Operating Budget
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|--|---------------|----------------------|----------------------|---------------|-----------------|--------------|-------------------|------------|------------|----------|----------|----------|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Alaska State Pension Investment Board (continued) | | | | | | | | | | | | |
| FY2006 Increase in legal and other investment contractual fees (continued) | | | | | | | | | | | | |
| <i>improve risk adjusted returns is our ability to adequately contract for:</i> | | | | | | | | | | | | |
| <i>1) legal services to react to issues of failures in corporate governance that have or might result in losses to those funds, and</i> | | | | | | | | | | | | |
| <i>2) services to independently verify our returns, and</i> | | | | | | | | | | | | |
| <i>3) services to help the board select the most qualified managers to improve the performance of the funds.</i> | | | | | | | | | | | | |
| 1017 Group Ben (Other) | | 100.0 | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 175.7 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 94.6 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 5.0 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 5.0 | | | | | | | | | | |
| FY2006 Ch. 9, FSSLA 2005 (SB 141) Public Employee/Teacher Retirement/Boards | FisNot | -4,144.4 | 0.0 | -127.9 | -3,896.5 | -50.0 | -70.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1017 Group Ben (Other) | | -199.0 | | | | | | | | | | |
| 1029 PERS Trust (Other) | | -2,553.5 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | -1,277.3 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | -31.6 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | -83.0 | | | | | | | | | | |
| * Allocation Total * | | -3,599.5 | 0.0 | -127.9 | -3,351.6 | -50.0 | -70.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| State Pension Custody and Management Fees | | | | | | | | | | | | |
| FY2006 Increased investment management costs due to increased market values. | Inc | 5,500.0 | 0.0 | 0.0 | 5,500.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Management fees are a percentage of the market value under management. In FY2003 and FY2005 ASPIB submitted a total of \$7.3 million in decrements in this line item due to market values falling. In the last year market values have grown due to a recovering market. For purposes of estimating our budget needs we take the actual assets at the beginning of the budgeting process and project that they will grow at median rates of return and then apply actual contract terms. The median return assumptions we use are provided by an external consultant.</i> | | | | | | | | | | | | |
| <i>Mission and Measures: Integral to the achievement of our mission to manage the state's pension funds and improve risk adjusted returns is our ability to adequately contract for management of those assets to qualified investment managers.</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 3,520.0 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 1,870.0 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 75.0 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 35.0 | | | | | | | | | | |
| FY2006 Ch. 9, FSSLA 2005 (SB 141) Public Employee/Teacher Retirement/Boards. From Pension to ARM Board Fee allocation. | FisNot | -31,913.6 | 0.0 | 0.0 | -31,913.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Transfer custody and management fees from Pension to Alaska Retirement Management Board Fees Allocation</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | -20,692.8 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | -10,760.9 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | -328.4 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | -131.5 | | | | | | | | | | |

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Numbers and Language

Agency: Department of Revenue

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|--|---------------|----------------------|----------------------|--------|-----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| State Pension Custody and Management Fees (continued) | | | | | | | | | | | | |
| * Allocation Total * | | -26,413.6 | 0.0 | 0.0 | -26,413.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Unclaimed Property | | | | | | | | | | | | |
| FY2011 Reduce general fund travel line item by 10 percent. | Dec | -0.9 | 0.0 | -0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | -0.5 | | | | | | | | | | |
| 1005 GF/Prgm (DGF) | | -0.4 | | | | | | | | | | |
| * Allocation Total * | | -0.9 | 0.0 | -0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Alaska Retirement Management Board | | | | | | | | | | | | |
| FY2006 Ch. 9, FSSLA 2005 (SB 141) Public Employee/Teacher Retirement/Boards | FisNot | 4,734.6 | 214.5 | 23.9 | 4,481.7 | 14.5 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 590.2 | | | | | | | | | | |
| 1017 Group Ben (Other) | | 199.0 | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 2,553.5 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 1,277.3 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 31.6 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 83.0 | | | | | | | | | | |
| FY2007 Additional funding for ARMB responsibilities | Inc | 661.9 | 0.0 | 72.0 | 603.9 | -14.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Alaska Retirement Management Board requests additional funding for the first full fiscal year of its operation.</i> | | | | | | | | | | | | |
| <i>The travel budget of \$72.0 includes increased costs for due diligence by staff and trustees, additional board meetings and Investment Advisory Council attendance at these meetings.</i> | | | | | | | | | | | | |
| <i>The contractual budget includes increased costs for investment trading and compliance monitoring services \$153.0, additional legal costs \$20.0, as well as contractual services to pay Treasury Division staff personal services costs \$262.4. The ARMB budget has a shortfall in contractual services due to statewide (health, retirement and salary) increases where the Treasury Division received the increase in budgeted authority but a corresponding increase was not made to the retirement board (previously Alaska State Pension Investment Board) component. The contractual budget also includes funding for increased personal services costs of \$128.0 in order for the Treasury Division to be able to attract and retain State Investment Officers in a very competitive and dynamic employment market.</i> | | | | | | | | | | | | |
| <i>Finally, the contractual budget includes funding of \$131.1 for Investment Advisory Council attendance at the additional meetings, the costs of the additional meetings, and honoraria for trustee attendance at meetings and a reduction in one time costs incurred in FY2006.</i> | | | | | | | | | | | | |
| <i>There is a reduction of <\$14.0> in supplies for the cost of space reconfiguration and one-time computer purchases.</i> | | | | | | | | | | | | |
| <i>This increment request, if approved, will allow the division to recognize possible improvements to asset allocation through greater diversification by expanding the number of asset classes evaluated.</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 447.5 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 209.8 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 3.8 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 0.8 | | | | | | | | | | |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Alaska Retirement Management Board (continued) | | | | | | | | | | | | |
| FY2007 Rent increase for state-owned facilities | Inc | 23.6 | 0.0 | 0.0 | 23.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The FY2007 approved Public Building Fund rates for the State Office Building in Juneau reflect an increase of 40% over FY2006 rates. This translates into an additional \$140,900 in rent costs for the Department of Revenue. This increment request will fund the amount of the rent increase from FY2006 to FY2007 for this component.</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 16.5 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 7.1 | | | | | | | | | | |
| FY2007 Cost of personal services provided by Treasury Management | Inc | 134.1 | 0.0 | 0.0 | 134.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The FY2007 Treasury Management budget includes personal services cost increases for wages, health insurance, retirement, and risk management. This request adds a corresponding amount to the ARMB budget in contractual to pay for services provided by Treasury.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 16.0 | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 79.8 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 37.4 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 0.7 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 0.2 | | | | | | | | | | |
| FY2007 First year implementation of defined contribution plan | Inc | 150.0 | 0.0 | 0.0 | 150.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The fiscal note for SB141, which was prepared based on a July 1, 2005 plan implementation, reflects a \$324.0 general fund reduction in the Alaska Retirement Management Board component for FY2007. Due to changes in legislation, the actual effective date for the new defined contribution retirement plan is July 1, 2006. It is estimated that an additional \$150.0 GF is needed in the first year of implementation for investment consulting and performance measurement costs for the new defined contribution funds. Startup costs will exist in FY2006 and FY2007 that cannot be charged to the participants in the defined contribution plans as the number of participants will initially be small in the first year.</i> | | | | | | | | | | | | |
| <i>The new defined contribution plan will have a similar number and type of options as the current Supplemental Benefits System (SBS). All of the accounts must be available on July 1, 2006, and will begin carrying balances as new employees are hired. In addition to these employee accounts, SB 141 also creates a new Employer Vesting Fund, a Medical Program Fund and a Health Reimbursement Fund. Each of these funds has different objectives and each fund requires different management, investment policies, and asset allocations. FY2007 will be the first year of existence for these funds.</i> | | | | | | | | | | | | |
| <i>It is the Treasury Division's objective to utilize any and all economies of scale and to negotiate management fees based on all of the investments held, however, the Treasury Division will be entering into new performance measurement contracts and will need additional funds for consulting, manager selection and auditing of the new funds in the first year. Treasury has been able to reduce these first year expected costs through fund selection, utilizing to the maximum extent managers with whom they have an existing relationship. In spite of these efforts it is still estimated that the first year consulting and performance measurement costs will be approximately 150.0 greater than the costs in year two.</i> | | | | | | | | | | | | |
| <i>General funds are requested because the existing tiers of PERS and TRS are defined benefit plans, and the state's existing defined contribution plans (SBS and deferred compensation) are legally separate from the new defined contribution plan created in SB141. It is assumed that by FY2009, as more employees are hired into the new tiers, program costs will be funded through an assessment on defined contribution accounts, similar to the SBS program currently in place. As the number of participants grows, the GF can be backed out as was contemplated in the fiscal note. General funds will be reduced 25% per year from FY2009-2012.</i> | | | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Alaska Retirement Management Board (continued) | | | | | | | | | | | | |
| FY2007 First year implementation of defined contribution plan (continued) | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 150.0 | | | | | | | | | | |
| FY2007 CC: Reduction - First year implementation of defined contribution plan | Dec | -50.0 | 0.0 | 0.0 | -50.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>The fiscal note for SB141, which was prepared based on a July 1, 2005 plan implementation, reflects a \$324.0 general fund reduction in the Alaska Retirement Management Board component for FY2007. Due to changes in legislation, the actual effective date for the new defined contribution retirement plan is July 1, 2006. It is estimated that an additional \$150.0 GF is needed in the first year of implementation for investment consulting and performance measurement costs for the new defined contribution funds. Startup costs will exist in FY2006 and FY2007 that cannot be charged to the participants in the defined contribution plans as the number of participants will initially be small in the first year.</i></p> <p><i>The new defined contribution plan will have a similar number and type of options as the current Supplemental Benefits System (SBS). All of the accounts must be available on July 1, 2006, and will begin carrying balances as new employees are hired. In addition to these employee accounts, SB 141 also creates a new Employer Vesting Fund, a Medical Program Fund and a Health Reimbursement Fund. Each of these funds has different objectives and each fund requires different management, investment policies, and asset allocations. FY2007 will be the first year of existence for these funds.</i></p> <p><i>It is the Treasury Division's objective to utilize any and all economies of scale and to negotiate management fees based on all of the investments held, however, the Treasury Division will be entering into new performance measurement contracts and will need additional funds for consulting, manager selection and auditing of the new funds in the first year. Treasury has been able to reduce these first year expected costs through fund selection, utilizing to the maximum extent managers with whom they have an existing relationship. In spite of these efforts it is still estimated that the first year consulting and performance measurement costs will be approximately 150.0 greater than the costs in year two.</i></p> <p><i>General funds are requested because the existing tiers of PERS and TRS are defined benefit plans, and the state's existing defined contribution plans (SBS and deferred compensation) are legally separate from the new defined contribution plan created in SB141. It is assumed that by FY2009, as more employees are hired into the new tiers, program costs will be funded through an assessment on defined contribution accounts, similar to the SBS program currently in place. As the number of participants grows, the GF can be backed out as was contemplated in the fiscal note. General funds will be reduced 25% per year from FY2009-2012.</i></p> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -50.0 | | | | | | | | | | |
| FY2008 Move State Investment Officer Salaries to Market | Inc | 231.2 | 0.0 | 0.0 | 231.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>This increment would allow the Treasury Division to continue to attract and retain State Investment Officers by narrowing the difference between state salaries and current salaries available in the employment market both inside and outside of Juneau. The Treasury Division has developed an investment staff that has achieved above average investment returns on over \$20 billion of assets. Debt, cash and financial operations combined are a money management operation in excess of \$30 billion.</i></p> <p><i>The state invests in internal and external training to ensure these employees are competent in their accounting, investment and analytical responsibilities. This investment is lost when employees take this experience and move on to more lucrative employment opportunities. Financial results are published and monitored closely in world</i></p> | | | | | | | | | | | | |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Alaska Retirement Management Board (continued) | | | | | | | | | | | | |
| FY2008 Move State Investment Officer Salaries to Market (continued) | | | | | | | | | | | | |
| <i>financial centers. State Investment Officers achieving the best results will attract the attention of potential employers. By offering salaries comparable to market, the state is in a better position to retain competent investment staff.</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 150.3 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 74.9 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 3.7 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 2.3 | | | | | | | | | | |
| FY2008 AMD: Reduce Increment for Investment Officer Salaries | Dec | -110.5 | 0.0 | 0.0 | -110.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This adjustment reduces the amount of the increment request in the FY2008 Governor's budget to bring investment officer salaries closer to market pay. The effect of this change is to reduce the number of Treasury's investment officers who will receive salary increases, and reduce the Alaska Retirement Board's share of the investment officer salary increase.</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | -71.8 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | -35.8 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | -1.8 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | -1.1 | | | | | | | | | | |
| FY2009 Independent Audit of Actuary | IncOTI | 300.0 | 0.0 | 0.0 | 300.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>AS 37.10.220 (10) requires that the Alaska Retirement Management Board contract for an independent audit of the state's actuary not less than once every four years. This one-time item is requested to provide funding for the cost of the audit contract.</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 195.6 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 100.3 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 2.8 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 1.3 | | | | | | | | | | |
| FY2010 Update Fund Sources for Retiree Health | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Due to changes by the Alaska Retirement Management Board to the structure of the Retiree Health Care Trust Fund, the fund sources with the specific and now outdated designation of "Retiree Health Care" will be replaced with the broader designation of "Benefit System Receipts." Once changed, the Department of Revenue will be consistent with other departments in its use of the "Benefit System Receipts" fund source.</i> | | | | | | | | | | | | |
| 1017 Group Ben (Other) | | 113.0 | | | | | | | | | | |
| 1142 RHIF/MM (Other) | | -113.0 | | | | | | | | | | |
| FY2010 Implement Cost Allocation Plan for Federal Compliance | 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 management of state pension funds, the state's general fund, the Constitutional Budget Reserve Fund, and various other state funds and accounts. Fulfillment of this responsibility includes allocating costs equitably among funds under management. Due to the participation by federal programs in providing funding to the state pension funds, a federally-approved cost allocation plan is required to bring the division into compliance with federal OMB circular A-87.</i> | | | | | | | | | | | | |
| <i>In September, 2008, the Treasury Division received federal approval of a new cost allocation plan with an effective date retroactive to July 1, 2008. The cost allocation plan is based on fund net asset values as of the end of the</i> | | | | | | | | | | | | |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Alaska Retirement Management Board (continued) | | | | | | | | | | | | |
| FY2010 Implement Cost Allocation Plan for | | | | | | | | | | | | |
| Federal Compliance (continued) | | | | | | | | | | | | |
| <i>prior, prior fiscal year (for example, the cost allocation plan in FY2010 will be based on FY2008 fund net asset values). Treasury's cost allocation method will be used to develop budgets and agreements for charging users of Treasury services, and for allocating 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, quantifiable statistics.</i> | | | | | | | | | | | | |
| <i>To implement the plan, Treasury requests an increment from the general fund to replace funding for expenditures previously allocable to unbudgeted RSA's, and to adjust other funding sources to accommodate changes that will occur under the new plan.</i> | | | | | | | | | | | | |
| 1017 Group Ben (Other) | | 74.6 | | | | | | | | | | |
| 1029 PERS Trust (Other) | | -49.5 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | -24.6 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | -0.4 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | -0.1 | | | | | | | | | | |
| FY2010 Administration of Additional Investment Options for Participants | Inc | 249.5 | 0.0 | 0.0 | 249.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Beginning in FY2009, the Alaska Retirement Management Board (ARMB) has implemented plans to increase the number of investment options available to participants in the Supplemental Benefits System, Defined Contribution, and Deferred Compensation plans from 13 to as many as 28. This increment is requested to fund the resulting increased performance measurement and consulting costs anticipated from Callan Associates, the division's performance measurement consultant.</i> | | | | | | | | | | | | |
| 1017 Group Ben (Other) | | 249.5 | | | | | | | | | | |
| FY2010 AMD: Benefits Systems Receipts to Implement Treasury Cost Allocation Plan | Inc | 900.0 | 0.0 | 0.0 | 900.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>An additional \$900.0 in expenditure authorization is requested for costs allocable to the supplemental annuity plan (SBS) and deferred compensation plan (DCP) under Treasury's federally-approved cost allocation plan which was approved retroactive to July 1, 2008.</i> | | | | | | | | | | | | |
| 1017 Group Ben (Other) | | 900.0 | | | | | | | | | | |
| FY2010 AMD: One Time Item for Performance Consultant Audit | IncOTI | 150.0 | 0.0 | 0.0 | 150.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The department requests funding to engage a contractor to conduct an audit of the Alaska Retirement Management Board's performance consultant, as required under AS 37.10.220 (11).</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 102.5 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 46.6 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 0.8 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 0.1 | | | | | | | | | | |
| FY2011 AMD: Funding for Investment Officer Position | Inc | 220.0 | 0.0 | 0.0 | 220.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This action increases funding in the Alaska Retirement Management Board (ARMB) component to fund one new investment officer position provided by the Treasury Division. Approval of the new position and this funding request will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.</i> | | | | | | | | | | | | |
| 1017 Group Ben (Other) | | 38.7 | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 124.5 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 55.0 | | | | | | | | | | |

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Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Alaska Retirement Management Board (continued) | | | | | | | | | | | | |
| FY2011 AMD: Funding for Investment Officer | | | | | | | | | | | | |
| Position (continued) | | | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 1.3 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 0.5 | | | | | | | | | | |
| FY2011 Reduce general fund travel line item by 10 percent. | Dec | -0.9 | 0.0 | -0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | -0.9 | | | | | | | | | | |
| FY2011 Funding for FY 2011 GGU Employees Salary and Health Increase Increase | Inc | 23.6 | 0.0 | 0.0 | 23.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Department of Revenue requests an increase in pension funds in the AK Retirement Mgmt Board (ARMB) component to correspond with the interagency receipts being added to the Treasury component for FY11 wage and benefit increases. Treasury's I/A receipts are collected from the pension funds managed by ARMB; if additional funds aren't made available for ARMB to pay for the increases, then Treasury's I/A will be uncollectible.</i> | | | | | | | | | | | | |
| 1017 Group Ben (Other) | | 4.2 | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 13.4 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 5.9 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 0.1 | | | | | | | | | | |
| FY2011 Funding for FY 2011 SU Employees Salary and Health Increase Increase | Inc | 11.9 | 0.0 | 0.0 | 11.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Department of Revenue requests an increase in pension funds in the AK Retirement Mgmt Board (ARMB) component to correspond with the interagency receipts being added to the Treasury component for FY11 wage and benefit increases. Treasury's I/A receipts are collected from the pension funds managed by ARMB; if additional funds aren't made available for ARMB to pay for the increases, then Treasury's I/A will be uncollectible.</i> | | | | | | | | | | | | |
| 1017 Group Ben (Other) | | 2.1 | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 6.7 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 3.0 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 0.1 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) Funding for FY 2011 Noncovered Employees Salary Increase | FisNot | 34.3 | 0.0 | 0.0 | 34.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Department of Revenue requests an increase in pension funds in the AK Retirement Mgmt Board (ARMB) component to correspond with the interagency receipts being added to the Treasury component for FY11 wage and benefit increases. Treasury's I/A receipts are collected from the pension funds managed by ARMB; if additional funds aren't made available for ARMB to pay for the increases, then Treasury's I/A will be uncollectible.</i> | | | | | | | | | | | | |
| 1017 Group Ben (Other) | | 6.0 | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 19.5 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 8.6 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 0.2 | | | | | | | | | | |
| FY2012 Funding for Investment Staff FY 2012 Personal Services Increases | IncM | 79.9 | 0.0 | 0.0 | 79.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Department of Revenue requests an increase in pension funds in the Alaska Retirement Management Board (ARMB) component to correspond with the interagency receipts being added to the Treasury component for FY12 wage and benefit increases. Treasury's I/A receipts are collected from the pension funds managed by ARMB; if additional funds aren't made available for ARMB to pay for the increases, then Treasury's I/A will be uncollectible.</i> | | | | | | | | | | | | |
| 1017 Group Ben (Other) | | 13.3 | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 45.4 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 19.6 | | | | | | | | | | |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Alaska Retirement Management Board (continued) | | | | | | | | | | | | |
| FY2012 Funding for Investment Staff FY 2012 | | | | | | | | | | | | |
| Personal Services Increases (continued) | | | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 1.5 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 0.1 | | | | | | | | | | |
| * Allocation Total * | | 7,743.2 | 214.5 | 95.0 | 7,433.2 | 0.5 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Alaska Retirement Management Board Custody and Management Fees | | | | | | | | | | | | |
| FY2006 Ch. 9, FSSLA 2005 (SB 141) Public Employee/Teacher Retirement/Boards. From Pension to ARM Board fee allocation. | FisNot | 31,913.6 | 0.0 | 0.0 | 31,913.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Transfer custody and management fees from Pension to Alaska Retirement Management Board Fees Allocation</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 20,692.8 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 10,760.9 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 328.4 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 131.5 | | | | | | | | | | |
| FY2007 AMD: Increased Investment Management Fees | Inc | 6,715.8 | 0.0 | 0.0 | 6,715.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Treasury projects a need for increased expenditure authorization in FY07 in anticipation of increases in net asset values, addition of new external investment managers and revisions to existing fee schedules as investment management contracts are renewed or renegotiated.</i> | | | | | | | | | | | | |
| <i>Investment management fees are charged as a percent of the market value of invested assets under management. Fluctuations in the market affect the value of the assets, which in turn affects the amount of management fees. Treasury relies on the 5-year expected median return provided by an external investment consultant to project asset values. Projected investment management fees are calculated using projected asset values plus a 5% contingency which is added to allow for unanticipated upswings in market performance and asset values. Budget requests for this component are also adjusted if the additions of any new asset classes are anticipated.</i> | | | | | | | | | | | | |
| <i>Treasury will continually monitor financial market activity for any significant changes affecting these estimates. In the event of changes in financial markets/net asset values that result in lower investment management fees than those currently projected, any available expenditure authorization that exceeds the amount required to pay investment management and custody fees would lapse back to the pension fund from which the expenditure authorization was appropriated.</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 4,499.5 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 2,149.1 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 33.6 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 33.6 | | | | | | | | | | |
| FY2008 Increased Investment and Custody Fees | Inc | 7,002.4 | 0.0 | 0.0 | 7,002.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment funds the increase in the cost of investment and custody fees for assets under management. Custody costs will increase 3% as a result of negotiated contracts, and assets under management are experiencing continued growth in part as a result of increased employer contributions.</i> | | | | | | | | | | | | |
| <i>Investment management fees are charged as a percent of the market value of invested assets under management. Fluctuations in the market affect the value of the assets, which in turn affects the amount of management fees. Treasury relies on the 5-year expected median return provided by an external investment</i> | | | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Alaska Retirement Management Board Custody and Management Fees (continued) | | | | | | | | | | | | |
| FY2008 Increased Investment and Custody | | | | | | | | | | | | |
| Fees (continued) | | | | | | | | | | | | |
| <i>consultant to project asset values. Projected investment management fees are calculated using projected asset values plus a 5% contingency which is added to allow for unanticipated upswings in market performance and asset values. Budget requests for this component are also adjusted if the additions of any new asset classes are anticipated.</i> | | | | | | | | | | | | |
| <i>Treasury will continually monitor financial market activity for any significant changes affecting these estimates. In the event of changes in financial markets/net asset values that result in lower investment management fees than those currently projected, any available expenditure authorization that exceeds the amount required to pay investment management and custody fees would lapse back to the pension fund from which the expenditure authorization was appropriated.</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | 4,758.5 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | 2,193.0 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | 41.0 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | 9.9 | | | | | | | | | | |
| FY2008 Termination of External Investment Manager | Dec | -1,256.7 | 0.0 | 0.0 | -1,256.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>As a result of the investment successes of the Treasury Portfolio staff, the Alaska Retirement Management Board (ARMB) approved an action item at its June 2006 board meeting to terminate its relationship with the investment firm, BlackRock, and transferred the assets back to the fixed income portfolio internally managed by Treasury investment officers. External management fees are reduced \$1,256.7 by termination of this contract.</i> | | | | | | | | | | | | |
| <i>BlackRock managed fixed income investments for the Public Employee Retirement System, Teachers Employee Retirement System, Judicial Retirement System and Military Retirement System. BlackRock has performed well since inception, both relative to the Lehman Aggregate index and its peers. The net-of-fee performance between BlackRock and the internally managed fixed income portfolio has been comparable.</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | -845.0 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | -400.3 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | -8.0 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | -3.4 | | | | | | | | | | |
| FY2010 AMD: Reduction in Investment Management Fees | Dec | -8,546.7 | 0.0 | 0.0 | -8,546.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>A decrement in expenditure authorization is requested for FY2010 to reflect downturn in financial markets and resulting reduction in fees billed by investment managers, as fees are based on net asset values of invested assets.</i> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | -5,842.9 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | -2,653.5 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | -44.6 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | -5.7 | | | | | | | | | | |
| FY2011 AMD: Replace External Investment Manager with New Investment Officer Position | Dec | -850.0 | 0.0 | 0.0 | -850.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>A decrement in expenditure authorization is requested for FY2011 to reflect a decline in management fees resulting from a reduction in actively managed large cap publicly traded stocks as well as a decrease in management fees resulting from manager terminations due to organizational and performance issues and renegotiated contracts at a lower rate.</i> | | | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|------------|-----------------|-------------|-------------------|------------|------------|----------|----------|----------|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Alaska Retirement Management Board Custody and Management Fees (continued) | | | | | | | | | | | | |
| FY2011 AMD: Replace External Investment Manager with New Investment Officer Position (continued) | | | | | | | | | | | | |
| <p><i>If this request is approved Treasury would, with the approval of the Alaska Retirement Management Board, begin investing in emerging markets and frontier markets exchange traded funds (ETFs). ETFs have an embedded cost of approximately 58 basis points versus 100 basis points for management fees by external investment managers. The 42 point difference represents a potential savings to the State by using an in-house investment officer in making the asset allocation decisions.</i></p> | | | | | | | | | | | | |
| 1029 PERS Trust (Other) | | -584.6 | | | | | | | | | | |
| 1034 Teach Ret (Other) | | -256.3 | | | | | | | | | | |
| 1042 Jud Retire (Other) | | -7.1 | | | | | | | | | | |
| 1045 Nat Guard (Other) | | -2.0 | | | | | | | | | | |
| * Allocation Total * | | 34,978.4 | 0.0 | 0.0 | 34,978.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Permanent Fund Dividend Division | | | | | | | | | | | | |
| FY2006 Declining support from APFC for printing application booklet | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>A fund change is requested to replace interagency receipts previously received through an RSA with the Permanent Fund Corporation (APFC). The APFC is no longer a participant in publishing the Permanent Fund Dividend Application Booklet.</i></p> | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -15.0 | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 15.0 | | | | | | | | | | |
| FY2006 Increased cost of mainframe services for PFD processing | Inc | 200.0 | 0.0 | 0.0 | 200.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>The Permanent Fund Dividend Division requests a FY2006 operating budget increment for \$200.0 in the contractual line item.</i></p> <p><i>The Permanent Fund Dividend Division's Enterprise Technology Services (ETS) billings for mainframe services are expected to increase \$130.7 for FY2005, with additional increases in FY2006 for a total of \$215.3.</i></p> <p><i>To achieve the PFD Division's mission and to accomplish the PFD Performance Management Target to pay all eligible applicants timely, the division must maximize the use of computer technology. State mainframe services are essential to processing the 625,000 annual applications and almost two million associated documents. Mainframe functions include:</i></p> <p><i>PFD application information data base used throughout the process to determine eligibility.</i></p> <p><i>Initial analysis of applications.</i></p> <p><i>Automatic generation and printing of specific letters to applicants requesting additional information, if necessary.</i></p> <p><i>Generation of the dividend direct deposits and checks.</i></p> <p><i>Mainframe interface with other state, federal and local agencies, for example, Vital Statistics, Division of Motor Vehicles, Child Support Enforcement Division, Department of Law, Corrections, Public Safety, used in eligibility determination and fraud investigations.</i></p> <p><i>Processing of garnishments and assignments of dividends.</i></p> <p><i>PFD historical records storage.</i></p> | | | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Permanent Fund Dividend Division (continued) | | | | | | | | | | | | |
| FY2006 Increased cost of mainframe services for PFD processing (continued) | | | | | | | | | | | | |
| <i>In addition to the computer services cost increase, contractual costs for leased copiers and space have or will also increase, and personal services are up about \$112.0 in FY2005.</i> | | | | | | | | | | | | |
| <i>In spite of these increases, PFD is committed to a Performance Target to reduce the overall per unit cost of application processing. The amount of mainframe printing and the number of mailings have been reduced by eliminating redundancies and by increasing web-based services to the public. The division expects to implement Optical Character Recognition for the 2006 dividend cycle to reduce manual data entry costs.</i> | | | | | | | | | | | | |
| <i>Cost saving initiatives, both already implemented and proposed, will cover some of these increases, but in order to maintain the current service level to the public, the PFD Division will need an additional \$200.0 in FY2006.</i> | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 200.0 | | | | | | | | | | |
| FY2006 Additional Savings - 2nd Year Fiscal Note Hearing Officer Transfer SB203 SLA2004 (Ch158 SLA2004 Sec2 P40 L30) | Dec | -52.4 | 0.0 | 0.0 | -52.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>To record the second year of fiscal note for SB 203, Transfer of Hearing Office from Department of Revenue to Department of Administration. The fiscal note reduced PFD funding for hearing officer services for six months in FY2005, and reduced the remaining funding in FY2006.</i> | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | -52.4 | | | | | | | | | | |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit | FisNot | 7.2 | 7.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1050 PFD Fund (DGF) | | 7.2 | | | | | | | | | | |
| FY2007 Change DOA chargeback funding to correct funding source | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Funding to offset increased chargeback rates for statewide services is being transferred to the Permanent Fund Dividend Division. This transaction changes the fund source from general fund to PFD Fund consistent with the way the program is currently funded.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -55.0 | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 55.0 | | | | | | | | | | |
| FY2007 Restore PFD funding for hearing officer services | Inc | 119.8 | 0.0 | 0.0 | 119.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Chapter 163, SLA 2004 (SB203) consolidated hearing officers in the Department of Administration. Related fiscal notes transferred PFD funding from the Department of Revenue to DOA; the funds enabled DOA to provide hearing officer services to the PFD Division.</i> | | | | | | | | | | | | |
| <i>DOA has since developed a direct cost billing plan for hearing officer services and is changing their PFD funding to inter-agency receipts. This increment will return the funds to the PFD Division that were transferred out two years ago, and will enable the division to pay for hearing officers based on actual services provided.</i> | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 119.8 | | | | | | | | | | |
| FY2007 Rent increase for state-owned facilities | Inc | 56.4 | 0.0 | 0.0 | 56.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The FY2007 approved Public Building Fund rates for the State Office Building in Juneau reflect an increase of 40% over FY2006 rates. This translates into an additional \$140,900 in rent costs for the Department of Revenue. This increment request will fund the amount of the rent increase from FY2006 to FY2007 for this component.</i> | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 56.4 | | | | | | | | | | |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Permanent Fund Dividend Division (continued) | | | | | | | | | | | | |
| FY2008 myAlaska Online PFD Application Support Costs | Inc | 70.0 | 0.0 | 0.0 | 70.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>A web service called "myAlaska" is used by PFD Division to validate online applicants and to provide the electronic signature function necessary for receiving online PFD applications. This service is provided by Department of Administration, Enterprise Technology Services (ETS), and for the first few years of myAlaska operation, DOA did not charge user agencies for support costs. Beginning in FY2007, myAlaska support costs are being charged back to the agencies such as PFD that use this service.</i> | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 70.0 | | | | | | | | | | |
| FY2008 United States Postal Service Postage Rate Increase | Inc | 38.0 | 0.0 | 0.0 | 38.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The PFD Division spends some \$283.0 annually on postage and related costs. Postage rates increased 5.4% in 2006 and we are advised of an additional 8% increase effective January 1, 2008. Every effort has been made to reduce mailouts, however, mass mailing of the application booklets, warrants, direct deposit advices, and requests for information are still a necessary part of PFD operations.</i> | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 38.0 | | | | | | | | | | |
| FY2008 Hearing Officer Chargeback Cost Increases | Inc | 71.0 | 0.0 | 0.0 | 71.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The PFD Division requests an increment to help pay for DOA's hearing officers to hear PFD appeals, a service that was provided in-house until FY2006. PFD Division has previously been appropriated \$119.8 for Office of Administrative Hearing (OAH) costs. In FY2006, the division was billed a total of \$170.5 for hearing officer services, and received a supplemental appropriation of \$49.9 to help cover the cost.</i> | | | | | | | | | | | | |
| <i>OAH has estimated a total cost of \$152.0 for FY2007, however, division records indicate that the appeal workload is increasing and that the cost for both FY2007 and FY2008 will be at least as high as FY2006. Based on anticipated appeal workload and the OAH rates for hearing officer services, the division projects the need for an additional \$71.0 to cover these chargeback costs for FY2008.</i> | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 71.0 | | | | | | | | | | |
| FY2009 Ch. 41, SLA 2008 (HB 166) Perm. Fund Div.: Contribution/Executions | FisNot | 542.5 | 136.1 | 4.2 | 383.2 | 0.0 | 19.0 | 0.0 | 0.0 | 2 | 0 | 0 |
| 1108 Stat Desig (Other) | | 542.5 | | | | | | | | | | |
| FY2009 Ch. 75, SLA 2008 (SB 265) Sex Offenders & Child Kidnappers: PFD | FisNot | 60.0 | 60.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| 1050 PFD Fund (DGF) | | 60.0 | | | | | | | | | | |
| L FY2009 Alaska Resource Rebate Special Session - Alaska Resource Rebate Program Administrative Costs | Special | 600.0 | 0.0 | 0.0 | 600.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 600.0 | | | | | | | | | | |
| FY2010 Variable cost increases due to the increasing number of dividend applicants and public inquiries | Inc | 101.0 | 0.0 | 0.0 | 101.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>All areas of public contact in the PFD Division (PFDD) have seen increases as the amount of the dividend continues to rise. Following the highest dividend amount in the program's history, it is forecasted that the PFD program will have a significant rise in first-time applicants in 2010. External costs related to the increased number of applicants and public inquiries, such as postage, telephones, and printing, are also forecasted to increase.</i> | | | | | | | | | | | | |
| <i>According to the USPS, postage rate increases will continue every year in May through 2012. Postage on the estimated 360,000 direct deposit advices PFD will mail next year will cost approximately \$125.0 based on the per piece estimate for 2009. This is an increase of \$40.0 from 2007. An estimated 100,000 warrants will increase</i> | | | | | | | | | | | | |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Permanent Fund Dividend Division (continued) | | | | | | | | | | | | |
| FY2010 Variable cost increases due to the increasing number of dividend applicants and public inquiries (continued) | | | | | | | | | | | | |
| <i>postage costs \$13.0 over 2007. A rise in applicant information request letters concurrent with a rise in public contact will also increase the per piece mail totals for 2010. The postage increase estimate for these mailings is \$3.0. In total, postage costs for the division are expected to increase \$56.0.</i> | | | | | | | | | | | | |
| <i>The increase in public contact has also had an effect on the division's long distance telephone costs. From FY2007 to FY2008 long distance costs increased by 50%, and in the first quarter of FY2009 the increase was 130% over 2008. Heightened public awareness of the program and the decision to change the way application booklets are distributed are expected to lead to another spike in public phone contact. Implementation of a year-round call center will help alleviate telephone hold times and enable the PFD staff to respond to public inquiries in a timely fashion. The division projects that the cost of long distance service will increase \$15.0 in FY2010.</i> | | | | | | | | | | | | |
| <i>In 2010 the PFDD will replace the mass mailing of a full-sized application booklet to all residents of the state of Alaska with a brochure or pamphlet detailing how and where to apply online. Application booklets will be available at community distribution centers. In spite of these changes, printing and associated application costs are estimated to increase by \$30.0.</i> | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 101.0 | | | | | | | | | | |
| FY2011 Dot.Net Training for Information Technology Staff | IncOTI | 100.0 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Permanent Fund Dividend Division requests one-time funding to bring in a Dot.Net trainer for their programming staff rather than send all staff members to out-of-state training. The Department of Revenue will be able to send programmers from other divisions to this in-house training to capitalize on the one-time set cost.</i> | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 100.0 | | | | | | | | | | |
| FY2011 AMD: Increased Cost for Bandwidth during Dividend Filing Season | Inc | 25.0 | 0.0 | 0.0 | 25.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Permanent Fund Dividend (PFD) applicant filing season runs annually from January through March. Demand by the public for internet access to PFD, Gavel to Gavel, and other State websites during this period has increased dramatically, especially with at least 75% of PFD applicants filing online. On a daily basis, demand exceeds the State's available bandwidth causing a slowdown of all State activity online.</i> | | | | | | | | | | | | |
| <i>At the request of the Department of Administration, Enterprise Technology Services (ETS), the Permanent Fund Dividend Division is requesting an increment equal to the cost of obtaining additional bandwidth sufficient to meet the State's needs for one of the three months. ETS will be working with other State entities and the service provider to cover the remaining cost during the peak season.</i> | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 25.0 | | | | | | | | | | |
| FY2011 AMD: Central Mailroom Equipment Replacement | IncOTI | 42.0 | 0.0 | 0.0 | 0.0 | 0.0 | 42.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Central Mailroom, operated by the Department of Administration (DOA), uses a specialized piece of mailing equipment for pressure sealing documents such as the IRS form 1099. Current demands on this piece of equipment have exceeded its useful life, and Central Mail has been advised that further repairs are not feasible. The pressure sealer must be replaced prior to the mailing of tax documents for 2010. As the primary user of this equipment, the Permanent Fund Dividend Division has been asked to reimburse DOA for nearly 84% of its cost, or \$42.0. This is a one-time request.</i> | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 42.0 | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|------------|-----------------|-------------|-------------------|-------------|-----------------|-----------|----------|----------|
| Taxation and Treasury (continued) | | | | | | | | | | | | |
| Permanent Fund Dividend Division (continued) | | | | | | | | | | | | |
| FY2011 Reduce general fund travel line item by 10 percent. | Dec | -2.4 | 0.0 | -2.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1050 PFD Fund (DGF) | | -2.4 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase | FisNot | 2.6 | 2.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| FY2011 Noncovered Employees Year 1 increase | | | | | | | | | | | | |
| : \$2.6 | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 2.6 | | | | | | | | | | |
| FY2011 Ch. 22, SLA 2010 (SB 171) PERMANENT FUND DIVIDEND FOR DECEASED | FisNot | 132.5 | 84.0 | 0.0 | 43.5 | 5.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 64.0 | | | | | | | | | | |
| 1005 GF/Prgm (DGF) | | 68.5 | | | | | | | | | | |
| L FY2012 Sec 34(a), SB 46 - Permanent Fund Dividend Division Software Training | Special | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 0 | 0 | 0 |
| * Sec. 34. DEPARTMENT OF REVENUE. (a) The sum of \$100,000 is appropriated from the dividend fund (AS 43.23.045(a)) to the Department of Revenue, permanent fund dividend division, to provide programming staff with software training for the fiscal year ending June 30, 2012. | | | | | | | | | | | | |
| 1050 PFD Fund (DGF) | | 100.0 | | | | | | | | | | |
| * Allocation Total * | | 2,213.2 | 289.9 | 1.8 | 1,755.5 | 5.0 | 61.0 | 0.0 | 100.0 | 4 | 0 | 0 |
| ** Appropriation Total ** | | 66,473.6 | 6,810.2 | 4.1 | 29,596.4 | 30.0 | -1.0 | 55.0 | 29,978.9 | 39 | 0 | 0 |
| Child Support Services | | | | | | | | | | | | |
| Child Support Services Division | | | | | | | | | | | | |
| FY2006 Correct FY05 salary adjustment from unrealizable funding source | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| As a correction to a change record from FY2005, this funding is used as state match and therefore, to avoid the possibility of over-matching federal funds, should not be included directly in CSSD's budget. | | | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -0.3 | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | 0.3 | | | | | | | | | | |
| FY2006 Increased cost of mainframe services for Child Support system | Inc | 250.0 | 0.0 | 0.0 | 250.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| This increment is required to meet anticipated increases in mainframe processing charges. CSSD is required by federal law to operate an automated child support enforcement system. The system contains an electronic case file in which all case automated and manual case activities are performed and recorded. Without access to computers and the processing of case information, caseworkers cannot do their job as part of the division's mission to collect and distribute child support. | | | | | | | | | | | | |
| A reduction in data processing services could result in CSSD not being able to meet budget performance measures, such as current collections, cases with arrears collections and reducing cases with no collections for one year. | | | | | | | | | | | | |
| Several of the budget measures are also federal incentive measures. The inability to meet federal incentive measures would result in the loss of federal incentive revenue which can be used as match. A more critical aspect is the lack of data processing support could result in failure of the federal data reliability audit, which would result in the entire loss of one or more incentives. The loss of any one incentive would mean a loss of at least \$300,000 dollars in federal funding that could then not be used by the state to match an additional \$600,000 in | | | | | | | | | | | | |

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|---|--|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Child Support Services (continued) | | | | | | | | | | | | |
| Child Support Services Division (continued) | | | | | | | | | | | | |
| FY2006 Increased cost of mainframe services for Child Support system (continued) | | | | | | | | | | | | |
| federal funds. Therefore, the total loss to the state would be \$900,000. | | | | | | | | | | | | |
| The CSSD budget is 64% personal services. Any reduction to pay for these increased costs would come from this area and would likely have the same effect on results. | | | | | | | | | | | | |
| | | 1002 Fed Rcpts (Fed) | 165.0 | | | | | | | | | |
| | | 1156 Rcpt Svcs (DGF) | 85.0 | | | | | | | | | |
| L | FY2006 Provision to access additional receipts to use as match for maximizing federal funding | Lang | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| L | FY2006 Receipts collected as cost recovery from paternity testing | Lang | 43.0 | 0.0 | 0.0 | 43.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| | 1156 Rcpt Svcs (DGF) | | 43.0 | | | | | | | | | |
| | FY2006 AMD: Change in funding due to transfer of hearing officers to DOA | Inc | 261.1 | 0.0 | 0.0 | 261.1 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |

The Child Support Services Division (CSSD) requests funds to pay for the contractual cost of using services provided by hearing officers in the Department of Administration.

Prior to January 1, 2005, the Department of Revenue (DOR) employed its own hearing officers who provided services to CSSD and other divisions. CSSD paid for these services through the department's indirect cost rate plan, which recovered a percentage of indirect costs from CSSD's federal program.

With the passage of SB 203 (CH 163 SLA 2004) the DOR hearing officer positions were transferred to the Department of Administration to form a consolidated Office of Administrative Hearings. Although the fiscal note for SB 203 transferred budget authority for CSSD Admin Receipts, DOA is not able to collect indirect cost receipts from CSSD's federal program. The department has been advised that hearing officer services obtained from DOA are now a direct cost for the Child Support Services Division, and are no longer eligible for federal financial participation due to a statutory name change from hearing officer to administrative law judge. As a result, DOA is requesting a fund source change from CSSD Admin receipts to inter-agency receipts; and CSSD is requesting an increment for receipt supported services.

This funding is needed to provide formal hearing appeals as required by Alaska statute. The Child Support Services Division would be required to pay hearing officer costs of \$261.1. Since CSSD would be required to use funding that is now used to match federal funds, the division would lose \$767.9 (261.1 state funds and \$506.8 federal funds). The division would have increased expenditures of the \$261.1 in its FY2006 spending plan with reduced funding of \$767.9. The cumulative impact to the child support program would be a reduction of \$1,029.0. The division would be forced to reduce expenditures by this amount. The bulk of this reduction would be in personal services. CSSD would leave 20 caseworker positions vacant for the entire year.

A reduction of 20 positions would result in a decrease in collections of approximately 7%. That would mean a decrease of \$6.8 million. Custodial parents and children would lose approximately \$5.8 million and welfare reimbursements would be reduced \$1,050.0 of which the state would lose approximately \$490.0 and the federal government would lose \$560.0.

In addition, incentive funding from the federal government could decrease since CSSD would not be able to maintain its current level of performance in the required areas. Also, failure to meet other federal child support

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Child Support Services (continued) | | | | | | | | | | | | |
| Child Support Services Division (continued) | | | | | | | | | | | | |
| FY2006 AMD: Change in funding due to transfer of hearing officers to DOA (continued) | | | | | | | | | | | | |
| <i>requirements could jeopardize the federal block grant to Division of Public Assistance for Temporary Assistance for Needy Families (TANF).</i> | | | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | 261.1 | | | | | | | | | | |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit | FisNot | 7.1 | 7.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1002 Fed Rcpts (Fed) | | 4.7 | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | 2.4 | | | | | | | | | | |
| FY2007 Federally reimbursable hearing officer services | | | | | | | | | | | | |
| <i>Chapter 163, SLA 2004 (SB203) transferred the Department of Revenue hearing officer positions to the Department of Administration and renamed those positions in statute from Hearing Officers to Administrative Law Judges. The federal government subsequently notified the state that services provided by Administrative Law Judges were not eligible for federal financial participation. As a result, Child Support Services Division requested and received an increment in the FY2006 budget for \$261.1 in receipt supported services (RSS) to cover the unanticipated cost of the hearing officer services.</i> | | | | | | | | | | | | |
| <i>During FY2006, the federal government changed their decision to allow Administrative Law Judges to work on child support cases. These costs are now federally reimbursable under the Child Support Enforcement program. This fund source change adjusts 66% of the \$261.1 increment received in FY2006 from RSS to federal receipts to reflect the ratio of state and federal funding for this program.</i> | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 172.3 | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | -172.3 | | | | | | | | | | |
| FY2007 New Juvenile Justice Grant | Inc | 100.0 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Child Support Services Division was awarded a 100% federally funded grant by the Department of Justice, Office of Juvenile Justice and Delinquency Prevention to assist the division in collecting child support on "hard to collect" cases. Presently, there are approximately 5,000 child support cases, 10% of which no payments have been received within the past year. This two year project will allow the division to intensify its efforts to collect child support on these hard to collect cases by assembling a team of two highly qualified Child Support Specialists, an Investigator and two Department of Law attorneys to actively work these cases. The division is utilizing existing positions to work on these cases by shifting their existing workloads to other Child Support Specialists so this team can fully focus on these hard to collect cases.</i> | | | | | | | | | | | | |
| <i>The division's goal for this project is to increase the financial and emotional support of Alaska's children by increasing the number of child support cases in which some child support is collected and distributed as well as decreasing the amount of cases with no collections for a year.</i> | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 100.0 | | | | | | | | | | |
| FY2007 AMD: Increased Hearing Officer costs | Inc | 123.1 | 0.0 | 0.0 | 123.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Chapter 163, SLA 2004 (SB203) consolidated hearing officers in the Department of Administration (DOA). Hearings for the Division transferred from the Department of Revenue Commissioner's Office to the new Office of Administrative Hearings in the Department of Administration.</i> | | | | | | | | | | | | |
| <i>DOA has projected that CSSD's cost for this service in FY2007 is \$384.2. CSSD received an increment in FY2006 for hearing officer services for \$261.1; this increment is for the difference between the FY2007 cost and available funding.</i> | | | | | | | | | | | | |

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| Child Support Services (continued) | | | | | | | | | | | | |
| Child Support Services Division (continued) | | | | | | | | | | | | |
| FY2007 AMD: Increased Hearing Officer costs (continued) | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 81.2 | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | 41.9 | | | | | | | | | | |
| FY2008 Realign Federal Funding of Child Support program | | | | | | | | | | | | |
| | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Child Support Services Division requests a fund source change from federal receipt authority to federal incentive receipts to align budget authority with available revenue sources. Federal incentive receipts are awarded annually under the Child Support Enforcement program based on each state's performance relative to other states.</i> | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | -32.2 | | | | | | | | | | |
| 1016 CSSD Fed (Fed) | | 32.2 | | | | | | | | | | |
| FY2008 PERS adjustment of unrealizable receipts | | | | | | | | | | | | |
| | Dec | -1,754.6 | -1,754.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1002 Fed Rcpts (Fed) | | -1,295.7 | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | -458.9 | | | | | | | | | | |
| FY2008 State funding carry-forward to maximize federal match and add expected additional incentive payments | | | | | | | | | | | | |
| | Inc | 1,158.5 | 1,158.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1016 CSSD Fed (Fed) | | 132.9 | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | 1,025.6 | | | | | | | | | | |
| L FY2010 Increase in Recovered Paternity Testing Fees, Sec 16(b), Ch 12, SLA09, P73, L21 | | | | | | | | | | | | |
| | Lang | 3.0 | 0.0 | 0.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The division requests additional authorization to expend the paternity receipts collected as cost recovery under AS 25.27.040 and 25.27.165, and as collected under AS 25.20.050(f).</i> | | | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | 3.0 | | | | | | | | | | |
| L FY2010 FY10 Economic Stimulus Funding Adjustment, Sec 13 (a & b), Ch 17, SLA09, P18, L4 & 10 | | | | | | | | | | | | |
| | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This request is the result of language changes in the federal economic stimulus package that temporarily changes how the Child Support Services Division (CSSD) can utilize existing federal incentive dollars. The overall amount of the annual CSSD operating budget is not increased, nor are there any new programs established.</i> | | | | | | | | | | | | |
| <i>Instead, the American Recovery and Reinvestment Act of 2009 (ARRA) allows the state to return to using earned federal incentive receipts as part of the required state match funding (34%), which reduces the amount of state funding needed as match and increases the amount of federal receipts that can be collected as part of the 66% federal financial participation rate (FFP).</i> | | | | | | | | | | | | |
| <i>When the ARRA provision expires on September 30, 2010, the division will no longer be able to use the federal incentive funds as a match to "regular" federal funds. Upon expiration of the ARRA, the state will need to readjust the ratio of state and federal funding for this program.</i> | | | | | | | | | | | | |
| <i>The division's receipt supported services funds are from Temporary Assistance to Needy Families (TANF) cases. The \$1,181.1 decrease in receipt supported services is due to the declining number of TANF cases (down 21.3% between FY2005 and FY2008) due to the success of welfare reform and the growth in the new tribal TANF programs.</i> | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | -612.4 | | | | | | | | | | |
| 1003 G/F Match (UGF) | | 400.0 | | | | | | | | | | |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Child Support Services (continued) | | | | | | | | | | | | |
| Child Support Services Division (continued) | | | | | | | | | | | | |
| FY2010 FY10 Economic Stimulus Funding Adjustment, Sec 13 (a & b), Ch 17, SLA09, P18, L4 & 10 (continued) | | | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | -1,118.1 | | | | | | | | | | |
| 1212 Stimulus09 (Fed) | | 1,330.5 | | | | | | | | | | |
| FY2011 Funding source adjustment due to declining receipts and ARRA stimulus lapsing | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 421.1 | | | | | | | | | | |
| 1003 G/F Match (UGF) | | 826.8 | | | | | | | | | | |
| FY2011 Funding source adjustment due to declining receipts | Dec | -1,544.9 | -1,544.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1156 Rcpt Svcs (DGF) | | -1,544.9 | | | | | | | | | | |
| FY2011 Budget Clarification Project - Transfer to GF Match eliminating reliance on declining receipts | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1003 G/F Match (UGF) | | 5,448.7 | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 505.3 | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | -5,954.0 | | | | | | | | | | |
| L FY2011 Budget Clarification Project - Paternity Test Receipts | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1005 GF/Prgm (DGF) | | 46.0 | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | -46.0 | | | | | | | | | | |
| FY2011 Authorization of FFY10 Stimulus funding (ARRA) | IncOTI | 297.0 | 297.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1212 Stimulus09 (Fed) | | 297.0 | | | | | | | | | | |
| FY2011 Reduce general fund travel line item by 10 percent. | Dec | -0.5 | 0.0 | -0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1003 G/F Match (UGF) | | -0.5 | | | | | | | | | | |
| FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This change is consistent with the fund source changes implemented by the legislature which converted RSS to GFM in CSSD's budget.</i> | | | | | | | | | | | | |
| 1003 G/F Match (UGF) | | 169.3 | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | -169.3 | | | | | | | | | | |
| FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This change is consistent with the fund source changes implemented by the legislature which converted RSS to GFM in CSSD's budget.</i> | | | | | | | | | | | | |
| 1003 G/F Match (UGF) | | 64.3 | | | | | | | | | | |
| 1156 Rcpt Svcs (DGF) | | -64.3 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase | FisNot | 5.2 | 5.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>FY2011 Noncovered Employees Year 1 increase : \$5.2</i> | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 3.4 | | | | | | | | | | |
| 1003 G/F Match (UGF) | | 1.8 | | | | | | | | | | |
| FY2012 Restore Base to pre-ARRA Level | IncM | 1,544.9 | 1,494.9 | 0.0 | 50.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Child Support Services Division is requesting this increment to restore the base budget to the pre ARRA level which will allow the division to maintain the same level of service.</i> | | | | | | | | | | | | |

**2012 Legislature - Operating Budget
Transaction Detail - Governor Structure
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Numbers and Language

Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|--|----------------------|---------|----------|-------------|-------------------|--------|-------|-----|-----|-----|
| Child Support Services (continued) | | | | | | | | | | | | |
| Child Support Services Division (continued) | | | | | | | | | | | | |
| FY2012 Restore Base to pre-ARRA Level (continued) | | | | | | | | | | | | |
| | | 1003 G/F Match (UGF) | 1,544.9 | | | | | | | | | |
| L | OTI | FY2012 Reverse FY11 Cost Recovery for Paternity Testing SLA 2010 CH 41 Sec 21 (b) | -46.0 | 0.0 | 0.0 | -46.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| | | 1005 GF/Prgm (DGF) | -46.0 | | | | | | | | | |
| L | Lang | FY2012 FY12 Estimate for Cost Recovery of Paternity Testing 1005 GF/Prgm (DGF) | 46.0 | 0.0 | 0.0 | 46.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| L | Lang | FY2012 AMD: Fund the required 34% state match of federal receipts received for child support enforcement efforts for FY12 1004 Gen Fund (UGF) | 778.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 778.7 | 0 | 0 | 0 |
| | | | 778.7 | | | | | | | | | |
| | IncM | FY2013 AMD: Child Support Enforcement Efforts Federal Match | 1,044.0 | 1,044.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This amendment deletes section 19(a) and (b) for federal incentive payments to be used as state matching funds. The appropriation for state match will be requested in section 1 and increased by \$265.3 for a total request of \$1,044.0 to recalculate the 34% match rate.</i> | | | | | | | | | | | | |
| <i>FY2013 December budget -- \$28,096.5 FY2013 Amendment -- \$265.3 TOTAL FY2013 -- \$28,361.8</i> | | | | | | | | | | | | |
| | | 1003 G/F Match (UGF) | 1,044.0 | | | | | | | | | |
| L | IncM | FY2013 Sec 19, Ch 15, SLA 2012 (HB 284) - FY13 Estimate of Cost Recovery for Paternity Testing \$46.0 paternity testing program receipts 1005 GF/Prgm (DGF) | 46.0 | 0.0 | 0.0 | 46.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| | | | 46.0 | | | | | | | | | |
| * Allocation Total * | | | 3,609.5 | 2,055.1 | -0.5 | 776.2 | 0.0 | 0.0 | 778.7 | 0 | 0 | 0 |
| ** Appropriation Total ** | | | 3,609.5 | 2,055.1 | -0.5 | 776.2 | 0.0 | 0.0 | 778.7 | 0 | 0 | 0 |
| Administration and Support | | | | | | | | | | | | |
| Commissioner's Office | | | | | | | | | | | | |
| | Dec | FY2006 Additional Savings - 2nd Year Fiscal Note for Hearing Officer Transfer SB203 SLA2004 (Ch 158 SLA2004 Sec2 P40 L30) | -203.4 | -198.1 | -1.7 | -2.9 | -0.7 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>To record the second year of fiscal note for SB 203, Transfer of Hearing Officers from Department of Revenue to Department of Administration, which reflects a reduction in funding for the DOR Commissioner's Office.</i> | | | | | | | | | | | | |
| | | 1004 Gen Fund (UGF) | -22.7 | | | | | | | | | |
| | | 1007 I/A Rcpts (Other) | -52.4 | | | | | | | | | |
| | | 1133 CSSD Admin (Fed) | -128.3 | | | | | | | | | |
| | FisNot | FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit | 25.7 | 25.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| | | 1004 Gen Fund (UGF) | 15.9 | | | | | | | | | |
| | | 1007 I/A Rcpts (Other) | 9.8 | | | | | | | | | |
| | FisNot | FY2006 Ch. 53, SLA 2005 (HB 98) Commissioner increase 1004 Gen Fund (UGF) | 35.1 | 35.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| | | | 35.1 | | | | | | | | | |

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Numbers and Language

Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Administration and Support (continued) Commissioner's Office (continued) | | | | | | | | | | | | |
| FY2007 Restore indirect cost recovery receipts transferred to DOA for Hearing Officers | Inc | 256.6 | 0.0 | 0.0 | 256.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>With the passage of SB 203 (CH 163 SLA 2004) the Department of Revenue hearing officer positions were transferred to the Department of Administration to form a consolidated Office of Administrative Hearings. Although the fiscal note for SB 203 transferred budget authority for CSSD Admin Receipts, DOA is not able to collect indirect cost receipts from Child Support Services' federal program. This increment restores the CSSD Admin Receipts to the Department of Revenue where the indirect cost receipts can be collected and used to pay for these services.</i> | | | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | 256.6 | | | | | | | | | | |
| FY2008 AMD: Reverse fiscal note for Stranded Gas Act (CH 4, SLA 2003, HB16) and delete one position | Dec | -867.5 | -57.5 | 0.0 | -810.0 | 0.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| <i>Reverse the fiscal note for CH 4, SLA 2003 (HB 16) which appropriated \$867.5 and one position for the gasline development project. The position being deleted is located in the Anchorage Commissioner's Office and is vacant. The Fiscal Note for this act provided funding for only 2 years.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -117.5 | | | | | | | | | | |
| 1108 Stat Desig (Other) | | -750.0 | | | | | | | | | | |
| FY2009 Delete position transfered from ANGDA and associated funding | Dec | -88.9 | -88.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| 1004 Gen Fund (UGF) | | -33.3 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -55.6 | | | | | | | | | | |
| FY2009 AMD: Correct Unrealizable Fund Sources for Salary Adjustments: Exempt | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 6.8 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -6.8 | | | | | | | | | | |
| FY2010 Delete Special Assistant to the Commissioner | Dec | -119.0 | -119.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| 1004 Gen Fund (UGF) | | -46.4 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -72.6 | | | | | | | | | | |
| FY2011 Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Commissioner's Office component receives a share of its 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.</i> | | | | | | | | | | | | |
| <i>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 FY2011. This fund change keeps the amount of uncollectible receipt authority in the Commissioner's Office budget from getting larger, and provides a usable funding source for the salary adjustments.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 2.0 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -2.0 | | | | | | | | | | |
| FY2011 Reduce general fund travel line item by 10 percent. | Dec | -1.5 | 0.0 | -1.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |

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05-13Inc/Decs Column**

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| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---------------|----------------------|----------------------|-------------|---------------|-------------|-------------------|------------|------------|-----------|----------|----------|
| Administration and Support (continued) | | | | | | | | | | | | |
| Commissioner's Office (continued) | | | | | | | | | | | | |
| FY2011 Reduce general fund travel line item by 10 percent. (continued) | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -1.5 | | | | | | | | | | |
| FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Commissioner's Office and Admin 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 FY2011. This fund change will keep the amount of uncollectible receipt authority from growing, and provide a usable funding source for the salary adjustments</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 0.9 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -0.9 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase | FisNot | 4.6 | 4.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>FY2011 Noncovered Employees Year 1 increase : \$4.6</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 1.7 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 1.5 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | 1.4 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) Correct Unrealizable Fund Sources in the FY2011 Noncovered Year 1 Salary Increase | FisNot | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 1.4 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -1.4 | | | | | | | | | | |
| FY2012 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 |
| <i>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.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 4.5 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -4.5 | | | | | | | | | | |
| * Allocation Total * | | -958.3 | -398.1 | -3.2 | -556.3 | -0.7 | 0.0 | 0.0 | 0.0 | -3 | 0 | 0 |
| Administrative Services | | | | | | | | | | | | |
| FY2006 Human Resources consolidation increased costs | Inc | 14.9 | 14.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Additional funds are necessary to fund increased costs in the Division of Personnel for the allocation of consolidated human resources services. This increment covers this department's share of the increased costs and change in rate allocation methodology.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 14.9 | | | | | | | | | | |

**2012 Legislature - Operating Budget
Transaction Detail - Governor Structure
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Numbers and Language

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Administration and Support (continued) | | | | | | | | | | | | |
| Administrative Services (continued) | | | | | | | | | | | | |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit | FisNot | 7.2 | 7.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 4.6 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 2.6 | | | | | | | | | | |
| FY2009 AMD: Correct Unrealizable Fund Sources for Salary Adjustments: SU | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The CSSD Administrative Cost Reimbursement fund source is uncollectable for the SU pay increase.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 13.0 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -13.0 | | | | | | | | | | |
| FY2009 AMD: Correct Unrealizable Fund Sources for Salary Adjustments: Exempt | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 3.8 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -3.8 | | | | | | | | | | |
| FY2011 Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Administrative Services component receives a share of its 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.</i> | | | | | | | | | | | | |
| <i>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 FY2011. This fund change keeps the amount of uncollectible receipt authority in the Administrative Services budget from getting larger, and provides a usable funding source for the salary adjustments.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 0.8 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -0.8 | | | | | | | | | | |
| FY2011 Reduce general fund travel line item by 10 percent. | Dec | -0.6 | 0.0 | -0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | -0.6 | | | | | | | | | | |
| FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Commissioner's Office and Admin 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 FY2011. This fund change will keep the amount of uncollectible receipt authority from growing, and provide a usable funding source for the salary adjustments</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 11.3 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -11.3 | | | | | | | | | | |
| FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Commissioner's Office and Admin 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,</i> | | | | | | | | | | | | |

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|---|---------------|----------------------|----------------------|-------------|-------------|-------------|-------------------|------------|------------|----------|----------|----------|
| Administration and Support (continued) | | | | | | | | | | | | |
| Administrative Services (continued) | | | | | | | | | | | | |
| FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance (continued) | | | | | | | | | | | | |
| <i>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 FY2011. This fund change will keep the amount of uncollectible receipt authority from growing, and provide a usable funding source for the salary adjustments</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 10.7 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -10.7 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase | FisNot | 2.5 | 2.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>FY2011 Noncovered Employees Year 1 increase : \$2.5</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 0.4 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 1.1 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | 1.0 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) Correct Unrealizable Fund Sources in the FY2011 Noncovered Year 1 Salary Increase | FisNot | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 1.0 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -1.0 | | | | | | | | | | |
| FY2012 Licenses for Network Servers Virtual Management | | | | | | | | | | | | |
| <i>Annual licensing for virtual management of the department's network servers as part of the department's transition to a virtual management system to improve technology performance and security, and to allow for system enhancements.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 75.0 | | | | | | | | | | |
| FY2012 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 |
| <i>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.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 31.7 | | | | | | | | | | |
| 1133 CSSD Admin (Fed) | | -31.7 | | | | | | | | | | |
| FY2013 Maintain Budgeted Vacancy with Current Staffing | | | | | | | | | | | | |
| <i>This increment request adds interagency funding in order to fund the division at its current staffing level while remaining within OMB's guidelines for vacancy. Receipts are collected department-wide based on the Department of Revenue's Administrative Cost Allocation Plan.</i> | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 120.0 | | | | | | | | | | |
| * Allocation Total * | | 219.0 | 144.6 | -0.6 | 75.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |

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|--|---------------|----------------------|----------------------|-------------|----------------|-------------|-------------------|------------|------------|-----------|----------|----------|
| Administration and Support (continued) | | | | | | | | | | | | |
| Natural Gas Commercialization | | | | | | | | | | | | |
| FY2011 Audit of Alaska Gasline Inducement Act Reimbursement Fund | IncOTI | 50.0 | 0.0 | 0.0 | 50.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>In the Alaska Gasline Inducement Act (AGIA) statutes, the Department of Revenue is required to conduct periodic audits of disbursements from the AGIA reimbursement fund (AS 43.90.400). The department does not currently have the audit personnel or time resources to comply with this requirement. This request for funding will cover the cost of an outside audit firm to perform the statutorily required audits.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 50.0 | | | | | | | | | | |
| FY2011 Fiscal Systems Analysis to Support Negotiations of Gasline Fiscal Terms | IncOTI | 1,500.0 | 0.0 | 0.0 | 1,500.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This request will cover the cost of outside experts with global experience in the negotiation of fiscal terms with industry from government perspective. Any negotiation of fiscal terms relative to inducing participation in the AGIA gas line must be benchmarked against other global commercial opportunities and terms. This expertise is necessary to insure that Alaska makes the appropriate balance of benefits and risks in any revision to fiscal terms currently applicable to gas industry players in Alaska.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 1,500.0 | | | | | | | | | | |
| FY2012 Audit of Alaska Gasline Inducement Act Reimbursement Fund | Inc | 125.0 | 0.0 | 0.0 | 125.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>In the Alaska Gasline Inducement Act (AGIA) statutes, the Department of Revenue is required to conduct periodic audits of disbursements from the AGIA reimbursement fund (AS 43.90.400). The department does not currently have the audit personnel or time resources to comply with this requirement. This request for funding will cover the cost of an outside audit firm to perform the statutorily required audits.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 125.0 | | | | | | | | | | |
| * Allocation Total * | | 1,675.0 | 0.0 | 0.0 | 1,675.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Criminal Investigations Unit | | | | | | | | | | | | |
| FY2012 Establish Criminal Investigations Unit | Inc | 1,600.0 | 1,280.0 | 75.0 | 220.0 | 25.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Department of Revenue has consolidated three separate investigations groups from the Child Support, Tax and Permanent Fund Dividend Divisions into one unit reporting to the Commissioner's Office. The newly formed Criminal Investigations Unit (CIU) will investigate fraud and other criminal activity relating to the programs within these divisions. Consolidation of staff will allow sharing of resources and the ability to assign staff where needed. This request establishes a budget for the new component.</i> | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 1,600.0 | | | | | | | | | | |
| * Allocation Total * | | 1,600.0 | 1,280.0 | 75.0 | 220.0 | 25.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| ** Appropriation Total ** | | 2,535.7 | 1,026.5 | 71.2 | 1,413.7 | 24.3 | 0.0 | 0.0 | 0.0 | -3 | 0 | 0 |
| Alaska Natural Gas Development Authority | | | | | | | | | | | | |
| ANGDA Operations | | | | | | | | | | | | |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit | FisNot | 13.1 | 13.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 13.1 | | | | | | | | | | |
| FY2011 Reduce general fund travel line item by 10 percent. | Dec | -9.7 | 0.0 | -9.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | -9.7 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase | FisNot | 4.4 | 4.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |

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Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---------------|----------------------|----------------------|--------------|--------------|-------------|-------------------|------------|------------|-----------|----------|----------|
| Alaska Natural Gas Development Authority (continued) | | | | | | | | | | | | |
| ANGDA Operations (continued) | | | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 | | | | | | | | | | | | |
| Noncovered Employees Salary Increase | | | | | | | | | | | | |
| (continued) | | | | | | | | | | | | |
| FY2011 Noncovered Employees Year 1 increase | | | | | | | | | | | | |
| : \$4.4 | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 4.4 | | | | | | | | | | |
| FY2013 Capital Improvement Project Receipts to Fund | | | | | | | | | | | | |
| Operating Costs for Alaska Natural Gas Development Authority | IncM | 110.0 | 110.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Alaska Natural Gas Development Authority (ANGDA) staff includes positions currently funded by unbudgeted capital improvement project (CIP) receipts. This adds CIP receipt authority to the ANGDA operating budget to more accurately reflect funding for budgeted positions. Receipts are collected from ongoing capital projects in support of ANGDA's mission.</i> | | | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 110.0 | | | | | | | | | | |
| FY2013 Eliminate the Alaska Natural Gas Development Authority | Dec | -436.7 | -384.1 | -0.3 | -48.3 | -4.0 | 0.0 | 0.0 | 0.0 | -3 | 0 | 0 |
| 1004 Gen Fund (UGF) | | -326.7 | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | -110.0 | | | | | | | | | | |
| * Allocation Total * | | -318.9 | -256.6 | -10.0 | -48.3 | -4.0 | 0.0 | 0.0 | 0.0 | -3 | 0 | 0 |
| ** Appropriation Total ** | | -318.9 | -256.6 | -10.0 | -48.3 | -4.0 | 0.0 | 0.0 | 0.0 | -3 | 0 | 0 |
| Alaska Mental Health Trust Authority | | | | | | | | | | | | |
| Mental Health Trust Operations | | | | | | | | | | | | |
| FY2006 Incorporate Disability Justice Initiative into Mental Health Trust | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>In FY2004, funding for the Disability Justice Initiative was provided through a Reimbursable Service Agreement (RSA) between the Alaska Mental Health Trust Authority (the Trust) and Health & Social Services; for FY2005 the Trust funded this project from MHTAAR. The position and duties related to the project have now been incorporated into the Trust and funding for FY2006 is approved by the Trustees within the Mental Health Trust Administrative budget. This change record reflects the change in funding sources.</i> | | | | | | | | | | | | |
| 1092 MHTAAR (Other) | | -155.9 | | | | | | | | | | |
| 1094 MHT Admin (Other) | | 155.9 | | | | | | | | | | |
| FY2006 FY2006 Adjustment to Reflect Trustee Authorized Funding | Inc | 110.1 | 14.7 | -18.2 | 113.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This adjustment reflects additional funding authorized by the Alaska Mental Health Board of Trustees at the September 2004 and November 2004 board meetings and makes the adjustments for proposed spending.</i> | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 40.0 | | | | | | | | | | |
| 1094 MHT Admin (Other) | | 70.1 | | | | | | | | | | |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit | FisNot | 68.8 | 68.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1094 MHT Admin (Other) | | 68.8 | | | | | | | | | | |
| FY2007 FY2007 Adjustment to Reflect Trustee Authorized Funding | Inc | 63.7 | 36.0 | 4.3 | 7.2 | 16.2 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This adjustment reflects additional funding authorized by the Alaska Mental Health Trust Authority Board of</i> | | | | | | | | | | | | |

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Numbers and Language

Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Mental Health Trust Authority (continued) | | | | | | | | | | | | |
| Mental Health Trust Operations (continued) | | | | | | | | | | | | |
| FY2007 FY2007 Adjustment to Reflect Trustee | | | | | | | | | | | | |
| Authorized Funding (continued) | | | | | | | | | | | | |
| <i>Trustees at the September 2005 and November 2005 board meetings and adjusts line items to reflect proposed spending.</i> | | | | | | | | | | | | |
| 1094 MHT Admin (Other) | | 63.7 | | | | | | | | | | |
| FY2008 Funding to Reflect Trustee Authorized Budget | | | | | | | | | | | | |
| | Inc | 471.8 | 249.5 | 7.1 | 209.3 | 5.9 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This adjustment reflects additional MHT admin funding authorized by the Alaska Mental Health Trust Authority Board of Trustees at the September 2006 and October 2006 board meetings and adjusts line item funding to accurately reflect The Trust FY2008 budget plan.</i> | | | | | | | | | | | | |
| 1094 MHT Admin (Other) | | 471.8 | | | | | | | | | | |
| FY2008 Reduce Long Term Care Ombudsman Support RSA | | | | | | | | | | | | |
| | Dec | -10.0 | 0.0 | 0.0 | -10.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Funding | | | | | | | | | | | | |
| <i>This adjustment brings the budget in line with actual funds received by the Long Term Care Ombudsman's office for services provided by the Trust staff.</i> | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -10.0 | | | | | | | | | | |
| FY2009 Increase for new positions and trust approved FY09 | | | | | | | | | | | | |
| | Inc | 254.0 | 205.3 | 5.5 | 36.4 | 6.8 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| operating plan | | | | | | | | | | | | |
| <i>Grant 246.05</i> | | | | | | | | | | | | |
| <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 legal trust, budget recommendations for the Mental Health Budget bill, developing the Comprehensive Mental Health Program Plan in conjunction with DHSS, and providing leadership in Trust beneficiary-related issues. The Trust, a state corporation, is administratively housed in the Department of Revenue with the detailed budget included in ABS using Trust administrative funds.</i> | | | | | | | | | | | | |
| 1094 MHT Admin (Other) | | 254.0 | | | | | | | | | | |
| FY2010 FY10 MH Trust Administrative Budget | | | | | | | | | | | | |
| | IncOTI | 2,650.0 | 1,844.7 | 128.0 | 640.7 | 36.6 | 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 legal trust, making budget recommendations for the Mental Health Budget bill, developing the Comprehensive Mental Health Program Plan in conjunction with DHSS, 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) | | 2,650.0 | | | | | | | | | | |
| FY2011 MH Trust Cont - Trust Authority Admin Budget | | | | | | | | | | | | |
| | IncOTI | 2,726.3 | 1,899.6 | 130.0 | 658.7 | 38.0 | 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 legal trust, making budget recommendations for the Mental Health Budget bill, developing the Comprehensive Mental Health Program Plan in conjunction with DHSS, 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) | | 2,726.3 | | | | | | | | | | |

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| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Mental Health Trust Authority (continued) | | | | | | | | | | | | |
| Mental Health Trust Operations (continued) | | | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase | FisNot | 33.2 | 33.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| FY2011 Noncovered Employees Year 1 increase : \$33.2 | | | | | | | | | | | | |
| 1094 MHT Admin (Other) | | 33.2 | | | | | | | | | | |
| FY2012 Reverse FY2011 MH Trust Recommendation | OTI | -2,791.5 | -1,969.0 | -130.0 | -654.5 | -38.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| MH Trust: Cont - Trust Authority Admin Budget | | | | | | | | | | | | |
| 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 legal trust, making budget recommendations for the Mental Health Budget bill, developing the Comprehensive Mental Health Program Plan in conjunction with DHSS, and providing leadership in Trust beneficiary-related issues. The Trust, a state corporation, is administratively housed in the Department of Revenue. | | | | | | | | | | | | |
| 1094 MHT Admin (Other) | | -2,791.5 | | | | | | | | | | |
| FY2012 MH Trust Cont - Trust Authority Admin Budget | IncM | 2,791.5 | 1,969.0 | 130.0 | 654.5 | 38.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 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 legal trust, making budget recommendations for the Mental Health Budget bill, developing the Comprehensive Mental Health Program Plan in conjunction with DHSS, and providing leadership in Trust beneficiary-related issues. The Trust, a state corporation, is administratively housed in the Department of Revenue. | | | | | | | | | | | | |
| 1094 MHT Admin (Other) | | 2,791.5 | | | | | | | | | | |
| FY2012 MH Trust Cont - Trust Authority Admin Budget | Inc | 123.3 | 48.2 | 12.0 | 60.0 | 3.1 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1094 MHT Admin (Other) | | 123.3 | | | | | | | | | | |
| FY2012 Trust Program Officer - Drug/Alcohol Coordinator | IncM | 167.6 | 167.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| The funding will be used for personal services to fund a full-time Program Officer position (new end of FY11) that will be tasked with providing coordination, planning, and leadership on the alcohol abuse Focus Area. Trustees have concluded alcohol abuse is an area needing long-term system change in order to better the lives of beneficiaries. The Trust is partnering with the Rasmuson Foundation and the Mat-Su Health Foundation in order to provide funding for this initiative. Partner funds will be deposited into the Mental Health Trust Fund under AS 37.14.030(b)(3) as an unrestricted revenue available for appropriation. This request will have no current or future impact on the general fund. | | | | | | | | | | | | |
| 1094 MHT Admin (Other) | | 87.6 | | | | | | | | | | |
| 1108 Stat Desig (Other) | | 80.0 | | | | | | | | | | |
| FY2013 MH Trust Cont - Trust Authority Admin Budget | Inc | 88.9 | 144.0 | 5.0 | -62.6 | 2.5 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Increases | | | | | | | | | | | | |
| 1094 MHT Admin (Other) | | 88.9 | | | | | | | | | | |
| FY2013 Match Trustee Authorized Funding | Dec | -118.7 | -104.1 | 16.0 | -28.5 | -2.1 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| The FY2013 MH Trust Recommendation includes the expenditures that were associated with statutory designated program receipt (SDPR) funding anticipated in FY2012. This record removes the SDPR funding, the duplicated personal services increase, and aligns the expenditure lines to Trustee approved amounts. | | | | | | | | | | | | |
| 1094 MHT Admin (Other) | | -36.9 | | | | | | | | | | |
| 1108 Stat Desig (Other) | | -81.8 | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Mental Health Trust Authority (continued) | | | | | | | | | | | | |
| Mental Health Trust Operations (continued) | | | | | | | | | | | | |
| * Allocation Total * | | | | | | | | | | | | |
| | | 6,629.0 | 4,607.5 | 289.7 | 1,624.8 | 107.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| Long Term Care Ombudsman Office | | | | | | | | | | | | |
| FY2006 Adjustment to reflect available federal funding for Ombudsman through RSA with DHSS Senior and Disability Services | Inc | 63.9 | -27.9 | 15.0 | 76.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment brings the Long-term Care Ombudsman's budget into alignment with the level of federal funding that is available through the Health & Social Services, Senior & Disability Services RSA. Line item adjustments reflect organizational changes and anticipated spending.</i> | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 63.9 | | | | | | | | | | |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit | FisNot | 11.6 | 11.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1007 I/A Rcpts (Other) | | 11.6 | | | | | | | | | | |
| FY2007 Adjustment to reflect H&SS funding of program | Dec | -17.3 | 12.7 | 10.0 | -28.5 | -11.5 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This decrement represents the funding provided through the Health & Social Services, Senior & Disability Services RSA. Line item adjustments reflect anticipated spending.</i> | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -17.3 | | | | | | | | | | |
| FY2008 Fund Source Adjustment for Exempt Employees Health Insurance Increases | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Fund source change to correct unrealizable fund sources.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 0.6 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -0.6 | | | | | | | | | | |
| FY2008 AMD: Replace unrealizable fund source | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Long Term Care Ombudsman (LTCO) program is funded by an RSA with the Department of Health and Social Services (DH&SS), Division of Senior and Disability Services. DH&SS was provided with federal receipt authority and general fund match in order to support the program from their Title III and Title VII federal funding.</i> | | | | | | | | | | | | |
| <i>The ability of DH&SS to support the LTCO has not kept pace with the increases in the personal services costs of running this program. This request would replace the unrealizable portion of inter-agency receipts with general fund and enable the program to operate at the current level of service.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 102.8 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -102.8 | | | | | | | | | | |
| FY2008 PERS adjustment of unrealizable receipts | Dec | -47.7 | -47.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1007 I/A Rcpts (Other) | | -47.7 | | | | | | | | | | |
| FY2011 Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Long Term Care Ombudsman (LTCO) component receives most of its funding from interagency receipts billed to the Division of Senior and Disability Services, who in turn obtains funding from the federal Title III and Title VII programs. The amount that can be collected each year from this source is fixed, so additional amounts of interagency receipts added to the LTCO budget are not collectible.</i> | | | | | | | | | | | | |
| <i>This fund change limits the amount of receipt authority in the LTCO budget to an amount that can actually be collected, and provides a usable funding source for the salary adjustments.</i> | | | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Mental Health Trust Authority (continued) | | | | | | | | | | | | |
| Long Term Care Ombudsman Office (continued) | | | | | | | | | | | | |
| FY2011 Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees (continued) | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 4.5 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -4.5 | | | | | | | | | | |
| FY2011 Reduce general fund travel line item by 10 percent. | Dec | -0.3 | 0.0 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | -0.3 | | | | | | | | | | |
| FY2011 MH Trust - Long Term Care Ombudsman Office Investigator | IncOTI | 91.5 | 82.9 | 6.0 | 2.6 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| <i>The Long Term Care Ombudsman (LTCO) is mandated under federal and state statute to investigate and resolve complaints concerning seniors who reside in a long term care facility. The federal Administration on Aging requires each state LTCO office to have representatives visit each nursing/assisted-living home in the state at least once each quarter. However, due to extraordinary increases in investigations over the last few years, the LTCO was only able to visit 6 of the 15 nursing homes and 66 of the 269 "senior" assisted-living homes at least once during the prior year.</i> | | | | | | | | | | | | |
| <i>During FY2008 the LTCO investigated 162 complaints; in FY 2009 the LTCO investigated 337 complaints. More than 11% of Alaskan population is over 60 years old. Alaska has the fastest growing population of seniors per capita in the nation and it is expected to triple in less than 20 years.</i> | | | | | | | | | | | | |
| <i>The LTCO office has had no growth in 8 years in the number of positions. The recommendation is to fund one certified state full-time long-term care ombudsman to meet the increasing demand for advocating and assisting the ever-increasing number of seniors in Alaska. This funding will cover salary and benefits, supplies and equipment, and \$6,000 in travel per year.</i> | | | | | | | | | | | | |
| 1037 GF/MH (UGF) | | 91.5 | | | | | | | | | | |
| FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Long Term Care Ombudsman (LTCO) component receives most of its funding from interagency receipts billed to the Division of Senior and Disability Services, who in turn obtains funding from the federal Title III and Title VII programs. The amount that can be collected each year from this source is fixed, so additional amounts of interagency receipts added to the LTCO budget are not collectible.</i> | | | | | | | | | | | | |
| <i>This fund change would limit the amount of receipt authority in the LTCO budget to an amount that can actually be collected, and provide a usable funding source for the salary adjustments.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 4.3 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -4.3 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase | FisNot | 6.2 | 6.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>FY2011 Noncovered Employees Year 1 increase : \$6.2</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 1.4 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | 3.8 | | | | | | | | | | |
| 1037 GF/MH (UGF) | | 1.0 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) Correct Unrealizable Fund Sources in the FY2011 Noncovered Year 1 Salary Increase | FisNot | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 3.8 | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Mental Health Trust Authority (continued) | | | | | | | | | | | | |
| Long Term Care Ombudsman Office (continued) | | | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) Correct | | | | | | | | | | | | |
| Unrealizable Fund Sources in the FY2011 | | | | | | | | | | | | |
| Noncovered Year 1 Salary Increase (continued) | | | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -3.8 | | | | | | | | | | |
| FY2012 MH Trust - Long Term Care Ombudsman Office | | | | | | | | | | | | |
| | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Technical adjustment to reflect general fund as general fund mental health receipts.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -127.2 | | | | | | | | | | |
| 1037 GF/MH (UGF) | | 127.2 | | | | | | | | | | |
| FY2012 Correct Unrealizable Fund Sources for Personal | | | | | | | | | | | | |
| | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Services Increases | | | | | | | | | | | | |
| <i>The Long Term Care Ombudsman (LTCO) component receives most of its funding from interagency receipts billed to the Division of Senior and Disability Services, who in turn obtains funding from the federal Title III and Title VII programs. The amount that can be collected each year from this source is fixed, so additional amounts of interagency receipts added to the LTCO budget are not collectible.</i> | | | | | | | | | | | | |
| <i>This fund change would limit the amount of receipt authority in the LTCO budget to an amount that can actually be collected, and provide a usable funding source for the salary adjustments.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 11.3 | | | | | | | | | | |
| 1007 I/A Rcpts (Other) | | -11.3 | | | | | | | | | | |
| FY2012 MH Trust - Long Term Care Ombudsman Office Travel | | | | | | | | | | | | |
| | Inc | 26.3 | 0.0 | 26.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Funding is requested for travel outside of Anchorage for investigative work. Currently all investigations outside of Anchorage are done primarily by phone. Past travel funding was made available from holding positions vacant. These funds are no longer available as the positions have now been filled to meet current investigation demands.</i> | | | | | | | | | | | | |
| 1037 GF/MH (UGF) | | 26.3 | | | | | | | | | | |
| FY2012 MH Trust - Long Term Care Ombudsman Office | | | | | | | | | | | | |
| Investigator | Inc | 93.7 | 93.1 | 0.0 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| <i>The Office of the Long Term Care Ombudsman protects the rights of seniors in assisted living and skilled nursing facilities. Staff investigate complaints from the public and work to resolve problems to the residents' satisfaction. OLTCO staff also provide public education, consultation, and technical assistance to families and providers throughout the state of Alaska.</i> | | | | | | | | | | | | |
| <i>This request makes permanent the one-time funding and position approved in FY2011 to continue the level of service in the Long Term Care Ombudsman Office.</i> | | | | | | | | | | | | |
| 1037 GF/MH (UGF) | | 93.7 | | | | | | | | | | |
| FY2013 MH Trust - Long Term Care Ombudsman Office | | | | | | | | | | | | |
| Technical Adjustment | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Technical adjustment to reflect general fund as general fund mental health receipts.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -14.1 | | | | | | | | | | |
| 1037 GF/MH (UGF) | | 14.1 | | | | | | | | | | |
| FY2013 MH Trust: Cont - Long Term Care Ombudsman's Office | | | | | | | | | | | | |
| Increases | Inc | 25.9 | 13.2 | 4.7 | 8.8 | -0.8 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>In FY 2013, the Office of the Long Term Care Ombudsman (LTCO) requests an additional \$25,900 increment for:</i> | | | | | | | | | | | | |
| <i>(a) development and maintenance of an online Learning Management System, giving staff and volunteers access to high quality ongoing training relevant to the Ombudsman's responsibilities, (b) maintaining a minimum vacancy</i> | | | | | | | | | | | | |

**2012 Legislature - Operating Budget
Transaction Detail - Governor Structure
05-13Inc/Decs Column**

Numbers and Language

Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------------|----------------|--------------|-------------------|------------|------------|----------|----------|----------|
| Alaska Mental Health Trust Authority (continued) | | | | | | | | | | | | |
| Long Term Care Ombudsman Office (continued) | | | | | | | | | | | | |
| FY2013 MH Trust: Cont - Long Term Care | | | | | | | | | | | | |
| Ombudsman's Office Increases (continued) | | | | | | | | | | | | |
| <i>rate, and (c) rising travel costs. The LTCO is a small stand-alone program with only five full-time positions, all of which must be kept filled to meet its statutory mandate.</i> | | | | | | | | | | | | |
| 1037 GF/MH (UGF) | | 25.9 | | | | | | | | | | |
| * Allocation Total * | | 253.8 | 144.1 | 61.7 | 60.3 | -12.3 | 0.0 | 0.0 | 0.0 | 2 | 0 | 0 |
| ** Appropriation Total ** | | 6,882.8 | 4,751.6 | 351.4 | 1,685.1 | 94.7 | 0.0 | 0.0 | 0.0 | 3 | 0 | 0 |
| Alaska Municipal Bond Bank Authority | | | | | | | | | | | | |
| AMBBA Operations | | | | | | | | | | | | |
| FY2006 To charge Bond Bank for accounting and other overhead charges | Inc | 35.0 | 0.0 | 0.0 | 35.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>End Result: Municipalities will lower their cost of financing.</i> | | | | | | | | | | | | |
| <i>The legislature transferred staffing responsibilities for the Bond Bank to the Department of Revenue in 1998. Since that time the level of bonding activity has increased significantly requiring greater management and accounting resources from Treasury Division. In addition, the Treasury Division can no longer absorb all of the intra- and interdepartmental allocations and needs to begin to share these charges among the other funds and entities it staffs.</i> | | | | | | | | | | | | |
| 1104 AMBB Rcpts (Other) | | 35.0 | | | | | | | | | | |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit | FisNot | 4.8 | 4.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1104 AMBB Rcpts (Other) | | 4.8 | | | | | | | | | | |
| FY2007 Ch. 75, SLA 2006 (SB 265) Bonds of Bond Bank Authority | FisNot | 50.0 | 0.0 | 0.0 | 50.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1173 GF MisEarn (UGF) | | 50.0 | | | | | | | | | | |
| FY2008 Anticipated Increased Use of Bond Bank by Communities | Inc | 50.0 | 0.0 | 0.0 | 50.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>To record an increase for the second year of fiscal note funding for SB 265, setting the Alaska Municipal Bond Bank Authority bond cap.</i> | | | | | | | | | | | | |
| 1104 AMBB Rcpts (Other) | | 50.0 | | | | | | | | | | |
| FY2011 Reduce general fund travel line item by 10 percent. | Dec | -0.6 | 0.0 | -0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1104 AMBB Rcpts (Other) | | -0.6 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase | FisNot | 1.8 | 1.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>FY2011 Noncovered Employees Year 1 increase : \$1.8</i> | | | | | | | | | | | | |
| 1104 AMBB Rcpts (Other) | | 1.8 | | | | | | | | | | |
| FY2011 Ch. 68, SLA 2010 (SB 269) ECON. STIMULUS BONDS: REALLOCATION/WAIVER | FisNot | 80.0 | 0.0 | 20.0 | 60.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1104 AMBB Rcpts (Other) | | 80.0 | | | | | | | | | | |
| L FY2011 Sec30, Ch43, SLA2010 (SB 230) - 15-year, 1 % loan to the City of Galena for utility improvements and debt obligations | Special | 2,450.0 | 0.0 | 0.0 | 2,450.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Municipal Bond Bank Authority (continued) | | | | | | | | | | | | |
| AMBBA Operations (continued) | | | | | | | | | | | | |
| FY2011 Sec30, Ch43, SLA2010 (SB 230) - | | | | | | | | | | | | |
| 15-year, 1 % loan to the City of Galena for utility | | | | | | | | | | | | |
| improvements and debt obligations (continued) | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | 2,450.0 | | | | | | | | | | |
| * Allocation Total * | | 2,671.0 | 6.6 | 19.4 | 2,645.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| ** Appropriation Total ** | | 2,671.0 | 6.6 | 19.4 | 2,645.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Alaska Housing Finance Corporation | | | | | | | | | | | | |
| AHFC Operations | | | | | | | | | | | | |
| FY2006 Adjustment to cover increases in fixed costs | Inc | 507.7 | 34.0 | 0.0 | 81.3 | 392.4 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Personal Services - \$22.9 to cover merit increases for the Servicing Department employees that have no other line item categories to reduce, \$11.1 to cover merit increases for employees funded with CIP receipts that have no other line item categories to reduce.</i> | | | | | | | | | | | | |
| <i>Contractual -- \$25.0 for increases in Telecommunications contracts, 51.3 for IBM maintenance and service contracts, \$5.0 to implement information systems security system.</i> | | | | | | | | | | | | |
| <i>Supplies -- \$72.4 to replace aging printers, 20.0 for software relating to information systems security system, 300.0 to implement pilot program for the Spend Management Program.</i> | | | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 11.1 | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 496.6 | | | | | | | | | | |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit | FisNot | 1,682.3 | 1,682.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1061 CIP Rcpts (Other) | | 113.7 | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 1,568.6 | | | | | | | | | | |
| FY2007 Federal Housing Program Expenses increases | Inc | 1,016.8 | 0.0 | 2.1 | 709.0 | 305.7 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment is to restore funding levels for the Housing Choice Voucher and Conventional Low Rent program. Funds are anticipated to be restored in order to continue to administer, operate, and maintain these programs throughout the State.</i> | | | | | | | | | | | | |
| <i>Travel -- \$2.1 for Administrative Travel.</i> | | | | | | | | | | | | |
| <i>Contractual -- \$239.0 for increases in Utility expenses, \$470.0 for maintenance and service contracts for rental Units owned by the Corporation.</i> | | | | | | | | | | | | |
| <i>Supplies -- \$305.7 for Maintenance Materials related to rental Units owned by the Corporation.</i> | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 1,016.8 | | | | | | | | | | |
| FY2007 AMD: Housing Choice Voucher Program administrative fees increase | Inc | 800.0 | 800.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Due to recent changes in the federal program, the administrative fees paid by the United States Department of Housing and Urban Development (HUD) are insufficient to cover the costs of administering the Housing Choice</i> | | | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Housing Finance Corporation (continued) | | | | | | | | | | | | |
| AHFC Operations (continued) | | | | | | | | | | | | |
| FY2007 AMD: Housing Choice Voucher Program administrative fees increase (continued) <i>Voucher Program statewide. AHFC continues to work with HUD and the Congressional Delegation to increase this funding; however, there is not enough program revenue to continue this program without supplemental funding.</i> | | | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 800.0 | | | | | | | | | | |
| FY2008 HUD Funding Conversion <i>The US Department of Housing and Urban Development (HUD) is in the midst of a conversion process to switch Public Housing Authorities to the Project-based Asset Management (AMP) format.</i> <i>AHFC's Central Office Cost Center provides management, supervision and oversight of all AHFC's rental housing developments. To cover the management costs, it receives a management fee from each individual Asset Management Project (AMP). These have been recorded as federal receipts.</i> <i>HUD now considers the Central Office Cost Center to be its own AMP. They are requiring any fee received from another AMP to be recorded as corporate receipts, not federal receipts.</i> <i>Once the fee is paid there are no longer any federal restrictions attached to the funds received as management fees. Because of this conversion, it is no longer necessary to allocate expenses, such as salaries, to each housing program/project, thus reducing the need to split accounting transactions across the various HUD programs administered by AHFC. AHFC is not replacing HUD funding, just the way for which it is accounted.</i> | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1061 CIP Rcpts (Other) | | | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | | | | | | | | | | | |
| FY2008 Anticipated Fixed Costs Increases | Inc | 219.7 | 0.0 | 0.0 | 219.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment is to account for the expected increases in Central Office insurance premiums.</i> <i>Contractual -- \$219.7 for increases in Insurance premiums (Corporate Receipts).</i> | | | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 219.7 | | | | | | | | | | |
| FY2008 Anticipated Fuel Cost Increases | Inc | 300.0 | 0.0 | 0.0 | 300.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment is to account for the expected increases in utility expenses for AHFC owned rental units funded by HUD and anticipated increases.</i> <i>Contractual -- \$300.0 for increases in Utility expenses (Federal Receipts).</i> | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 300.0 | | | | | | | | | | |
| FY2009 Correct Unrealizable Fund Sources for Salary | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Adjustments: AHFC | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | -759.4 | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | -133.6 | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 893.0 | | | | | | | | | | |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Housing Finance Corporation (continued) | | | | | | | | | | | | |
| AHFC Operations (continued) | | | | | | | | | | | | |
| FY2009 Increase Federal Funding for the Project-based Contract Administration Program Expenses | Inc | 11.4 | 8.9 | 1.5 | 0.5 | 0.5 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment is to account for the expected increases of \$11.4 federal funding relating to HUD's Contract Administration program for privately-owned housing developments projects throughout the state. AHFC manages the contracts between HUD and the individual owners.</i> | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 11.4 | | | | | | | | | | |
| FY2009 Increase Corporate Funding for Scheduled PC & Printer Replacement | Inc | 180.0 | 0.0 | 0.0 | 0.0 | 180.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This request will use \$180.0 corporate receipts to support the first year of a corporate-wide five-year replacement schedule for continuous rotation of all computers (PC), printers and associated peripherals. Scheduled replacement of computer equipment has proven to reduce repair and maintenance costs associated with electronic equipment that has reached its end-of-life status. Staff time is also reduced when support personnel are not working to maintain functionally obsolete equipment. Industry standard PC life-cycle falls between three and five years depending on the type and use of the hardware. Extended warranty options available through the state-compliant PC vendor range from one to five years with no option to extend past five years. AHFC is operating with a large percentage of PCs that are out of warranty, have reached or exceeds five years of service, and some with over seven years of service. AHFC's goal is to obtain funding to implement and adhere to a strict and managed five-year PC replacement policy.</i> | | | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 180.0 | | | | | | | | | | |
| FY2009 Increase Corporate Funding for Anticipated Business Activity Expenditures | Inc | 505.7 | 0.0 | 96.4 | 384.0 | 10.3 | 15.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Under usual budgeting circumstances, funds needed for merit increases would be pulled from another portion of the budget, which has been the practice over the last decade, including this year. However, the Corporation maintains contracts, agreements, services, licensing, etc., many that affect periods longer than a fiscal year. Many of these types of items cannot simply have their funding redirected without consequences. Pulling additional funds from these business activities have or will result in a loss of essential services or the support for them. This request restores some depleted funding, while minimally expanding the Corporation's business activity to increase its productivity.</i> | | | | | | | | | | | | |
| <i>Travel/Training - \$96,400</i> | | | | | | | | | | | | |
| <i>In order to keep its staff up to date with current and emerging technology and to maintain an acceptable level of performance, the Information Systems (IS) department is requesting an additional \$80.0 for training. AHFC continues to modernize the portfolio of Information Technology services that are core to business operations. As this technology constantly evolves, it is imperative that the skills of those who implement and support it remain current. By investing in continuing education for technical staff, the corporation will be better equipped to deliver technology that is maximized for its intended function.</i> | | | | | | | | | | | | |
| <i>The IS Department is looking forward to several challenges in the near future that will require training of its staff. Projects identified for FY2009 include, but are not limited to:</i> | | | | | | | | | | | | |
| <i>- Upgrades to the Corporation's e-mail system;</i> | | | | | | | | | | | | |
| <i>- Installation of state compliant firewalls;</i> | | | | | | | | | | | | |
| <i>- Deployment of collaborative on-line work environments;</i> | | | | | | | | | | | | |
| <i>- Maintenance of a stream-lined network infrastructure;</i> | | | | | | | | | | | | |
| <i>- Development of a standardized corporate wide reporting system; and</i> | | | | | | | | | | | | |
| <i>- Replacement of a variety of legacy hardware and software systems.</i> | | | | | | | | | | | | |

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Alaska Housing Finance Corporation (continued)

AHFC Operations (continued)

FY2009 Increase Corporate Funding for
Anticipated Business Activity Expenditures
(continued)

| Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|

Combining Human Resource (HR) and Payroll departments will occur in FY2009. Costs for a new software package and training to start up will add an additional cost to the HR travel and training budget for FY2009. An increase in the travel and training of \$6.4 is needed to maintain the expertise in the department with the current laws and regulations, and to provide for travel to outlying areas during open enrollment periods, and for required site visits.

The Mortgage department provides HomeChoice/Outreach classes throughout the state that are key business activities for the Corporation. An additional \$10.0 is needed to cover increased costs of air fare, gasoline, car rentals, hotels, etc.

Contractual - \$384,000:

Data Communications - \$100.0 In order to support a statewide network extending to over 16 Alaskan communities, AHFC must maintain secure, dedicated, and reliable network connectivity to each of its locations statewide. Over the last year, AHFC has reduced the cost of data communications and will continue working on creative ways to continue this trend. Metrics such as performance, reliability and manageability all contribute to the cost of supporting a state-wide Corporate network. In order to maintain a network at the current level, the IS department is requesting an additional \$100.0 to cover the cost of maintaining AHFC's network data communication charges. Like other contractual costs, data communication costs are fixed and are knowable from the budgeting perspective. Budget tracking indicates the current Data Communications allocations will fall short by approximately \$100.0 in fiscal year 2009.

Consulting Services - \$162.6:

The Mortgage department will need \$7.6 in Consulting Services to update the HomeChoice databases.

The Corporation desires to expand the mortgage education program through the Mortgage department by moving toward an on-line homebuyer training program that would provide an option for homebuyers who are sometimes forced to wait up to 90 or more days for direct face-to-face classes. This tool would also provide yet another option for providing our services throughout the state, while at the same time, enhancing the effectiveness of the existing "correspondence" course that is taken by individuals that for various reasons are unable to take the class but require the credit to qualify for their loan. Additionally, our loan programs serve veterans that live in Alaska but are now serving overseas. They would also have easy access to AHFC training programs. Lastly, all continuing education classes for real estate professionals, builders, lenders, etc. could be accessed through this medium, in addition to our current classes, to assist in meeting their requirements for licensure. This project is anticipated to cost \$55.0.

The Corporation anticipates expanding the Public Awareness program through the Government Relations and Public Affairs/Communications department by increasing its marketing activity by \$100.0 to further educate the public regarding the Corporation's stable mortgage loan programs.

Lease Space - \$9.1

The Administrative Services (AS) department manages the Corporation's leases; they are expected to increase by \$9.1

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Housing Finance Corporation (continued) | | | | | | | | | | | | |
| AHFC Operations (continued) | | | | | | | | | | | | |
| FY2009 Increase Corporate Funding for Anticipated Business Activity Expenditures (continued) | | | | | | | | | | | | |
| Space Rent - \$1.8 Cost for space rent for the HomeChoice classes continues to increase around the state. | | | | | | | | | | | | |
| Printing - \$82.6 The current supply of HomeChoice workbooks will be depleted by December of FY2009. The Mortgage department will be printing new copies of the HomeChoice workbook that is anticipated to cost approximately \$77.1. In addition, Human Resources will need \$5.5 to reprint the Group Insurance Information Booklet for AHFC employees. | | | | | | | | | | | | |
| Audit Fees - \$28.0 The Accounting Department anticipates increases for the annual external audit fees. | | | | | | | | | | | | |
| General Office Supplies- \$10.3 Normal cost increases for various departmental business supplies. | | | | | | | | | | | | |
| Office Equipment - \$15.0 The Administrative Services (AS) department has received notice that the US Postal Service has mandated postal meters/machines change to secure digital technology. AHFC has a postage machine/meter at HQ that must be changed by 12/31/2008. Estimated cost is \$15.0 for direct buy or \$750/month for 36 months (\$27.0). | | | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 505.7 | | | | | | | | | | |
| FY2010 Adjust Funding due to AHFC eligibility in HUD "Moving to Work" program | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| This fund source change is to adjust Corporate funding for salaries back to Federal Receipts. Now that AHFC is in HUD's Moving to Work agency status, there is sufficient federal resources to cover these expenses. | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 674.3 | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | -674.3 | | | | | | | | | | |
| FY2010 Utilities Increase - Eligible for Federal Receipts due to AHFC becoming a HUD "Moving to Work" agency | Inc | 959.7 | 0.0 | 0.0 | 959.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| This increment is to adjust FY2010 budget base for an increase in utility expense due to increased rates for energy costs. Now that AHFC is in HUD's Moving to Work agency status, there is sufficient federal resources to cover these expenses. | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 959.7 | | | | | | | | | | |
| FY2010 Increase Funding for Anticipated Business Activity | Inc | 254.4 | 118.4 | 0.0 | 123.0 | 13.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| The Corporation maintains many contracts, agreements, services, licensing, etc., that affect periods longer than a fiscal year. Many of these types of items cannot simply have their funding redirected without consequences. Pulling additional funds from these business activities have or will result in a loss of essential services or the support for them. This request restores some depleted funding, while minimally expanding the Corporation's business activity to increase its productivity. | | | | | | | | | | | | |
| Salary - \$118,400 Federal and CIP Receipts to pay for a Grant Administrator for the Neighborhood Stabilization Program that was approved by LB&A on December 10, 2008. Federal Receipts \$37,900 | | | | | | | | | | | | |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|----------|------|-----|-----|-----|
| Alaska Housing Finance Corporation (continued) | | | | | | | | | | | | |
| AHFC Operations (continued) | | | | | | | | | | | | |
| FY2010 Increase Funding for Anticipated | | | | | | | | | | | | |
| Business Activity (continued) | | | | | | | | | | | | |
| CIP Receipts \$80,500 | | | | | | | | | | | | |
| Contractual Increase - \$123,000: These increases are expected to remain valid for the life of the applications; therefore, it is necessary for FY2010 and beyond. | | | | | | | | | | | | |
| ARIBA - Corporate Receipts for increases in annual license fees of \$44,000. The Corporation realized a need to increase licensing and the number of possible monthly expense reports for the ARIBA application. | | | | | | | | | | | | |
| MITAS - Corporate Receipts for the MITAS software Maintenance and Support increases at a rate of 5% per year of \$39,000. | | | | | | | | | | | | |
| KRONOS - Corporate Receipts for the KRONOS Software will be in its first year of operations. The annual maintenance fee for the new software will require an increase of \$40,000. | | | | | | | | | | | | |
| Supplies - \$13,000 | | | | | | | | | | | | |
| Postage - \$13.0 Federal Receipts to mail out Housing Assistance Payments (HAP) to landlords in the Housing Choice Voucher (HCV) program. | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 50.9 | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 80.5 | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 123.0 | | | | | | | | | | |
| FY2011 Increase Federal Funding for Facility Management | Inc | 530.0 | 107.3 | 8.1 | 361.7 | 57.7 | -4.8 | 0.0 | 0.0 | 0 | 0 | 0 |
| AHFC provides safe, decent, and affordable rental housing and access to supportive services to low-income Alaskans. Public housing and Section 8 new housing developments are located in 14 communities across Alaska. AHFC owns and operates more than 1,600 housing units statewide. Eligible tenants pay 30 percent of their adjusted monthly income to rent a unit at one of AHFC's 29 public housing sites. HUD, through AHFC, subsidizes the balance of the rent. AHFC, in most cases, employs on-site management and maintenance staff. This request increases federal funding to manage these properties in accordance with HUD guidelines. | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 513.0 | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 17.0 | | | | | | | | | | |
| FY2011 Grant Administrator I and Energy Specialist I positions related to administration of ARRA funding | Inc | 218.0 | 218.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| AHFC received nearly \$100 million in American Recovery and Reinvestment Act (ARRA) funding in FY2010. Although the programs are similar to existing programs, there are substantially more monitoring and reporting requirements related to these special programs. Because of the additional workload, AHFC is requesting additional CIP funding to cover the salary expenses of two positions that will be working in these ARRA-funded programs. One of the positions is a Grant Administrator I - Range 16, and the other is an Energy Specialist I -- Range 18. | | | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 218.0 | | | | | | | | | | |
| L FY2011 For housing assistance payments under the Section 8 program | Lang | 36,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 36,000.0 | 0.0 | 0 | 0 | 0 |
| similar transactions should have included in past years | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 36,000.0 | | | | | | | | | | |

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Numbers and Language

Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|-----------|------|-----|-----|-----|
| Alaska Housing Finance Corporation (continued) | | | | | | | | | | | | |
| AHFC Operations (continued) | | | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase | FisNot | 646.0 | 646.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| FY2011 Noncovered Employees Year 1 increase : \$646.0 | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 208.2 | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 39.9 | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 397.9 | | | | | | | | | | |
| FY2011 Ch. 46, SLA 2010 (SB 217) AHFC: VET. BONDS/BLDG ; SUBPORT BLDG BOND | FisNot | 150.0 | 0.0 | 0.0 | 150.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1103 AHFC Rcpts (Other) | | 150.0 | | | | | | | | | | |
| FY2011 Ch. 7, SLA 2010 (HB 369) IN-STATE PIPELINE/ MANAGER/TEAM | FisNot | 15,640.6 | 1,095.2 | 90.0 | 14,342.1 | 29.0 | 84.3 | 0.0 | 0.0 | 7 | 0 | 0 |
| 1004 Gen Fund (UGF) | | 15,640.6 | | | | | | | | | | |
| L FY2012 Reverse language - FY2011 Conference Committee - SLA2010 CH 41 Sec 11(f) | OTI | -36,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -36,000.0 | 0.0 | 0 | 0 | 0 |
| 1002 Fed Rcpts (Fed) | | -36,000.0 | | | | | | | | | | |
| L FY2012 FY2012 Funding for Federal Housing Assistance Payments (HAP) | Lang | 32,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 32,000.0 | 0.0 | 0 | 0 | 0 |
| Landlords in the private rental market enter into a Housing Assistance Payment (HAP) contract with AHFC. Rental units that meet HUD housing quality standards (HQS) and rent reasonableness criteria are likely to be considered eligible rental properties. The amount of rent AHFC may subsidize is based upon the unit size, the community in which the unit is located, and the comparable market conditions. | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 32,000.0 | | | | | | | | | | |
| FY2012 Veterans Bonds SB 217 year 2 | IncOTI | 40.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 40.0 | 0 | 0 | 0 |
| 1103 AHFC Rcpts (Other) | | 40.0 | | | | | | | | | | |
| FY2013 HUD Funding Conversion | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| The US Department of Housing and Urban Development (HUD) has converted Public Housing Authorities to the Project-based Asset Management (AMP) format. | | | | | | | | | | | | |
| AHFC's Central Office Cost Center (COCC) provides management, supervision and oversight of all AHFC's rental housing developments. To cover the management costs, it receives a management fee from each individual Asset Management Project (AMP). In the past, these have been recorded as federal receipts. | | | | | | | | | | | | |
| HUD now considers the Central Office Cost Center to be its own AMP. They are requiring any fee received from another AMP to be recorded as corporate receipts, not federal receipts. | | | | | | | | | | | | |
| Once the fee is paid there are no longer any federal restrictions attached to the funds received as management fees. Because of this conversion, it is no longer necessary to allocate expenses, such as salaries, to each housing program/project, thus reducing the need to split accounting transactions across the various HUD programs administered by AHFC. AHFC is not replacing HUD funding, just the way for which it is accounted. | | | | | | | | | | | | |
| This is an adjustment to the original conversion done in FY2008. Since then, HUD has made adjustments that require AHFC to have certain employees be paid under the COCC, rather than directly to the AMP. The positions | | | | | | | | | | | | |

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| Alaska Housing Finance Corporation (continued) | | | | | | | | | | | | |
| AHFC Operations (continued) | | | | | | | | | | | | |
| FY2013 HUD Funding Conversion (continued) | | | | | | | | | | | | |
| <i>are paid for through the Management Fees, which have a Corporate Receipt designation; however, the original source of the funds are from Federal Receipts.</i> | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | -598.2 | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 598.2 | | | | | | | | | | |
| FY2013 Federal Housing Program Expense Increases | Inc | 812.6 | 0.0 | 60.0 | 631.8 | 55.8 | 65.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment is to increase federal receipts funding levels for the Multifamily Section 8 New Construction and the Conventional Low Rent programs. Funds are anticipated to be added in order to take advantage of HUD's inflation factors used in developing the upcoming year's funding levels to continue to administer, operate, and maintain AHFC's rental housing units throughout the State.</i> | | | | | | | | | | | | |
| <i>Travel -- \$35.0 for In-State Administrative Travel, \$25.0 for Out of State Administrative Travel related to training.</i> | | | | | | | | | | | | |
| <i>Contractual -- \$381.8 for increases in Utility expenses, \$250.0 for maintenance and service contracts for rental units owned by the Corporation.</i> | | | | | | | | | | | | |
| <i>Supplies -- \$55.8 for Maintenance Materials related to rental units owned by the Corporation.</i> | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 812.6 | | | | | | | | | | |
| FY2013 AMD: Technical Correction - Veterans Bonds Year 3 (CH46 SLA2010)(SB217) | IncOTI | 45.3 | 0.0 | 0.0 | 45.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>In the FY2013 Governor's budget released December 15, 2011 the increment for the Veterans Bonds year two was incorrectly placed in the language section of the bill. This corrects the improper placement and adds the amount to the proper numbers section.</i> | | | | | | | | | | | | |
| <i>FY2013 December budget -- \$90,283.8</i> | | | | | | | | | | | | |
| <i>FY2013 Amendment --\$0.0</i> | | | | | | | | | | | | |
| <i>TOTAL FY2013 -- \$90,283.8</i> | | | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 45.3 | | | | | | | | | | |
| FY2013 FY2013 Funding for Federal Housing Assistance Payments (HAP) | IncM | 32,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 32,000.0 | 0.0 | 0 | 0 | 0 |
| <i>Landlords in the private rental market enter into a Housing Assistance Payment (HAP) contract with AHFC. Rental units that meet HUD housing quality standards (HQS) and rent reasonableness criteria are likely to be considered eligible rental properties. The amount of rent AHFC may subsidize is based upon the unit size, the community in which the unit is located, and the comparable market conditions.</i> | | | | | | | | | | | | |
| 1002 Fed Rcpts (Fed) | | 32,000.0 | | | | | | | | | | |
| FY2013 (SB 226) PURCHASE & LEASE OF NOME OFFICE BUILDING | FisNot | 552.8 | 58.1 | 19.3 | 474.7 | 0.7 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Removed annual debt services and changed fund code to AHFC Receipts for remaining expenditures.</i> | | | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | 552.8 | | | | | | | | | | |
| FY2013 DID NOT PASS: (SB 226) PURCHASE & LEASE OF NOME OFFICE BUILDING | FisNot | -552.8 | -58.1 | -19.3 | -474.7 | -0.7 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Removed annual debt services and changed fund code to AHFC Receipts for remaining expenditures.</i> | | | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | -552.8 | | | | | | | | | | |
| * Allocation Total * | | 88,520.2 | 4,710.1 | 258.1 | 18,308.1 | 1,044.4 | 159.5 | 64,000.0 | 40.0 | 7 | 0 | 0 |

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|--|---------------|----------------------|----------------------|--------------|-----------------|----------------|-------------------|-----------------|-------------|----------|----------|----------|
| Alaska Housing Finance Corporation (continued) | | | | | | | | | | | | |
| Anchorage State Office Building | | | | | | | | | | | | |
| FY2009 Decrease Corporate Funding for Reduced Private Lease Space in Atwood Building | Dec | -400.0 | 0.0 | 0.0 | -400.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Department of Administration (DOA), as agreed in its lease with AHFC, allocates the operating expenses for the Anchorage State Office Building - Atwood Building. AHFC reimburses DOA for the portion of maintenance costs related to the private sector leases. As the private tenants' leases expire, state agencies take possession of the space. As more state agencies move into the building, more operating costs are allocated by DOA to the agencies, and fewer expenses are billed to AHFC for the reduced private lease space.</i> | | | | | | | | | | | | |
| <i>This request will decrease corporate funding closer to actual income levels generated from the private tenant lease payments in the Atwood Building. There are fewer private leases in the Atwood Building that generate funds to pay toward the maintenance of the building; therefore, this change record will decrease excess authority by -\$400.0.</i> | | | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | -400.0 | | | | | | | | | | |
| FY2012 Decrease Corporate Funding for Reduced Private Lease Space in Atwood Building | Dec | -200.0 | 0.0 | 0.0 | -200.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The Department of Administration (DOA), as agreed in its lease with AHFC, allocates the operating expenses for the Anchorage State Office Building - Atwood Building. AHFC reimburses DOA for the portion of maintenance costs related to the private sector leases. As the private tenants' leases expire, state agencies take possession of the space. As more state agencies move into the building, more operating costs are allocated by DOA to the agencies, and fewer expenses are billed to AHFC for the reduced private lease space.</i> | | | | | | | | | | | | |
| <i>This request will decrease corporate funding closer to actual income levels generated from the private tenant lease payments in the Atwood Building. There are fewer private leases in the Atwood Building that generate funds to pay toward the maintenance of the building; therefore, this change record will decrease excess authority by -\$200.0.</i> | | | | | | | | | | | | |
| 1103 AHFC Rcpts (Other) | | -200.0 | | | | | | | | | | |
| * Allocation Total * | | -600.0 | 0.0 | 0.0 | -600.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Alaska Gasline Development Corporation | | | | | | | | | | | | |
| FY2012 Add funding for Alaska Gasline Development Corporation Staff | Inc | 1,095.2 | 1,095.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>CIP receipt authority is requested to continue the in-state gas pipeline project (Chapter 7, SLA 2010).</i> | | | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 1,095.2 | | | | | | | | | | |
| FY2012 Correct 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 |
| <i>Correct the fund source of the salary adjustment from general fund to CIP receipts to correspond with the other funding in the component's FY2012 budget request.</i> | | | | | | | | | | | | |
| 1004 Gen Fund (UGF) | | -31.1 | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 31.1 | | | | | | | | | | |
| FY2013 Operating Costs for Alaska Gasline Development Corporation | IncM | 2,476.3 | 54.1 | 0.0 | 2,422.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>AGDC request to fund/employ their work through the completion of FEL 2</i> | | | | | | | | | | | | |
| 1061 CIP Rcpts (Other) | | 2,476.3 | | | | | | | | | | |
| * Allocation Total * | | 3,571.5 | 1,149.3 | 0.0 | 2,422.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| ** Appropriation Total ** | | 91,491.7 | 5,859.4 | 258.1 | 20,130.3 | 1,044.4 | 159.5 | 64,000.0 | 40.0 | 7 | 0 | 0 |

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| Alaska Permanent Fund Corporation | | | | | | | | | | | | |
| APFC Operations | | | | | | | | | | | | |
| FY2006 Personal Services Increment | Inc | 160.0 | 160.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Personal services increment to fund adjustments made to the Executive Director's and certain investment officer's salaries to keep them competitive with the market. Also funds merit increases for staff.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 160.0 | | | | | | | | | | |
| FY2006 Adjustment to reflect spending plan | Inc | 263.1 | 0.0 | 53.7 | 217.4 | -8.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Travel -- (\$53.7) increment to allow for more staff due diligence travel to external asset managers, bank custodian, and Fund properties. This increment will also support staff specialized training and travel for educating the public on Fund issues.</i> | | | | | | | | | | | | |
| <i>Contractual -- (\$217.4) increment. APFC anticipates additional professional services costs associated with a new real estate policy resulting in increase acquisition activity. The increment also is for increased expenditure on educating and informing the public on Fund issues and for additional pass-through charges for central state services.</i> | | | | | | | | | | | | |
| <i>Commodities -- (\$-8.0) decrement to reflect FY2006 spending plan.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 263.1 | | | | | | | | | | |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit | FisNot | 228.3 | 228.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1105 PF Gross (Other) | | 228.3 | | | | | | | | | | |
| FY2007 New Positions -- Sr Inv Officer & Sr. Accountant | Inc | 300.5 | 300.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2 | 0 | 0 |
| <i>In the past 16 months, the Trustees have allocated \$2.4 billion to alternative asset classes that had not been present in the Fund and have liberalized investment restrictions of some existing investment managers. A senior investment position is requested to provide quantitative risk analytics across asset classes given the additional degrees of complexity both within asset classes and across the spectrum of asset classes. Assistance is also needed to provide external manager oversight to accommodate growth in the number of Fund managers that has already occurred.</i> | | | | | | | | | | | | |
| <i>A senior accountant position is requested to provide direct assistance to the controller in the support of equity portfolio accounting, oversight of the preparation and development of the monthly financial statements, staff supervision, administering of the accounting system, and oversight and assistance in other functions such as accounting and compliance for real estate investments and the annual audit.</i> | | | | | | | | | | | | |
| <i>These positions are necessary to provide the necessary oversight and accounting of a growing multi-billion dollar fund as it transitions into alternative investment strategies.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 300.5 | | | | | | | | | | |
| FY2007 Increased Due Diligence due to complex investment environment | IncOTI | 376.4 | 0.0 | 21.9 | 352.0 | 12.5 | -10.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Travel -- \$21.9 increment to allow for expanding due diligence travel to external asset managers, bank custodian, and Fund properties. This increment will also support staff travel for specialized training.</i> | | | | | | | | | | | | |
| <i>Contractual -- \$352.0 increment to allow for: additional professional services costs associated with transitioning into expanded asset classes and increased audit and performance measurement costs; new investment portfolio management systems; increased IT consulting costs; additional lease cost for office space; and higher State centralized support costs; and additional funding for specialized staff training.</i> | | | | | | | | | | | | |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Permanent Fund Corporation (continued) | | | | | | | | | | | | |
| APFC Operations (continued) | | | | | | | | | | | | |
| FY2007 Increased Due Diligence due to complex investment environment (continued) | | | | | | | | | | | | |
| Commodities -- \$12.5 increment for workstation replacements. | | | | | | | | | | | | |
| Equipment -- (\$10.0) decrement based on our equipment replacement / upgrade plan. | | | | | | | | | | | | |
| The additional funding will provide the resources necessary to manage a large multi-billion dollar fund seeking a 5% real rate of return in a complex investment environment. | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 376.4 | | | | | | | | | | |
| FY2008 Salary management plan increases | Inc | 239.7 | 239.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| This increment is integral to the corporation's ability to attract and retain qualified investment professionals. It will fund market salary adjustments made by the Trustees which were provided primarily to investment staff in FY2006. It will also provide expected performance based increases for each permanent position in FY2008. | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 239.7 | | | | | | | | | | |
| FY2008 Investment travel due diligence | Inc | 19.3 | 0.0 | 19.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| \$13.5 increment to allow for additional staff due diligence travel to external asset managers, bank custodian, and fund properties. The Board has directed APFC staff to conduct more frequent on-site visits with the Fund's external managers. In the last two fiscal years, the actual assets under management has grown by about six (6) billion dollars. Over the same two fiscal years, changes in Fund size and strategy have lead to a 38% increase in the number of portfolio managers. Additionally, our real estate portfolio has increased in size which necessitates additional due diligence travel to review and directly monitor the management of those properties. We expect to continue our expansion into alternative investments which will require additional review and analysis given the complexity of these types of investments. | | | | | | | | | | | | |
| \$5.8 increment will support staff specialized training and moving costs associated with recruitment and retention of specialized investment type positions. | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 19.3 | | | | | | | | | | |
| FY2008 Contractual Services increments | Inc | 50.2 | 0.0 | 0.0 | 50.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| This increment will fund: | | | | | | | | | | | | |
| -- Increased professional services contractual obligations for the Fund's annual audit and performance measurement contracts. | | | | | | | | | | | | |
| -- Additional auditing work related to alternative investments. | | | | | | | | | | | | |
| -- Maintenance, service, and support of the Corporation's phone system. | | | | | | | | | | | | |
| -- An increase of our Juneau office lease due to a CPI adjustment. | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 50.2 | | | | | | | | | | |
| FY2008 Financial network investment systems | Inc | 247.3 | 0.0 | 0.0 | 247.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| This increment will provide funding for increased contractual obligations and changes to existing investment financial network systems. These systems provide our investment officers and finance staff the tools and information required to manage and account for a \$35 billion dollar fund. | | | | | | | | | | | | |
| Funding will also be used to purchase two new system subscriptions. \$80,000 for a new risk analytics system which will provide the investment staff with a tool set to calculate the risk of the entire portfolio and \$43,000 for a new performance measurement system -- Per Trac 6. | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 247.3 | | | | | | | | | | |
| FY2008 Due Diligence Travel Costs | Inc | 21.9 | 0.0 | 21.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |

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| Alaska Permanent Fund Corporation (continued) | | | | | | | | | | | | |
| APFC Operations (continued) | | | | | | | | | | | | |
| FY2008 Due Diligence Travel Costs (continued) | | | | | | | | | | | | |
| <i>This funding was approved as part of a one-time item in FY07.</i> | | | | | | | | | | | | |
| <i>The Board has directed APFC staff to conduct more frequent on-site visits with the Fund external managers and properties. As the Fund has grown in size and complexity, so have the numbers of managers and properties that staff must oversee. In addition the Corporation expects to continue expansion into alternative investments which will require additional review and analysis and on-going due diligence as the investments are undertaken.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 21.9 | | | | | | | | | | |
| FY2008 Contractual Services Costs | Inc | 352.0 | 0.0 | 0.0 | 352.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This funding was approved as part of a one-time item in FY07. The Corporation continues to require this funding.</i> | | | | | | | | | | | | |
| <i>As part of the FY07 budget development process, the Corporation adjusted its spending plan in Contractual Services reallocating \$235.5 of expected reductions in service or excess authorization to areas that service levels or programs are anticipated to increase. This new spending plan resulted in a requested Contractual Services increment of \$352.0. This increment is needed to support additional manager searches, an increase in the cost of State support services, additional financial network informational, trading, analytical and other investment services that are necessary to properly manage the Fund's investments, on-going Investments and IT consulting services, increased audit and performance measurement contractual costs, increased cost for the Corporation's office spaces, and increased cost for specialized staff training.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 352.0 | | | | | | | | | | |
| FY2008 Workstation Equipment Upgrades | Inc | 12.5 | 0.0 | 0.0 | 0.0 | 12.5 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This funding was approved as part of a one-time item in FY07. The Corporation continues to require this funding in FY08.</i> | | | | | | | | | | | | |
| <i>The increment is needed to upgrade workstation equipment and laptops.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 12.5 | | | | | | | | | | |
| FY2008 Capital Outlay Reduction | Dec | -10.0 | 0.0 | 0.0 | 0.0 | 0.0 | -10.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This decrease was approved as part of a one-time item in FY07.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | -10.0 | | | | | | | | | | |
| FY2009 Travel Increment | Inc | 41.2 | 0.0 | 41.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This proposed travel increment will support the additional necessary due diligence and management travel to external asset managers (including international), the bank custodian, and Fund properties. This increment will also support the moving expenses associated with the recruitment of experienced investment staff.</i> | | | | | | | | | | | | |
| <i>The travel budget was approved by the Board of Trustees September 25, 2007 as part of the FY2009 budget plan.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 41.2 | | | | | | | | | | |
| FY2009 Contractual Services Increment | Inc | 89.0 | 0.0 | 0.0 | 89.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>\$89.0 represents the net increment necessary to implement the contractual services spending plan approved by the Board of Trustees on September 25, 2007 for the FY2009 budget. It includes:</i> | | | | | | | | | | | | |
| <i>Increased spending (\$313.6) on: IT services, State pass-through charges, investment financial data and analytical systems, training, and meeting expenses.</i> | | | | | | | | | | | | |
| <i>Decreased spending (-\$224.6) on: contractual legal services, public education program, communications, postage, printing, and leases.</i> | | | | | | | | | | | | |

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| Alaska Permanent Fund Corporation (continued) | | | | | | | | | | | | |
| APFC Operations (continued) | | | | | | | | | | | | |
| FY2009 Contractual Services Increment (continued) | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 89.0 | | | | | | | | | | |
| FY2009 Salary Management Plan Increment | Inc | 272.3 | 272.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment is integral to the Corporation's ability to attract and retain qualified investment professionals. The Alaska Permanent Fund Corporation's Board adopted compensation program allows for performance based increases for each permanent position annually. \$172.3 of this increment will fund these performance based increases for each permanent position in FY2009. This increment includes \$100.0 for implementation of potential salary adjustments that may result from a planned FY2009 market salary analysis. The \$100.0 is shown as "lump sum premium pay" in the Personal Services detail page. The Board of Trustees approved this increment on September 25, 2007 as part of the FY2009 budget.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 272.3 | | | | | | | | | | |
| FY2009 New Position - Attorney | Inc | 180.9 | 180.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| <i>A new position, an Attorney, is requested for the Alaska Permanent Fund Corporation. The new position will provide legal counsel for the Corporation. This position was approved by the Board of Trustees on September 25, 2007 as part of our FY2009 budget plan.</i> | | | | | | | | | | | | |
| <i>The Fund has experienced tremendous growth and increased complexity over the last 10 years. Legal guidance is essential to the ongoing management of a \$40 billion public fund and a staff attorney would greatly enhance the efficiency of our corporate and investment operations.</i> | | | | | | | | | | | | |
| <i>Previously, the Department of Law (DOL) has provided legal services, as well as contracted for specialized outside legal counsel for APFC legal needs. These contractual services were budgeted for as Reimbursable Service Agreements. Our FY2009 contractual services request has been decreased by \$175.0 in response to this request to fund this new position in Personal Services. If this position is not approved, APFC will still incur similar or higher outsourced legal costs which will necessitate additional funding under contractual services. In addition, we will lose the efficiencies of an attorney who is devoted with APFC issues.</i> | | | | | | | | | | | | |
| <i>The Attorney position is approximately a range 25 with an estimated annual salary and benefits of approximately \$180.9. This position will be located in Juneau. Funding comes from APFC Corporate Receipts and there are no current or future GF funding impacts.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 180.9 | | | | | | | | | | |
| FY2009 Commodities & Equipment Decrement | Dec | -15.8 | 0.0 | 0.0 | 0.0 | -10.8 | -5.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Commodities -- (-\$10.8) decrement to reflect FY2009 spending plan approved by the Board of Trustees September 25, 2007.</i> | | | | | | | | | | | | |
| <i>Equipment -- (-\$5.0) decrement to reflect FY2009 spending plan approved by the Board of Trustees September 25, 2007.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | -15.8 | | | | | | | | | | |
| FY2011 New multi-year contractual arrangements for auditing, investment performance measurement, and external legal services | Inc | 56.6 | 0.0 | 0.0 | 56.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This request increases the Corporation's contractual services authorization for existing business obligations.</i> | | | | | | | | | | | | |
| <i>Professional services -- \$56.6. The Corporation will be entering into new multi-year contractual arrangements for</i> | | | | | | | | | | | | |

**2012 Legislature - Operating Budget
Transaction Detail - Governor Structure
05-13Inc/Decs Column**

Numbers and Language

Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Permanent Fund Corporation (continued) | | | | | | | | | | | | |
| APFC Operations (continued) | | | | | | | | | | | | |
| FY2011 New multi-year contractual arrangements for auditing, investment performance measurement, and external legal services (continued) | | | | | | | | | | | | |
| <i>auditing, investment performance measurement, and external legal services. This funding will meet the expected FY2011 service cost increases for these agreements.</i> | | | | | | | | | | | | |
| <i>State support charge backs -- \$21.5. This increment will cover the increasing chargeback costs that the Department of Administration and the Department of Revenue pass through to the Corporation.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 56.6 | | | | | | | | | | |
| FY2011 Anticipated cost increases for existing investment information and analytical systems | Inc | 117.0 | 0.0 | 0.0 | 117.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>\$117.0. -- The Corporation has existing agreements for investment information and analytical systems which are used by staff in the Fund's investment management and decision making processes. This funding will cover the anticipated increases for these existing services.</i> | | | | | | | | | | | | |
| <i>\$321.0 -- New investment risk management information and analytical services to enable our internal risk management staff to perform the risk analysis.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 117.0 | | | | | | | | | | |
| FY2011 New investment risk management information and analytical services | Inc | 321.0 | 0.0 | 0.0 | 321.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>\$117.0. -- The Corporation has existing agreements for investment information and analytical systems which are used by staff in the Fund's investment management and decision making processes. This funding will cover the anticipated increases for these existing services.</i> | | | | | | | | | | | | |
| <i>\$321.0 -- New investment risk management information and analytical services to enable our internal risk management staff to perform the risk analysis.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 321.0 | | | | | | | | | | |
| FY2011 IT System Security Services - network security audit, and firewall security and fixed income trade system upgrades | IncOTI | 80.0 | 0.0 | 0.0 | 80.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This funding will support three critical IT projects:</i> | | | | | | | | | | | | |
| <i>-- A network security audit.</i> | | | | | | | | | | | | |
| <i>-- Firewall security upgrades. Alaska Permanent Fund Corporation firewalls are nearing end of life status. This project will move corporate firewalls to comply with State firewall standards.</i> | | | | | | | | | | | | |
| <i>-- Fixed income trade order management system enhancements to enable our internal trading staff to be more competitive through extended access opportunities.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 80.0 | | | | | | | | | | |
| FY2011 CC: Reduce funding for new investment risk management information and analytical services | Dec | -150.0 | 0.0 | 0.0 | -150.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1105 PF Gross (Other) | | -150.0 | | | | | | | | | | |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase | FisNot | 105.3 | 105.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>FY2011 Noncovered Employees Year 1 increase</i> | | | | | | | | | | | | |
| <i>: \$105.3</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 105.3 | | | | | | | | | | |

**2012 Legislature - Operating Budget
Transaction Detail - Governor Structure
05-13Inc/Decs Column**

Numbers and Language

Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Permanent Fund Corporation (continued) | | | | | | | | | | | | |
| APFC Operations (continued) | | | | | | | | | | | | |
| FY2012 Due Diligence Travel, Legal Fees, and Consultants | Inc | 115.0 | 0.0 | 75.0 | 40.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Travel</i> <i>This increment will support due diligence travel for new and existing investments. The Board believes that a strong staff due diligence program is critical to proactively monitoring our investments and controlling investment and operational risk.</i> <i>This increment will also support Board travel which meets the Board's educational objectives to: a) ensure that the Board has access to the knowledge and information necessary for them to fulfill their fiduciary duties as trustees; and b) to assist them in becoming well informed in all matters pertaining to the management of a large institutional fund.</i> | | | | | | | | | | | | |
| <i>Services</i> <i>This request increases the Corporation's authorized contractual services budget to cover existing business obligations for auditing, external legal services, and investment performance measurement.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 115.0 | | | | | | | | | | |
| FY2012 AMD: IT System Security Services - Restore OTI | IncM | 80.0 | 0.0 | 0.0 | 80.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This funding will support ongoing annual network security audits and correct any deficiencies found during these audits. As a multi-billion dollar fund, the Alaska Permanent Fund is an attractive target, and the corporation's network experiences thousands of probe attempts from around the world on a daily basis. These threats are constantly changing in response to existing network defenses. Regular security audits and follow-up work are essential to help protect one of Alaska's most valuable resources.</i> <i>This funding was approved in FY2011 as a one-time increment, however these needs are ongoing. This project was inadvertently omitted from the FY2012 Governor's Budget, and the error was not recognized until after the December 15, 2010 release date.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 80.0 | | | | | | | | | | |
| FY2012 CC: Increase to Fill All Current Positions and Fund Salary Increases | Inc | 152.0 | 152.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Alaska Statute 39.25.110(11)(B) exempts the APFC from the State Personnel Act. As a result, the Board is authorized to design and implement a salary program that will attract and retain staff with the necessary specialized knowledge and skills necessary to prudently manage the Permanent Fund. The requested increment will allow the Corporation to maintain a reasonable vacancy rate of 3.41%, fill all current positions, and meet its stated obligations to current staff that have met or exceeded their annual performance goals. APFC has been forced to hold an investment position open for FY2011 due to short funding in the personal services line, limiting the resources the Board has available to prudently manage the Fund's investments. If the requested increment for FY2012 is not approved, this position will have to remain open. This increases the operational risk for the Fund, as adequate staffing levels are necessary to effectively monitor the Fund's investments.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 152.0 | | | | | | | | | | |
| FY2013 Merit Based and Vacancy Management Increases | Inc | 185.0 | 185.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Alaska Statute 39.25.110(11)(B) exempts the APFC from the State Personnel Act. As a result, the Board is authorized to design and implement a salary management program that will attract and retain staff with the specialized knowledge and skills necessary to prudently manage the Permanent</i> <i>Fund.</i> | | | | | | | | | | | | |

**2012 Legislature - Operating Budget
Transaction Detail - Governor Structure
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Numbers and Language

Agency: Department of Revenue

**Alaska Permanent Fund Corporation (continued)
APFC Operations (continued)**

FY2013 Merit Based and Vacancy Management
Increases (continued)

| Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|

The requested increment will allow the Corporation to maintain a reasonable vacancy rate, fill all current positions, and meet its stated obligations to current staff that have met or exceeded their annual performance goals.

1105 PF Gross (Other) 185.0

| | | | | | | | | | | | |
|---|-----|-------|-------|-----|-----|-----|-----|-----|---|---|---|
| FY2013 AMD: Increase In-House Investment Management | Inc | 295.0 | 295.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2 | 0 | 0 |
|---|-----|-------|-------|-----|-----|-----|-----|-----|---|---|---|

This request is for two new exempt positions at the Alaska Permanent Fund Corporation (APFC): a fixed income investment officer and an accountant. Together, these positions will allow the APFC to bring in-house the direct investment of the Fund's international fixed income portfolio. Both of the positions described below are required for the APFC to take on this new mandate.

APFC's fixed income staff directly invests nearly \$5 billion of the Fund in domestic fixed income securities. The internal staff consistently achieves competitive returns, while saving millions of dollars in management fees compared to our external managers.

APFC wishes to expand the internal staff's mandate to include direct investment of international fixed income. Currently, this portfolio is managed externally at an annual cost of about \$1.6 million. Moving these assets to our internal portfolio is expected to save a minimum of \$1.3 million annually over the cost of the two new requested positions.

The new fixed income investment officer will perform the analysis, oversight, and direct investment activities for this new mandate. The APFC's current team is at capacity, so a new position is required in order to perform these tasks in-house.

A new accountant will be required to handle the additional accounting tasks associated with this new mandate. Increasing in-house trading volume will directly increase the amount of review, compliance and accounting tasks that APFC's finance section must perform for the fixed income portfolio. In addition, internal fixed income trading comes with added complexities, such as foreign currencies, forward contract maintenance, and foreign brokers. The current accounting staff does not have the capacity to take on these new tasks.

FY2013 December budget -- \$11,116.1

FY2013 Amendments -- \$525.0

TOTAL FY2013 -- \$11,411.1

1105 PF Gross (Other) 295.0

| | | | | | | | | | | | |
|------------------------------------|-----|-------|-------|-----|-----|-----|-----|-----|---|---|---|
| FY2013 AMD: Co-Investment Position | Inc | 230.0 | 230.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
|------------------------------------|-----|-------|-------|-----|-----|-----|-----|-----|---|---|---|

The Alaska Permanent Fund Corporation currently has programs to invest in private equity and absolute return funds, but they rely exclusively on costly external management firms. One of the features APFC includes in manager contracts in these two asset classes is "co-investment rights." These rights allow the APFC to invest more money in a particular investment, should staff think it prudent to do so, eliminating additional fees to the manager.

APFC needs to develop the staff internally to be able to independently review these investments in order to take advantage of the co-investment rights. Bringing on an investment officer to begin reviewing investments in this area will lower the cost of this program in future years.

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Numbers and Language

Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Permanent Fund Corporation (continued) | | | | | | | | | | | | |
| APFC Operations (continued) | | | | | | | | | | | | |
| FY2013 AMD: Co-Investment Position | | | | | | | | | | | | |
| (continued) | | | | | | | | | | | | |
| FY2013 December budget -- \$11,116.1 | | | | | | | | | | | | |
| FY2013 Amendments -- \$525.0 | | | | | | | | | | | | |
| TOTAL FY2013 -- \$11,346.1 | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 230.0 | | | | | | | | | | |
| * Allocation Total * | | 4,415.7 | 2,349.0 | 233.0 | 1,852.5 | 6.2 | -25.0 | 0.0 | 0.0 | 6 | 0 | 0 |
| ** Appropriation Total ** | | 4,415.7 | 2,349.0 | 233.0 | 1,852.5 | 6.2 | -25.0 | 0.0 | 0.0 | 6 | 0 | 0 |
| Alaska Permanent Fund Corporation Custody and Management Fees | | | | | | | | | | | | |
| APFC Custody and Management Fees | | | | | | | | | | | | |
| FY2006 Increased Manager Fees | Inc | 1,500.0 | 0.0 | 0.0 | 1,500.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Manager fees are based on the value of assets under management. As the Fund grows the manager fees increase. This increment is based on a median case growth assumption provided by our consultant.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 1,500.0 | | | | | | | | | | |
| FY2006 AMD: Increase in Investment Management Fees | Inc | 6,500.0 | 0.0 | 0.0 | 6,500.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Manager fees are calculated based on the market value of assets under management. The FY2006 budget projection for this RDU was prepared utilizing median return assumptions provided by our external consultant. The first 6-months return for FY2005 has exceeded our budgetary return assumptions which will carry forward and create an understatement in our estimate of the beginning FY2006 market value. Additionally, the Corporation has funded higher cost asset classes from asset classes with lower fee structures which also contributes to this request for an additional appropriation.</i> | | | | | | | | | | | | |
| <i>Mission and Measures: Integral to the achievement of our mission to maximize the value of the Permanent Fund within return objectives.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 6,500.0 | | | | | | | | | | |
| FY2007 Increased Manager Fees | Inc | 13,470.0 | 0.0 | 0.0 | 13,470.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The increment in manager fees is to fund expected market growth and to fund higher fees associated with expanding the investment strategy to include additional types of fixed income and alternative investments. The additional funds are necessary to maintain and expand the Fund's external investment managers whose expertise is necessary to achieve the goal of a 5% real rate of return.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 13,470.0 | | | | | | | | | | |
| FY2008 Increased Manager Fees | Inc | 6,600.0 | 0.0 | 0.0 | 6,600.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>The increment in manager fees is to fund increases in fees based on projected asset value growth, and to fund higher fees associated with potential changes to the Fund's structure and strategies. The funds are necessary to maintain and expand the Fund's external investment managers whose expertise is necessary to achieve the goal of a 5% real rate of return.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 6,600.0 | | | | | | | | | | |
| FY2008 AMD: Increase in Investment Management Fees | Inc | 4,000.0 | 0.0 | 0.0 | 4,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Manager fees are calculated based on the market value of assets under management. The FY2008 budget projection was prepared utilizing median return assumptions provided by our external consultant. The first 7-months of FY2007 have exceeded our budgetary return assumptions which will carry forward and create an understatement in our estimate of the FY2008 market value. Additionally, the Corporation is moving part of the portfolio into higher cost investment strategies.</i> | | | | | | | | | | | | |

**2012 Legislature - Operating Budget
Transaction Detail - Governor Structure
05-13Inc/Decs Column**

Numbers and Language

Agency: Department of Revenue

| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|-----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Permanent Fund Corporation Custody and Management Fees (continued) | | | | | | | | | | | | |
| APFC Custody and Management Fees (continued) | | | | | | | | | | | | |
| FY2008 AMD: Increase in Investment Management Fees (continued) | | | | | | | | | | | | |
| <i>Mission and Measures: Integral to the achievement of our mission to maximize the value of the Permanent Fund within return objectives.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 4,000.0 | | | | | | | | | | |
| FY2009 Investment Manager Fees Increment | Inc | 18,615.0 | 0.0 | 0.0 | 18,615.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Manager fees are calculated based on the market value of assets under management. This increment in manager fees is to fund increases in fees based on projected asset value growth, and to fund higher fees associated with changes to the Fund's structure and strategies. This funding is necessary to maintain and expand the Fund's external investment managers whose expertise is necessary to achieve the goal of a 5% real rate of return.</i> | | | | | | | | | | | | |
| <i>This appropriation will fund the cost of investment management fees that the Corporation pays directly from corporate receipts. It does not include funding for fees where the industry practice is to retain the fees by netting them against either income or assets.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 18,615.0 | | | | | | | | | | |
| FY2010 AMD: Decrement - Investment Manager Fees | Dec | -10,000.0 | 0.0 | 0.0 | -10,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Manager fees are based on the market value of the assets under management. The value of the Fund has decreased and less funding will be required in this component.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | -10,000.0 | | | | | | | | | | |
| FY2011 Manager Fee Decrement | Dec | -14,240.0 | 0.0 | 0.0 | -14,240.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Management fees are projected to be significantly lower than the FY2010 authorization given the Fund's lower beginning market value based on median Fund growth expectations.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | -14,240.0 | | | | | | | | | | |
| FY2011 AMD: Manager Fees Adjustment | Inc | 8,000.0 | 0.0 | 0.0 | 8,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>This increment (or reduction to our original decrement request) is the result of a stronger than projected market recovery and some changes to the Fund's portfolio structure. Over the last twelve months the Fund's performance was 18.87%, compared to the median rate of return of approximately 9% which was used to develop the original budget request.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 8,000.0 | | | | | | | | | | |
| FY2012 Investment Management and Third Party Fiduciary Fees | IncM | 14,125.0 | 0.0 | 0.0 | 14,125.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <i>Manager fees are calculated based on the market value of assets under management. This increment in manager fees is to fund increases in fees based on projected asset value growth, and to fund higher fees associated with changes to the Fund's structure and strategies. The Fund's external investment managers provide expertise and services that are essential in allowing the Fund to achieve the Board's long-term investment goals.</i> | | | | | | | | | | | | |
| <i>This increment also supports additional third party fiduciary work that is anticipated to be required in FY2012. This work will provide the Board with additional assistance in evaluating investment strategies, investments, and investment managers.</i> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 14,125.0 | | | | | | | | | | |

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05-13Inc/Decs Column**

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| | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|-----------|-------------|-------------------|--------|------|-----|-----|-----|
| Alaska Permanent Fund Corporation Custody and Management Fees (continued) | | | | | | | | | | | | |
| APFC Custody and Management Fees (continued) | | | | | | | | | | | | |
| FY2012 Moving to Language Section - Investment Management and Third Party Fiduciary Fees | Dec | -90,300.0 | 0.0 | 0.0 | -90,300.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>The fees paid by this appropriation are calculated based on contracted rates applied to the assets under management at the time the fees are invoiced. Projected fees for the operating budget have historically been based on the Fund's mid-case projections for assets under management for the fiscal year. However, markets are unpredictable and projections have to be made up to 24 months in advance to meet the budget cycle. At times fees have exceeded the budgeted amount, requiring a supplemental budget request to meet the shortfall.</i></p> <p><i>In the past, the Legislature has been receptive to supplemental requests for this appropriation, understanding that markets are unpredictable. However, even with this understanding, supplemental requests add to the work load for a number of people in the Legislative and Executive Branch. As a result, APFC has provided a range for this appropriation for FY12, rather than a single number. The low end of the range is based on mid-case projections (as has been done in the past) while the high end of the range is based on higher-end projections for both FY11 and FY12. There is still a slight chance that fees could exceed the range if markets show unexpected, remarkable growth leading up to the end of FY12.</i></p> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | -90,300.0 | | | | | | | | | | |
| L FY2012 Investment Management and Third Party Fiduciary Fees | Lang | 90,300.0 | 0.0 | 0.0 | 90,300.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>The fees paid by this appropriation are calculated based on contracted rates applied to the assets under management at the time the fees are invoiced. Projected fees for the operating budget have historically been based on the Fund's mid-case projections for assets under management for the fiscal year. However, markets are unpredictable and projections have to be made up to 24 months in advance to meet the budget cycle. At times fees have exceeded the budgeted amount, requiring a supplemental budget request to meet the shortfall.</i></p> <p><i>In the past, the Legislature has been receptive to supplemental requests for this appropriation, understanding that markets are unpredictable. However, even with this understanding, supplemental requests add to the work load for a number of people in the Legislative and Executive Branch. As a result, APFC has provided a range for this appropriation for FY12, rather than a single number. The low end of the range is based on mid-case projections (as has been done in the past) while the high end of the range is based on higher-end projections for both FY11 and FY12. There is still a slight chance that fees could exceed the range if markets show unexpected, remarkable growth leading up to the end of FY12.</i></p> | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 90,300.0 | | | | | | | | | | |
| L FY2012 Align the appropriation with the amount necessary to pay custody and investment management fees for FY12 | Lang | 5,000.0 | 0.0 | 0.0 | 5,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1105 PF Gross (Other) | | 5,000.0 | | | | | | | | | | |
| FY2013 Custody and Management fee (estimated) | IncM | 106,600.0 | 0.0 | 0.0 | 106,600.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p><i>Management fees were moved from number section to language section in FY12, in an attempt to provide a range in which fees can be paid. The estimated amounts for the range were 90.3 to 130.0. The legislature opposed the use of fee range. Therefore the question remains as to whether or not this should be a language item.</i></p> <p><i>(e) The amount necessary to pay the custody, investment management, and third-party fiduciary fees of the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska), ESTIMATED TO BE \$108,200,000, is appropriated for that purpose from the receipts of the Alaska Permanent Fund Corporation to the Alaska Permanent Fund Corporation for the fiscal year ending June 30, 2013.</i></p> | | | | | | | | | | | | |

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Numbers and Language

Agency: Department of Revenue

| | <u>Trans Type</u> | <u>Total Expenditure</u> | <u>Personal Services</u> | <u>Travel</u> | <u>Services</u> | <u>Commodities</u> | <u>Capital Outlay</u> | <u>Grants</u> | <u>Misc</u> | <u>PFT</u> | <u>PPT</u> | <u>TMP</u> |
|--|-----------------------|------------------------------|------------------------------|---------------|-----------------|--------------------|---------------------------|---------------|-------------|------------|------------|------------|
| Alaska Permanent Fund Corporation Custody and Management Fees (continued) | | | | | | | | | | | | |
| APFC Custody and Management Fees (continued) | | | | | | | | | | | | |
| FY2013 Custody and Management fee | | | | | | | | | | | | |
| (estimated) (continued) | | | | | | | | | | | | |
| 1105 PF Gross (Other) | | 106,600.0 | | | | | | | | | | |
| * Allocation Total * | | 160,170.0 | 0.0 | 0.0 | 160,170.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| ** Appropriation Total ** | | 160,170.0 | 0.0 | 0.0 | 160,170.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| *** Agency Total *** | | 337,931.1 | 22,601.8 | 926.7 | 218,220.9 | 1,195.6 | 133.5 | 64,055.0 | 30,797.6 | 49 | 0 | 0 |
| **** All Agencies Total **** | | 337,931.1 | 22,601.8 | 926.7 | 218,220.9 | 1,195.6 | 133.5 | 64,055.0 | 30,797.6 | 49 | 0 | 0 |

Column Definitions

05-13Inc/Decs (05-13 Incs/Decs/Fnd Changes) - 13IncDecFnd+06Inc/Dec/F+07Inc/Dec/F+08Inc/Dec/F+09Inc/Dec/F+10Inc/Dec/F+11Inc/Dec/F+12Inc/Dec/F