

**2013 Legislature - Operating Budget
Transaction Compare - Governor Structure
Between Adj Base and Gov Amd**

Numbers and Language Differences Agencies: Rev

Agency: Department of Revenue

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Taxation and Treasury													
Tax Division													
Establish an Executive Director Position for the Film Office	Gov Amd	Inc	148.0	148.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
<i>The Alaska Film Office was moved from Department of Commerce, Community and Economic Development to the Department of Revenue. This creates an executive director position at a range 23 to oversee the film office once it is transferred to Department of Revenue in July 2013.</i>													
1004 Gen Fund (UGF)			148.0										
Establish an Audit Master Position and an Oil and Gas Revenue Auditor Position	Gov Amd	Inc	372.0	372.0	0.0	0.0	0.0	0.0	0.0	0.0	2	0	0
<i>One oil and gas revenue auditor is being added for increased resources in the audit of production tax, as well as one audit master position that will provide additional professional development of oil and gas policies, conduct oil and gas studies and assist in drafting regulations for the tax division.</i>													
<i>During the past several legislative sessions, significant oil and gas production tax discussions have occurred. Heritage auditors will train new auditors on the oil and gas statutes and the division will augment our professional audit teams with additional auditors.</i>													
1004 Gen Fund (UGF)			372.0										
* Allocation Difference *			520.0	520.0	0.0	0.0	0.0	0.0	0.0	0.0	3	0	0
Treasury Division													
Investment Management of Constitutional Budget Reserve Fund	Gov Amd	Inc	108.0	0.0	0.0	108.0	0.0	0.0	0.0	0.0	0	0	0
<i>This is the amount necessary for FY2014 operating costs related to investment management of the Constitutional Budget Reserve Fund (CBRF).</i>													
1004 Gen Fund (UGF)			108.0										
Investment Management of Power Cost Equalization Endowment Fund	Gov Amd	Inc	80.0	0.0	0.0	80.0	0.0	0.0	0.0	0.0	0	0	0
<i>This is the amount necessary for FY2014 operating costs related to investment management of the Power Cost Equalization Endowment Fund (PCE).</i>													
1169 PCE Endow (DGF)			80.0										
* Allocation Difference *			188.0	0.0	0.0	188.0	0.0	0.0	0.0	0.0	0	0	0
Alaska Retirement Management Board Custody and Management Fees													
Increased Investment and Custody Fees	Gov Amd	Inc	9,883.8	0.0	0.0	9,883.8	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. Investment assets under management have experienced a continued growth.</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.</i>													
<i>Treasury will continually monitor financial market activity for any significant changes affecting these estimates. In</i>													

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Taxation and Treasury (continued)													
Alaska Retirement Management Board Custody and Management Fees (continued)													
Increased Investment and Custody Fees (continued)													
<i>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)	8,753.2									
			1034 Teach Ret (Other)	1,111.1									
			1042 Jud Retire (Other)	19.5									
			* Allocation Difference *	9,883.8	0.0	0.0	9,883.8	0.0	0.0	0.0	0	0	0
			** Appropriation Difference **	10,591.8	520.0	0.0	10,071.8	0.0	0.0	0.0	3	0	0
Child Support Services													
Child Support Services Division													
L		Gov Amd	Reverse FY2013 Estimate of Cost Recovery for CSSD Paternity Testing Sec 19, Ch 15, SLA 2012	OTI	-46.0	0.0	0.0	-46.0	0.0	0.0	0	0	0
<i>Reverse the language section estimate of program receipts collected as cost recovery for paternity testing.</i>													
			1005 GF/Prgm (DGF)	-46.0									
L		Gov Amd	FY2014 Estimate of Cost Recovery for CSSD Paternity Testing	IncM	46.0	0.0	0.0	46.0	0.0	0.0	0	0	0
<i>Restore the language section estimate of program receipts collected as cost recovery for paternity testing.</i>													
			1005 GF/Prgm (DGF)	46.0									
			* Allocation Difference *	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
			** Appropriation Difference **	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Administration and Support													
Administrative Services													
		Gov Amd	Interagency Receipt Authority for Two Human Resource Positions Transferred from the Department of Administration	Inc	155.5	155.5	0.0	0.0	0.0	0.0	0	0	0
<i>The department requests an increase in inter-agency (I/A) receipt authority to bring the component into compliance with vacancy factor guidelines.</i>													
			1007 I/A Rcpts (Other)	155.5									
		Gov Amd	Department of Administration Core Services Rates	Inc	112.8	0.0	0.0	112.8	0.0	0.0	0	0	0
			1004 Gen Fund (UGF)	112.8									
			* Allocation Difference *	268.3	155.5	0.0	112.8	0.0	0.0	0.0	0	0	0
			** Appropriation Difference **	268.3	155.5	0.0	112.8	0.0	0.0	0.0	0	0	0

Alaska Mental Health Trust Authority

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Alaska Mental Health Trust Authority (continued)													
Mental Health Trust Operations													
Mental Health Trust Continuing - Trust Authority	Gov Amd	Inc	166.4	42.4	-10.0	121.3	3.7	9.0	0.0	0.0	0	0	0
Admin Budget Increases													
<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)			166.4										
* Allocation Difference *			166.4	42.4	-10.0	121.3	3.7	9.0	0.0	0.0	0	0	0
Long Term Care Ombudsman Office													
Reduce Unrealizable Fund Source Authority	Gov Amd	Dec	-6.3	0.0	-1.7	-3.7	-0.9	0.0	0.0	0.0	0	0	0
<i>The Long Term Care Ombudsman (LTCO) component receives its funding mainly 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 decrement brings the interagency receipts in line with what was received in FY2013.</i>													
1007 I/A Rcpts (Other)			-6.3										
Mental Health Trust Continuing - Long Term Care Ombudsman's Office Increases	Gov Amd	Inc	107.4	94.0	4.9	6.8	1.7	0.0	0.0	0.0	0	0	0
<i>The Office of the Long Term Care Ombudsman (LTCO) is requesting \$107.4 to provide funding for an Assistant Ombudsman position to perform additional investigations and facility visits. PCN 10-T058 (Trust Resource Manager in Department of Natural Resources Trust Land Office) has been identified internally to be transferred and reclassified to The Alaska Mental Health Trust Authority. The amount includes funding to pay for supplies and travel costs for this position.</i>													
<i>Under state and federal law, the LTCO's two most important responsibilities are to investigate complaints relating to seniors in residential facilities and to make unannounced visits to facilities. While complaint investigation is important, making unannounced visits to facilities is equally as important. Beneficiaries with ADRD don't have the capacity to call the LTCO so we have to be present in the facilities to monitor their care, find the problems and resolve them.</i>													
<i>Between FY 2009 and 2012, the number of cases the LTCO investigated each year rose from 170 to 535. Since the number of seniors in Alaska is rising rapidly, the number of investigations will continue to rise, negatively impacting the LTCO's ability to conduct unannounced visits. There are over 600 long term care facilities in Alaska and last year, the LTCO could only conduct 294 facility visits. The transfer of this PCN will allow the LTCO to keep up with investigations and increase facility visits to keep older beneficiaries in residential care safe.</i>													
1037 GF/MH (UGF)			107.4										
* Allocation Difference *			101.1	94.0	3.2	3.1	0.8	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			267.5	136.4	-6.8	124.4	4.5	9.0	0.0	0.0	0	0	0

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Alaska Housing Finance Corporation													
AHFC Operations													
Increase Corporate Receipt Authority for AHFC's New Mortgage Marketing Plan	Gov Amd	Inc	680.0	0.0	50.0	555.0	25.0	50.0	0.0	0.0	0	0	0
<p><i>\$680,000 is requested to support a marketing effort that will benefit mortgage operations. Marketing is needed to support a new Turnkey program, tentatively approved by AHFC's board of directors, which will offer closing cost assistance at an attractive interest rate for Alaskans with credit scores of 620 or greater. The program is the first of its kind to be offered in the history of AHFC, and management believes it is important not only to generate additional business activity but also to remain relevant among real estate professionals, lenders and homebuyers so that when the market returns to normalcy, AHFC will be better positioned to continue offering loans and provide returns that benefit the bottom line and support social activities.</i></p> <p><i>Rationale:</i></p> <ul style="list-style-type: none"> - Last year's marketing resulted in an increase of more than 60% would-be homebuyers attending pre-purchase counseling. - Mortgage applications increased 14.5 percent while at the same time payoffs increased, resulting in a total portfolio decrease of 8.5%. - New program is offered in conjunction with Raymond James/Morgan Keegan (RJMK). It is a "turnkey" Mortgage Backed Securities (MBS) program, and in addition to the advantages offered to buyers, it will also provide AHFC with a profitable pricing spread. <ul style="list-style-type: none"> o There are no additional staffing requirements for AHFC, no increased capital reserves and minimal risk. o Projection is for up to \$200 million in annual activity from this program that could generate about \$6 million in additional revenue. o Upon return to normal market conditions, AHFC will be able to easily transition back to promoting its traditional Mortgage Revenue Bond (MRB) programs. 													
1103 AHFC Rcpts (Other)			680.0										
Increase Federal Receipt Authority for Additional Public Housing Units	Gov Amd	Inc	981.1	267.9	4.2	583.3	125.7	0.0	0.0	0.0	0	0	0
<p><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. 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></p> <p><i>This increment is for property and other insurance contracts increases. AHFC has entered into contracts, agreements, services, licensing, etc., that affect periods longer than a fiscal year. The insurance is for corporate assets.</i></p>													
1002 Fed Rcpts (Fed)			981.1										
Increase Corporate Receipt Authority for Fixed Costs Increases (Property and Corporate Asset Insurance)	Gov Amd	Inc	183.6	0.0	0.0	183.6	0.0	0.0	0.0	0.0	0	0	0
<p><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</i></p>													

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Alaska Housing Finance Corporation (continued)													
AHFC Operations (continued)													
Increase Corporate Receipt Authority for Fixed Costs Increases (Property and Corporate Asset Insurance) (continued)													
<i>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>Contractual -- \$183.6 for increases in property and other insurance that the Corporation has no control over. The insurance is for Corporate Assets.</i>													
1103 AHFC Rcpts (Other)			183.6										
Federal Funding for Additional Housing Assistance Payments	Gov Amd	Inc	1,000.0	0.0	0.0	0.0	0.0	0.0	1,000.0	0.0	0	0	0
<i>Landlords in the private rental market enter into a Housing Assistance Payment (HAP) contract with Alaska Housing Finance Corporation (AHFC). Rental units that meet Housing and Urban Development's (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)			1,000.0										
* Allocation Difference *			2,844.7	267.9	54.2	1,321.9	150.7	50.0	1,000.0	0.0	0	0	0
Anchorage State Office Building													
Decrease Excess Corporate Receipt Authority													
	Gov Amd	Dec	-100.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
<i>This request will align authority with anticipated receipts. Alaska Housing Finance Corporation (AHFC) has not collected over a \$100,000 for a few years and does not anticipate exceeding this amount.</i>													
1103 AHFC Rcpts (Other)			-100.0										
* Allocation Difference *			-100.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			2,744.7	267.9	54.2	1,221.9	150.7	50.0	1,000.0	0.0	0	0	0
Alaska Permanent Fund Corporation													
APFC Operations													
AMD: Professional Services and Contractual Costs													
	Gov Amd	Inc	130.0	0.0	0.0	130.0	0.0	0.0	0.0	0.0	0	0	0
<i>This amendment is a result of increased costs in the fees charged for auditing, performance measurement, manager searches, and financial networks.</i>													
<i>Contractual services cover a range of outside providers that assist the Alaska Permanent Fund Corporation (APFC) staff in the prudent management of the Fund. These services are necessary components of APFC's due diligence program to monitor investments and control investment and operational risk. This request was reconsidered as an FY2014 amendment based on additional information provided by APFC.</i>													
1105 PF Gross (Other)			130.0										
AMD: Compensation Plan	Gov Amd	Inc	198.0	198.0	0.0	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)													
AMD: Compensation Plan (continued)													
<i>Alaska Statute 39.25.110(11)(B) exempts the Alaska Permanent Fund Corporation (APFC) from the State Personnel Act. As a result, the APFC Board (the Board) is authorized to design a salary management plan that will attract and retain staff with the specialized skills to prudently manage the Permanent Fund.</i>													
<i>This amendment will allow APFC to maintain a reasonable vacancy rate, fill all current positions, and meet its obligation to pay increases to staff that have met or exceeded their annual performance goals. The Board feels that these increases are crucial to attract, motivate, and retain qualified employees. APFC employees are not eligible for the step increases received by other State of Alaska employees. This request was reconsidered as an FY2014 amendment based on additional information provided by APFC.</i>													
	1105 PF Gross (Other)		198.0										
			328.0	198.0	0.0	130.0	0.0	0.0	0.0	0.0	0	0	0
			328.0	198.0	0.0	130.0	0.0	0.0	0.0	0.0	0	0	0
Alaska Permanent Fund Corporation Custody and Management Fees													
APFC Custody and Management Fees													
	Increased Investment Management Fees	Gov Amd	Inc	8,200.0	0.0	0.0	8,200.0	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>Funding in this authorization is also used to secure third party fiduciary evaluations of investment strategies, investments, and investment managers.</i>													
	1105 PF Gross (Other)		8,200.0										
			8,200.0	0.0	0.0	8,200.0	0.0	0.0	0.0	0.0	0	0	0
			8,200.0	0.0	0.0	8,200.0	0.0	0.0	0.0	0.0	0	0	0
			22,400.3	1,277.8	47.4	19,860.9	155.2	59.0	1,000.0	0.0	3	0	0
			22,400.3	1,277.8	47.4	19,860.9	155.2	59.0	1,000.0	0.0	3	0	0

Column Definitions

Adj Base (FY14 Adjusted Base) - FY2013 Management Plan less one-time items, plus FY2014 adjustments for position counts, funding transfers, line item transfers, temporary increments (IncT) from prior years, and additions for statewide items (risk management and most salary and benefit increases). The Adjusted Base is the "first cut" of the FY2014 budget; it is the base to which the Governor's and the Legislature's increments, decrements, and fund changes are added.

Gov Amd (FY14 Governor Amended) - FY14 Governor's Amended Budget (Includes Governor's Dec 15th budget and the Governor's Amendments submitted on February 17th)