



# Summary of AKLNG Fund Codes

## By Legislative Finance Division

- 1229 AGDC-ISP: In-State Natural Gas Pipeline Fund
- 1232 ISPF-I/A: In-State Natural Gas Pipeline Fund—Interagency
- 1235 AGDC-LNG: Alaska Liquefied Natural Gas Project Fund
- 1236 AK LNG I/A: Alaska Liquefied Natural Gas Project Fund I/A
- 1241 GF/LNG: General Fund / LNG

**Summary of AKLNG Funding within Department Operating Budgets  
FY15 Mgt Plan / FY16 Mgt Plan & Supps / FY17 GovAmd**

**FY17 Governor's Amended Request**

Agency	UGF (1004)	AGDC - ISP (1229)	ISPF - I/A (1232)	AGDC - LNG (1235)	AK-LNG I/A (1236)	GF/LNG (1241)	TOTAL
Alaska Gasline Development Corporation	-	10,147.9	-	2,801.9	-	-	12,949.8
Environmental Conservation	-	-	307.8	-	-	-	307.8
Law	700.0	-	139.1	-	-	-	839.1
Natural Resources	-	-	517.0	-	-	28,681.8	29,198.8
Revenue	-	-	-	-	-	1,876.7	1,876.7
Transportation	-	-	700.6	-	1.3	-	701.9
<b>TOTAL</b>	<b>700.0</b>	<b>10,147.9</b>	<b>1,664.5</b>	<b>2,801.9</b>	<b>1.3</b>	<b>30,558.5</b>	<b>45,874.1</b>

UGF requested in error -- will be corrected to the GF/LNG code 1241 in the subcommittee process.

A FY17 Governor's Amendment reduced funding from \$35.7 million. Of the \$28.7 million, \$17 million will go to the Department of Law as I/A Receipts (1007).

**FY16 Management Plan & Supplementals**

Agency	UGF (1004)	AGDC - ISP (1229)	ISPF - I/A (1232)	AGDC - LNG (1235)	AK-LNG I/A (1236)	GF/LNG (1241)	TOTAL
Alaska Gasline Development Corporation	-	10,447.9	-	2,801.9	-	-	13,249.8
Environmental Conservation	-	-	307.8	-	-	-	307.8
Law	700.0	-	139.1	-	-	10,100.0	10,939.1
Natural Resources	-	8,986.7	517.0	-	-	1,849.5	11,353.2
Revenue	-	-	-	-	150.0	1,045.5	1,195.5
Transportation	-	-	700.6	-	71.3	-	771.9
<b>TOTAL</b>	<b>700.0</b>	<b>19,434.6</b>	<b>1,664.5</b>	<b>2,801.9</b>	<b>221.3</b>	<b>12,995.0</b>	<b>37,817.3</b>

UGF appropriations to Department of Law have been corrected to the GF/LNG code 1241 for tracking purposes.

**FY15 Management Plan**

Agency	UGF (1004)	AGDC - ISP (1229)	ISPF - I/A (1232)	AGDC - LNG (1235)	AK-LNG I/A (1236)	GF/LNG (1241)	TOTAL
Alaska Gasline Development Corporation	-	10,445.1	-	2,999.4	-	-	13,444.5
Environmental Conservation	-	-	382.9	-	-	-	382.9
Law	1,500.0	-	136.8	-	-	-	1,636.8
Natural Resources	-	-	670.3	-	-	-	670.3
Revenue	-	-	-	-	2,500.0	-	2,500.0
Transportation	-	-	692.9	-	70.0	-	762.9
<b>TOTAL</b>	<b>1,500.0</b>	<b>10,445.1</b>	<b>1,882.9</b>	<b>2,999.4</b>	<b>2,570.0</b>	<b>-</b>	<b>19,397.4</b>

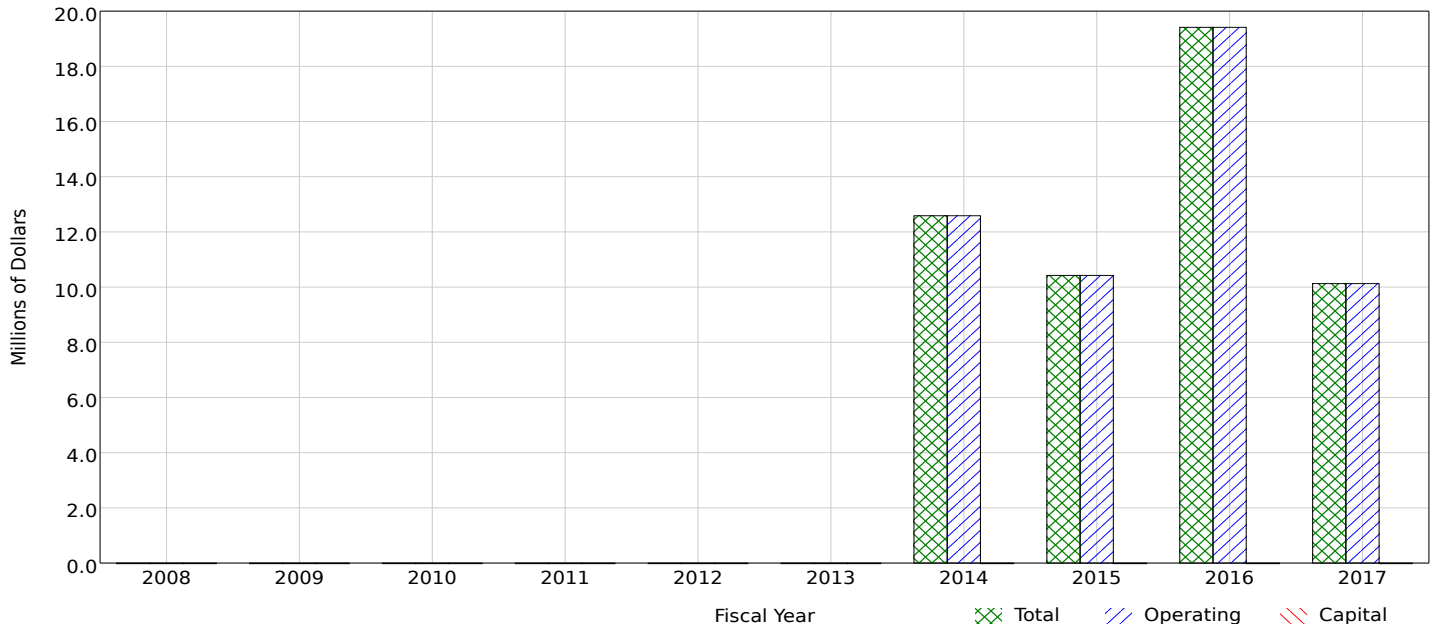
<b>TOTAL</b>	<b>2,900.0</b>	<b>40,027.6</b>	<b>5,211.9</b>	<b>8,603.2</b>	<b>2,792.6</b>	<b>43,553.5</b>	<b>103,088.8</b>
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# Fund Source Report

## 1229 AGDC-ISP In-State Natural Gas Pipeline Fund

Year Authorized 2014      Year Repealed      Active? Yes      Mental Health? No      Duplicated? Yes      Fund Group Other Designated

### Operating and Capital Appropriations



#### Legal Authority

AS 31.25.100

#### Source of Revenue

The in-state natural gas pipeline fund consists of money appropriated to it. Interest and other income received on money in the fund shall be separately accounted for and may be appropriated to the fund.

#### Restrictions on Use

The corporation may use money appropriated to the fund without further appropriation for the cost of managing the fund and for the planning, financing, development, acquisition, maintenance, construction, and operation of an in-state natural gas pipeline.

#### Description and History

January 2014

Beginning in FY15, the AGDC-ISP code (1229) should be used only to record the operating budget of the Alaska Gasline Development Corporation. The source of funding is the in-state pipeline fund within the ADGC. That fund is also the source of money used by AGDC to purchase goods and services from state agencies (see code 1232) and from outside vendors (no appropriation required).

This specific code for AGDC internal appropriations is required because there is a need to set an internal budget for the corporation (code 1229) without limiting purchases of goods and services from outside vendors or state agencies.

The in-state pipeline fund was established with the adoption of HB4 during the 2013 session. The fiscal note to HB4 appropriated \$330 million to the fund. An additional \$25 million was appropriated in the FY14 capital budget, and two outstanding capital projects (for past work on the pipeline project) were reappropriated to the fund.

The in-state natural gas pipeline fund was established within the corporation and consists of money appropriated to it. The corporation shall determine fund management and may contract with the Department of Revenue for fund management. Unless otherwise provided by law, money appropriated to the fund lapses into the general fund on the day AS 31.25.100 is repealed. Interest and other income received on money in the fund shall be separately accounted for and may be appropriated to the fund.

For FY14, the code also reflects the cost of interagency agreements. Code 1232 was added in FY15 in order to meet accounting requirements for differentiating restricted and unrestricted funding. Fund code 1229 was intended to be a restricted fund source that is a subset of inter-agency receipts; agencies other than the corporation itself were to spend code 1229 only as specified in an agreement signed by the corporation. DoA did not

## Fund Source Report

set up the code as intended.

Because the in-state pipeline fund may be spent by AGDC without further appropriation, the fund is classified as a capitalization (rather than as a transfer) and all expenditures by state agencies are classified as duplicated.

## Fund Source Report

**1232**

**ISPF-I/A**

### In-State Natural Gas Pipeline Fund--Interagency

<b>Year Authorized</b> 2015	<b>Year Repealed</b>	<b>Active?</b> Yes	<b>Mental Health?</b> No	<b>Duplicated?</b> Yes	<b>Fund Group</b> Other Designated
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#### Operating and Capital Appropriations



#### Legal Authority

AS 31.25.100

#### Source of Revenue

The in-state natural gas pipeline fund consists of money appropriated to it. Interest and other income received on money in the fund shall be separately accounted for and may be appropriated to the fund.

#### Restrictions on Use

The corporation may use money appropriated to the fund without further appropriation for the cost of managing the fund and for the planning, financing, development, acquisition, maintenance, construction, and operation of an in-state natural gas pipeline.

#### Description and History

February 2014

This fund code was established for FY15 to meet accounting requirements for separation of the AGDC budget from money spent by other agencies. This is one of two fund codes that access the in-state pipeline fund established with the adoption of HB4 during the 2013 session. (See code 1229.)

Fund code 1229 should be used only to record the operating budget of the Alaska Gasline Development Corporation.

Code 1232 should be used only to record AGDC's purchases of services from other state agencies. Agencies can spend code 1232 only as specified in a reimbursable services agreement signed by the corporation. Funding for RSAs will be drawn from the fund without appearing in the operating budget of AGDC.

Because the in-state pipeline fund may be spent by AGDC without further appropriation, the fund is classified as a capitalization (rather than as a transfer) and all expenditures by state agencies are classified as duplicated. To facilitate tracking of expenditures, state agencies anticipating RSAs should include code 1232 in annual budget requests. As with other interagency receipts, budgeted amounts may be modified without legislative action. Modified amounts should appear in reports of actual expenditures.

Codes 1229 and 1232 both draw from the in-state pipeline fund. The combination of codes meets the following objectives:

1. AGDC has unlimited access to the pipeline fund for purchase of goods and services from vendors (no appropriation required, and not recorded in the budget system)
2. AGDC has an identifiable operating budget limited to the appropriation of code 1229.

## Fund Source Report

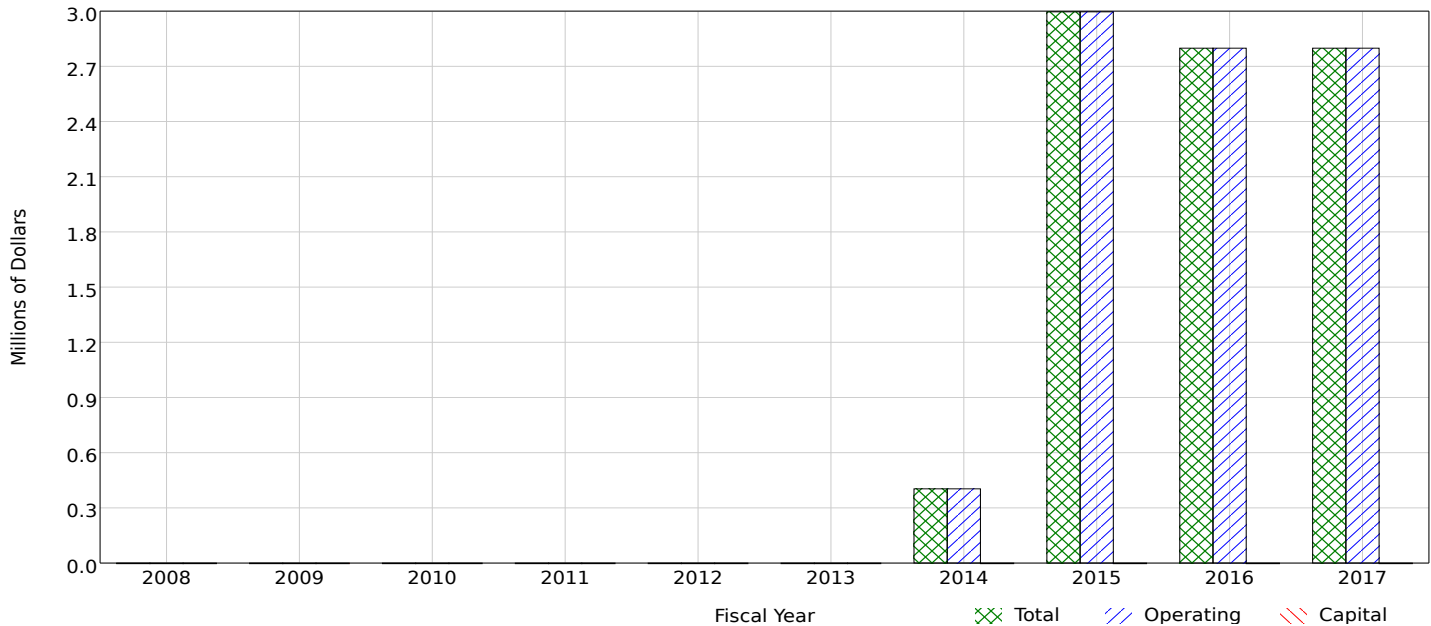
**1235**

**AGDC-LNG**

**Alaska Liquefied Natural Gas Project Fund**

Year Authorized FY15	Year Repealed	Active? Yes	Mental Health? No	Duplicated? Yes	Fund Group Other Designated
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### Operating and Capital Appropriations



#### Legal Authority

AS 31.25.110

#### Source of Revenue

The LNG fund consists of money appropriated to it. Interest and other income received on money in the fund shall be separately accounted for and may be appropriated to the fund.

#### Restrictions on Use

The corporation may use money appropriated to the fund without further appropriation for the cost of managing the fund, for purposes related to an Alaska liquefied natural gas project, and for the purpose of transferring net revenue received by the corporation related to equity interest, contracts, and other activities to the appropriate fund of the state as determined by the commissioner of revenue in consultation with the commissioner of natural resources.

#### Description and History

April 2014

The AGDC-LNG code should be used only to record the operating budget of the Alaska Gasline Development Corporation for LNG project activities. The source of funding is the LNG fund within the ADGC. That fund is also the source of money used by AGDC to purchase goods and services from state agencies (see code 1236) and from outside vendors (no appropriation required).

This specific code for AGDC internal appropriations is required because there is a need to set an internal budget for the corporation (code 1235) without limiting purchases of goods and services from outside vendors or state agencies.

The LNG fund was established with the adoption of SB 138 during the 2014 session. The fiscal note to SB 138 appropriated \$70 million to the fund.

The LNG fund is established within the corporation and consists of money appropriated to it. The corporation shall determine fund management and may contract with the Department of Revenue for fund management. Interest and other income received on money in the fund shall be separately accounted for and may be appropriated to the fund.

Codes 1235 and 1236 both draw from the LNG fund. The combination of codes meets the following objectives:

1. AGDC has unlimited access to the pipeline fund for purchase of goods and services from vendors (no appropriation required, and not recorded in the budget system)
2. AGDC has an identifiable operating budget limited to the appropriation of code 1235, and complies with the executive budget act.

## Fund Source Report

3. AGDC has full control over the amount and cost of services purchased from other state agencies (code 1236).

## Fund Source Report

**1236**

**AK LNG I/A**

**Alaska Liquefied Natural Gas Project Fund I/A**

Year Authorized FY15	Year Repealed	Active? Yes	Mental Health? No	Duplicated? Yes	Fund Group Other Designated
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### Operating and Capital Appropriations



#### Legal Authority

AS 35.25.110

#### Source of Revenue

The LNG fund consists of money appropriated to it. Interest and other income received on money in the fund shall be separately accounted for and may be appropriated to the fund.

#### Restrictions on Use

Agencies can spend code 1236 only as specified in a reimbursable services agreement signed by the corporation. Funding for RSAs will be drawn from the fund without appearing in the operating budget of AGDC.

#### Description and History

April 2014

This fund code was established for FY15 to meet accounting requirements for separation of the AGDC budget from money spent by other agencies for LNG project activities. This is one of two fund codes that access the liquified natuaraal gas pipeline fund established with the adoption of SB 138 during the 2014 session. (See code 1235.)

Fund code 1235 should be used only to record the operating budget of the Alaska Gasline Development Corporation. Code 1236 should be used only to record AGDC purchases of services from other state agencies. Agencies can spend code 1236 only as specified in a reimbursable services agreement signed by the corporation. Funding for RSAs will be drawn from the fund without appearing in the operating budget of AGDC.

Because the LNG fund may be spent by AGDC without further appropriation, the fund is classified as a capitalization (rather than as a transfer) and all expenditures by state agencies are classified as a duplicated. To facilitate tracking of expenditures, state agencies anticipating RSAs should include code 1236 in annual budget requests. As with other interagency receipts, budgeted amounts may be modified without legislative action. Modified amounts should appear in reports of actual expenditures.

Codes 1235 and 1236 both draw from the LNG fund. The combination of codes meets the following objectives:

1. AGDC has unlimited access to the pipeline fund for purchase of goods and services from vendors (no appropriation required, and not recorded in the budget system)
2. AGDC has an identifiable operating budget limited to the appropriation of code 1235, and complies with the executive budget act.
3. AGDC has full control over the amount and cost of services purchased from other state agencies (code 1236).

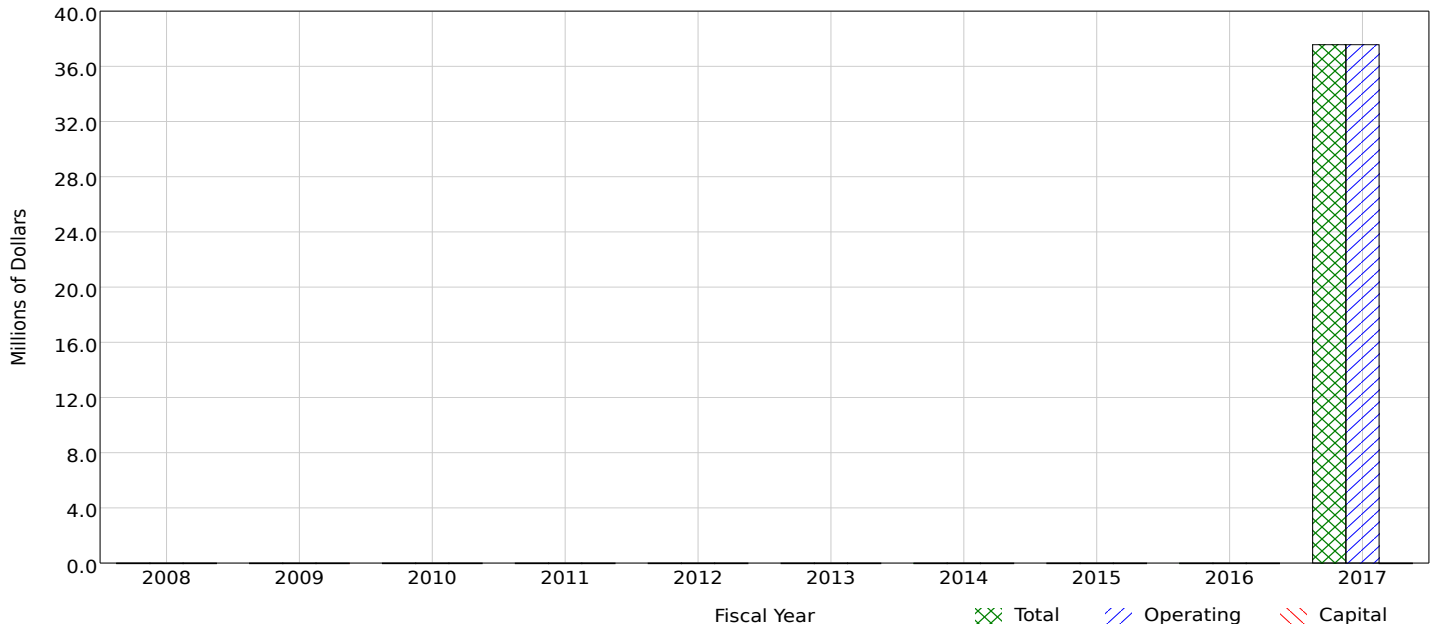


# Fund Source Report

## 1241 GF/LNG General Fund / LNG

Year Authorized 2016 Year Repealed Active? Yes Mental Health? No Duplicated? No Fund Group Unrestricted General

### Operating and Capital Appropriations



#### Legal Authority

None--tracking code only

#### Source of Revenue

Unrestricted general fund

#### Restrictions on Use

Intended for activities associated with a natural gas pipeline.

#### Description and History

October 2015

General Fund LNG is a tracking code that consists of unrestricted general funds appropriated to agencies to fund activities associated with development of a liquified natural gas pipeline.

This fund code was established in FY16 in order to

- 1) provide a means to track agency expenditures on gasoline activities.
- 2) bypass AGDC control over RSAs using the AKLNG Project fund, for which code 1236 was established.

GF/LNG is an unrestricted fund source, meaning that LNG funds can be used for purposes other than activities associated with a gasoline. However, the intent of the fund code is to allow accurate tracking of general fund expenditures for those purposes. Accuracy will not be achieved unless and until this code is used instead of UGF code 1004. Also note that language appropriations may restrict use of the funds to specific items or activities and that appropriations unspent for those purposes lapse to the general fund.

See

1236 AKLNG I/A