# ALASKA STATE LEGISLATURE

## HOUSE FINANCE COMMITTEE

Rep. Neal Foster, Co-Chair
State Capitol, Room 505
Juneau, AK 99801-1185
Phone (907) 465-3789
Rep.Neal.Foster@akleg.gov

Rep. Kelly Merrick, Co-Chair
State Capitol, Room 511
Juneau, AK 99801-1185
Phone (907) 465-3777
Rep.Kelly.Merrick@akleg.gov

---

**DATE:** February 24th, 2021

**TO:** House Finance Members Subcommittee Chairs

**FROM:** Representative Neal Foster, Co-Chair
House Finance Committee

**RE:** FY22 Operating Budget Subcommittees

---

This memo provides a high-level framework for reviewing the operating budget by the House Finance Operating Budget Subcommittees. The subcommittee process is meant to increase members' understanding of the responsibilities and challenges facing the agencies and make relevant recommendations to the Fiscal Year 2022 (FY22) budget. Our goal will be ensuring that basic services are provided in an efficient and focused manner.

This year's *Legislative Fiscal Analyst's Overview of the Governor's Request* is available at http://www.legfin.akleg.gov/Overview/Overview2022.pdf Please begin reviewing and working with your Legislative Finance Analyst.

**SUBCOMMITTEE ADMINISTRATION AND OPERATION**

Subcommittees should begin meeting the week of March 1st.The first subcommittee meetings should reach the following goals:

1) Understand budgetary actions taken over the past 10 years and the impact to the Department.
2) Understand the FY21 budget along with impacts and responses from agencies throughout the COVID pandemic.
3) Review the FY22 Budget; including increments, decrements, and any requests related to the overall success in completing the department's mission offered in the Governor's budget.
4) Provide a report to the House Finance Committee on the actions and recommendations of the subcommittee.

The subcommittees will utilize the Legislative Finance Division (LFD) and various materials specific to the Departments to help subcommittee members understand the historic significance of previous Legislatures and review of the Departments. An all-inclusive approach should be applied to the subcommittees action as they make decisions on the FY22 budget.

## SUCOMMITTEE BUDGET REVIEW PROCESS & REQUIREMENT

Subcommittees are to review the numbers section of their agency budgets and discuss budget detail transactions such as increments, decrements, transfers, new positions or position changes, fund source changes, etc. It is the expectation that all subcommittees will work with the LFD Budget Analyst to ensure a comprehensive and succinct schedule is created for each Subcommittee. This will ensure the necessary budget actions are addressed as the Subcommittee moves through the process.

The main tool of the Subcommittee will be the Subcommittee Binders. Should include the following:

1) *Statewide Budget Items*
    a. *Fiscal Summaries*
    b. *Budget History Graph*
        i. *Long Term*
        ii. *Short Term*
    c. *Swoop Graph (specifically reflecting the departments relation to the overall budget)*
    d. *Approximate Fund Balances*
2) *Agency FY12-FY22 Look Back Graphs*
    a. *All Funds Graph*
    b. *GF Only Graph*
    c. *GF Only Appropriation/Allocation Summary*
3) *Transaction Comparison (FY22 Adjusted Base to FY22 Governor's Amended Request)*
4) *Department Program Priority Matrix*
5) *FY22 Subcommittee Book*
6) *FY21 CC Book*
7) *Individual Subcommittee Meeting materials*

Binders and the detailed information should be made available to all subcommittee members online by the first meeting of the subcommittee. At least one physical binder with the essential material should be provided to the office of each subcommittee member. The OMB Operating Budget Details reports https://omb.alaska.gov/fiscal-year-2022-amended-budget/ should be made available to all subcommittee members online.

During the subcommittee process members should consider:

1. The subcommittee will not add any increments that increase the budget above the Adjusted Base (Unrestricted General Funds) unless there is a corresponding decrement to offset the additional funds or a valid fund source change.
2. The Governor's FY22 Amendments should be considered as part of the overall review of each subcommittee.
3. Accepting and/or declining Interdepartmental Transfer-Ins (ATrIns) and Transfers-Outs (ATrOuts) require coordination between both subcommittees impacted, LFD, and the Operating Budget Co-chair before a decision is made.
4. Budget items not to be considered by the Subcommittee are as follows:
    a. Governor's Supplemental Budget
    b. Changes to the Language section of the Operating Budget
    c. Structure changes to appropriations

        i. Structure changes is reserved for House Finance Committee. A subcommittee can recommend structure changes to a specific appropriation, but the House Finance Committee will vote and approve the change.

5. How the past year's FY21 budget changes were implemented in each Appropriation/ Results Delivery Unit (RDU), and how they impact the future budget of the department? (example: Past veto Impacts, COVID Funding, continued efficacies identified during the response to the COVID pandemic, impacts to programs and divisions from funding reductions).
6. FY22 services the department provides, what it costs, and the results Alaskans receive for their investment; along with any reductions or improvement of services expected due to budgetary actions.
7. Changes the department anticipates in the future and the sustainability of services the department provides.
8. (as applicable) Any budget actions that would require statutory changes that could change funding or decrease expenditures.
9. (as applicable) Indirect Expenditures, what are the priority statutory could increase revenue?
10. *Regarding Items 8 & 9, the subcommittee should not discuss the legislation, instead review the potential fiscal changes that would impact the department's operating budget and make recommendations to the House Finance Committee if potential legislation is required.*

**SUBCOMMITTEE CLOSE-OUT**

The agency budgets should be reported out of the subcommittee and subcommittees closed out no later than March 26$^{th}$.

Subcommittee chairs should use the Budget Action (BA) sheets provided by Legislative Finance as part of the close-out procedures. In addition to the BA sheets and the associated reports, Chairs will also need to prepare a subcommittee narrative that highlights actions taken in subcommittee. Detailed Close-Out Memo will be provided before subcommittees close out.

**MEETINGS**

Subcommittees should be given the highest priority possible during the scheduled time frame for standing and special committees until the subcommittee closes out. Subcommittees are not to be scheduled during the normal House Finance Committee meeting time of 1:30 to 3:30 p.m., Monday through Friday without prior approval and notification.

**CLOSING**

Please feel free to contact me or my staff, Brodie Anderson at 465-4858 or Patrick Fitzgerald at 465-6841, if you have questions or suggestions.

1a

# Short Fiscal Summary - FY21/FY22 Budget

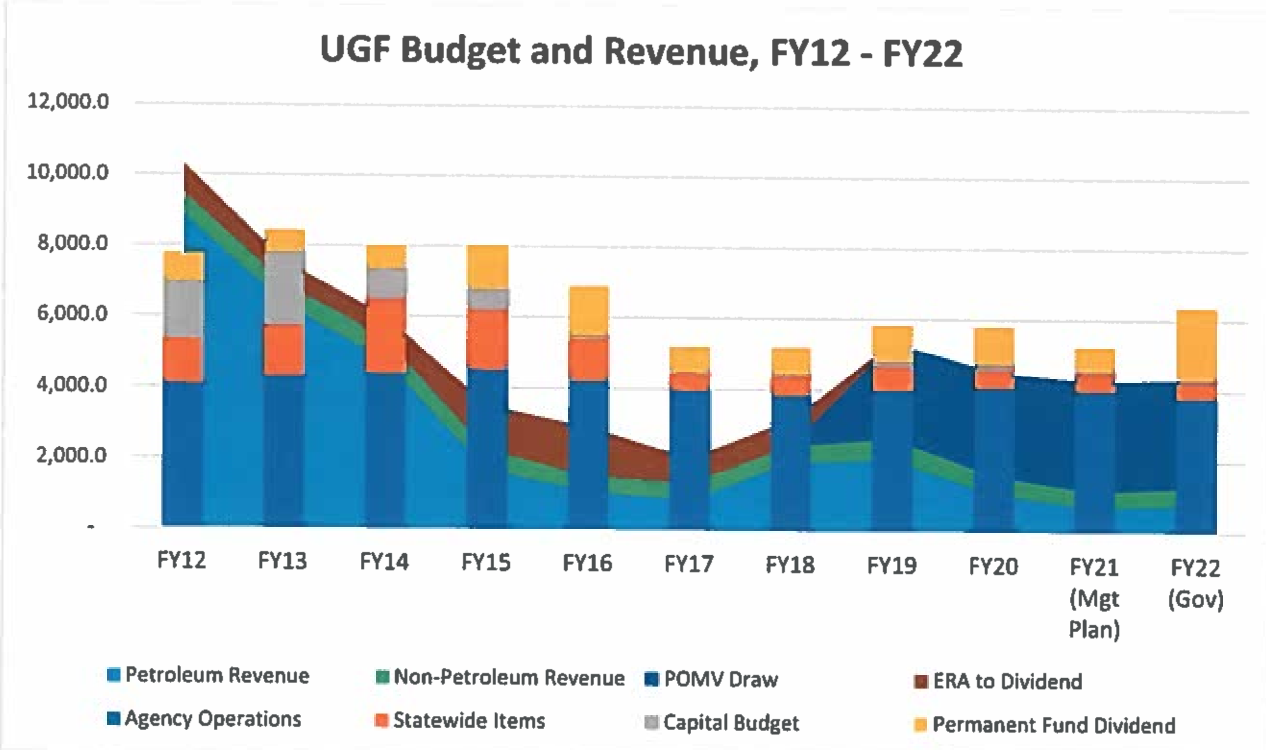
| | ($ Millions) (Non-duplicated Funds) | FY21 | FY22 GOV Amd | Change in UGF | |
|---|---|---|---|---|---|
| | | UGF | UGF | | |
| 1 | **Revenue** | **4,443.2** | **4,271.9** | **(171.3)** | **-4%** |
| 2 | UGF Revenue (Fall 2020 Forecast) | 1,243.1 | 1,202.6 | (40.5) | -3% |
| 3 | POMV Draw | 3,091.5 | 3,069.3 | (22.2) | -1% |
| 4 | Misc/Adjust/Non-UGF Revenue | 108.6 | - | (108.6) | |
| 5 | **Appropriations** | **6,537.6** | **6,368.9** | **(168.6)** | **-3%** |
| 6 | **Operating Budget** | **4,502.8** | **4,282.8** | **(220.1)** | **-5%** |
| 7 | Agency Operations | 4,008.9 | 3,818.6 | (190.3) | -5% |
| 8 | Statewide Items | 446.3 | 464.1 | 17.8 | 4% |
| 9 | Supplemental Appropriations | 47.6 | - | (47.6) | |
| 10 | **Capital Budget** | **129.2** | **62.2** | **(67.0)** | **-52%** |
| 11 | Current Year Appropriations | 120.3 | 62.2 | (58.1) | -48% |
| 12 | Supplemental Appropriations | 8.9 | - | (8.9) | |
| 13 | **Permanent Fund** | **1,905.5** | **2,023.9** | **118.4** | **6%** |
| 14 | Permanent Fund Dividends | 1,905.5 | 2,023.9 | 118.4 | 6% |
| 15 | Inflation Proofing/Other Deposits | - | - | | |
| 16 | **Pre-Transfer Surplus/(Deficit)** | **(2,094.4)** | **(2,097.0)** | | |
| 17 | Permanent Fund Earnings Reserve Account | (1,225.5) | (2,023.9) | | |
| | Other Fund Transfers | 40.9 | 19.9 | | |
| 18 | **Post-Transfer Surplus/(Deficit)** | **(909.8)** | **(93.0)** | | |
| 19 | CBR Direct Appropriations | (1,064.2) | - | | |
| 20 | Draw After Direct CBR Appropriations | 154.4 | (93.0) | | |
| 21 | **Total CBR Draw** | **(909.8)** | **(93.0)** | | |

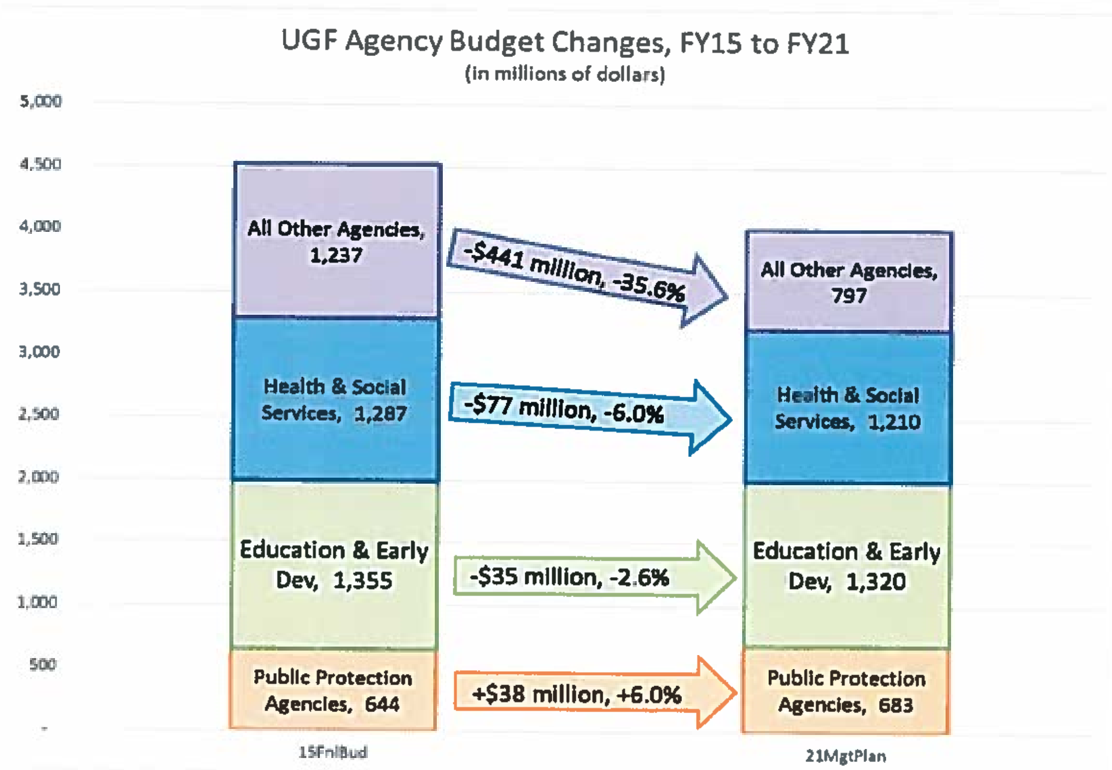
**Reserve Balances (EOY)**

| | FY21 | FY22 |
|---|---|---|
| CBR | 914.2 | 846.8 |
| ERA | 12,052.8 | 10,955.6 |

February 23, 2021

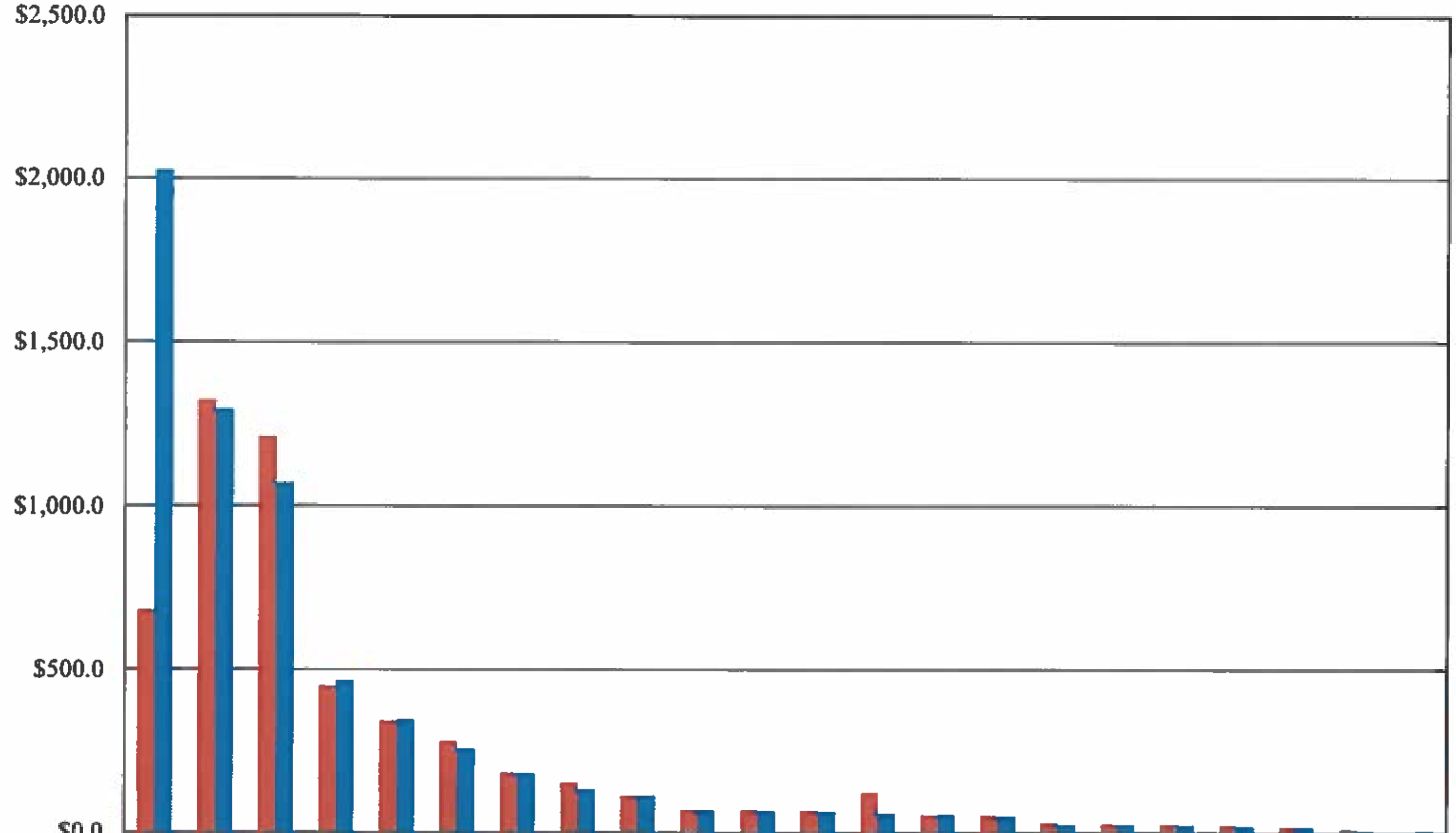
Ib


UGF Budget and Revenue, FY12 - FY22
12,000.0
10,000.0
8,000.0
6,000.0
4,000.0
2,000.0
-
FY12
FY13
FY14
FY15
FY16
FY17
FY18
FY19
FY20
FY21 (Mgt Plan)
FY22 (Gov)
Petroleum Revenue
Non-Petroleum Revenue
POMV Draw
ERA to Dividend
Agency Operations
Statewide Items
Capital Budget
Permanent Fund Dividend


UGF Agency Budget Changes, FY15 to FY21
(in millions of dollars)
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
All Other Agencies, 1,237
Health & Social Services, 1,287
Education & Early Dev, 1,355
Public Protection Agencies, 644
-$441 million, -35.6%
-$77 million, -6.0%
-$35 million, -2.6%
+$38 million, +6.0%
All Other Agencies, 797
Health & Social Services, 1,210
Education & Early Dev, 1,320
Public Protection Agencies, 683
15FnlBud
21MgtPlan

1c

# Swoop Graph - UGF Only
## FY22 Governor Compared to FY21 Management Plan
## (Millions)




| | PFDs | DEED | DHSS | Stwd | DOC | UA | DPS | DOTPF | Courts | DOA | Leg | DNR | Capital | Law | DF&G | DOR | GOV | DMVA | DLWD | DEC | DCCED | Exec Branch-wide |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FY21 Mgmt Plan | $680.0 | $1,319 | $1,210 | $446.3 | $339.3 | $277.0 | $180.0 | $150.1 | $111.2 | $67.0 | $67.2 | $65.7 | $120.3 | $52.2 | $50.8 | $27.8 | $25.3 | $23.0 | $18.7 | $15.5 | $8.5 | $- |
| FY22 Gov Budget | $2,023 | $1,292 | $1,070 | $464.1 | $345.4 | $257.0 | $180.7 | $133.1 | $112.9 | $66.9 | $66.3 | $63.2 | $58.5 | $53.8 | $50.0 | $25.5 | $24.5 | $22.0 | $17.4 | $15.8 | $6.7 | $6.1 |
| Cumulative Budget From Right | $6,357 | $4,333 | $3,040 | $1,970 | $1,505 | $1,160 | $903.5 | $722.8 | $589.7 | $476.8 | $409.9 | $343.5 | $280.3 | $221.8 | $168.0 | $118.0 | $92.5 | $68.0 | $46.0 | $28.6 | $12.8 | $6.1 |
| % of FY22 Governor Budget | 31.8% | 20.3% | 16.8% | 7.3% | 5.4% | 4.0% | 2.8% | 2.1% | 1.8% | 1.1% | 1.0% | 1.0% | 0.9% | 0.8% | 0.8% | 0.4% | 0.4% | 0.3% | 0.3% | 0.2% | 0.1% | 0.1% |

# Projected Fund Balances -- FY21 and FY22

($ millions)

| | FY21 | | | | FY22 | | | |
|---|---|---|---|---|---|---|---|---|
| | BoY Balance | In | Out | EoY Balance | BoY Balance | In | Out | EoY Balance |
| **Total Budget Reserves and Desginated Funds** | 16,134.1 | 4,946.7 | 6,594.8 | 14,486.0 | 14,486.0 | 5,444.0 | 6,553.8 | 13,376.2 |
| | | | | | | | | |
| **Undesignated Reserves** | 1,763.9 | 63.0 | 894.1 | 932.8 | 932.8 | 25.6 | 38.6 | 919.7 |
| Constitutional Budget Reserve Fund | 1,762.0 | 62.0 | 893.1 | 930.9 | 930.9 | 25.6 | 37.9 | 918.6 |
| Statutory Budget Reserve Fund | 0.0 | - | - | 0.0 | 0.0 | - | - | 0.0 |
| Alaska Housing Capital Corporation Fund | 1.9 | 1.0 | 1.0 | 1.9 | 1.9 | - | 0.8 | 1.1 |
| | | | | | | | | |
| **Select Designated Funds** | 14,370.2 | 4,883.8 | 5,700.7 | 13,553.2 | 13,553.2 | 5,418.4 | 6,515.2 | 12,456.4 |
| **Total Excluding Permanent Fund** | 1,476.0 | 142.1 | 117.8 | 1,500.4 | 1,500.4 | 152.4 | 152.0 | 1,500.8 |
| Alaska Capital Income Fund | (5.9) | 23.1 | 17.4 | (0.3) | (0.3) | 49.0 | 49.8 | (1.0) |
| Alaska Higher Education Investment Fund | 343.8 | 20.6 | 21.0 | 343.3 | 343.3 | 20.5 | 21.8 | 342.0 |
| Community Assistance Fund | 60.0 | 28.7 | 20.0 | 68.7 | 68.7 | 12.4 | 22.9 | 58.2 |
| Power Cost Equalization Endowment | 1,078.2 | 69.8 | 59.3 | 1,088.6 | 1,088.6 | 70.4 | 57.5 | 1,101.5 |
| **Permanent Fund Earnings Reserve Account*** | 12,894.2 | 3,498.7 | 4,340.0 | 12,052.8 | 12,052.8 | 4,023.0 | 5,120.2 | 10,955.6 |
| | | | | | | | | |
| Unrestricted General Fund Appropriations | | | | 6,520.8 | | | | 6,313.8 |
| Reserves Ratio (Undesignated Reserves / Pre-Transfer Budget) | | | | 14% | | | | 15% |
| Pre-Transfer Deficit | | | | (2,077.7) | | | | (2,041.9) |
| Years of Deficit Coverage (Undesignated Reserves / Pre-Transfer Deficit) | | | | 0.45 | | | | 0.45 |

## Permanent Savings

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Permanent Fund Principal -- Market Value * (no appropriations allowed)** | 52,408.1 | 768.7 | 0.0 | 53,176.8 | 53,176.8 | 481.0 | 0.0 | 53,657.8 |

* *Alaska Permanent Fund Corporation (APFC) median projection for FY21 and FY22 as of November 30, 2020.*

*January 15, 2021*

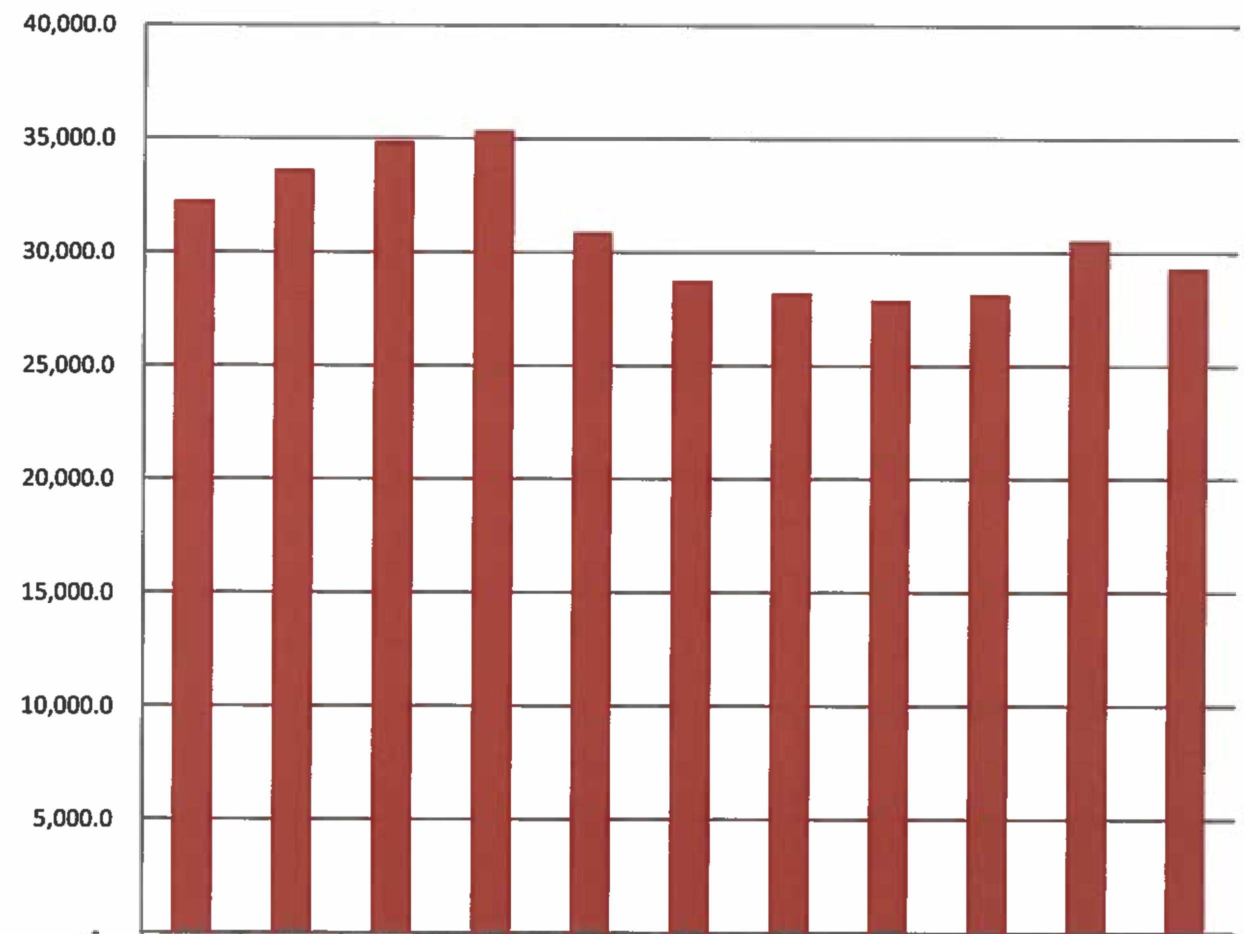
1d

# Department of Revenue Share of Total Agency Operations

(GF Only)
($ Thousands)

DOR's GF budget decreased by $2.9 million between FY12 and FY22 Governor - an average annual decline rate of 0.9%.

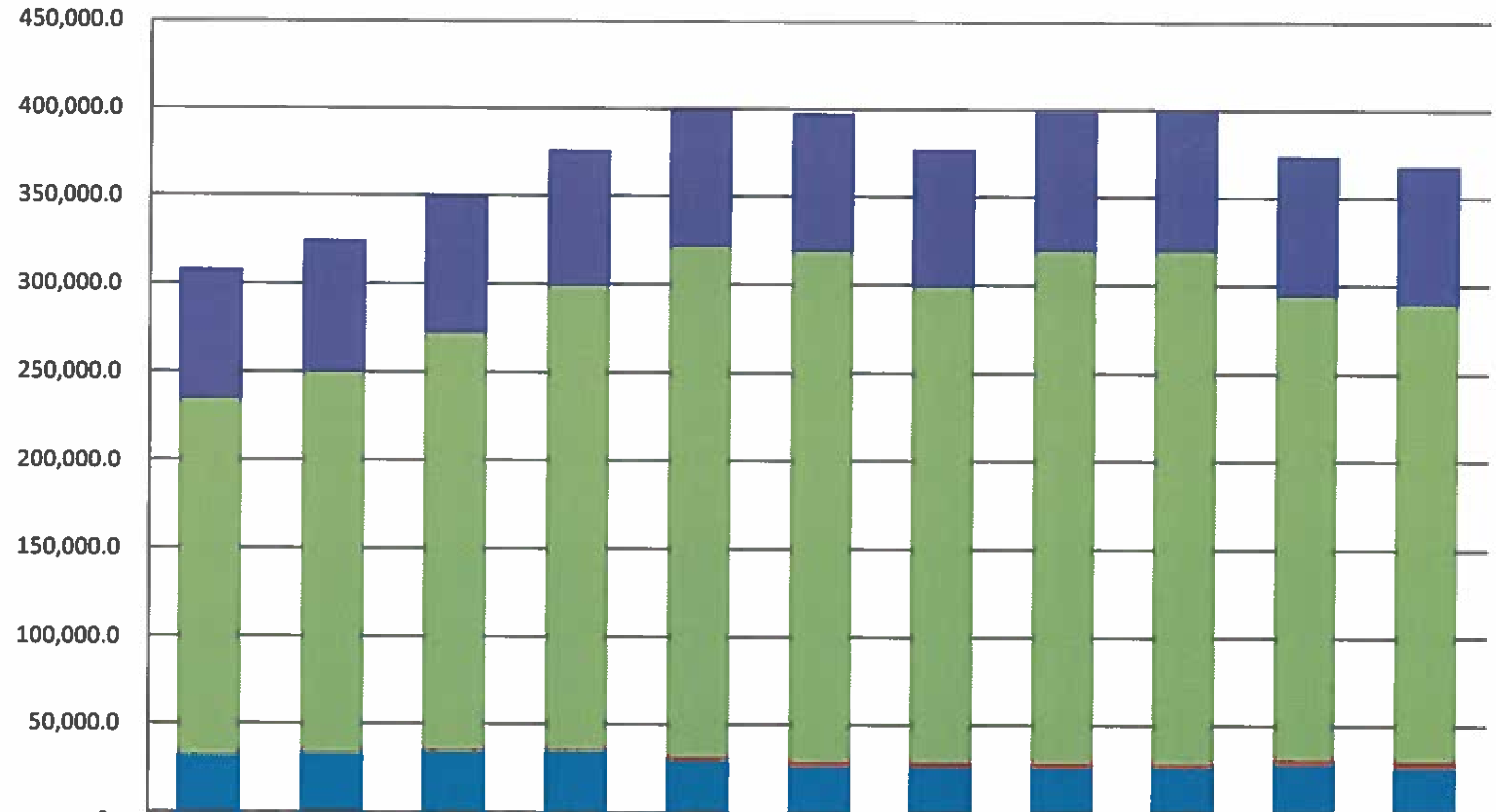
The FY22 GF budget equates to **$90 per resident worker** (based on 323,711 Alaskan workers).




| | 12MgtP In | 13MgtP In | 14MgtP In | 15MgtP In | 16MgtP In | 17MgtP In | 18MgtP In | 19MgtP In | 20MgtP In | 21MgtP In | 22Gov |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Agency Budget (GF Only) | 32,228.0 | 33,594.4 | 34,820.7 | 35,282.0 | 30,866.8 | 28,723.8 | 28,222.4 | 27,885.2 | 28,136.5 | 30,529.6 | 29,291.3 |
| Average of Agency Budget to Total Agencies Budgets | 0.68% | 0.67% | 0.69% | 0.68% | 0.64% | 0.61% | 0.62% | 0.59% | 0.62% | 0.63% | 0.64% |

# Department of Revenue
## Total Funding Comparison by Fund Group
(All Funds)
($ Thousands)

Between FY12 & FY22 Gov:
--UGF *decreased* by $5.5 million (-18%)
--DGF increased by $2.6 million (218%)
--Other funds increased by $57.7 million (29%)
--Federal Funds increased by $5.0 million (7%)

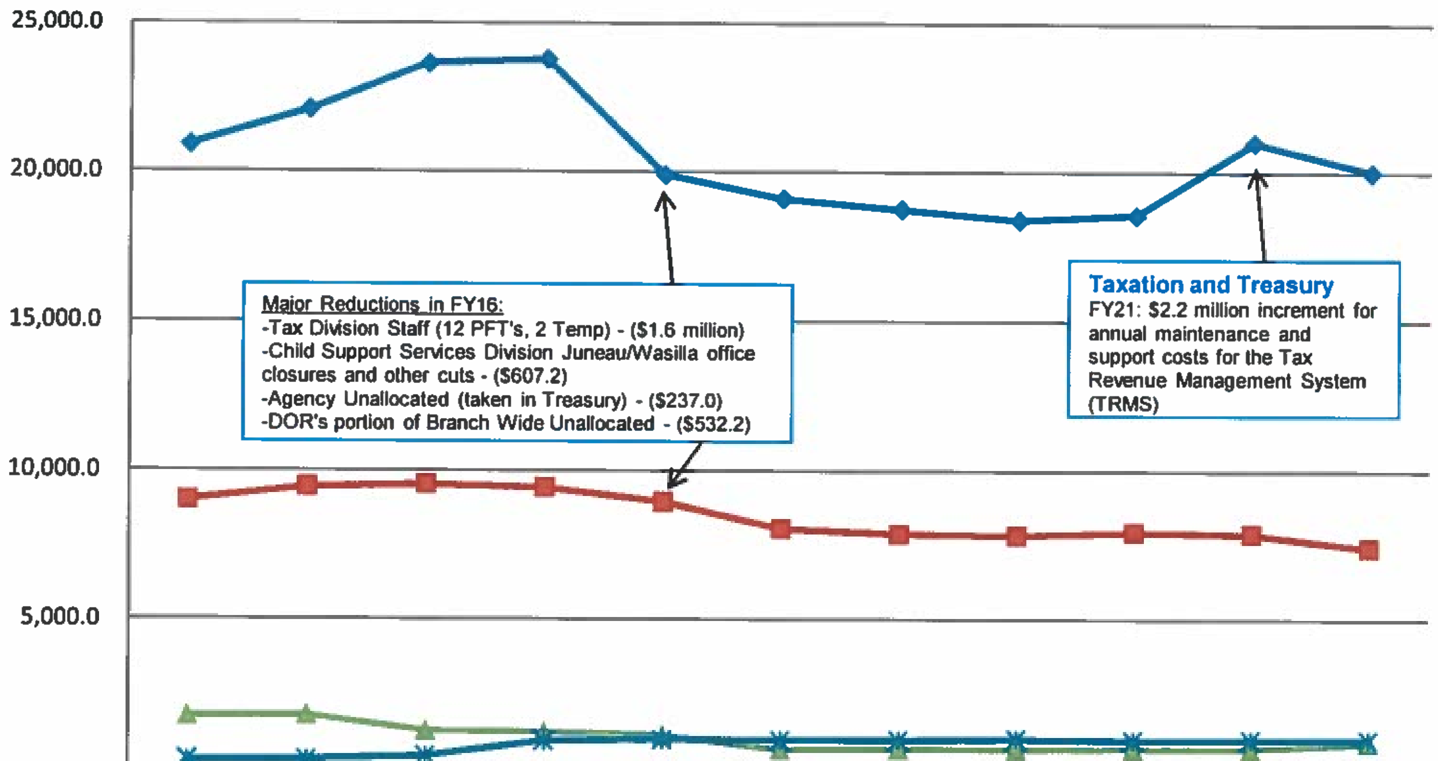



| | 12MgtPln | 13MgtPln | 14MgtPln | 15MgtPln | 16MgtPln | 17MgtPln | 18MgtPln | 19MgtPln | 20MgtPln | 21MgtPln | 22Gov |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Federal Receipts (Fed) | 73,935.2 | 74,884.2 | 77,542.3 | 77,584.4 | 78,130.6 | 78,786.9 | 78,665.5 | 79,571.6 | 80,174.1 | 79,946.6 | 78,927.4 |
| Other State Funds (Other) | 201,916.3 | 215,914.1 | 236,951.9 | 263,184.5 | 290,295.7 | 289,994.5 | 269,934.4 | 291,077.1 | 290,662.3 | 263,479.7 | 259,654.3 |
| Designated General (DGF) | 1,185.7 | 1,285.2 | 1,384.6 | 1,450.6 | 1,883.8 | 2,622.2 | 2,637.5 | 2,597.8 | 2,622.0 | 2,777.4 | 3,775.1 |
| Unrestricted General (UGF) | 31,042.3 | 32,309.2 | 33,436.1 | 33,831.4 | 28,983.0 | 26,101.6 | 25,584.9 | 25,287.4 | 25,514.5 | 27,752.2 | 25,516.2 |

## Appropriations within the Department of Revenue

(GF Only)

($ Thousands)




| | 12Mgt Pln | 13Mgt Pln | 14Mgt Pln | 15Mgt Pln | 16Mgt Pln | 17Mgt Pln | 18Mgt Pln | 19Mgt Pln | 20Mgt Pln | 21Mgt Pln | 22Gov |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Taxation and Treasury | 20,894.1 | 22,081.8 | 23,627.6 | 23,759.6 | 19,887.6 | 19,100.6 | 18,744.2 | 18,410.4 | 18,575.4 | 21,011.5 | 20,014.6 |
| Child Support Services | 8,989.8 | 9,432.4 | 9,528.4 | 9,407.7 | 8,931.7 | 8,021.2 | 7,861.8 | 7,820.7 | 7,931.4 | 7,865.8 | 7,408.5 |
| Administration and Support | 1,758.3 | 1,781.4 | 1,253.8 | 1,203.2 | 1,093.3 | 647.8 | 653.1 | 653.3 | 664.2 | 665.1 | 881.0 |
| Gas Development Authority | 319.9 | | | | | | | | | | |
| Mental Health Trust Authority | 265.9 | 298.8 | 410.9 | 911.5 | 954.2 | 954.2 | 963.3 | 1,000.8 | 965.5 | 987.2 | 987.2 |

# 2021 Legislature - Operating Budget
## Transaction Compare - Governor Structure
### Between AdjBase+ and 22GovAmd

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** | | | | | | | | | | | | | |
| Shared Taxes Cost Recovery for Telephone and Electric Cooperatives Receipt Change | 22GovAmd | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) -48.7 | | | | | | | | | | | | | |
| 1005 GF/Prgm (DGF) 48.7 | | | | | | | | | | | | | |
| Delete Revenue Appeals Officer I (04-3282) Due to Fewer Appeal Cases | 22GovAmd | Dec | -142.6 | -142.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| 1004 Gen Fund (UGF) -142.6 | | | | | | | | | | | | | |
| Delete Vacant Imaging Operator (04-3084) No Longer Needed for Paper Tax Filings | 22GovAmd | Dec | -75.1 | -75.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| 1004 Gen Fund (UGF) -75.1 | | | | | | | | | | | | | |
| * Allocation Difference * | | | -217.7 | -217.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -2 | 0 | 0 |
| **Treasury Division** | | | | | | | | | | | | | |
| Charge Flat Ten Basis Point Fee for Fund Management | 22GovAmd | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) -1,404.5 | | | | | | | | | | | | | |
| 1027 IntAirport (Other) 96.5 | | | | | | | | | | | | | |
| 1066 Pub School (Other) 359.0 | | | | | | | | | | | | | |
| 1169 PCE Endow (DGF) 632.6 | | | | | | | | | | | | | |
| 1226 High Ed (DGF) 316.4 | | | | | | | | | | | | | |
| * Allocation Difference * | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| **Alaska Retirement Management Board Custody and Management Fees** | | | | | | | | | | | | | |
| Reduce Authority for Management Fee Savings | 22GovAmd | Dec | -10,000.0 | 0.0 | 0.0 | -10,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1017 Group Ben (Other) -4,788.2 | | | | | | | | | | | | | |
| 1029 PERS Trust (Other) -3,608.6 | | | | | | | | | | | | | |
| 1034 Teach Ret (Other) -1,603.2 | | | | | | | | | | | | | |
| * Allocation Difference * | | | -10,000.0 | 0.0 | 0.0 | -10,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| **Permanent Fund Dividend Division** | | | | | | | | | | | | | |
| Delete PFD Technician II (04-6036) Due to Operational Efficiencies and Reductions in Appeals Cases | 22GovAmd | Dec | -78.8 | -78.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| 1050 PFD Fund (Other) -78.8 | | | | | | | | | | | | | |
| * Allocation Difference * | | | -78.8 | -78.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| * * Appropriation Difference * * | | | -10,296.5 | -296.5 | 0.0 | -10,000.0 | 0.0 | 0.0 | 0.0 | 0.0 | -3 | 0 | 0 |
| **Child Support Services** | | | | | | | | | | | | | |
| **Child Support Services Division** | | | | | | | | | | | | | |
| Reduce Authority for Two Vacant Long-Term Office Assistant II Positions | 22GovAmd | Dec | -130.0 | -130.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1002 Fed Rcpts (Fed) -85.8 | | | | | | | | | | | | | |

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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Child Support Services (continued)** | | | | | | | | | | | | | |
| **Child Support Services Division (continued)** | | | | | | | | | | | | | |
| Reduce Authority for Two Vacant Long-Term Office Assistant II Positions (continued) | | | | | | | | | | | | | |
| 1003 GF/Match (UGF) -44.2 | | | | | | | | | | | | | |
| Reduce Authority for Child Support Case Management System Due to Savings From Moving to Web Platform | 22GovAmd | Dec | -1,131.3 | 0.0 | 0.0 | -1,131.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1002 Fed Rcpts (Fed) -791.3 | | | | | | | | | | | | | |
| 1003 GF/Match (UGF) -340.0 | | | | | | | | | | | | | |
| Reduce Authority for Criminal Investigations Unit Rate Reduction | 22GovAmd | Dec | -104.8 | -104.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1002 Fed Rcpts (Fed) -69.2 | | | | | | | | | | | | | |
| 1003 GF/Match (UGF) -35.6 | | | | | | | | | | | | | |
| Reduce Authority No Longer Needed for System Support | 22GovAmd | Dec | -110.4 | -110.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1002 Fed Rcpts (Fed) -72.9 | | | | | | | | | | | | | |
| 1003 GF/Match (UGF) -37.5 | | | | | | | | | | | | | |
| New Carryforward Language for GF/Program Receipts | 22GovAmd | Wordage | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| *** Allocation Difference *** | | | -1,476.5 | -345.2 | 0.0 | -1,131.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| *** * Appropriation Difference * *** | | | -1,476.5 | -345.2 | 0.0 | -1,131.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| **Administration and Support** | | | | | | | | | | | | | |
| **Commissioner's Office** | | | | | | | | | | | | | |
| Reduce Authority Due to Federal Indirect Rate Improvement | 22GovAmd | Dec | -46.3 | 0.0 | 0.0 | -46.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) -46.3 | | | | | | | | | | | | | |
| GA 170 Departmentwide Risk Management | 22GovAmd | Inc | 194.4 | 194.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) 194.4 | | | | | | | | | | | | | |
| *** Allocation Difference *** | | | 148.1 | 194.4 | 0.0 | -46.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| **Administrative Services** | | | | | | | | | | | | | |
| Reduce Authority Due to Federal Indirect Rate Improvement | 22GovAmd | Dec | -61.5 | 0.0 | 0.0 | -61.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund (UGF) -61.5 | | | | | | | | | | | | | |
| GA 171 Transfer Human Resources Staff to Department of Administration for HR Consolidation | 22GovAmd | ATrOut | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| *** Allocation Difference *** | | | -61.5 | 0.0 | 0.0 | -61.5 | 0.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| **Criminal Investigations Unit** | | | | | | | | | | | | | |
| Add Interagency Receipts Resulting from Centralized Investigations | 22GovAmd | Inc | 713.6 | 713.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1007 I/A Rcpts (Other) 713.6 | | | | | | | | | | | | | |

| | Column | Trans Type | Total Expenditure | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Administration and Support (continued)** | | | | | | | | | | | | | |
| **Criminal Investigations Unit (continued)** | | | | | | | | | | | | | |
| Consolidate Tobacco Investigations in the Department of Health and Social Services<br>1007 I/A Rcpts (Other) -10.0 | 22GovAmd | Dec | -10.0 | 0.0 | -10.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| * Allocation Difference * | | | 703.6 | 713.6 | -10.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| * * Appropriation Difference * * | | | 790.2 | 908.0 | -10.0 | -107.8 | 0.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| **Alaska Mental Health Trust Authority** | | | | | | | | | | | | | |
| **Mental Health Trust Operations** | | | | | | | | | | | | | |
| Reverse Mental Health Trust Recommendation<br>1094 MHT Admin (Other) -4,215.1 | 22GovAmd | OTI | -4,215.1 | -2,950.0 | -82.0 | -1,102.1 | -67.0 | -14.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Mental Health Trust Continuing - Maintain Trust Authority Administrative Budget<br>1094 MHT Admin (Other) 4,215.1 | 22GovAmd | IncM | 4,215.1 | 2,950.0 | 82.0 | 1,102.1 | 67.0 | 14.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Reduce Authority to Trust Authority Administrative Budget Due to Decrease in Legal and Interagency Service Expenses<br>1094 MHT Admin (Other) -35.2 | 22GovAmd | Dec | -35.2 | 83.7 | 0.0 | -104.9 | 0.0 | -14.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| * Allocation Difference * | | | -35.2 | 83.7 | 0.0 | -104.9 | 0.0 | -14.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| * * Appropriation Difference * * | | | -35.2 | 83.7 | 0.0 | -104.9 | 0.0 | -14.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| **Alaska Housing Finance Corporation** | | | | | | | | | | | | | |
| **AHFC Operations** | | | | | | | | | | | | | |
| MH Trust: Department of Corrections Discharge Incentive Grants (FY22-FY23)<br>1092 MHTAAR (Other) 100.0 | 22GovAmd | IncT | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 0.0 | 0 | 0 | 0 |
| MH Trust: Rural Housing Coordinator - Northwest Arctic Borough (FY22-FY24)<br>1092 MHTAAR (Other) 135.0 | 22GovAmd | IncT | 135.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 135.0 | 0.0 | 0 | 0 | 0 |
| MH Trust: Rural Housing Coordinator - New Region (FY22-FY26)<br>1092 MHTAAR (Other) 135.0 | 22GovAmd | IncT | 135.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 135.0 | 0.0 | 0 | 0 | 0 |
| L GA 172 COVID-19 Federal Housing and Homeless Stimulus (FY22-FY23)<br>1265 COVID Fed (Fed) 164,568.1 | 22GovAmd | MultiYr | 164,568.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 164,568.1 | 0.0 | 0 | 0 | 0 |
| L GA 173 Carryforward COVID-19 Federal Housing and Homeless Stimulus | 22GovAmd | Lang | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| * Allocation Difference * | | | 164,938.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 164,938.1 | 0.0 | 0 | 0 | 0 |
| * * Appropriation Difference * * | | | 164,938.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 164,938.1 | 0.0 | 0 | 0 | 0 |

**Alaska Permanent Fund Corporation**

# 2021 Legislature - Operating Budget
## Transaction Compare - Governor Structure
### Between AdjBase+ and 22GovAmd

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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Alaska Permanent Fund Corporation (continued)** | | | | | | | | | | | | | |
| **APFC Operations** | | | | | | | | | | | | | |
| Add Global Rates Analyst | 22GovAmd | Inc | 195.8 | 195.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| 1105 PF Gross (Other) 195.8 | | | | | | | | | | | | | |
| Investment Staff Incentive Compensation Program | 22GovAmd | Inc | 890.0 | 890.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1105 PF Gross (Other) 890.0 | | | | | | | | | | | | | |
| Merit and Cost of Living Adjustment | 22GovAmd | Inc | 118.3 | 118.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1105 PF Gross (Other) 118.3 | | | | | | | | | | | | | |
| Reduce Authority Due to Operational Efficiencies | 22GovAmd | Dec | -76.6 | 0.0 | 0.0 | -76.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1105 PF Gross (Other) -76.6 | | | | | | | | | | | | | |
| Reduce Authority for Board Honorarium Savings | 22GovAmd | Dec | -6.5 | -6.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1105 PF Gross (Other) -6.5 | | | | | | | | | | | | | |
| * Allocation Difference * | | | 1,121.0 | 1,197.6 | 0.0 | -76.6 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| **APFC Investment Management Fees** | | | | | | | | | | | | | |
| Forecasted Investment Management Fees and Supporting Investment Systems | 22GovAmd | Inc | 3,638.5 | 0.0 | 0.0 | 3,638.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1105 PF Gross (Other) 3,638.5 | | | | | | | | | | | | | |
| * Allocation Difference * | | | 3,638.5 | 0.0 | 0.0 | 3,638.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| * * Appropriation Difference * * | | | 4,759.5 | 1,197.6 | 0.0 | 3,561.9 | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0 | 0 |
| * * * Agency Difference * * * | | | 158,679.6 | 1,547.6 | -10.0 | -7,782.1 | 0.0 | -14.0 | 164,938.1 | 0.0 | -3 | 0 | 0 |
| * * * * All Agencies Difference * * * * | | | 158,679.6 | 1,547.6 | -10.0 | -7,782.1 | 0.0 | -14.0 | 164,938.1 | 0.0 | -3 | 0 | 0 |

## DOR Program Priority Table

| *Program* | *Constitutional Requirement* | *Federal Requirement* | *Statutory Req.* | *# of Alaskans Served* |
|---|---|---|---|---|
| **Treasury Division** | | | | |
| Tax Division | No | No | Yes | 20,000 tax payers |
| Treasury Division | No | No | Yes | All Alaskans |
| Unclaimed Property | No | No | Yes; AS 34.45 | All Alaskans |
| Alaska Retirement Management Board (ARMB) | No | No | Yes; AS 37.10.210-390 | All Alaskans |
| ARMB Custody & Mgmt. Fees | No | No | Yes; AS 37.10.210-390 | All Alaskans |
| PFD Division | No | No | Yes; AS 37.13<br>AS 43.23 | 667,260 applied in 2019 |
| **Child Support Services Division** | **No** | **Yes; Social Security Act** | **Yes; AS 25.27.010** | **119,000 (approx.)** |
| **Administration and Support** | | | | |
| Office of the Commissioner | No | No | Yes; AS 43.05.010 | Alaskans not directly served |
| Administrative Services Division | No | No | No | Alaskans not directly served |
| Criminal Investigations Unit | No | No | No | All Alaskans |
| **Alaska Mental Health Trust Authority** | | | | |
| Mental Health Trust Operations | | | | |
| Long Term Care Ombudsman Office | | | | |
| **Alaska Municipal Bond Bank Authority** | | | | |
| AMBBA Operations | | | | |
| **Alaska Housing Finance Corporation** | | | | |
| AHFC Operations | | | | |
| Alaska Corporation for Affordable Housing | | | | |
| **Alaska Permanent Fund Corporation** | | | | |
| APFC Operations | | | | |
| APFC Investment Management Fees | | | | |

# Department of Revenue

**FY22 Subcommittee Book - Significant Transactions**
**($ thousands)**

| Item | Appropriation / Allocation | Description | Amount / Fund Source | Comment |
|---|---|---|---|---|
| 1 | Taxation and Treasury / Tax Division | Shared Taxes Cost Recovery for Telephone and Electric Cooperatives Receipt Change | **Net Zero**<br><br>($48.7) Gen Fund (UGF)<br>$48.7 GF/Prgm (DGF) | The Tax Division administers taxes on behalf of municipalities. In past years, the state collected $5.0 in total fees for assessing the Electric Cooperative, and $1.5 for assessing the Telephone Cooperative. This proposal would increase the fees assessed to municipalities by $42.2.<br><br>**Fiscal Analyst Comment:** This change would increase total fees collected to $48.7. The $6.5 in fees currently being collected are already considered GF/Prgm. LFD recommends adjusting the fund change amount to $42.2 to correct this minor error. |
| 2 | Taxation and Treasury / Treasury Division | Charge Flat Ten Basis Point Fee for Fund Management | **Net Zero**<br><br>($1,404.5) Gen Fund (UGF)<br>$96.5 IntAirport (Other)<br>$359.0 Pub School (Other)<br>$632.6 PCE Endow (DGF)<br>$316.4 High Ed (DGF) | |
| 3 | Taxation and Treasury / Alaska Retirement Management Board Custody and Management Fees | Reduce Authority for Management Fee Savings | **Total: ($10,000.0)**<br><br>($4,788.2) Group Ben (Other)<br>($3,608.6) PERS Trust (Other)<br>($1,603.2) Teach Ret (Other) | The Treasury Division has increased internal management of assets, allowing for reduced use of higher-cost external managers. This change includes moving out of actively managed sector funds, which charge high fees and do not on average beat the market. |
| 4 | Child Support Services / Child Support Services Division | New Carryforward Language for GF/Program Receipts | **Net Zero** | The FY22 budget includes language to carryforward unexpended balances from Temporary Assistance to Needy Families and the Alaska Interest program. These program receipts are currently lapsing into the general fund. Under the new language, the program receipts will be temporarily used to help fund the FY22 capital project request for a new case management system. Once the capital project is finished, the program receipts will be expended in the operating budget.<br><br>**Items 4 and 5 are related.** |



5 3pg

# Department of Revenue

**FY22 Subcommittee Book - Significant Transactions**
**($ thousands)**

| Item | Appropriation / Allocation | Description | Amount / Fund Source | Comment |
|---|---|---|---|---|
| 5 | Various | Reduce Authority for Child Support Services | **Total: ($1,476.5)**<br><br>($1,019.2) Fed Rcpts (Fed)<br>($457.3) GF/Match (UGF) | The division is proposing four separate decrements this year.<br><br>A decrement of $1,131.3 is due to moving the case management system from the state's mainframe to a more cost-effective Linux web platform. The move is meant to act as a bridge, generating short-term savings until it can be replaced with a more modern and efficient system.<br><br>A related FY22 capital budget request would fund replacement of the aging case management system. The operating efficiencies in this decrement do not depend on the passage of the capital project. However, if the capital request is rejected, the department requests that some of this decrement be retained to fund programming improvements in the current system. A related FY22 operating budget decrement of $110.4 for a programmer assumes funding through the capital project.<br><br>A $104.8 decrement results from reducing the Criminal Investigations Unit (CIU) chargeback rate to align funding with Child Support investigators moving out of the CIU.<br><br>A $130.0 decrement reduces authority for two Office Assistant II positions that were deleted in FY21.<br><br>**Items 4 and 5 are related.** |
| 6 | Administration and Support / Criminal Investigations Unit | Add Interagency Receipts Resulting from Centralized Investigations | $713.6 I/A Rcpts (Other) | During the FY21 Management Plan, criminal investigation staff from the Tax and Permanent Fund Dividend divisions were centralized into the Criminal Investigative Unit (CIU). Additional interagency receipt authority is requested to budget for personal services costs that are now within the CIU allocation. |
| 7 | Alaska Permanent Fund Corporation / APFC Operations | Investment Staff Incentive Compensation Program | $890.0 PF Gross (Other) | APFC's board of trustees has requested a new program providing one-time performance-based bonuses for investment staff. The intent is to to aid in recruiting and retaining employees. According to the compensation study performed by McLagan for APFC, most pension, endowment, and sovereign wealth funds offer some type of performance-based compensation to their investment professionals.<br><br>The legislature voted to fund a $2,763.5 incentive compensation program for FY21, though it was vetoed by the governor. The current proposal is similar, though with significantly less funding. |
| 8 | Alaska Permanent Fund Corporation / APFC Investment Management Fees | Forecasted Investment Management Fees and Supporting Investment Systems | $3,638.5 PF Gross (Other) | The division is requesting $1,364.5 for updating investment systems and $2,924.3 for management fee increases. Separately identified savings of $450.3 due to investment due diligence, and $200.0 in custody fees reduce the overall increment to $3,638.5. |

# Department of Revenue

**FY22 Subcommittee Book - Significant Transactions**
**($ thousands)**

| Item | Appropriation / Allocation | Description | Amount / Fund Source | Comment |
|---|---|---|---|---|
| 8 | Alaska Permanent Fund Corporation / APFC Investment Management Fees | Forecasted Investment Management Fees and Supporting Investment Systems | $3,638.5 PF Gross (Other) | (continued)<br>The forecasted increase in management fees is based on projections by Callan. The increase is partly because the total Permanent Fund balance is expected to be larger in FY22, and more total money being managed leads to more total fees. |

# Department of Revenue

## FY21 Conference Committee Book - Significant Transactions
($ thousands)

| Item | Appropriation / Allocation | Description | Governor Request | Amount Enacted | Comment |
|---|---|---|---|---|---|
| 1 | Taxation and Treasury / Tax Division | Add Funding for Tax Revenue Management System Maintenance and Support Costs | $2,221.6 Gen Fund (UGF) | $2,221.6 Gen Fund (UGF) | The Tax Revenue Management System (TRMS) was developed starting with a $34.7 million capital project in FY12. The system is fully operational and capital project funds are fully expended. This increment is required to pay ongoing costs to maintain this system.<br><br>The budget also includes a reduction of $571.6 in Capital Improvement Project receipts from that expired capital project.<br><br>**Fiscal Analyst Comment:** TRMS has allowed the Tax Division to transition from paper tax returns to a digital system, which will increase audit efficiency and reduce administrative burdens. From FY16 through the FY21 budget, the Tax Division has eliminated 21 positions for a combined reduction of $2 million (excluding changes to the Economic Research Group). |
| 2 | Taxation and Treasury / Tax Division | Tax Revenue Management System Maintenance and Support Costs<br><br>**Supplemental** | **Net Zero**<br><br>$400.0 Gen Fund (UGF)<br>($400.0) CIP Rcpts (Other) | **Net Zero**<br><br>$400.0 Gen Fund (UGF)<br>($400.0) CIP Rcpts (Other) | The legislature approved a supplemental request from the Governor to support the ongoing cost of TRMS. A similar item was included in the FY21 budget. |
| 3 | Taxation and Treasury / Tax Division | Tax Subject Matter Experts, Economic and Legal Analysis (FY20-FY22) | $350.0 Gen Fund (UGF)<br>**MultiYr** | n/a | The Governor proposed a $350.0 reappropriation of a prior capital project to the Tax Division to contract with tax subject matter experts. The legislature did not include this item in the supplemental budget. |
| 4 | Taxation and Treasury / Various | Consolidate Fish Tax Group into Excise Tax Group, Eliminate Publications Specialist, and Use Savings to Reduce Vacancies | **(3) PFT Positions** | **(3) PFT Positions** | The Governor's budget combined the Fish Tax group into the larger Excise Tax group, eliminating a supervisory position and an auditor position and saving $255.6 UGF. The budget also deleted a Publications Specialist that is no longer needed due to business process efficiencies, saving $91.0. In a subsequent amendment, the Governor requested that the savings be retained in the budget to allow the Tax Division to reduce its vacancy rate. The net result is a deletion of three positions but no change to the budget. |
| 5 | Taxation and Treasury / Unclaimed Property | GA 48 Unclaimed Property Inventory and Claims Backlog | $150.0 GF/Prgm (DGF) | $150.0 GF/Prgm (DGF) | The additional authority will be used to research and enter into an agreement with a contractor for inventorying, recording, and selling physical unclaimed property, and for restructuring claims files and processing a backlog of claims ahead of implementing a replacement to the program's antiquated claims system. This increment brings the total authorized amount of GF/PR to $682.0. |

($ thousands)

| Item | Appropriation / Allocation | Description | Governor Request | Amount Enacted | Comment |
|---|---|---|---|---|---|
| 6 | Taxation and Treasury / Alaska Retirement Management Board Custody and Management Fees | Reduce Authority to Reflect Management Fee Savings | **Total: ($5,000.0)**<br><br>($151.1) Group Ben (Other)<br>($3,224.0) PERS Trust (Other)<br>($1,579.4) Teach Ret (Other)<br>($40.0) Jud Retire (Other)<br>($5.5) Nat Guard (Other) | **Total: ($5,000.0)**<br><br>($151.1) Group Ben (Other)<br>($3,224.0) PERS Trust (Other)<br>($1,579.4) Teach Ret (Other)<br>($40.0) Jud Retire (Other)<br>($5.5) Nat Guard (Other) | The Treasury Division has increased internal management of assets, allowing for reduced use of higher-cost external managers. |
| 7 | Taxation and Treasury / Permanent Fund Dividend Division | Delete Positions and Authority as a Result of Technology Enhancements | ($527.6) PFD Fund (Other)<br>**(6) PPT Positions** | ($527.6) PFD Fund (Other)<br>**(6) PPT Positions** | Paper applications for the Permanent Fund Dividend can now be scanned and read by Optical Character Recognition. As a result, six seasonal employees are no longer needed to manually enter information from these applications into computer systems. |
| 8 | Child Support Services / Child Support Services Division | Reduce Funding Due to Anticipated Legal Services Cost Savings | **Total: ($300.0)**<br><br>($198.0) Fed Rcpts (Fed)<br>($102.0) GF/Match (UGF) | **Total: ($300.0)**<br><br>($198.0) Fed Rcpts (Fed)<br>($102.0) GF/Match (UGF) | This reduction in legal costs is due to three changes over the past five years:<br><br>1. The Child Support Services Division (CSSD) eliminated paper files as well as automated and standardized its processes;<br>2. CSSD attorneys no longer provide services for non-custodial parents who are seeking order modifications for court orders; and<br>3. CSSD no longer pursues contempt orders for not filling out a PFD application as it is not cost-effective unless it is done in combination with other enforcement actions. |
| 9 | Alaska Mental Health Trust Authority / Mental Health Trust Operations | Increase Mental Health Trust Authority Budget | $119.8 MHT Admin (Other) | $119.8 MHT Admin (Other) | The increment is intended for increased costs such as personal services, interagency receipts, new equipment, and other management and consultation services. |
| 10 | Alaska Mental Health Trust Authority / Long Term Care Ombudsman Office | Add Funding for Travel Impacting the Health and Safety of Alaskan Seniors | $21.7 GF/MH (UGF) | $21.7 GF/MH (UGF) | The increment restores $4.2 of FY20 vetoed travel funding and adds $17.5 GF/MH to support more frequent staff travel to nursing homes and assisted living facilities. Three new nursing facilities are expected to open in the near future, adding approximately 210 additional beds and the number of assisted living home facilities continues to increase. |

($ thousands)

| Item | Appropriation / Allocation | Description | Governor Request | Amount Enacted | Comment |
|---|---|---|---|---|---|
| 11 | Alaska Housing Finance Corporation / AHFC Operations | Add Authority for Receipt of Housing and Urban Development Mainstream Voucher Assistance | $500.0 Fed Rcpts (Fed) | $500.0 Fed Rcpts (Fed) | The additional authority is necessary for AHFC to receive a Mainstream Housing Assistance Voucher award through Federal Housing and Urban Development (HUD). AHFC's HUD voucher program is a competitive award that AHFC will continue to receive indefinitely. The vouchers are targeted to non-elderly (under age 62) persons with disabilities who are transitioning out of institutional or other segregated settings, at serious risk of institutionalization, homeless, or at risk of becoming homeless. |
| 12 | Alaska Housing Finance Corporation / AHFC Operations | **FY20** RPL 04-2020-1059 AHFC Homeless Assistance Program | $10,000.0 COVID Fed (Fed) | $10,000.0 COVID Fed (Fed) | This RPL added CARES Act federal funding for COVID-19 related homelessness prevention. |
| 13 | Alaska Permanent Fund Corporation / APFC Operations | Add Authority for Staff Retention | $720.7 PF Gross (Other) | $720.7 PF Gross (Other) | The FY21 budget adds funding for retention adjustments to help the Alaska Permanent Fund Corporation (APFC) retain staff to ensure effective in-house investing and oversight of external managers.<br><br>**Fiscal Analyst Comment:** APFC received similar increments for staff retention of $216.0 in the FY17 budget and $198.0 in the FY14 budget. |
| 14 | Alaska Permanent Fund Corporation / APFC Operations | Add Authority for Real Estate Asset Manager | $257.5 PF Gross (Other)<br>**1 PFT Position** | $257.5 PF Gross (Other)<br>**1 PFT Position** | This increment adds a Real Estate Asset Manager and funding to increase internal management of APFC's real estate assets. APFC's Board of Trustees estimates that bringing this position in-house will save $2.5 million in external advisory fees. |
| 15 | Alaska Permanent Fund Corporation / APFC Operations | Reduce Authority Due to Operational Efficiencies | ($1,097.9) PF Gross (Other) | ($1,097.9) PF Gross (Other) | The Board of Trustees identified budgetary savings in travel, contractual services, and commodities. |
| 16 | Alaska Permanent Fund Corporation / Various | Legislative Addition Vetoed by Governor: $2,763.5 for APFC Incentive Compensation Plan | n/a | n/a | The Governor vetoed an increment added by the legislature for incentive compensation for the Alaska Permanent Fund Corporation (APFC). This increment, requested by APFC's board of trustees, would have created an incentive compensation structure for investment managers designed to recruit and retain employees. |
| 17 | Alaska Permanent Fund Corporation / APFC Investment Management Fees | Reduce Authority to Reflect Management Fee Savings | ($21,098.1) PF Gross (Other) | ($21,098.1) PF Gross (Other) | This reduction in management fees is due to the termination of the External Chief Investment Officer (CIO) program. This program was put in place in 2009 to partner with "best in class" institutional asset investment management firms. The aim of the program was to produce superior returns and to provide Trustees and staff the opportunity to work and learn from the external CIOs.<br><br>The program was ended in 2018 as the Corporation determined that the |

**($ thousands)**

| Item | Appropriation / Allocation | Description | Governor Request | Amount Enacted | Comment |
|---|---|---|---|---|---|
| 17 | Alaska Permanent Fund Corporation / APFC Investment Management Fees | Reduce Authority to Reflect Management Fee Savings | ($21,098.1) PF Gross (Other) | ($21,098.1) PF Gross (Other) | (continued)<br>program no longer met the needs and priorities of APFC given the development of APFC's portfolio, internal management and the evolution of the market environment since the inception of the program. |
| 18 | Various | Fund Source Change of 25% of UGF to CBR | n/a | **Net Zero**<br><br>$6,816.3 CBR Fund (UGF)<br>($6,816.3) Gen Fund (UGF) | The legislature funded 25% of numbers section UGF items directly from the Constitutional Budget Reserve (CBR) using fund code 1001. For the Department of Revenue, that resulted in $6.8 million being switched from codes 1003 (GF Match) and 1004 (UGF) to code 1001. Because all three sources are counted as UGF, this change will have no impact on the agency's operations. |