

**2/6/09
PRESENTATION
STATE BUDGET
RESERVES
SAVINGS
ACCOUNTS &
SWEEP
MECHANICS**

<target><bill></bill><subject>2-6-09 PRESENTATION STATE
BUDGET RESERVES SAVINGS ACCOUNTS and SWEEP
MECHANICS</subject><comm>SFIN26</comm></target>

Mechanics of Sweep
Notes for Senate Finance Meeting 2/6/08

Good morning. For the record, my name is Kim Garner and I serve as the director of finance in the department of administration.

We were invited here this morning to explain some of the nitty-gritty of the sweep process. This is an esoteric topic, truly understood by only a few individuals in the Division of Finance and your Division of Legislative Audit. The sweep calculation is something that we spend substantial quality time on with the auditors every year to ensure it is correct.

If you have questions as I go through the presentation, we will be happy to answer them.

To understand sweep, we must first understand the general fund from an accountant's perspective. It is not the same as general fund from a budgeter's standpoint, because funds are not the same as funding sources.

The fund structure of the State of Alaska is determined by Generally Accepted Accounting Principles, and it is clearly reflected in the audited financial statements contained in the Comprehensive Annual Financial Report. A copy of this document was delivered to your office at the beginning of session, and it is available online.

For accountants, the overall general fund is fund 11-thousand in AKSAS, the statewide accounting system. It is comprised of all the subfunds, most of which were established by the legislature and whose names you would recognize, as well as the lower level, primary general fund designated as 11-thousand-100 in the accounting system. This primary general fund is still very large, and it accounts for the majority of the financial activity of the state of Alaska. Most funding sources that you appropriate are revenue streams into this general fund, including federal funds, program receipts, and receipt-supported services.

So now that we have the accountant's definition of general fund, what is sweep? It is the annual transfer of available balance in the general fund to the Constitutional Budget Reserve Fund (or CBR) to repay amounts previously borrowed or drawn. The reverse sweep is an appropriated transfer that restores the balances of the subfunds

We do the sweep as the last step in preparing the Comprehensive Annual Financial Report, so it is actually done in early December, but the available balance is calculated as of June 30 of the previous fiscal year.

Sweep is required under the Alaska Constitution to repay previous borrowing every year with the general fund available balance. Under the terms of the Constitution, anything spent from the CBR must be repaid by the GF. Reverse sweep, on the other hand, is a legislative appropriation from the CBR, and it adds to the repayment requirement.

Now we're at the nitty-gritty. The "available for appropriation" calculation is the key to sweep. We start with the potential universe of all funds rolling up to the overall general fund of 11-thousand. Within this universe, only available balances are swept. First, we set aside encumbered amounts and amounts for continuing and specific appropriations of the subsequent year. Then we use one of two criteria for determining which subfunds are excluded from the sweep requirement:

1. if it meets the definition of "available for appropriation" as determined by the Supreme Court of Alaska; or
2. if it is legally restricted to a specific purpose by an outside entity.

If a subfund meets either of these criteria, the available balance is not swept. Obviously, the balance in the primary general fund 11-thousand-100 is available for sweep, and in years of reverse sweep appropriation language, this is the only amount retained in the subsequent fiscal year as repayment of CBR borrowing.

That's the theory. Now, I'd like to take you next to the Available Balance in the CBR spreadsheet from our website so you can see sweep in action.

This spreadsheet starts with the available balance of the CBR at the beginning of the fiscal year. Then you'll notice that from FY 2002 – 2005, borrowing occurred during the fiscal year to address cash flow needs of the general fund. This borrowing was authorized by appropriation language and follows a process established in an inter-agency MOU.

In FY 2002 and 2003, there was net cash flow borrowing at June 30th. In FY 2004 and 2005, we were able to repay the cash flow borrowing by June 30th.

The additional (deficit borrowing) or repayment is based on the available balance calculation in the primary general fund 11-thousand-100. You'll see that in FY 2002-2005, more borrowing was required to bring a negative available balance in the general fund up to zero.

In FY 2006 the general fund available balance was appropriated to the Public Education Fund, and in FY 2007, it was appropriated to the Alaska Capital Income Fund, both of which are subfunds of the general fund.

FY 2008, the general fund actually had an available balance to repay previous CBR borrowing, and \$582 million was transferred for this purpose.

The next two rows show the subfund sweep, and reverse sweep in the subsequent fiscal year, so you can track them across the page.

{ Designated fund balance is the oil and gas production tax revenues budgeted in the next year.

There is an annual direct appropriation from the CBR to Treasury to pay management fees.)

Dropping down two rows, you'll see the new revenues less expenditures is the net operating income for the CBR.

The next row reflects appropriated transfers from the general fund to the CBR which repay borrowing.

So, you can see the ending available balance of the CBR increased about \$5 billion during FY 2008. This was the result of \$3 billion appropriated to the CBR, \$1 billion net sweep and reverse sweep; \$582 million additional general fund repayment, and the operating income of \$416 million.

The last handout in your packet is a description of each subfund of the general fund, indicating whether or not it is swept, and if so, how much was swept for FY 2008.

A few subfunds I'd like to draw your attention to. First, the CBR itself is a subfund of the general fund. It is obviously not swept to repay itself. Next, the Budget Reserve Fund established in statute is a sweepable subfund. So is the Alaska Capital Income Fund. Any fund which is established with language along the lines of "may be appropriated for X" is sweepable, because if it can be appropriated that, it can be appropriated for anything.

What statutory language meets the Supreme Court definition to exclude from sweep? Language that establishes the fund as spendable without further appropriation. Some examples here are the Public Education Fund and Permanent Fund Dividend Fund.

That concludes the presentation. We'd be happy to answer any questions you may have on this topic. Thank you for your time.



Alaska State Senate

Senate Finance Committee

Official Business

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

AGENDA

Friday, February 6, 2009

9:00 AM

Presentations

Sweep Mechanics

Kim Garnero, Director, Division of Finance, DOA
Kevin Brooks, Deputy Commissioner, Department of Administration

State Budget Reserves/Savings Accounts

David Teal, Director, Legislative Finance Division

Available Balance in Constitutional Budget Reserve Fund
in thousands

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Beginning balance as of July 1	\$3,110,104	\$2,466,918	\$2,093,556	\$2,155,078	\$2,235,693	\$2,423,695	\$3,015,179	\$8,062,989
Cash flow (borrowing) and repayment:								
	(100,000)	(100,000)	(100,000)	(100,000)	-	-	-	-
	(100,000)	(100,000)	(100,000)	(100,000)	-	-	-	-
	(100,000)	(50,000)	(100,000)	100,000	-	-	-	-
	(100,000)	(100,000)	100,000	100,000	-	-	-	-
	(100,000)	(100,000)	100,000	100,000	-	-	-	-
	(100,000)	(50,000)	100,000	100,000	-	-	-	-
	(100,000)	(100,000)	100,000	100,000	-	-	-	-
	(100,000)	(100,000)	100,000	100,000	-	-	-	-
	50,000	85,000	0	0	0	0	0	0
	(750,000)	(415,000)	0	0	0	0	0	0
Net cash flow borrowing								
Additional (deficit borrowing) or repayment	(134,312)	(83,120)	(10,785)	(34,923)	-	-	582,159	See Note
Subfunds swept per Article IX, section 17(d)	130,695	88,755	94,627	85,514	156,697	416,165	1,466,159	See Note
Subfund balances appropriated back	(101,947)	(130,695)	(88,755)	(94,627)	(85,514)	(156,697)	(416,165)	(1,466,159)
Designated fund balance	-	-	-	-	-	(524)	(117)	See Note
Direct appropriations:								
Treasury operations	(125)	(121)	(109)	(126)	(191)	(118)	(467)	See Note
New revenues less expenditures	212,503	166,819	61,627	124,777	117,010	282,658	416,241	See Note
Appropriated fund transfer from GF	-	-	4,917	-	-	50,000	3,000,000	See Note
Ending balance as of June 30 (audited)	\$2,466,918	\$2,093,556	\$2,155,078	\$2,235,693	\$2,423,695	\$3,015,179	\$8,062,989	See Note

Please direct any questions about this information to Lisa Pusich, State Accountant at (907) 465-5616.

Note: Amounts are not known until year end.

Mechanics of Sweep

What?

"Sweep" is the term used to describe the annual transfer of available balances in the General Fund (including its subfunds) to the Constitutional Budget Reserve Fund (CBR).

"Reverse sweep" describes the appropriated transfers back from the CBR to the subfunds of the General Fund from where they came.

Who?

Division of Finance calculates the available balances for transfer as the final step in completing the Comprehensive Annual Financial Report (CAFR).

When?

The calculations are finalized following all audit adjustments to the CAFR in early December. The sweep amounts are calculated **as of June 30** of the prior fiscal year. The reverse sweep transfers the subfund amounts back **as of July 1** of the current fiscal year.

Why?

Article IX, section 17(d) of the Alaska Constitution requires that all appropriations from the CBR be repaid with General Fund available for appropriation at the end of each succeeding fiscal year.

How?

Calculating "available for appropriation" is the key to sweep. The potential universe includes all funds under the general fund 11000 (fund 11100 and all subfunds).¹

Within this universe, only **available balances** are swept. Encumbered amounts and amounts for continuing and specific appropriations of the subsequent year are set aside by reserving them before calculating the available balance amount. Finally either of the following two criteria are used to determine which subfunds of the General Fund are swept:

1. Whether it meets the meaning of the term "general fund available for appropriation" as determined by an evaluation of the examples used in the Supreme Court of Alaska Case Nos. S-6294, S-6304, May 27, 1994.
2. Whether it is legally restricted to a specific purpose by an outside entity, such as federal law.

¹ All funds under 11000 are swept to repay the CBR as of June 30. All those except 11100 are restored as of July 1 by the reverse sweep. After reverse sweep, only the available balance from 11100 remains in the CBR to repay previous borrowing.

General Fund

The General Fund means something different to accountants and budgeters. For accountants, it is comprised of the State's primary operating fund (11100 in the State accounting system) and the accounts and funds which have been created by law which also report to the overall General Fund (11000 in the accounting system). These are treated as subfunds of the General Fund and are accounted for as individual funds for accounting purposes, but they are included in the General Fund for annual financial reporting purposes. The following lists those funds and accounts.

- **Adak Airport Operations Fund (Fund 11181)** – PL 101-510 – The Alaska Department of Transportation and Public Facilities and the United States Department of Defense entered into a cooperative agreement under which the State will undertake operation and maintenance of a portion of the former Naval Air Facility known as the Adak Airport. In accordance with the agreement, the Navy paid the State \$10,000,000 to operate and maintain the airport. *SWEPT? NO*
- **Alaska Capital Income Fund (Fund 11185)** – AS 37.05.545 – Administered by the Department of Revenue. This fund consists of money deposited to the fund from income earned on money awarded in or received as a result of State v. Amerada Hess and of appropriations to the fund. Money may be appropriated from this fund for any public purpose, including covering annual debt service and reserves for debt service on bonds authorized by state law. *SWEPT? YES FY 2008 = \$233,141,102*
- **Alaska Children's Trust Fund (Fund 34050)** – AS 37.14.200 – Administered by the Department of Health and Social Services and the Alaska Children's Trust Board established in the Office of the Governor. The income from this endowment is used to provide a continuing source of revenue for grants to community-based programs for the prevention of child abuse and neglect. *SWEPT? NO*
- **Alaska Debt Retirement Fund (Fund 11138)** – AS 37.15.011 – The fund consists of all money appropriated to it. The fund was established to help meet the General Fund debt obligations of the State and its political subdivisions, to fund lease-purchases, and to finance capital projects with money remaining after debt obligations are paid. *SWEPT? YES FY 2008 = \$8,994,418*
- **Alaska Gasline Inducement Act Reimbursement (Fund 11188)** – AS 43.90.400 – Administered by the Office of the Governor. This fund consists of money appropriated to it by the legislature for reimbursing a percentage of qualified expenditures as authorized under AS 43.90.110. These state matching contributions serve as an inducement to aid in the construction of a natural gas pipeline. *SWEPT? NO*
- **Alaska Historical Commission Receipts Account (Fund 11111)** – AS 41.35.380 – Administered by the Department of Natural Resources. Consists of all monetary gifts, grants, bequests, royalties, and other income received by the Alaska Historical Commission and is used for commission projects. *SWEPT? YES FY 2008 = \$67,460*
- **Alaska Marine Highway System Fund (Fund 12135)** – AS 19.65.060 – Administered by the Department of Transportation and Public Facilities, Alaska Marine Highway System. Gross revenues of the Alaska Marine Highway System are deposited into the fund. The fund also consists of legislative appropriations of amounts necessary to provide stable services to the public, after consideration of gross revenue. *SWEPT? YES FY 2008 = \$7,376,320*
- **Alaska Marine Highway System Vessel Replacement Fund (Fund 11137)** – AS 37.05.550 – Managed by the Department of Revenue. The fund consists of money appropriated to it by the legislature. The legislature may appropriate money from the fund for refurbishment of existing state ferry vessels, acquisition of additional state ferry vessels, or replacement of retired or outmoded state ferry vessels. *SWEPT? YES FY 2008 = \$60,000,000*
- **Alaska Technical and Vocational Education Program Fund (Fund 11166)** – AS 23.15.830 – Administered by the Department of Labor and Workforce Development. The fund consists of amounts collected under AS 23.15.835. The legislature may appropriate the annual estimated balance in the fund to the Alaska Workforce Investment Board to implement AS 23.15.820 – 23.15.850. The legislature may appropriate the lapsing balance of the fund to the Unemployment Compensation Fund established in AS 23.20.130. *SWEPT? YES FY 2008 = \$1,302,182*
- **Alaska Transportation Infrastructure Bank (Fund 21653)** – Section 350 of the National Highway System Designation Act of 1995 Federal Law – Managed by the Department of Transportation and Public Facilities.

This fund was established as a pilot program with the U.S. Department of Transportation to increase infrastructure investment in the private sector. The fund has the ability to make loans and provide other forms of credit assistance to public and private entities to carry out highway construction and transit capital projects. *SWEPT? NO*

- **Alaska Veterans' Memorial Endowment (Fund 36010)** – AS 37.14.700(a) – Administered by the Department of Military and Veterans' Affairs. The fund is used to maintain and develop veteran or military memorials. The fund consists of appropriations to the fund, donations to the fund, and income earned on investments of fund assets. *SWEPT? NO*
- **Alcohol and Other Drug Abuse Treatment and Prevention Fund (Fund 11178)** – AS 43.60.050 – Administered by the Department of Health and Social Services. The fund is used to establish and maintain programs for the prevention and treatment of alcoholism, drug abuse, and misuse of hazardous volatile materials and substances by inhalant abusers under AS 47.37.030. *SWEPT? YES FY 2008 = \$5,066,154*
- **Anatomical Gift Awareness Fund (Fund 11183)** – AS 13.50.160(a) – Administered by the Department of Administration. This fund was established to promote gifts under AS 13.50 the Health Care Decisions Act and to administer the donation program established under AS 13.50.130. The fund consists of donations and fees collected to support the Donor Registry Program. *SWEPT? NO*
- **Art in Public Places Fund (Fund 11124)** – AS 44.27.060 – Administered by the Alaska State Council on the Arts. This fund consists of one percent of the construction cost of buildings exempt from AS 35.27. The money is used to commission or purchase art for public state-owned or leased buildings or facilities. *SWEPT? NO*
- **Assistive Technology Loan Guarantee Fund (Fund 11154)** – AS 23.15.125 – Administered by the Department of Labor and Workforce Development, Division of Vocational Rehabilitation (DVR). The fund consists of money appropriated to it. DVR may solicit and accept available public and private money for distribution from the fund. Money in the fund may be used to guarantee 90 percent of the principal amount of a loan or to subsidize the interest rate of a loan guaranteed by DVR for appropriate assistive technology. *SWEPT? NO*
- **Budget Reserve Fund (Fund 11115)** – AS 37.05.540 – Administered by the Department of Revenue. This fund consists of appropriations to the fund. Money received by the State that is subject to the appropriation limit under AS 37.05.540(b) and that exceeds that limit may be appropriated to the budget reserve fund. *SWEPT? YES FY 2008 = \$1,000,000,000*
- **Building Safety Account (Fund 11177)** – AS 44.31.025 – Administered by the Department of Labor and Workforce Development. The collection of fees associated with building inspection and the issuance of certificates of fitness will be deposited in the Building Safety Account. The legislature may appropriate money from the account for necessary costs incurred by the Department of Labor and Workforce Development in the administration of AS 18.60.180 – 18.60.395, 18.60.800 – 18.60.620 and AS 18.62 relating to building safety and certificates of fitness. *SWEPT? YES FY 2008 = \$128,080*
- **Commercial Passenger Vessel Environmental Compliance Fund (Fund 11174)** – AS 46.03.482 – Administered by the Department of Environmental Conservation. Sources of income for this fund include: (1) money received by the department in payment of fees under AS 46.03.480; (2) money received as a result of a violation; (3) money appropriated to the fund by the legislature; (4) earnings on the fund. The legislature may make appropriations from this fund to the department to pay for the department's operational costs necessary to prepare reports that assess the information received by the department for the cruise ship seasons of 2000, 2001, 2002, and 2003 and for the department's operational costs necessary to carry out activities under AS 46.03.460 – 46.03.490 relating to commercial passenger vessels. *SWEPT? YES FY 2008 = \$6,210,770*
- **Community Revenue Sharing Fund (Fund 11200)** – AS 29.60.850 - Administered by the Department of Commerce, Community and Economic Development. The Fund provides community revenue sharing payments to municipalities, reserves, and communities for any public purpose. The fund consists of appropriations. Income earned on money in the fund may be appropriated to the fund. The legislature may appropriate 20 percent of the money received by the State during the previous calendar year under AS 43.55.011(g). *SWEPT? NO*
- **Constitutional Budget Reserve Fund (Fund 33041)** – Alaska Constitution, Article IX, Section 17; AS 37.13 – Administered by the Department of Revenue. All money received by the State as a result of the termination of administrative proceedings or litigation in a state or federal court involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property are deposited in the fund, except for the share of those proceeds that are deposited into the Alaska Permanent Fund. *SWEPT? NO, RECIPIENT OF SWEEP*

- **Disaster Relief Fund (Fund 12120)** – AS 26.23.300 – Administered by the Office of the Governor and the Department of Military and Veterans Affairs. This fund provides resources to alleviate the effects of disasters wherever and whenever they may occur in the State. *SWEPT? NO*
- **Donated Commodity Fee Fund (Fund 11120)** – USC 7 CFR, Part 250 – Administered by the Department of Education and Early Development. This fund consists of monies from federal agencies and recipients of goods. It is intended to cover the cost of the distribution of federal surplus food to schools, childcare institutions, nonprofit camps for children, charitable institutions for minors, nutrition programs for the elderly, and assistance to needy persons. *SWEPT? NO*
- **Educational Facilities Maintenance and Construction Fund (Fund 11142)** – AS 37.05.560 – Administered by the Department of Education and Early Development. Money in the fund may be appropriated to finance the design, construction, and maintenance of public school facilities and for maintenance of the University of Alaska facilities. *SWEPT? YES FY 2008 = \$45*
- **Election Fund (Fund 11179)** – Federal H.R. 3295, “The Help America Vote Act” – Administered by the Office of the Lieutenant Governor, Division of Elections. Funds will be used for election administration improvements, for replacement of voting equipment, to improve accessibility for individuals with disabilities, and to provide alternative language accessibility. *SWEPT? NO*
- **Employment Assistance and Training Program Account (Fund 11134)** – AS 23.15.625 – Administered by the Department of Labor and Workforce Development. The account consists of amounts collected under the provision of AS 23.15.630. The annual estimated balance in the account may be appropriated by the legislature to the department to implement AS 23.15.620 – 23.15.660. The legislature may appropriate the lapsing balance of the account to the Unemployment Compensation Fund established in AS 23.20.130. *SWEPT? YES FY 2008 = \$4,550,795*
- **Exxon Valdez Oil Spill Unincorporated Rural Community Grant Fund (Fund 11161)** – AS 44.33.115 – Administered by the Department of Commerce, Community, and Economic Development. The department may use the fund to make grants to unincorporated rural communities in the area affected by the Exxon Valdez oil spill for capital projects for purposes of restoring, replacing, or enhancing subsistence resources or services or other services damaged or lost as a result of the Exxon Valdez oil spill. *SWEPT? NO*
- **FHWA - Airspace Leases Fund (Fund 11126)** – Section 156 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 requires that the State shall charge fair market value for the sale, use, or lease rentals of right-of-way airspace and that the federal share of these net incomes be used by the State for highway projects. This fund accounts for those revenues. The revenues are available for appropriation by the legislature for highway projects. *SWEPT? YES FY 2008 = \$19,049*
- **FICA Administration Fund (Fund 11110)** – AS 39.30.050 – Administered by the Department of Administration. The fund consists of the pro rata share of expenses incurred in the administration of 39.30.010 – 39.30.080 and collected from participating political subdivisions and from the State. *SWEPT? NO*
- **Fisheries Disaster Fund (Fund 11180)** – PL 108-7, SEC 2, Division N, Title V – Fisheries Disasters, Sec. 501(a) – Administered by the Office of the Governor. \$35,000,000 shall be made available as a direct lump sum payment to the State of Alaska to make payments to persons or entities that have experienced significant economic hardship. Funds in Alaska shall be used to provide personal assistance; assistance for small businesses including fishermen, fish processors, and related business serving the fishing industry; assistance for local borough governments adversely affected by reductions in fish landing fees and other fishing-related revenue; and product development and marketing. *SWEPT? NO*
- **Fuel Emergency Fund (Fund 11125)** – AS 26.23.400 – Administered by the Office of the Governor. This fund is used when the governor determines that a shortage of fuel is sufficiently severe to justify state assistance to make grants to a city or borough, or to a village or unincorporated community to purchase emergency supplies of fuel. *SWEPT? NO*
- **Fund for the Improvement of School Performance (Fund 11145)** – AS 14.03.125 – Administered by the Department of Education and Early Development. It is used to make grants to a district located in the State for the purpose of improving school performance. *SWEPT? NO*
- **Major Maintenance Grant Fund (Fund 11144)** – AS 14.11.007 – Administered by the Department of Education and Early Development. The fund is used to make grants for the cost of school major maintenance. *SWEPT? NO*
- **Memorial Education Revolving Loan Fund (Fund 21611)** – AS 14.43.255 – Administered by the Department of Education and Early Development. The fund was created to pay tribute to the memory of Alaskans who, by

example of their lives, or by their distinguished contribution and service to the State, their community, or their profession, exemplified the best that is the challenge of "The Great Land." The funds shall be used to provide education loans to students selected under AS 14.43.250-325. *SWEPT? NO*

- **Municipal Capital Project Matching Grant Fund (Fund 11146)** – AS 37.06.010 – Administered by the Department of Commerce, Community, and Economic Development. The money in the fund is held by the department in custody for each municipality. Each fiscal year the department allocates individual grants for each municipality. *SWEPT? YES FY 2008 = \$129,112*
- **Municipal Harbor Facility Grant Fund (Fund 11187)** – AS 29.60.800 – Administered by the Department of Transportation and Public Facilities. The money appropriated to the fund may be expended by the department for municipal harbor grants. *SWEPT? NO*
- **Oil and Gas Tax Credit Fund (Fund 11189)** – AS 43.55.028 – Administered by the Department of Revenue. The purpose of this fund is to purchase certain transferable tax credit certificates issued under AS 43.55.023 and certain production tax credit certificates issued under AS 43.55.025. The fund consists of money appropriated to it, including any appropriation of the percentage provided under (c) of this section of all revenue from taxes levied by AS 43.55.011 that is not required to be deposited in the constitutional budget reserve fund established in art. IX, sec. 17 (a), Constitution of the State of Alaska; and earnings on the fund. *SWEPT? NO*
- **Oil and Hazardous Substance Release Prevention and Response (Fund 11128 rollup; Fund 11122 prevention; Fund 11129 response)** – AS 46.08.010 – Administered by the Department of Environmental Conservation. This fund is composed of two accounts: (1) the prevention account and (2) the response account. The fund consists of appropriations by the legislature of money from private donors, money recovered from parties responsible for cleanup of oil or a hazardous substance, and fines, penalties, or damages recovered under Chapter 46. This money is for the containment and cleanup of oil or a hazardous substance; monitoring, assessing, investigating, and evaluating the release or threatened release of oil or a hazardous substance; and recovery of the cost to the State of the containment and cleanup of oil or a hazardous substance. *SWEPT? NO FOR FUND 11129; YES FOR FUND 11122 FY 2008 = \$13,676,743*
- **Oil and Hazardous Substance Release Prevention Mitigation Account (Fund 11139)** – AS 46.08.020(b) – Administered by the Department of Environmental Conservation. This account consists of money received from other state sources, from federal or other sources, or from a private donor; money recovered or otherwise received from parties responsible for the containment and cleanup of oil or a hazardous substance; and fines, penalties, or damages recovered under AS 46.08.005–46.08.080. The legislature may appropriate the amount received in this account (during the preceding calendar year) to the prevention account in the Oil and Hazardous Substance Release Prevention and Response Fund. *SWEPT? YES FY 2008 = \$8,053,827*
- **Oil and Hazardous Substance Release Response Mitigation Account (Fund 11153)** – AS 46.08.025(b) – Administered by the Department of Environmental Conservation. This account consists of money received from other state sources, from federal or other sources, or from a private donor; money recovered or otherwise received from parties responsible for the containment and cleanup of oil or a hazardous substance at a specific site for which the State expended money from the former oil and hazardous substance release response fund before October 2, 1994, or for which the State expended money from the response account. The legislature may appropriate the amount received in this account (during the preceding calendar year) to the response account in the Oil and Hazardous Substance Release Prevention and Response Fund. *SWEPT? YES FY 2008 = \$195,086*
- **Permanent Fund Dividend Fund (Fund 33020)** – AS 43.23.045 – Administered by the Department of Revenue. This fund consists of 50 percent of the income earned by the Alaska Permanent Fund during the fiscal year ending on June 30 that is paid out to eligible Alaska residents. *SWEPT? NO*
- **Public Education Fund (Fund 11184)** – AS 14.17.300 – Administered by the Department of Education and Early Development. This account may be expended only in aid of public schools and for centralized correspondence study programs under Chapter 17 – Financing of Public Schools, and for transportation of pupils under AS 14.09.010. *SWEPT? NO*
- **Railbelt Energy Fund (Fund 11123)** – AS 37.05.520 – Managed by the Department of Revenue. The legislature may appropriate money from the fund for programs, projects, and other expenditures to assist in meeting Railbelt energy needs, including projects for retrofitting state-owned buildings and facilities for energy conservation. *SWEPT? YES FY 2008 = \$90,858,733*
- **Randolph-Sheppard Small Business Fund (Fund 11118)** – AS 23.15.130, 20 USC 107-107(f) – Administered by the Department of Labor and Workforce Development. This fund consists of receipts from

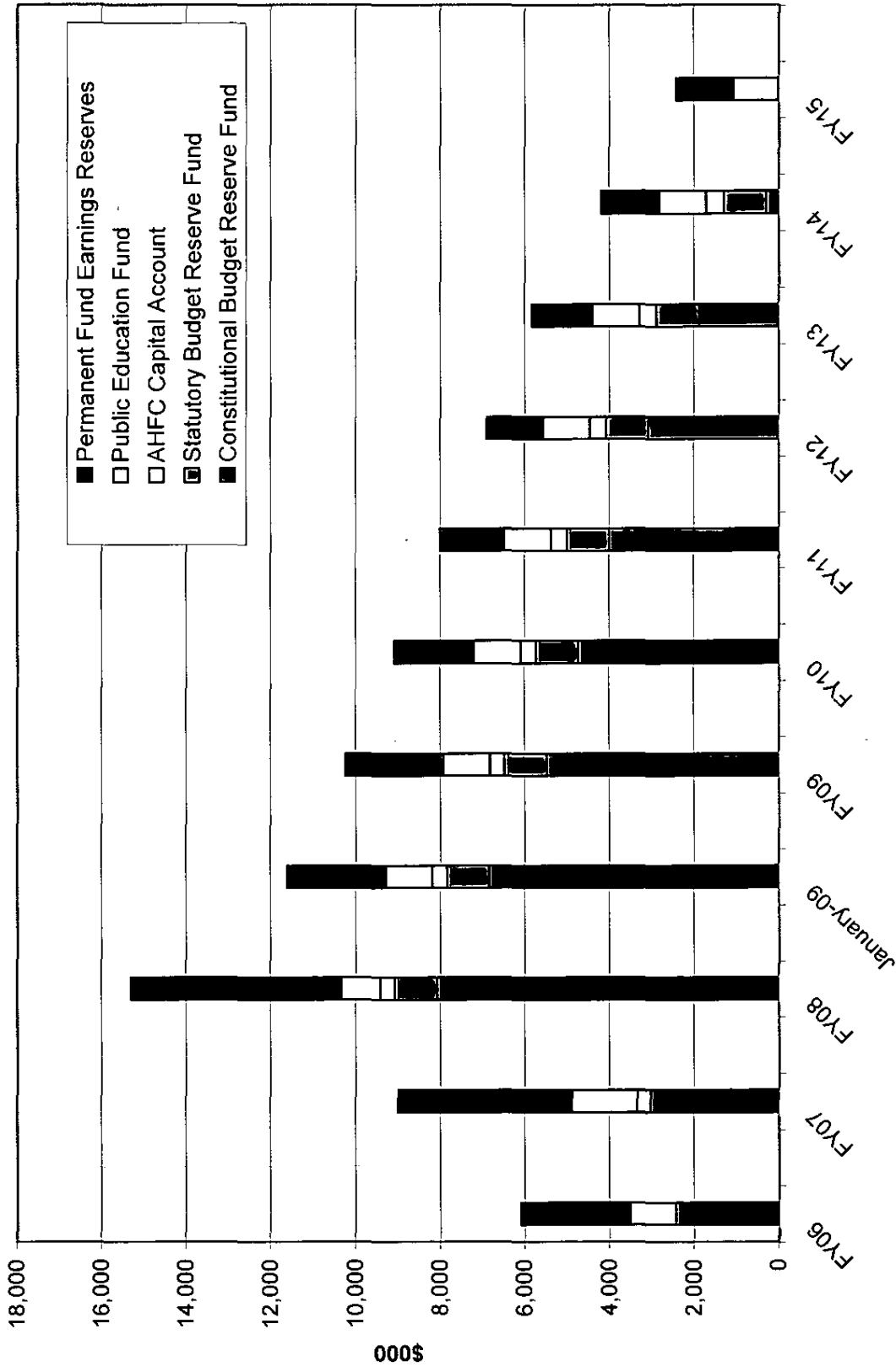
vending facilities on federal properties and is used to aid only blind licensees in operating vending machine facilities. *SWEPT? NO*

- **Real Estate Surety Fund (Fund 11121)** – AS 08.88.450 – Administered by the Department of Commerce, Community, and Economic Development. This fund is composed of payments made by real estate licensees under AS 08.88.455 and filing fees under AS 08.88.460, income earned on investment of the money in the fund, and money deposited in the fund under AS 08.88.450(c). Amounts in the fund may be appropriated for claims against the fund, for hearing and legal expenses directly related to fund operations and claims, and real estate educational purposes. *SWEPT? NO*
- **School Construction Grant Fund (Fund 11143)** – AS 14.11.005 – Administered by the Department of Education and Early Development. The fund shall be used to make grants for the costs of school construction. Legislative appropriations for school construction shall be deposited in the fund and the proceeds from the sale of general obligation bonds for school construction may be deposited in the fund. *SWEPT? NO*
- **School Trust Land Sales (Fund 11162)** – Established per attorney general memo regarding Public School Trust Litigation. Used to separately account for the sales of 21 parcels of public school trust land, the status of which is in litigation. *SWEPT? NO*
- **Senior Care Fund (Fund 11182)** – Chapter 3, SLA 2004 amended the uncodified law of the State of Alaska by creating the Senior Care Fund to be used by the Department of Health and Social Services. The fund is used to pay for the costs incurred for the provision of senior services under the senior care program. The department shall provide cash assistance and prescription drug benefits as far as practicable under appropriations provided by law. *SWEPT? YES FY 2008 = \$260,515*
- **State Insurance Catastrophe Reserve Account (Fund 11133)** – AS 37.05.289 – Administered by the Department of Administration. Assets of the account may be used to obtain insurance, to establish reserves for the self-insurance program, and to satisfy claims or judgments arising under the program. *SWEPT? NO*
- **State Land Disposal Income Fund (Fund 11164)** – AS 38.04.022(a) – Administered by the Department of Natural Resources. The fund consists of revenue from the state land disposal program. *SWEPT? YES FY 2008 = \$0*
- **State Land Reforestation Fund (Fund 12130)** – AS 41.17.300 – Administered by the Department of Natural Resources. The money in the state land reforestation fund may be used only for the reforestation of state land, including site preparation; seed and seedling acquisition and cultivation; planting and other reforestation measures; timber stand improvement; and the development of materials and techniques for the reforestation of state land. *SWEPT? YES FY 2008 = \$194*
- **Storage Tank Assistance Fund (Fund 11136)** – AS 46.03.410 – Administered by the Department of Environmental Conservation. The fund consists of money appropriated to it by the legislature. The receipts of the fund may be used for certain costs as defined in AS 46.03.410(a) relating to underground petroleum storage tank systems and for grants and loans. *SWEPT? NO*
- **Surplus Property Revolving Fund (Fund 11112)** – AS 37.05.500(a)(2), AS 44.68.130 – Administered by the Department of Administration. This fund is to account for revenues from the users or purchasers of excess federal property that the State has acquired and is used to pay the administrative expenses incurred in managing this property. *SWEPT? NO*
- **Tobacco Use Education and Cessation Fund (Fund 11175)** – AS 37.05.580 – Administered by the Department of Health and Social Services. This fund consists of 20 percent of the annual revenue derived from the settlement of State of Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915 CI (Alaska Super. 1997). The purpose of this fund is to provide a source to finance the comprehensive smoking education, tobacco use prevention, and tobacco control program authorized by AS 44.29.020(a)(15). *SWEPT? YES FY 2008 = \$10,497,239*
- **TAPS Rebate Fund (Fund 11163)** – Federal PL 101-380, sec. 8102(a)(B)(1) – The federal government has rebated the pro rata share of the federal TAPS (Trans-Alaska Pipeline Liability Fund) to the State of Alaska for its contributions as an owner of oil. The funds are to be used for the remediation of above-ground storage tanks. *SWEPT? NO*
- **Training and Building Fund (Fund 12121)** – AS 23.20.130(d) – Administered by the Department of Labor and Workforce Development. This fund consists of interest and penalties for failure to file timely reports and pay contributions to the Unemployment Compensation Fund. It may be used for the administration of the Employment Security Act when federal funds are not available and for the acquisition of land and buildings for the purpose of providing office space for the department. *SWEPT? NO*

- **Unincorporated Community Capital Project Matching Grant Fund (Fund 11147)** – AS 37.06.020 – Administered by the Department of Commerce, Community, and Economic Development. This fund was created for unincorporated communities to acquire or improve an asset with an anticipated life exceeding one year and includes land acquisition, construction, repair or structural improvement of a facility, engineering and design for a facility, and acquisition or repair of equipment. *SWEPT? YES FY 2008 = \$47,438*
- **Vocational Rehabilitation Small Business Enterprise Revolving Fund (Fund 11116)** – AS 23.15.130 – Administered by the Department of Labor and Workforce Development, Division of Vocational Rehabilitation. This fund consists of receipts from the net proceeds of vending facilities on public property. The annual estimated receipts of the fund may be used by the legislature to make appropriations to the department to aid licensees in operating vending machine facilities. *SWEPT? YES FY 2008 = \$87,524*
- **Workers' Compensation Benefits Guaranty Fund (Fund 11186)** – AS 23.30.082 – Administered by the Department of Labor and Workforce Development. This fund is composed of civil penalty payments made by employers under AS 23.30.080, income earned on investment of the money in the fund, money deposited in the fund, and appropriations to the fund. The fund may be appropriated for claims against the fund, for expenses directly related to fund operations and claims, and for legal expenses. *SWEPT? YES FY 2008 = \$765,453*
- **Workers' Safety and Compensation Administration Account (Fund 11173)** – AS 23.05.067 – Administered by the Department of Labor and Workforce Development. This fund is used to account for the annual service fees collected from employers for the administrative expenses of the State for workers' safety programs under AS 18.60 and the workers' compensation program under AS 23.30. *SWEPT? YES FY 2008 = \$13,797,650*



Reserve Balances--State of Alaska



Annual Budget Inflation:	103%	Op Bud	5,273	4,573	4,710	4,851	4,997	5,147	5,301
Oil Price after FY2009:	\$ 65	Cap Bud	669	500	515	530	546	563	580
		Total	7,124	5,073	5,225	5,382	5,543	5,710	5,881

Constitutional Budget Reserve Fund											
	FY08	FY07	FY06	January-09	FY09	FY10	FY11	FY12	FY13	FY14	FY15
	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow
	Notes	Notes	Notes	Notes	Notes	Notes	Notes	Notes	Notes	Notes	Notes
Beginning Balance	2,238	2,424	3,015	8,053	5,465	5,978	7,110	6,597	7,110	7,502	7,169
Appropriations	280	681	3,925	1,523	23	29	20	20	20	20	20
Deductions											
Revenue	44	102	478	20	20	20	20	20	20	20	20
Sweep	137	418	2,048	1,000	20	20	20	20	20	20	20
Direct			2,800								
Indirect			400								
Ch. 11, 14, 200x											
Ch. 26, 14, 200x, 146											
7501											
Expenditures	68	(157)	(417)	(1,466)	(1,363)	274	(127)	(15)	(127)	(383)	(554)
Revenue Sweep	68	(157)	(417)	(1,466)	(1,363)	274	(127)	(15)	(127)	(383)	(554)
Mgmt Fees	68	(157)	(417)	(1,466)	(1,363)	274	(127)	(15)	(127)	(383)	(554)
1,000											
4.0% Earnings	33	181	(60)	(68)	5,486	478	478	478	478	478	478
Ending Balance	2,424	3,015	6,063	5,928	5,975	6,597	7,110	7,110	7,502	7,169	6,644
Statutory Budget Reserve Fund											
Beginning Balance	0	0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Appropriations	0	0	1,000	0	0	0	0	0	0	0	0
Expenditures	0	0	0	0	0	0	0	0	0	0	0
Withdrawal	0	0	0	0	0	0	0	0	0	0	0
Earnings	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
AHFC Capital Savings Account											
Beginning Balance	0	0	318	335	351	365	380	380	395	411	427
Appropriations	0	300	0	0	0	0	0	0	0	0	0
Expenditures	0	300	0	0	0	0	0	0	0	0	0
Withdrawal	0	300	0	0	0	0	0	0	0	0	0
Earnings	0	18	18	15	16	16	16	16	16	16	16
Ending Balance	0	318	336	351	365	380	395	395	411	427	444

Public Education Fund		FY08		FY07		FY08		January-09		FY09		FY10		FY11		FY12		FY13		FY14		FY15	
	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	
Beginning Balance	417		1,082		1,536		925		1,101		1,101		1,101		1,111		1,111		1,111		1,111		1,111
Appropriations	1,847	Sec 410, Ch 6, SLA 2006-2007	1,409	Sec 260, Ch 3, SLA 2006-2007	281	Sec 14, Ch 28, SLA 2007	1,180	In the next 12 months	0	0	0	0	1,002	0	1,112	0	1,112	0	1,112	0	1,112	0	1,112
	471	Sec 180, Ch 13, SLA 2006-2007	278	Fiscal Year FY08	281		1,004	10/13 fiscal year	0	0	0	0	1,002	0	1,112	0	1,112	0	1,112	0	1,112	0	1,112
	300	Sec 200, Ch 82, SLA 2006-2007	131	Sec 1, Ch 10, SLA 2007			178	Proportionate share of FY09 and FY10 (Paid 1/09)															
	300	Sec 200, Ch 82, SLA 2006-2007	1,000	Sec 180, Ch 13, SLA 2006-2007																			
Expenditures	(883)		(850)		(803)		(1,003)		(1,003)		(1,003)		(1,003)		(1,112)		(1,112)		(1,112)		(1,112)		(1,112)
Withdrawal	(883)		(850)		(803)		(1,003)		(1,003)		(1,003)		(1,003)		(1,112)		(1,112)		(1,112)		(1,112)		(1,112)
Earnings	0		0		0		0		0		0		0		0		0		0		0		0
Ending Balance	1,002		1,536		925		1,101		1,101		1,101		1,111		1,111		1,111		1,111		1,111		1,111
Permanent Fund Earnings (Realized Only)																							
Beginning Balance	1,440		2,584		4,131		4,968		2,320		2,320		2,320		1,883		1,883		1,883		1,883		1,883
Appropriations	0		0		0		0		0		0		0		0		0		0		0		0
Expenditures	(1,440)		(1,440)		(1,440)		(1,440)		(1,440)		(1,440)		(1,440)		(1,440)		(1,440)		(1,440)		(1,440)		(1,440)
Dividends	(885)		(1,032)		(1,205)		(1,148)		(977)		(957)		(873)		(857)		(836)		(819)		(803)		(788)
Intuition Profiling	(655)		(850)		(900)		(950)		(1,000)		(1,050)		(1,100)		(1,150)		(1,200)		(1,250)		(1,300)		(1,350)
Earnings	2,680		3,420		4,236		4,907		2,320		2,320		2,320		1,883		1,883		1,883		1,883		1,883
Ending Balance	2,584		4,131		4,968		4,968		2,320		2,320		2,320		1,883		1,883		1,883		1,883		1,883

