

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE Department of Revenue Operating Budget Sub-Committee



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FY12 OPERATING BUDGET RECOMMENDATIONS

March 18th, 2011

The Senate Finance Budget Subcommittee for the Department of Revenue submits the following FY12 Operating Budget Recommendations to the Senate Finance Committee:

Fund Source	12 Adj Base	Gov Amd	Sen Sub	Difference
Unrestricted GF	\$ 20,050.4	\$ 29,524.1	\$ 29,524.1	\$ 0
Designated GF	\$ 9,210.5	\$ 9,210.5	\$ 9,210.5	\$ 0
Other Funds	\$172,474.0	\$ 99,738.8	\$189,604.8	\$ 89,866.0
Federal Funds	\$ 41,971.4	\$ 41,935.2	\$ 41,935.2	\$ 0
Total	\$248,706.3	\$180,408.6	\$270,274.6	\$ 89,866.0

Positions	12 Adj Base	Gov Amd	Sen Sub	Difference
PFT	876	878	877	-1
PPT	40	40	40	0
Temp	20	20	20	0
Total	937	938	937	-1

The Subcommittee met with the Department and accepted the Governor's amended budget with the following exceptions:

Budget Action

TAX DIVISION

- Accepted the House recommendation to delete the department's vacant Chief Revenue Economist position (PCN 04-3255) and move the associated \$150k budget for this position to the contractual services line. The department has been unable to fill this classified position for almost 3-years. Moving this funding to the contractual line will give the department more flexibility to acquire the services necessary to accomplish their mission.

TREASURY DIVISION

- Approved a \$15,200 fund source change to account for statutory changes made in the management of the Alaska Children's Trust. The Trust will now be managed as an endowment so the 1098 Childrens Trust Earnings fund code is no longer active. This is a net zero change.

ALASKA HOUSING FINANCE OPERATIONS

- Changed the \$40,000 increment for the second year fiscal note for SB 217 dealing with state guaranteed veterans mortgages, from a maintenance increment to a one-time increment. The annual operating costs of this program need to be reviewed for each of the next several years.

ALASKA PERMANENT FUND CORP OPERATIONS

- Denied a \$115,000 increment in Corporation Receipts for increased due diligence travel.
- Denied a \$319,000 increment in Corporation Receipts for personal services costs related to hiring and salary increases.

ALASKA PERMANENT FUND CUSTODY & MANAGEMENT FEES

- Denied the request to move \$90.3 mill in Corporation Receipts for investment management fees from the numbers section of the budget to the language section. This transaction results in the Senate Subcommittee "Other Funds" number being higher than the Governor's Amended budget, however it will be reduced by the same amount once the full committee removes this section from the bill language.



Senator Bert Stedman, Chairman

ATTACHMENTS:

- Report 1 - Agency Totals - Senate Structure
- Report 2 - Allocation Summary Numbers - Senate Structure
- Report 3 - Allocation Summary Numbers (GF Only) - Senate Structure
- Report 4 - Transaction Compare - Adjusted Base & Senate Subcommittee
- Report 5 - Transaction Compare - Gov Amend+ & Senate Subcommittee
- Report 6 - Transaction Compare - House & Senate Subcommittee
- Report 7 - Senate Subcommittee Worksheet