

Change Record Detail - Multiple Scenarios With Descriptions

Department of Revenue

Component: Tax Division (2476)
RDU: Taxation and Treasury (510)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
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***** Changes From FY2007 Conference Committee To FY2007 Authorized *****

Conference Committee

ConfCom	9,553.5	7,662.3	187.1	1,615.6	83.6	4.9	0.0	0.0	98	1	0
1004 Gen Fund	8,702.3										
1005 GF/Prgm	575.1										
1007 I/A Rcpts	87.0										
1061 CIP Rcpts	115.0										
1105 PFund Rcpt	74.1										

ADN 04-7-1018 ETS chargeback funding transferred from Department of Administration

Atrin	1.8	0.0	0.0	1.8	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	1.8										

Pursuant to Section 12(d) and (e), Chapter 33, SLA 2006, page 65, lines 9 - 31, and page 66, lines 1 - 17, \$2,847,900 is distributed to state agencies to offset the increased chargeback rates for enterprise technology services as identified in the statewide federal cost allocation plan.

The amounts transferred to state agencies are as follows:

Administration, \$402.3; Commerce, \$71.9; Corrections, \$140.8; Education, \$41.5; DEC, \$124.8; Fish and Game, \$171.8; Office of the Governor, \$48.0; HSS, \$559.5; Labor, \$402.1; Law, \$88.8; DMVA, \$39.6; DNR, \$164.3; Public Safety, \$154.0; Revenue, \$163.6; Transportation, \$183.8; University, \$4.0; Legislature, \$74.4; and Court System, \$12.7.

Subtotal	9,555.3	7,662.3	187.1	1,617.4	83.6	4.9	0.0	0.0	98	1	0
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***** Changes From FY2007 Authorized To FY2007 Management Plan *****

Petroleum Production Tax, Chapter 2, TSSLA2006

PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9	0	0
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Nine positions are added to the Tax Division to implement HB 3001 (Chapter 2, TSSLA 2006), relating to the Petroleum Production Tax and changes to AS 43.55, Oil and Gas Production Taxes. Positions include:

- (1) Oil and Gas Revenue Auditor Specialist;
- (3) Oil and Gas Revenue Auditor IV;
- (4) Oil and Gas Revenue Auditor III; and
- (1) Tax Technician III

This legislation was enacted during the Third Special Session absent an appropriation bill; therefore funding requested on the fiscal note will be sought through supplemental request.

ADN 04-7-1007 Transfer Unclaimed Property Program from Treasury to Tax Division

Trin	139.7	112.4	1.5	25.8	0.0	0.0	0.0	0.0	4	0	0
1005 GF/Prgm	139.7										

The Unclaimed Property program is transferred from the Treasury Division to the Tax Division within the Taxation and Treasury appropriation. This transfer, consisting of \$139.7 in general fund program receipts and four PCN's, was approved by the Department of Revenue Commissioner's Office effective July 1,

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RDU: Taxation and Treasury (510)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
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2006.

The Unclaimed Property (UCP) program works closely with Alaskan businesses to identify unclaimed property and return it to its rightful owners. Their mission is more closely aligned with the mission of the Tax Division, involving the collection and dispersal of funds which requires routine contact with businesses in Alaska. This transfer may provide UCP with more opportunities to integrate education relating to their program with other efforts by the Tax Division to communicate with the business community.

The Tax Division will budget for this program in FY2008 and will determine, in concert with the Commissioner's Office, if any changes to the budget are needed as a result of this transfer.

The following positions are transferred to the Tax Division:

PCN	Position
04-3053	Accounting Tech II
04-3202	Accounting Clerk II
04-3232	Project Coordinator
04-8049	Accounting Clerk II

Transfer PCN 04-2092 from Admin Services Division

Trin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
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One IT position (PCN 04-2092) is transferred from the Administrative Services Division to the Tax Division to fill their specialized need for an analyst programmer.

Information technology and administrative support positions

PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2	0	0
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Two positions, an Analyst Programmer I and an Administrative Manager I, are added to the Tax Division to provide support for programs and line staff. The analyst programmer position is assigned to the Information Technology group to implement web and imaging capabilities that will enable the division to realize efficiencies through greater use of technology. The administrative manager will provide administrative support to the 71 employees in the Anchorage office and will assume supervision of the existing support staff consisting of a clerk and an administrative assistant. This will allow the assignment of administrative duties to the appropriate positions and enable professional audit staff to focus on the mission of the division.

Transfer gas line development position from Commissioner's Office

Trin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
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One position (PCN 04-T006, Gas Pipeline Coordinator) is transferred from the Commissioner's Office to the Tax Division. The position was established to work on the gas line development initiative and was funded by one-time appropriations for natural gas development. For FY07, the position will be funded by an RSA with the Commissioner's Office using gas line funding. For FY08, it will be budgeted for by the Tax Division, and will be used by the division to adequately respond to analysis of change initiatives and to assist the director with implementation of a new production tax regime, including the integration of a proposed natural gas contract.

Subtotal	9,695.0	7,774.7	188.6	1,643.2	83.6	4.9	0.0	0.0	0.0	115	1	0
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***** **Changes From FY2007 Management Plan To FY2008 Governor** *****

Tax Auditor Salary Increases

Inc	490.0	490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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1004 Gen Fund		490.0										
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As a result of a Market Based Pay analysis, the salaries for thirty-four professional audit staff positions were increased by two state payroll ranges. The effect of this change is to increase the Tax Division's payroll burden by \$500,000. Audit staff are key to the Tax Division mission to collect taxes. Remaining competitive in the market place is instrumental in professional staff retention and the pay increase is intended to assist the division in attracting and retaining auditors. If this increment is not approved, the Tax Division would need to maintain an unacceptably high vacancy rate, which has a negative impact on the number of audits conducted and amount of taxes collected.

This increment directly affects revenues generated by three major tax audit groups: Oil and Gas, Corporate Income, and Excise Audit tax groups.

Implementation of Petroleum Production Tax

1004 Gen Fund	Inc	1,367.8	829.4	0.0	538.4	0.0	0.0	0.0	0.0	0	0	0
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This increment provides funding related to the passage of HB 3001 in the 2006 Second Special Session. Operating expenditures include costs for nine additional audit staff: one Oil and Gas Specialist, three Oil and Gas Revenue Auditor IV, four Oil and Gas Revenue Auditor III and one Tax Technician. These positions will fulfill the additional audit responsibilities inherent to the net profits tax on oil and gas producers. They are being added during FY2007 and will be located in Anchorage. Associated costs include systems programming costs, consultant costs to implement the new tax and associated office and computer supplies for new staff. If this increment is not approved, the Tax Division would have difficulty meeting the statutory requirements of this new tax.

Implementation of Cruise Ship Initiative

1004 Gen Fund	Inc	626.0	510.0	12.0	82.0	22.0	0.0	0.0	0.0	6	0	0
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This increment provides the funding needed to implement the cruise ship tax initiative passed by voters in 2006. This initiative imposes an excise tax on cruise ship passengers and taxes the income of gaming or gambling activities on ships in Alaskan waters. The Tax Division projects a staffing increase of four tax auditors, two tax technicians and associated travel, contractual, supplies and equipment costs to implement and provide compliance with the new taxes. These positions will become part of the Excise Audit Group located in Anchorage. If this increment is not approved, the Tax Division would have difficulty meeting the statutory requirements of these new tax types.

CIP Receipts for Salmon Price Report RSA

1007 I/A Rcpts	FndChg	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts		50.0										

This requests changes existing interagency receipts to CIP receipts so that budgeted authorization can be used for the annual reimbursable services agreement between Department of Fish & Game and the Tax Division to produce the Salmon Price Report.

FY 08 Health Insurance Increases for Exempt Employees

1004 Gen Fund	SalAdj	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$0.4

Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel

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Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
1004 Gen Fund	Inc	10.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0	0	0	0
Funding necessary for each department to pay the FY2008 increased chargeback to the Division of Personnel due to the retirement system and non-covered employees' health insurance increases:												
Admin \$123.9; Commerce \$47.3; Corrections \$159.2; Labor \$101.7; Education \$31.7; DEC \$48.1; Fish & Game \$143.9; HSS \$399.7; Law \$49.6; DMVA \$20.7; DNR \$89.4; Public Safety \$82.5; Revenue \$55.3; Transportation \$333.8 = \$1,686.8												
FY 08 Retirement Systems Rate Increases												
1004 Gen Fund	Inc	823.7	907.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm		66.0										
1061 CIP Rcpts		10.0										
1105 PFund Rcpt		7.6										
Retirement systems rate increases applicable to this component: \$907.3												
Totals		13,096.5	10,511.8	200.6	2,273.6	105.6	4.9	0.0	0.0	121	1	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Treasury Division (121)
RDU: Taxation and Treasury (510)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee												
	ConfCom	5,169.9	4,169.5	23.6	944.2	17.5	15.1	0.0	0.0	39	0	0
1004 Gen Fund		1,335.0										
1005 GF/Prgm		139.7										
1007 I/A Rcpts		2,839.9										
1027 Int Airprt		80.9										
1046 Stdnt Loan		95.2										
1066 Pub School		230.2										
1098 ChildTrErn		40.1										
1142 RHIF/MM		85.5										
1143 RHIF/LTC		98.2										
1169 PCE Endow		207.2										
1192 Mine Trust		18.0										
ADN 04-7-1002 CBR Fund Investment Services Sec. 63(b), Ch. 82, SLA 2006 P178 L29 (SB 231)												
	OthApr	185.4	0.0	0.0	185.4	0.0	0.0	0.0	0.0	0	0	0
1001 CBR Fund		185.4										
FY2007 appropriation from the Constitutional Budget Reserve Fund for investment management of the fund.												
ADN 04-7-1019 ETS chargeback funding transferred from Department of Administration												
	Atrin	0.5	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		0.5										
Pursuant to Section 12(d) and (e), Chapter 33, SLA 2006, page 65, lines 9 - 31, and page 66, lines 1 - 17, \$2,847,900 is distributed to state agencies to offset the increased chargeback rates for enterprise technology services as identified in the statewide federal cost allocation plan.												
The amounts transferred to state agencies are as follows: Administration, \$402.3; Commerce, \$71.9; Corrections, \$140.8; Education, \$41.5; DEC, \$124.8; Fish and Game, \$171.8; Office of the Governor, \$48.0; HSS, \$559.5; Labor, \$402.1; Law, \$88.8; DMVA, \$39.6; DNR, \$164.3; Public Safety, \$154.0; Revenue, \$163.6; Transportation, \$183.8; University, \$4.0; Legislature, \$74.4; and Court System, \$12.7.												
	Subtotal	5,355.8	4,169.5	23.6	1,130.1	17.5	15.1	0.0	0.0	39	0	0
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
ADN 04-7-1007 Transfer Unclaimed Property Program from Treasury to Tax Division												
	Trout	-139.7	-112.4	-1.5	-25.8	0.0	0.0	0.0	0.0	-4	0	0
1005 GF/Prgm		-139.7										

The Unclaimed Property program is transferred from the Treasury Division to the Tax Division within the Taxation and Treasury appropriation. This transfer, consisting of \$139.7 in general fund program receipts and four PCN's, was approved by the Department of Revenue Commissioner's Office effective July 1, 2006.

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Department of Revenue

Component: Treasury Division (121)
RDU: Taxation and Treasury (510)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
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The Unclaimed Property (UCP) program works closely with Alaskan businesses to identify unclaimed property and return it to its rightful owners. Their mission is more closely aligned with the mission of the Tax Division, involving the collection and dispersal of funds which requires routine contact with businesses in Alaska. This transfer may provide UCP with more opportunities to integrate education relating to their program with other efforts by the Tax Division to communicate with the business community.

The Tax Division will budget for this program in FY2008 and will determine, in concert with the Commissioner's Office, if any changes to the budget are needed as a result of this transfer.

The following positions are transferred to the Tax Division:

PCN	Position
04-3053	Accounting Tech II
04-3202	Accounting Clerk II
04-3232	Project Coordinator
04-8049	Accounting Clerk II

ADN 04-7-1012 Increase in custodial bank fees

LIT	0.0	-38.4	0.0	38.4	0.0	0.0	0.0	0.0	0.0	0	0	0
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The Treasury Division's custodial bank, State Street Bank and Trust, is contractually entitled to a 3% increase in base fees for the FY2007 contract year. This line item transfer will provide additional funding in the contractual line to pay increased costs.

Subtotal	5,216.1	4,018.7	22.1	1,142.7	17.5	15.1	0.0	0.0	0.0	35	0	0
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***** Changes From FY2007 Management Plan To FY2008 Governor *****

Move State Investment Officer Salaries to Market

Inc	355.7	355.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	124.5											
1007 I/A Rcpts	231.2											

This increment would allow the Treasury Division to continue to attract and retain State Investment Officers by narrowing the difference between state salaries and current salaries available in the employment market both inside and outside of Juneau. The Treasury Division has developed an investment staff that has achieved above average investment returns on over \$20 billion of assets. Debt, cash and financial operations combined are a money management operation in excess of \$30 billion.

The state invests in internal and external training to ensure these employees are competent in their accounting, investment and analytical responsibilities. This investment is lost when employees take this experience and move on to more lucrative employment opportunities. Financial results are published and monitored closely in world financial centers. State Investment Officers achieving the best results will attract the attention of potential employers. By offering salaries comparable to market, the state is in a better position to retain competent investment staff.

4th Year Fiscal Note Mine Reclamation Trust Ch137 SLA2004 (HB486) (Ch158 SLA2004 Sec2 P39 L21)

Inc	6.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1192 Mine Trust	6.0											

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Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
To record an increase in funding for the fourth year of the fiscal note for investment management of the Mine Reclamation Trust Fund.												
FY 08 Health Insurance Increases for Exempt Employees												
	SalAdj	3.7	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1.1										
1007 I/A Rcpts		2.0										
1027 Int Airprt		0.1										
1046 Stdnt Loan		0.1										
1066 Pub School		0.2										
1142 RHIF/MM		0.1										
1169 PCE Endow		0.1										
Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$3.7												
Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel												
	Inc	1.2	0.0	0.0	1.2	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1.2										
Funding necessary for each department to pay the FY2008 increased chargeback to the Division of Personnel due to the retirement system and non-covered employees' health insurance increases:												
Admin \$123.9; Commerce \$47.3; Corrections \$159.2; Labor \$101.7; Education \$31.7; DEC \$48.1; Fish & Game \$143.9; HSS \$399.7; Law \$49.6; DMVA \$20.7; DNR \$89.4; Public Safety \$82.5; Revenue \$55.3; Transportation \$333.8 = \$1,686.8												
FY 08 Retirement Systems Rate Increases												
	Inc	582.4	582.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		177.1										
1007 I/A Rcpts		314.6										
1027 Int Airprt		11.7										
1046 Stdnt Loan		9.2										
1066 Pub School		25.8										
1098 ChildTrErn		5.5										
1142 RHIF/MM		12.1										
1143 RHIF/LTC		7.5										
1169 PCE Endow		18.9										
Retirement systems rate increases applicable to this component: \$582.4												
	Totals	6,165.1	4,966.5	22.1	1,143.9	17.5	15.1	0.0	0.0	35	0	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Alaska Retirement Management Board (2813)

RDU: Taxation and Treasury (510)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee												
	ConfCom	5,332.3	0.0	95.9	5,235.9	0.5	0.0	0.0	0.0	0	0	0
1004 Gen Fund		382.2										
1017 Ben Sys		199.0										
1029 P/E Retire		3,098.8										
1034 Teach Ret		1,532.2										
1042 Jud Retire		36.1										
1045 Nat Guard		84.0										
ADN 04-7-1020 ETS chargeback funding transferred from Department of Administration												
	Atrin	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		0.2										
Pursuant to Section 12(d) and (e), Chapter 33, SLA 2006, page 65, lines 9 - 31, and page 66, lines 1 - 17, \$2,847,900 is distributed to state agencies to offset the increased chargeback rates for enterprise technology services as identified in the statewide federal cost allocation plan.												
The amounts transferred to state agencies are as follows:												
Administration, \$402.3; Commerce, \$71.9; Corrections, \$140.8; Education, \$41.5; DEC, \$124.8; Fish and Game, \$171.8; Office of the Governor, \$48.0; HSS, \$559.5; Labor, \$402.1; Law, \$88.8; DMVA, \$39.6; DNR, \$164.3; Public Safety, \$154.0; Revenue, \$163.6; Transportation, \$183.8; University, \$4.0; Legislature, \$74.4; and Court System, \$12.7.												
Subtotal		5,332.5	0.0	95.9	5,236.1	0.5	0.0	0.0	0.0	0	0	0
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
ADN 04-7-1013 Board honoraria to reflect new accounting requirement												
	LIT	0.0	74.8	0.0	-74.8	0.0	0.0	0.0	0.0	0	0	0
In compliance with Internal Revenue Code, effective January 1, 2006 for State of Alaska board and commission members, honoraria is accounted for as a personal services cost rather than as a contractual expense. This line item transfer adjusts the estimated annual cost of honoraria from the contractual line to the personal services line.												
Subtotal		5,332.5	74.8	95.9	5,161.3	0.5	0.0	0.0	0.0	0	0	0
***** Changes From FY2007 Management Plan To FY2008 Governor *****												
Move State Investment Officer Salaries to Market												
	Inc	231.2	0.0	0.0	231.2	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire		150.3										
1034 Teach Ret		74.9										
1042 Jud Retire		3.7										
1045 Nat Guard		2.3										

This increment would allow the Treasury Division to continue to attract and retain State Investment Officers by narrowing the difference between state salaries and current salaries available in the employment market both inside and outside of Juneau. The Treasury Division has developed an investment staff

Change Record Detail - Multiple Scenarios With Description

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RDU: Taxation and Treasury (510)

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that has achieved above average investment returns on over \$20 billion of assets. Debt, cash and financial operations combined are a money management operation in excess of \$30 billion.

The state invests in internal and external training to ensure these employees are competent in their accounting, investment and analytical responsibilities. This investment is lost when employees take this experience and move on to more lucrative employment opportunities. Financial results are published and monitored closely in world financial centers. State Investment Officers achieving the best results will attract the attention of potential employers. By offering salaries comparable to market, the state is in a better position to retain competent investment staff.

Portfolio Investment Management Tools and Software Subscriptions

Trin	501.6	0.0	0.0	501.6	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire	341.6										
1034 Teach Ret	156.5										
1042 Jud Retire	2.9										
1045 Nat Guard	0.6										

State Investment Officers directly manage approximately \$10 billion in fixed income assets at a fraction of the cost of external money managers while producing competitive returns. To ensure that the investment officers remain competitive in the management of funds, the Treasury Division requests a transfer from the ARMB Custody and Management Fee component for the purchase of management tools and software subscriptions for Treasury's Portfolio Section. These tools will enable Portfolio staff to enhance management of fixed income and real estate investment trust portfolios and increase investment earnings. Following is a breakdown of the tools and software that would be funded by this transfer.

\$245.7 for equity performance analytics, risk management, and alpha testing tools to more effectively manage public equities. The tools will allow daily holdings-based management of \$7.4 billion in equity investments in order to increase performance and reduce risk as well as explore methods of enhanced indexing to reduce external investment management fees.

\$198.0 for Intex and \$42.9 for Trepp CMBS, software packages that access proprietary databases and allow the operator to determine the performance of the underlying collateral behind some types of asset-backed and commercial mortgage-backed securities (CMBS). These software packages also allow the operator to perform scenario/what if analysis to determine the prospective performance of securities, and receive an early warning if the collateral performance of a security holding starts to deteriorate.

\$15.0 for a subscription to the SNL DataSource real estate module, a web-based tool that accesses proprietary databases, aggregated news sources and includes an integrated connection to real estate data and analytics. The service will provide timely data, analysis, and analytical capabilities that are not currently available to Portfolio staff, who manage a \$105 million U.S. Real Estate Investment Trust public equity portfolio.

Investment management tools and software subscriptions for public equities, fixed income and real estate investments will allow Treasury to more effectively manage investments and allow for lower costs, lower risk, and increased performance.

Alternative Investment Due Diligence

Trin	29.0	0.0	29.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire	19.0										
1034 Teach Ret	9.8										
1042 Jud Retire	0.2										

This transfer will fund purchase of travel and related expenses to evaluate existing and potential future alternative investments.

Change Record Detail - Multiple Scenarios With Description

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RDU: Taxation and Treasury (510)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
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The Portfolio Management section requests an increase of \$29,000 to its travel budget to increase staff's ability to evaluate existing and potential future alternative investments. Alternative investments have become a growing percentage of assets invested by the Alaska Retirement Management Board (ARMB). As of June 30, 2006 alternative investments represented approximately 20% of total pension fund assets and produced earnings of over \$390 million during FY06. Alternative investments include investments in real estate, private equity, farmland, energy, and absolute return strategies. It is expected alternative investments will continue to grow over time.

These assets are invested by professional managers hired by the ARMB. However, it is the responsibility of staff to monitor performance and ensure investments are consistent with stated objectives and valuations are reasonable. Historically, staff has relied on written reports, telephonic discussions, and occasional manager visits to satisfy these responsibilities. Given the growth in the portfolio and growing complexity of these investments a more active on-site review program is warranted.

The need for more frequent and direct monitoring is also necessitated by recent changes in the interpretation of auditing standards which increase expectations concerning management's responsibility over the presentation and disclosure of fair value in accordance with generally accepted accounting principles. As a result, staff needs to be able to review valuations prepared by investment managers and assert these valuations are reasonable. This will require a greater understanding of the individual investments and basis for valuation. Regardless of recent changes to the auditing standards, the Portfolio Management section believes increasing the depth of review and analysis of alternative investments is good business practice given the growth and complexity of these assets.

Audit, Performance Management and Financial Network Increases

Trin	190.9	0.0	0.0	183.9	7.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire	130.0										
1034 Teach Ret	59.6										
1042 Jud Retire	1.1										
1045 Nat Guard	0.2										

This transfer will fund anticipated increases to the Alaska Retirement Management Board's operating expenses.

\$164,879 in professional services purchased from the private sector:

\$84,379 for general consulting retainer and performance measurement; this increase is in anticipation of terms and conditions set out in the existing contract with the division's performance consultant, Callan and Associates.

\$50,000 for professional actuarial services purchased from Gabriel-Roeder-Smith, the ARMB's actuarial consultant.

\$6,000 for financial audit services purchased from KPMG, the ARMB's independent audit firm.

\$24,500 for Bloomberg on-line real-time service to monitor and trade in financial markets.

\$16,095 for subscriptions, training and related expenses purchased from the private sector;

\$2,971 for anticipated inter- and intra-departmental charges; and

\$7,000 for increased supply and equipment costs.

FY 08 Health Insurance Increases for Exempt Employees

SalAdj	2.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire	1.4										
1034 Teach Ret	0.6										

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Alaska Retirement Management Board (2813)

RDU: Taxation and Treasury (510)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$2.0												
FY 08 Internal Dept Cost Increase due to Retirement Systems Rate Increases												
	Inc	314.6	0.0	0.0	314.6	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire		217.0										
1034 Teach Ret		97.6										
The amount on line 73000 reflects this component's increased contribution to Treasury.												
Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel												
	Inc	2.8	0.0	0.0	2.8	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire		1.9										
1034 Teach Ret		0.9										
Funding necessary for each department to pay the FY2008 increased chargeback to the Division of Personnel due to the retirement system and non-covered employees' health insurance increases:												
Admin \$123.9; Commerce \$47.3; Corrections \$159.2; Labor \$101.7; Education \$31.7; DEC \$48.1; Fish & Game \$143.9; HSS \$399.7; Law \$49.6; DMVA \$20.7; DNR \$89.4; Public Safety \$82.5; Revenue \$55.3; Transportation \$333.8 = \$1,686.8												
	Totals	6,604.6	74.8	124.9	6,397.4	7.5	0.0	0.0	0.0	0	0	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Alaska Retirement Management Board Custody and Management Fees (2812)

RDU: Taxation and Treasury (510)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee												
	ConfCom	38,629.4	0.0	0.0	38,629.4	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire		25,192.3										
1034 Teach Ret		12,910.0										
1042 Jud Retire		362.0										
1045 Nat Guard		165.1										
	Subtotal	38,629.4	0.0	0.0	38,629.4	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
	Subtotal	38,629.4	0.0	0.0	38,629.4	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2007 Management Plan To FY2008 Governor *****												
Increased Investment and Custody Fees												
	Inc	7,002.4	0.0	0.0	7,002.4	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire		4,758.5										
1034 Teach Ret		2,193.0										
1042 Jud Retire		41.0										
1045 Nat Guard		9.9										
This increment funds the increase in the cost of investment and custody fees for assets under management. Custody costs will increase 3% as a result of negotiated contracts, and assets under management are experiencing continued growth in part as a result of increased employer contributions.												
Investment management fees are charged as a percent of the market value of invested assets under management. Fluctuations in the market affect the value of the assets, which in turn affects the amount of management fees. Treasury relies on the 5-year expected median return provided by an external investment consultant to project asset values. Projected investment management fees are calculated using projected asset values plus a 5% contingency which is added to allow for unanticipated upswings in market performance and asset values. Budget requests for this component are also adjusted if the additions of any new asset classes are anticipated.												
Treasury will continually monitor financial market activity for any significant changes affecting these estimates. In the event of changes in financial markets/net asset values that result in lower investment management fees than those currently projected, any available expenditure authorization that exceeds the amount required to pay investment management and custody fees would lapse back to the pension fund from which the expenditure authorization was appropriated.												
Termination of External Investment Manager												
	Dec	-1,256.7	0.0	0.0	-1,256.7	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire		-845.0										
1034 Teach Ret		-400.3										
1042 Jud Retire		-8.0										
1045 Nat Guard		-3.4										

As a result of the investment successes of the Treasury Portfolio staff, the Alaska Retirement Management Board (ARMB) approved an action item at its

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Alaska Retirement Management Board Custody and Management Fees (2812)

RDU: Taxation and Treasury (510)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
<p>June 2006 board meeting to terminate its relationship with the investment firm, BlackRock, and transferred the assets back to the fixed income portfolio internally managed by Treasury investment officers. External management fees are reduced \$1,256.7 by termination of this contract.</p> <p>BlackRock managed fixed income investments for the Public Employee Retirement System, Teachers Employee Retirement System, Judicial Retirement System and Military Retirement System. BlackRock has performed well since inception, both relative to the Lehman Aggregate index and its peers. The net-of-fee performance between BlackRock and the internally managed fixed income portfolio has been comparable.</p>												
Transfer to ARMB to Enhance Due Diligence and Investment Returns												
	Trout	-721.5	0.0	0.0	-721.5	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire		-471.5										
1034 Teach Ret		-231.5										
1042 Jud Retire		-11.5										
1045 Nat Guard		-7.0										
Treasury requests that a portion of the savings that will be realized from termination of the external investment manager, BlackRock, be transferred to the Alaska Retirement Management Board (ARMB) component to provide enhanced investment tools, due diligence for alternate investments, and cover cost increases in the operating expenses of the ARMB.												
	Totals	43,653.6	0.0	0.0	43,653.6	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Permanent Fund Dividend Division (981)

RDU: Taxation and Treasury (510)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
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***** Changes From FY2007 Conference Committee To FY2007 Authorized *****

Conference Committee

	ConfCom	6,491.5	4,629.3	25.5	1,772.5	64.2	0.0	0.0	0.0	70	20	0
1007 I/A Rcpts		20.0										
1050 PFD Fund		6,471.5										

ADN 04-7-1021 ETS chargeback funding transferred from Department of Administration

	Atrin	55.2	0.0	0.0	55.2	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund		55.2										

Pursuant to Section 12(d) and (e), Chapter 33, SLA 2006, page 65, lines 9 - 31, and page 66, lines 1 - 17, \$2,847,900 is distributed to state agencies to offset the increased chargeback rates for enterprise technology services as identified in the statewide federal cost allocation plan.

The amounts transferred to state agencies are as follows:

Administration, \$402.3; Commerce, \$71.9; Corrections, \$140.8; Education, \$41.5; DEC, \$124.8; Fish and Game, \$171.8; Office of the Governor, \$48.0; HSS, \$559.5; Labor, \$402.1; Law, \$88.8; DMVA, \$39.6; DNR, \$164.3; Public Safety, \$154.0; Revenue, \$163.6; Transportation, \$183.8; University, \$4.0; Legislature, \$74.4; and Court System, \$12.7.

Subtotal		6,546.7	4,629.3	25.5	1,827.7	64.2	0.0	0.0	0.0	70	20	0
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***** Changes From FY2007 Authorized To FY2007 Management Plan *****

Reorganization of positions due to changes in skill levels needed

	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3	-3	0
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Four seasonal positions that are no longer needed for data entry are being reallocated to technical level, year-round positions. One full-time clerical position is reduced to part-time.

As more Alaskans apply for their PFD online, the division will require fewer unskilled seasonal positions for mail processing and data entry functions. As seasonal positions are no longer needed they are being reallocated to technical level work or eliminated. In addition, the recent PFD Classification Study provided updated class specifications that have led to some reorganization to create lead and supervisory level positions. The following changes are occurring during FY2007:

- 04-6088 is reclassified from a part-time Administrative Clerk II to a full-time PFD Specialist II to manage the PFD Information Offices and perform duties identified in the recent PFD Classification Study.
- 04-6093 is reclassified from a part-time Administrative Clerk II to a full-time PFD Specialist I; the position will supervise the final review unit and perform duties identified in the recent PFD Classification Study.
- 04-6098 is reclassified from a part-time Administrative Clerk II to a full-time Microfilm Operator I to provide backup and assistance to the PFD Microfilm Operator II.
- 04-6094 is changed from a part-time Administrative Clerk II to full-time in the same job class. The position is needed on a full time basis to perform the clerical functions of processing applications, allowing technical staff more time to work on eligibility.
- 04-6096 is changed from a full-time Administrative Clerk II to part-time in the same job class. The position is no longer needed on a full time basis.

Subtotal		6,546.7	4,629.3	25.5	1,827.7	64.2	0.0	0.0	0.0	73	17	0
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Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Permanent Fund Dividend Division (981)

RDU: Taxation and Treasury (510)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
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***** Changes From FY2007 Management Plan To FY2008 Governor *****

Hearing Officer Chargeback Cost Increases

	Inc	71.0	0.0	0.0	71.0	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund		71.0										

The PFD Division requests an increment to help pay for DOA's hearing officers to hear PFD appeals, a service that was provided in-house until FY2006. PFD Division has previously been appropriated \$119.8 for Office of Administrative Hearing (OAH) costs. In FY2006, the division was billed a total of \$170.5 for hearing officer services, and received a supplemental appropriation of \$49.9 to help cover the cost.

OAH has estimated a total cost of \$152.0 for FY2007, however, division records indicate that the appeal workload is increasing and that the cost for both FY2007 and FY2008 will be at least as high as FY2006. Based on anticipated appeal workload and the OAH rates for hearing officer services, the division projects the need for an additional \$71.0 to cover these chargeback costs for FY2008.

myAlaska Online PFD Application Support Costs

	Inc	70.0	0.0	0.0	70.0	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund		70.0										

A web service called "myAlaska" is used by PFD Division to validate online applicants and to provide the electronic signature function necessary for receiving online PFD applications. This service is provided by Department of Administration, Enterprise Technology Services (ETS), and for the first few years of myAlaska operation, DOA did not charge user agencies for support costs. Beginning in FY2007, myAlaska support costs are being charged back to the agencies such as PFD that use this service.

United States Postal Service Postage Rate Increase

	Inc	38.0	0.0	0.0	38.0	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund		38.0										

The PFD Division spends some \$283.0 annually on postage and related costs. Postage rates increased 5.4% in 2006 and we are advised of an additional 8% increase effective January 1, 2008. Every effort has been made to reduce mailouts, however, mass mailing of the application booklets, warrants, direct deposit advices, and requests for information are still a necessary part of PFD operations.

FY 08 Health Insurance Increases for Exempt Employees

	SalAdj	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund		0.2										

Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$0.2

Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel

	Inc	9.0	0.0	0.0	9.0	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund		9.0										

Funding necessary for each department to pay the FY2008 increased chargeback to the Division of Personnel due to the retirement system and non-covered employees' health insurance increases:

Admin \$123.9; Commerce \$47.3; Corrections \$159.2; Labor \$101.7; Education \$31.7; DEC \$48.1; Fish & Game \$143.9; HSS \$399.7; Law \$49.6; DMVA \$20.7; DNR \$89.4; Public Safety \$82.5; Revenue \$55.3; Transportation \$333.8 = \$1,686.8

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Permanent Fund Dividend Division (981)

RDU: Taxation and Treasury (510)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
FY 08 Retirement Systems Rate Increases												
	Inc	546.9	546.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund		546.9										
Retirement systems rate increases applicable to this component: \$546.9												
	Totals	7,281.8	5,176.4	25.5	2,015.7	64.2	0.0	0.0	0.0	73	17	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Child Support Services Division (111)

RDU: Child Support Services (41)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee - CH 33 SLA 06 sec. 20(b) p. 69 I. 1												
	ConfCom	43.0	0.0	0.0	43.0	0.0	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs		43.0										
Conference Committee												
	ConfCom	22,291.6	14,904.2	80.0	7,080.5	166.1	60.8	0.0	0.0	232	0	0
1002 Fed Rcpts		14,727.0										
1004 Gen Fund		231.2										
1016 Fed Incent		1,634.9										
1156 Rcpt Svcs		5,698.5										
ADN 04-7-1022 ETS chargeback funding transferred from Department of Administration												
	Atrin	105.5	0.0	0.0	105.5	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		105.5										
Pursuant to Section 12(d) and (e), Chapter 33, SLA 2006, page 65, lines 9 - 31, and page 66, lines 1 - 17, \$2,847,900 is distributed to state agencies to offset the increased chargeback rates for enterprise technology services as identified in the statewide federal cost allocation plan.												
The amounts transferred to state agencies are as follows:												
Administration, \$402.3; Commerce, \$71.9; Corrections, \$140.8; Education, \$41.5; DEC, \$124.8; Fish and Game, \$171.8; Office of the Governor, \$48.0; HSS, \$559.5; Labor, \$402.1; Law, \$88.8; DMVA, \$39.6; DNR, \$164.3; Public Safety, \$154.0; Revenue, \$163.6; Transportation, \$183.8; University, \$4.0; Legislature, \$74.4; and Court System, \$12.7.												
Subtotal		22,440.1	14,904.2	80.0	7,229.0	166.1	60.8	0.0	0.0	232	0	0
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
Subtotal		22,440.1	14,904.2	80.0	7,229.0	166.1	60.8	0.0	0.0	232	0	0
***** Changes From FY2007 Management Plan To FY2008 Governor *****												
Realign Federal Funding of Child Support program												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		-32.2										
1016 Fed Incent		32.2										
The Child Support Services Division requests a fund source change from federal receipt authority to federal incentive receipts to align budget authority with available revenue sources. Federal incentive receipts are awarded annually under the Child Support Enforcement program based on each state's performance relative to other states.												
FY 08 Health Insurance Increases for Exempt Employees												
	SalAdj	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		0.1										
1156 Rcpt Svcs		0.1										

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Child Support Services Division (111)

RDU: Child Support Services (41)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	Positions PPT	NP
Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$0.2												
Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel												
	Inc	23.3	0.0	0.0	23.3	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		23.3										
Funding necessary for each department to pay the FY2008 increased chargeback to the Division of Personnel due to the retirement system and non-covered employees' health insurance increases:												
Admin \$123.9; Commerce \$47.3; Corrections \$159.2; Labor \$101.7; Education \$31.7; DEC \$48.1; Fish & Game \$143.9; HSS \$399.7; Law \$49.6; DMVA \$20.7; DNR \$89.4; Public Safety \$82.5; Revenue \$55.3; Transportation \$333.8 = \$1,686.8												
Fund Source Adjustment for Retirement Systems Increases												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		-1,295.7										
1003 G/F Match		1,621.7										
1016 Fed Incent		132.9										
1156 Rcpt Svcs		-458.9										
Fund source change to correct unrealizeable fund sources.												
Due to the federal Deficit Reduction Act of 2005 CSSD is no longer able to use the federal incentive receipts funding as match for other federal funds. In addition, the division does not anticipate being able to collect as much in receipt supported services as is needed to match the federal authority. In order to absorb the PERS increases, meet the 34% state match requirement of the Child Support Enforcement program, and cover the costs that are ineligible for federal reimbursement, the division is asking for a fund source change from federal receipts and receipt support services to state GF Match.												
FY 08 Retirement Systems Rate Increases												
	Inc	1,951.8	1,951.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		1,295.7										
1156 Rcpt Svcs		656.1										
Retirement systems rate increases applicable to this component: \$1,951.8												
	Totals	24,415.4	16,856.2	80.0	7,252.3	166.1	60.8	0.0	0.0	232	0	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Commissioner's Office (123)
RDU: Administration and Support (50)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee												
	ConfCom	1,939.0	640.4	36.3	1,243.4	18.9	0.0	0.0	0.0	20	0	0
1004 Gen Fund		363.1										
1007 I/A Rcpts		272.4										
1108 Stat Desig		750.0										
1133 CSSD Reimb		553.5										
ADN 04-7-1003 North Slope Natural Gas Carry-forward Sec 26(d) CH 159 SLA 2004 P83 L16 (SB283) Lapse date 06/30/2009												
	ReAprop	40.6	0.0	0.0	40.6	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		40.6										
To carry forward the estimated unobligated authorization for the North Slope Natural Gas project (Chapter 159, SLA 2004, Sec 26(d), Page 83, Line 16). This appropriation terminates 6/30/2009.												
ADN 04-7-1004 Gas Line Development Carry-forward Sec 20(e) CH 3 FSSLA 2005 P107 L13 (SB46) Lapse date 06/30/2007												
	ReAprop	2,460.7	0.0	0.0	2,460.7	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		2,460.7										
To carry forward the estimated unobligated authorization for the gas line development project (Chapter 3, FSSLA 2005, Sec 20(e), Page 107, Line 13). This appropriation terminates 6/30/2007.												
ADN 04-7-1023 ETS chargeback funding transferred from Department of Administration												
	Atrin	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		0.1										
Pursuant to Section 12(d) and (e), Chapter 33, SLA 2006, page 65, lines 9 - 31, and page 66, lines 1 - 17, \$2,847,900 is distributed to state agencies to offset the increased chargeback rates for enterprise technology services as identified in the statewide federal cost allocation plan.												
The amounts transferred to state agencies are as follows: Administration, \$402.3; Commerce, \$71.9; Corrections, \$140.8; Education, \$41.5; DEC, \$124.8; Fish and Game, \$171.8; Office of the Governor, \$48.0; HSS, \$559.5; Labor, \$402.1; Law, \$88.8; DMVA, \$39.6; DNR, \$164.3; Public Safety, \$154.0; Revenue, \$163.6; Transportation, \$183.8; University, \$4.0; Legislature, \$74.4; and Court System, \$12.7.												
Subtotal		4,440.4	640.4	36.3	3,744.8	18.9	0.0	0.0	0.0	20	0	0
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
Transfer gas line development position to Tax Division												
	Trout	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
One position (PCN 04-T006, Gas Pipeline Coordinator) is transferred from the Commissioner's Office to the Tax Division. The position was established to work on the gas line development initiative and was funded by one-time appropriations for natural gas development. For FY07, the position will be funded by an RSA with the Commissioner's Office using gas line funding. For FY08, it will be budgeted for by the Tax Division, and will be used by the division to adequately respond to analysis of change initiatives and to assist the director with implementation of a new production tax regime, including the integration of a proposed natural gas contract.												

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Commissioner's Office (123)
RDU: Administration and Support (50)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
	Subtotal	4,440.4	640.4	36.3	3,744.8	18.9	0.0	0.0	0.0	19	0	0
***** Changes From FY2007 Management Plan To FY2008 Governor *****												
Reverse ADN 04-7-1003 N. Slope Natural Gas Carry-forward Sec 26(d) CH 159 SLA 2004 P83 L16 (SB283) Lapse date 06/30/2009												
	OTI	-40.6	0.0	0.0	-40.6	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-40.6										
Reverse the carry forward amount of the estimated unobligated authorization for the North Slope Natural Gas project (Chapter 159, SLA 2004, Sec 26(d), Page 83, Line 16). This appropriation terminates 6/30/2009.												
Reverse ADN 04-7-1004 Gas Line Development Carry-forward Sec 20(e) CH 3 FSSLA 2005 P107 L13 (SB46) Lapse date 06/30/2007												
	OTI	-2,460.7	0.0	0.0	-2,460.7	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-2,460.7										
Reverse the carry forward amount of the estimated unobligated authorization for the gas line development project (Chapter 3, FSSLA 2005, Sec 20(e), Page 107, Line 13). This appropriation terminates 6/30/2007.												
FY 08 Health Insurance Increases for Exempt Employees												
	SalAdj	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		0.4										
1007 I/A Rcpts		0.2										
1133 CSSD Reimb		0.2										
Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$0.8												
Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel												
	Inc	2.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		2.0										
Funding necessary for each department to pay the FY2008 increased chargeback to the Division of Personnel due to the retirement system and non-covered employees' health insurance increases:												
Admin \$123.9; Commerce \$47.3; Corrections \$159.2; Labor \$101.7; Education \$31.7; DEC \$48.1; Fish & Game \$143.9; HSS \$399.7; Law \$49.6; DMVA \$20.7; DNR \$89.4; Public Safety \$82.5; Revenue \$55.3; Transportation \$333.8 = \$1,686.8												
FY 08 Retirement Systems Rate Increases												
	Inc	92.6	92.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		46.3										
1007 I/A Rcpts		24.1										
1133 CSSD Reimb		22.2										
Retirement systems rate increases applicable to this component: \$92.6												

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Commissioner's Office (123)

RDU: Administration and Support (50)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
	Totals	2,034.5	733.8	36.3	1,245.5	18.9	0.0	0.0	0.0	19	0	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Administrative Services (125)
RDU: Administration and Support (50)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee												
	ConfCom	1,426.7	1,143.7	7.5	258.5	17.0	0.0	0.0	0.0	14	1	0
1004 Gen Fund		202.2										
1007 I/A Rcpts		533.7										
1133 CSSD Reimb		690.8										
ADN 04-7-1024 ETS chargeback funding transferred from Department of Administration												
	Atrin	0.3	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		0.3										
Pursuant to Section 12(d) and (e), Chapter 33, SLA 2006, page 65, lines 9 - 31, and page 66, lines 1 - 17, \$2,847,900 is distributed to state agencies to offset the increased chargeback rates for enterprise technology services as identified in the statewide federal cost allocation plan.												
The amounts transferred to state agencies are as follows: Administration, \$402.3; Commerce, \$71.9; Corrections, \$140.8; Education, \$41.5; DEC, \$124.8; Fish and Game, \$171.8; Office of the Governor, \$48.0; HSS, \$559.5; Labor, \$402.1; Law, \$88.8; DMVA, \$39.6; DNR, \$164.3; Public Safety, \$154.0; Revenue, \$163.6; Transportation, \$183.8; University, \$4.0; Legislature, \$74.4; and Court System, \$12.7.												
Subtotal		1,427.0	1,143.7	7.5	258.8	17.0	0.0	0.0	0.0	14	1	0
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
Database specialist and administrative support position changes												
	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2	-1	0
A new Database Specialist III position is added to the Administrative Services Division (ASD) to perform all specialized database related duties for the divisions served by ASD. The addition of this position will provide a skill set not currently available from the department's information technology resources.												
The status of PCN 04-1009, Administrative Clerk III, is changed from a 9-month part-time position to a 10-month full-time position to more accurately reflect the needs of the division for clerical support.												
The increased cost of these position changes will be managed through vacancy and/or recovered through the department's administrative cost allocation plan.												
Transfer PCN 04-2092 to Tax Division												
	Trout	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
One IT position (PCN 04-2092) is transferred from the Administrative Services Division to the Tax Division to fill their specialized need for an analyst programmer.												
Subtotal		1,427.0	1,143.7	7.5	258.8	17.0	0.0	0.0	0.0	15	0	0
***** Changes From FY2007 Management Plan To FY2008 Governor *****												
FY 08 Health Insurance Increases for Exempt Employees												
	SalAdj	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Administrative Services (125)

RDU: Administration and Support (50)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
1007 I/A Rcpts		0.1										
1133 CSSD Reimb		0.1										
Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$0.2												
Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel												
	Inc	1.5	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1.5										
Funding necessary for each department to pay the FY2008 increased chargeback to the Division of Personnel due to the retirement system and non-covered employees' health insurance increases:												
Admin \$123.9; Commerce \$47.3; Corrections \$159.2; Labor \$101.7; Education \$31.7; DEC \$48.1; Fish & Game \$143.9; HSS \$399.7; Law \$49.6; DMVA \$20.7; DNR \$89.4; Public Safety \$82.5; Revenue \$55.3; Transportation \$333.8 = \$1,686.8												
FY 08 Retirement Systems Rate Increases												
	Inc	162.2	162.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		28.7										
1007 I/A Rcpts		74.6										
1133 CSSD Reimb		58.9										
Retirement systems rate increases applicable to this component: \$162.2												
Totals		1,590.9	1,306.1	7.5	260.3	17.0	0.0	0.0	0.0	15	0	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: State Facilities Rent (2462)

RDU: Administration and Support (50)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee	ConfCom	223.0	0.0	0.0	223.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		223.0										
Subtotal		223.0	0.0	0.0	223.0	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
Subtotal		223.0	0.0	0.0	223.0	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2007 Management Plan To FY2008 Governor *****												
Totals		223.0	0.0	0.0	223.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Gas Authority Operations (2708)

RDU: Alaska Natural Gas Development Authority (495)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
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***** Changes From FY2007 Conference Committee To FY2007 Authorized *****

Conference Committee

	ConfCom	299.6	238.2	10.0	47.4	4.0	0.0	0.0	0.0	3	0	0
1004 Gen Fund		299.6										

ADN 04-7-1005 Gas Line Development Carry-forward Sec 20(f) CH 3 FSSLA 2005 P107 L16 (SB46) Lapse date 06/30/2007

	ReAprop	774.0	0.0	0.0	774.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		774.0										

To carry forward the estimated unobligated authorization for the gas line development project (Chapter 3, FSSLA 2005, Sec 20(f), Page 107, Line 16). This appropriation terminates 6/30/2007.

Subtotal	1,073.6	238.2	10.0	821.4	4.0	0.0	0.0	0.0	0.0	3	0	0
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***** Changes From FY2007 Authorized To FY2007 Management Plan *****

Subtotal	1,073.6	238.2	10.0	821.4	4.0	0.0	0.0	0.0	0.0	3	0	0
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***** Changes From FY2007 Management Plan To FY2008 Governor *****

Reverse ADN 04-7-1005 Gas Line Development Carry-forward Sec 20(f) CH 3 FSSLA 2005 P107 L16 (SB46) Lapse date 06/30/2007

	OTI	-774.0	0.0	0.0	-774.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-774.0										

To reverse the authorization for the gas line development project (Chapter 3, FSSLA 2005, Sec 20(f), Page 107, Line 16). This appropriation terminates 6/30/2007.

FY 08 Health Insurance Increases for Exempt Employees

	SalAdj	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		0.4										

Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$0.4

Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel

	Inc	0.3	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		0.3										

Funding necessary for each department to pay the FY2008 increased chargeback to the Division of Personnel due to the retirement system and non-covered employees' health insurance increases:

Admin \$123.9; Commerce \$47.3; Corrections \$159.2; Labor \$101.7; Education \$31.7; DEC \$48.1; Fish & Game \$143.9; HSS \$399.7; Law \$49.6; DMVA \$20.7; DNR \$89.4; Public Safety \$82.5; Revenue \$55.3; Transportation \$333.8 = \$1,686.8

FY 08 Retirement Systems Rate Increases

	Inc	34.9	34.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Gas Authority Operations (2708)

RDU: Alaska Natural Gas Development Authority (495)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
1004 Gen Fund		34.9										
Retirement systems rate increases applicable to this component: \$34.9												
	Totals	335.2	273.5	10.0	47.7	4.0	0.0	0.0	0.0	3	0	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Mental Health Trust Operations (1423)

RDU: Alaska Mental Health Trust Authority (47)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee												
	ConfCom	1,778.1	1,119.2	102.0	492.9	64.0	0.0	0.0	0.0	10	0	1
1007 I/A Rcpts		40.0										
1094 MHT Admin		1,738.1										
Subtotal		1,778.1	1,119.2	102.0	492.9	64.0	0.0	0.0	0.0	10	0	1
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
04-7-1010 Add Trust Special Assistant position												
	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
One new position, a Program Special Assistant, is added to the Alaska Mental Health Trust Authority (The Trust). The new position will provide meeting coordination for all Trust Board of Trustee meetings, committee meetings and Focus Area meetings. The Mental Health Trust identified additional Mental Health funds that were available in FY2007. At the board meeting May 31, 2006, the Trust authorized the additional administrative funding. The position has been approved by OMB but has not yet been filled.												
The Trust began a new program for FY2006 of focus areas to maximize funding outcomes. The planning for each of the four focus areas was a new activity and Trust staff was not prepared for the amount of time it took to facilitate the focus area workgroups, made up of funding and program implementation partners. This new staffing burden became clear throughout the first half of FY2006. Trust management began to look for a solution to keep up with the increased workload of the new focus areas in addition to the regular business of The Trust. It was decided in late March that the solution was a new position that would be responsible for the routine meeting coordination duties that are needed to facilitate the focus area planning efforts. The Trust Program Special Assistant position was developed and a new PCN created. The funding for the position was approved for FY 07 by the Board of Trustees at the June 1, 2006 meeting. The position will be a permanent full-time staff PCN. This position is an important part of the strategy for Trust staff to continue to facilitate the multi-year focus area workgroups.												
This position is a part of the long term staffing plan for The Trust and Trustees have approved the necessity for the new position. It will assist Trust staff in managing the growth in meeting and planning activities for the new focus areas, Bring the Kids Home, Housing, Disability Justice, Trust Beneficiary Initiatives, and beginning in FY2008, Workforce Development. The time and resources The Trust has committed to leading these important efforts would be negatively impacted if this position is not approved for funding in FY2007.												
The Program Special Assistant position is range 17 with an estimated salary of \$69.4 and will be located in Anchorage. FY2007 funding in the amount of \$80.0 is being requesting by RPL; continuing MHT Admin funding will be requested in the FY2008 budget. There are no current or future GF funding impacts.												
ADN 04-7-1014 Board honoraria to reflect new accounting requirement												
	LIT	0.0	60.2	0.0	-28.1	-32.1	0.0	0.0	0.0	0	0	0
In compliance with Internal Revenue Code, effective January 1, 2006 for State of Alaska board and commission members, honoraria is accounted for as a personal services cost rather than as a contractual expense. This line item transfer adjusts the estimated annual cost of honoraria from the contractual line to the personal services line, and also reflects decreases in commodities in FY2007.												
Subtotal		1,778.1	1,179.4	102.0	464.8	31.9	0.0	0.0	0.0	11	0	1
***** Changes From FY2007 Management Plan To FY2008 Governor *****												

Funding to Reflect Trustee Authorized Budget

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Mental Health Trust Operations (1423)

RDU: Alaska Mental Health Trust Authority (47)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
1094 MHT Admin	Inc	471.8	249.5	7.1	209.3	5.9	0.0	0.0	0.0	0	0	0

This adjustment reflects additional MHT admin funding authorized by the Alaska Mental Health Trust Authority Board of Trustees at the September 2006 and October 2006 board meetings and adjusts line item funding to accurately reflect The Trust FY2008 budget plan.

Add Trust Communications Manager

	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
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A new position, Communications Manager, is added to the Alaska Mental Health Trust Authority (The Trust) in FY08. This position will work with Trust staff, other agencies, and contractors regarding all Trust communication and advocacy issues; fulfilling the Trust's Strategic Communications Plan. The goal of the Strategic Communications Plan is to increase public awareness of the issues and challenges confronting Alaska Mental Health Trust beneficiaries, their families and their communities; promote broad based support for treatment and services; and reduce stigma and discrimination associated with beneficiaries. To date this plan and outside contractors has been guided and monitored by the Chief Operating Officer. Having an employee in house dedicated to this cause will help the Trust to obtain the goal of the Strategic Communications Plan and improve the lives and circumstances of its beneficiaries.

The Communications Manager position will be a range 21 with an estimated yearly salary plus benefits of \$109,000. MHT Admin funds for this position were included in the Trust administrative operating budget request presented to the Trustees at the September 2006 board meeting. The budget as requested was approved. There are no current or future GF funding impacts.

Reduce LTCO Support RSA Funding

	Dec	-10.0	0.0	0.0	-10.0	0.0	0.0	0.0	0.0	0	0	0
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This adjustment brings the budget in line with actual funds received by the Long Term Care Ombudsman's office for services provided by the Trust staff.

FY 08 Health Insurance Increases for Exempt Employees

	SalAdj	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$2.0

Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel

	Inc	1.1	0.0	0.0	1.1	0.0	0.0	0.0	0.0	0	0	0
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Funding necessary for each department to pay the FY2008 increased chargeback to the Division of Personnel due to the retirement system and non-covered employees' health insurance increases:

Admin \$123.9; Commerce \$47.3; Corrections \$159.2; Labor \$101.7; Education \$31.7; DEC \$48.1; Fish & Game \$143.9; HSS \$399.7; Law \$49.6; DMVA \$20.7; DNR \$89.4; Public Safety \$82.5; Revenue \$55.3; Transportation \$333.8 = \$1,686.8

FY 08 Retirement Systems Rate Increases

	Inc	152.9	152.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Mental Health Trust Operations (1423)

RDU: Alaska Mental Health Trust Authority (47)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
Retirement systems rate increases applicable to this component: \$152.9												
	Totals	2,395.9	1,583.8	109.1	665.2	37.8	0.0	0.0	0.0	12	0	1

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Long Term Care Ombudsman Office (2749)

RDU: Alaska Mental Health Trust Authority (47)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee												
	ConfCom	496.8	336.1	45.0	108.6	7.1	0.0	0.0	0.0	4	0	0
1007 I/A Rcpts		496.8										
	Subtotal	496.8	336.1	45.0	108.6	7.1	0.0	0.0	0.0	4	0	0
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
	Subtotal	496.8	336.1	45.0	108.6	7.1	0.0	0.0	0.0	4	0	0
***** Changes From FY2007 Management Plan To FY2008 Governor *****												
Realign Budget to Match Spending Plan												
	LIT	0.0	10.1	-12.0	0.3	1.6	0.0	0.0	0.0	0	0	0
The Long Term Care Ombudsman Office (LTCO) requests a line item transfer to realign their FY2008 budget with their spending plan. Funds will be moved from travel to personal services to reduce the budgeted vacancy factor, and minor adjustments made to other line items.												
The LTCO consists of four staff members and experiences very little turnover. For this small but critical agency, budgeting for vacancy isn't realistic because the staffing level must be kept at 100% in order to fulfill their mission of protecting the health, safety and welfare of Alaskan seniors. Travel in FY2008 will be reduced in order to maintain a full staff.												
Fund Source Adjustment for Exempt Employees Health Insurance Increases												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		0.6										
1007 I/A Rcpts		-0.6										
Fund source change to correct unrealizeable fund sources.												
FY 08 Health Insurance Increases for Exempt Employees												
	SalAdj	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts		0.6										
Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$0.6												
Fund Source Adjustment for Retirement Systems Increases												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		47.7										
1007 I/A Rcpts		-47.7										
Fund source change to correct unrealizeable fund sources.												
Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel												
	Inc	0.4	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts		0.4										

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Long Term Care Ombudsman Office (2749)

RDU: Alaska Mental Health Trust Authority (47)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
Funding necessary for each department to pay the FY2008 increased chargeback to the Division of Personnel due to the retirement system and non-covered employees' health insurance increases:												
Admin \$123.9; Commerce \$47.3; Corrections \$159.2; Labor \$101.7; Education \$31.7; DEC \$48.1; Fish & Game \$143.9; HSS \$399.7; Law \$49.6; DMVA \$20.7; DNR \$89.4; Public Safety \$82.5; Revenue \$55.3; Transportation \$333.8 = \$1,686.8												
FY 08 Retirement Systems Rate Increases												
	Inc	47.3	47.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts		47.3										
Retirement systems rate increases applicable to this component: \$47.3												
	Totals	545.1	394.1	33.0	109.3	8.7	0.0	0.0	0.0	4	0	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: AMBBA Operations (108)

RDU: Alaska Municipal Bond Bank Authority (44)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee												
	ConfCom	725.7	84.3	10.1	627.5	3.8	0.0	0.0	0.0	1	0	0
1104 MBB Rcpts		725.7										
ADN 04-7-1006 MBB Authority Bond Cap Increase Ch 75 SLA 2006 (SB265) (Sec. 2 Ch 3 SLA06 P43 L10) (HB365)												
	FisNot	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		50.0										
To record fiscal note for SB 265 to increase Alaska Municipal Bond Bank Authority bond cap.												
Subtotal		775.7	84.3	10.1	677.5	3.8	0.0	0.0	0.0	1	0	0
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
Subtotal		775.7	84.3	10.1	677.5	3.8	0.0	0.0	0.0	1	0	0
***** Changes From FY2007 Management Plan To FY2008 Governor *****												
2nd Year Fiscal Note MBB Authority Bond Cap Increase Ch 75 SLA 2006 (SB265) (Sec. 2 Ch 3 SLA06 P43 L10) (HB365)												
	Inc	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		50.0										
To record an increase for the second year of fiscal note funding for SB 265, setting the Alaska Municipal Bond Bank Authority bond cap.												
FY 08 Health Insurance Increases for Exempt Employees												
	SalAdj	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		0.1										
Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$0.1												
Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel												
	Inc	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		0.1										
Funding necessary for each department to pay the FY2008 increased chargeback to the Division of Personnel due to the retirement system and non-covered employees' health insurance increases:												
Admin \$123.9; Commerce \$47.3; Corrections \$159.2; Labor \$101.7; Education \$31.7; DEC \$48.1; Fish & Game \$143.9; HSS \$399.7; Law \$49.6; DMVA \$20.7; DNR \$89.4; Public Safety \$82.5; Revenue \$55.3; Transportation \$333.8 = \$1,686.8												
FY 08 Retirement Systems Rate Increases												
	Inc	12.4	12.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		12.4										

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: AMBBA Operations (108)

RDU: Alaska Municipal Bond Bank Authority (44)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
Retirement systems rate increases applicable to this component: \$12.4												
	Totals	838.3	96.8	10.1	727.6	3.8	0.0	0.0	0.0	1	0	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: AHFC Operations (110)

RDU: Alaska Housing Finance Corporation (46)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee												
	ConfCom	47,655.4	31,857.4	660.3	11,973.4	2,107.8	226.5	830.0	0.0	323	35	14
1002 Fed Rcpts		24,306.6										
1007 I/A Rcpts		800.0										
1061 CIP Rcpts		2,043.6										
1103 AHFC Rcpts		20,505.2										
Subtotal		47,655.4	31,857.4	660.3	11,973.4	2,107.8	226.5	830.0	0.0	323	35	14
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
Subtotal		47,655.4	31,857.4	660.3	11,973.4	2,107.8	226.5	830.0	0.0	323	35	14
***** Changes From FY2007 Management Plan To FY2008 Governor *****												
HUD Funding Conversion												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		-5,899.1										
1061 CIP Rcpts		-175.7										
1103 AHFC Rcpts		6,074.8										

The US Department of Housing and Urban Development (HUD) is in the midst of a conversion process to switch Public Housing Authorities to the Project-based Asset Management (AMP) format.

AHFC's Central Office Cost Center provides management, supervision and oversight of all AHFC's rental housing developments. To cover the management costs, it receives a management fee from each individual Asset Management Project (AMP). These have been recorded as federal receipts.

HUD now considers the Central Office Cost Center to be its own AMP. They are requiring any fee received from another AMP to be recorded as corporate receipts, not federal receipts.

Once the fee is paid there are no longer any federal restrictions attached to the funds received as management fees. Because of this conversion, it is no longer necessary to allocate expenses, such as salaries, to each housing program/project, thus reducing the need to split accounting transactions across the various HUD programs administered by AHFC. AHFC is not replacing HUD funding, just the way for which it is accounted.

Realignment of Resources to Match Anticipated Expenditures

LIT	0.0	363.1	29.9	-60.9	-332.1	0.0	0.0	0.0	0	0	0
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This request will transfer funding between line item categories to fund anticipated expenses due to merit increases and other business activity. Reductions in line items to cover these increases are taken from decreases in Contractual, and Supply line items using both Federal and Corporate receipts.

Personal Services is increased to cover anticipated merit increases of \$363.1. Travel is increased by \$29.9. These costs were offset by reductions in office supplies -\$148.1, maintenance materials -\$144.2, consulting contracts -\$154.9, delivery services of -\$8.2, with increases in minor repairs and maintenance of \$81.0 and office leases of \$21.2.

Anticipated Fuel Cost Increases

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: AHFC Operations (110)

RDU: Alaska Housing Finance Corporation (46)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
1002 Fed Rcpts	Inc	300.0	0.0	0.0	300.0	0.0	0.0	0.0	0.0	0	0	0
This increment is to account for the expected increases in utility expenses for AHFC owned rental units funded by HUD and anticipated increases.												
Contractual -- \$300.0 for increases in Utility expenses (Federal Receipts).												
Anticipated Fixed Costs Increases												
1103 AHFC Rcpts	Inc	219.7	0.0	0.0	219.7	0.0	0.0	0.0	0.0	0	0	0
This increment is to account for the expected increases in Central Office insurance premiums.												
Contractual -- \$219.7 for increases in Insurance premiums (Corporate Receipts).												
FY 08 Health Insurance Increases for Exempt Employees												
1002 Fed Rcpts	SalAdj	32.4	63.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts		3.5										
1103 AHFC Rcpts		27.3										
Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$63.2												
FY 08 Retirement Systems Rate Increases												
1002 Fed Rcpts	Inc	535.3	1,183.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts		77.9										
1103 AHFC Rcpts		570.2										
Retirement systems rate increases applicable to this component: \$4,279.8												
Totals		49,421.7	33,467.1	690.2	12,432.2	1,775.7	226.5	830.0	0.0	323	35	14

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: Anchorage State Office Building (2272)

RDU: Alaska Housing Finance Corporation (46)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee												
1103 AHFC Rcpts	ConfCom	800.0	0.0	0.0	800.0	0.0	0.0	0.0	0.0	0	0	0
		800.0										
	Subtotal	800.0	0.0	0.0	800.0	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
	Subtotal	800.0	0.0	0.0	800.0	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2007 Management Plan To FY2008 Governor *****												
	Totals	800.0	0.0	0.0	800.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: APFC Operations (109)

RDU: Alaska Permanent Fund Corporation (45)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee												
	ConfCom	8,427.0	4,375.3	294.5	3,546.5	125.7	85.0	0.0	0.0	34	0	2
1105 PFund Rcpt		8,427.0										
	Subtotal	8,427.0	4,375.3	294.5	3,546.5	125.7	85.0	0.0	0.0	34	0	2
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
ADN 04-7-1015 Board honoraria to reflect new accounting requirement												
	LIT	0.0	28.0	0.0	-28.0	0.0	0.0	0.0	0.0	0	0	0
Transfer of approved FY07 authorization of honorarium for the APFC Board in compliance with Internal Revenue Code. Effective January 1, 2006 for State of Alaska board and commission members, honoraria is accounted for as a personal services cost rather than as a contractual expense. This line item transfer adjusts the estimated annual cost of honoraria from the contractual line to the personal services line.												
ADN 04-7-1025 Adjustment to reduce vacancy to 6%												
	LIT	0.0	16.0	0.0	-16.0	0.0	0.0	0.0	0.0	0	0	0
Transfer of authorization to stay within the acceptable vacancy range of up to 6%.												
	Subtotal	8,427.0	4,419.3	294.5	3,502.5	125.7	85.0	0.0	0.0	34	0	2
***** Changes From FY2007 Management Plan To FY2008 Governor *****												
Salary management plan increases												
	Inc	239.7	239.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1105 PFund Rcpt		239.7										
This increment is integral to the corporation's ability to attract and retain qualified investment professionals. It will fund market salary adjustments made by the Trustees which were provided primarily to investment staff in FY2006. It will also provide expected performance based increases for each permanent position in FY2008.												
Investment travel due diligence												
	Inc	19.3	0.0	19.3	0.0	0.0	0.0	0.0	0.0	0	0	0
1105 PFund Rcpt		19.3										
\$13.5 increment to allow for additional staff due diligence travel to external asset managers, bank custodian, and fund properties. The Board has directed APFC staff to conduct more frequent on-site visits with the Fund's external managers. In the last two fiscal years, the actual assets under management has grown by about six (6) billion dollars. Over the same two fiscal years, changes in Fund size and strategy have lead to a 38% increase in the number of portfolio managers. Additionally, our real estate portfolio has increased in size which necessitates additional due diligence travel to review and directly monitor the management of those properties. We expect to continue our expansion into alternative investments which will require additional review and analysis given the complexity of these types of investments.												

\$5.8 increment will support staff specialized training and moving costs associated with recruitment and retention of specialized investment type positions.

Contractual Services increments

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: APFC Operations (109)

RDU: Alaska Permanent Fund Corporation (45)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	Positions PPT	NP
1105 PFund Rcpt	Inc	50.2	0.0	0.0	50.2	0.0	0.0	0.0	0.0	0	0	0

This increment will fund:

- Increased professional services contractual obligations for the Fund's annual audit and performance measurement contracts.
- Additional auditing work related to alternative investments.
- Maintenance, service, and support of the Corporation's phone system.
- An increase of our Juneau office lease due to a CPI adjustment.

Financial network investment systems

1105 PFund Rcpt	Inc	247.3	0.0	0.0	247.3	0.0	0.0	0.0	0.0	0	0	0
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This increment will provide funding for increased contractual obligations and changes to existing investment financial network systems. These systems provide our investment officers and finance staff the tools and information required to manage and account for a \$35 billion dollar fund.

Funding will also be used to purchase two new system subscriptions. \$80,000 for a new risk analytics system which will provide the investment staff with a tool set to calculate the risk of the entire portfolio and \$43,000 for a new performance measurement system -- Per Trac 6.

Reverse One-time Item for Investment Due Diligence

1105 PFund Rcpt	OTI	-376.4	0.0	-21.9	-352.0	-12.5	10.0	0.0	0.0	0	0	0
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This change record reverses the one-time item received in FY2007 for increased due diligence due to the complex investment environment.

Due Diligence Travel Costs

1105 PFund Rcpt	Inc	21.9	0.0	21.9	0.0	0.0	0.0	0.0	0.0	0	0	0
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This funding was approved as part of a one-time item in FY07.

The Board has directed APFC staff to conduct more frequent on-site visits with the Fund external managers and properties. As the Fund has grown in size and complexity, so have the numbers of managers and properties that staff must oversee. In addition the Corporation expects to continue expansion into alternative investments which will require additional review and analysis and on-going due diligence as the investments are undertaken.

Contractual Services Costs

1105 PFund Rcpt	Inc	352.0	0.0	0.0	352.0	0.0	0.0	0.0	0.0	0	0	0
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This funding was approved as part of a one-time item in FY07. The Corporation continues to require this funding.

As part of the FY07 budget development process, the Corporation adjusted its spending plan in Contractual Services reallocating \$235.5 of expected reductions in service or excess authorization to areas that service levels or programs are anticipated to increase. This new spending plan resulted in a requested Contractual Services increment of \$352.0. This increment is needed to support additional manager searches, an increase in the cost of State support services, additional financial network informational, trading, analytical and other investment services that are necessary to properly manage the

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: APFC Operations (109)

RDU: Alaska Permanent Fund Corporation (45)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
Fund's investments, on-going Investments and IT consulting services, increased audit and performance measurement contractual costs, increased cost for the Corporation's office spaces, and increased cost for specialized staff training.												
Workstation Equipment Upgrades												
	Inc	12.5	0.0	0.0	0.0	12.5	0.0	0.0	0.0	0	0	0
1105 PFund Rcpt		12.5										
This funding was approved as part of a one-time item in FY07. The Corporation continues to require this funding in FY08.												
The increment is needed to upgrade workstation equipment and laptops.												
Capital Outlay Reduction												
	Dec	-10.0	0.0	0.0	0.0	0.0	-10.0	0.0	0.0	0	0	0
1105 PFund Rcpt		-10.0										
This decrease was approved as part of a one-time item in FY07.												
FY 08 Health Insurance Increases for Exempt Employees												
	SalAdj	6.1	6.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1105 PFund Rcpt		6.1										
Health insurance increase from \$835/mo to \$851/mth applicable to this component: \$6.1												
Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel												
	Inc	3.6	0.0	0.0	3.6	0.0	0.0	0.0	0.0	0	0	0
1105 PFund Rcpt		3.6										
Funding necessary for each department to pay the FY2008 increased chargeback to the Division of Personnel due to the retirement system and non-covered employees' health insurance increases:												
Admin \$123.9; Commerce \$47.3; Corrections \$159.2; Labor \$101.7; Education \$31.7; DEC \$48.1; Fish & Game \$143.9; HSS \$399.7; Law \$49.6; DMVA \$20.7; DNR \$89.4; Public Safety \$82.5; Revenue \$55.3; Transportation \$333.8 = \$1,686.8												
FY 08 Retirement Systems Rate Increases												
	Inc	641.2	641.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1105 PFund Rcpt		641.2										
Retirement systems rate increases applicable to this component: \$641.2												
Totals		9,634.4	5,306.3	313.8	3,803.6	125.7	85.0	0.0	0.0	34	0	2

Change Record Detail - Multiple Scenarios With Description

Department of Revenue

Component: APFC Custody and Management Fees (2310)

RDU: Alaska Permanent Fund Corporation (45)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants & Benefits	Misc./Debt Service	Positions PFT	PPT	NP
***** Changes From FY2007 Conference Committee To FY2007 Authorized *****												
Conference Committee												
	ConfCom	63,200.0	0.0	0.0	63,200.0	0.0	0.0	0.0	0.0	0	0	0
1105 PFund Rcpt		63,200.0										
	Subtotal	63,200.0	0.0	0.0	63,200.0	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2007 Authorized To FY2007 Management Plan *****												
	Subtotal	63,200.0	0.0	0.0	63,200.0	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2007 Management Plan To FY2008 Governor *****												
Increased Manager Fees												
	Inc	6,600.0	0.0	0.0	6,600.0	0.0	0.0	0.0	0.0	0	0	0
1105 PFund Rcpt		6,600.0										
The increment in manager fees is to fund increases in fees based on projected asset value growth, and to fund higher fees associated with potential changes to the Fund's structure and strategies. The funds are necessary to maintain and expand the Fund's external investment managers whose expertise is necessary to achieve the goal of a 5% real rate of return.												
	Totals	69,800.0	0.0	0.0	69,800.0	0.0	0.0	0.0	0.0	0	0	0