

**State of Alaska
FY2016 Governor Amended Operating
Budget**

**Department of Revenue
Alaska Retirement Management Board Custody and
Management Fees
Component Budget Summary**

Component: Alaska Retirement Management Board Custody and Management Fees

Contribution to Department's Mission

Please see Alaska Retirement Management Board component.

Core Services

- Please see Alaska Retirement Management Board component

Major Component Accomplishments in 2014

Please see Alaska Retirement Management Board component.

Key Component Challenges

Please see Alaska Retirement Management Board component.

Significant Changes in Results to be Delivered in FY2016

Please see Alaska Retirement Management Board component.

Statutory and Regulatory Authority

AS 37.10.210-390 Alaska Retirement Management Board

Contact Information

Contact: Dan DeBartolo, Director, Administrative Services
Phone: (907) 465-2312
Fax: (907) 465-1685
E-mail: daniel.debartolo@alaska.gov

**Alaska Retirement Management Board Custody and Management Fees
Component Financial Summary**

All dollars shown in thousands

	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	38,987.1	43,906.7	62,106.7
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	38,987.1	43,906.7	62,106.7
Funding Sources:			
1017 Benefits Systems Receipts	0.0	0.0	26,762.7
1029 Public Employees Retirement System Fund	27,379.1	30,800.0	23,989.6
1034 Teachers Retirement System Fund	11,232.4	12,600.0	10,774.9
1042 Judicial Retirement System	305.0	350.0	392.4
1045 National Guard & Naval Militia Retirement System	70.6	156.7	187.1
Funding Totals	38,987.1	43,906.7	62,106.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Benefits System Receipts	51390	0.0	0.0	26,762.7
Restricted Total		0.0	0.0	26,762.7
Total Estimated Revenues		0.0	0.0	26,762.7

**Summary of Component Budget Changes
From FY2015 Management Plan to FY2016 Governor Amended**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2015 Management Plan	0.0	0.0	43,906.7	0.0	43,906.7
Proposed budget increases:					
-Investment and Custody Fees	0.0	0.0	18,200.0	0.0	18,200.0
FY2016 Governor Amended	0.0	0.0	62,106.7	0.0	62,106.7

Component Detail All Funds
Department of Revenue

Component: Alaska Retirement Management Board Custody and Management Fees (AR15175) (2812)
RDU: Taxation and Treasury (510)

	FY2014 Actuals	FY2015 Conference Committee	FY2015 Authorized	FY2015 Management Plan	FY2016 Governor Amended	FY2015 Management Plan vs FY2016 Governor Amended	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	38,987.1	43,906.7	43,906.7	43,906.7	62,106.7	18,200.0	41.5%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	38,987.1	43,906.7	43,906.7	43,906.7	62,106.7	18,200.0	41.5%
Fund Sources:							
1017Ben Sys (Other)	0.0	0.0	0.0	0.0	26,762.7	26,762.7	100.0%
1029P/E Retire (Other)	27,379.1	30,800.0	30,800.0	30,800.0	23,989.6	-6,810.4	-22.1%
1034Teach Ret (Other)	11,232.4	12,600.0	12,600.0	12,600.0	10,774.9	-1,825.1	-14.5%
1042Jud Retire (Other)	305.0	350.0	350.0	350.0	392.4	42.4	12.1%
1045Nat Guard (Other)	70.6	156.7	156.7	156.7	187.1	30.4	19.4%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	38,987.1	43,906.7	43,906.7	43,906.7	62,106.7	18,200.0	41.5%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Revenue

Component: Alaska Retirement Management Board Custody and Management Fees (2812)
RDU: Taxation and Treasury (510)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2015 Conference Committee To FY2015 Authorized *****												
FY2015 Conference Committee												
	ConfCom	43,906.7	0.0	0.0	43,906.7	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire		30,800.0										
1034 Teach Ret		12,600.0										
1042 Jud Retire		350.0										
1045 Nat Guard		156.7										
Subtotal		43,906.7	0.0	0.0	43,906.7	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2015 Authorized To FY2015 Management Plan *****												
Subtotal		43,906.7	0.0	0.0	43,906.7	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2015 Management Plan To FY2016 Governor Amended *****												
Investment and Custody Fees												
	Inc	18,200.0	0.0	0.0	18,200.0	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire		13,790.4										
1034 Teach Ret		4,262.1										
1042 Jud Retire		117.1										
1045 Nat Guard		30.4										

This increment funds the increase in the cost of investment and custody fees for assets under management. Investment assets under management have experienced a continued growth.

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 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.

Treasury will continually monitor financial market activity for any significant changes affecting these estimates.

Technical Adjustment to Change Fund Code from Retirement Systems to Benefit Systems

	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1017 Ben Sys		26,762.7										
1029 P/E Retire		-20,600.8										
1034 Teach Ret		-6,087.2										
1042 Jud Retire		-74.7										

Technical adjustment to reduce P/E Retire (1029), Teach Ret (1034), Jud Retire (1042) and increase Ben Sys (1017). This change will allow the Alaska

Change Record Detail - Multiple Scenarios with Descriptions
Department of Revenue

Component: Alaska Retirement Management Board Custody and Management Fees (2812)
RDU: Taxation and Treasury (510)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
Retirement Management Board to properly allocate costs to the appropriate Alaska Retiree Health Care Trusts.												
	Totals	62,106.7	0.0	0.0	62,106.7	0.0	0.0	0.0	0.0	0	0	0

Line Item Detail
Department of Revenue
Services

Component: Alaska Retirement Management Board Custody and Management Fees (2812)
RDU: Taxation and Treasury (510)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000	Services		38,987.1	43,906.7	62,106.7
Expenditure Account			FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
		Servicing Agency			
		Explanation			
73000 Services Detail Totals			38,987.1	43,906.7	62,106.7
73050	Financial Services		38,987.1	43,906.7	62,106.7
		Custodian and Manager Fees			

Restricted Revenue Detail
Department of Revenue

Component: Alaska Retirement Management Board Custody and Management Fees (2812)
RDU: Taxation and Treasury (510)

Master Account	Revenue Description				FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51390	Benefits System Receipts				0.0	0.0	26,762.7
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51390	Benefits System Rec		various	11100	0.0	0.0	26,762.7