

State of Alaska FY2019 Governor's Operating Budget

Department of Revenue Unclaimed Property Component Budget Summary

Component: Unclaimed Property

Contribution to Department's Mission

The mission of the Unclaimed Property program is to administer Alaska's Uniform Unclaimed Property Act (AS 34.45).

Core Services

- Receive and account for unclaimed property in the form of cash, securities, and safe deposit boxes from companies, organizations (profit and non-profit) and government agencies throughout the United States in accordance with Alaska's Unclaimed Property Act
- Provide services to reunite owners, heirs or legal representatives with their unclaimed property
- Determine entitlement by analyzing statutes, court orders, legal cases, and reviewing evidence
- Promote unclaimed property reporting
- Account for and post liability accruals such as; mergers, splits, dividends, security proceeds and interest

Major Component Accomplishments in 2017

- Implemented electronic reporting vehicle for unclaimed property holders which provides secure electronic report/file transmittals. Encrypted and password protected reports can now be emailed to a new designated report and holder email address, improving productivity. Continued to educate and encourage the use of electronic reporting tools.
- Transferred \$20.0 million into the state general fund for FY2017 collections in excess of refunds. Since the inception of the program in 1986, a total of \$136 million has been transferred to the state general fund from the Unclaimed Property Trust account.
- During the past five years approximately \$30.4 million dollars has been returned to current or former Alaska owners and businesses.
- During the past five years \$48.0 million has been transferred to the general fund.

Key Component Challenges

- Continue to align unclaimed property practices with banking and business transactions utilizing electronic deposits, payments, and debit cards for credit balances, payroll, and social services programs. Re-evaluate last known contact other than a mailing address.
- Increase productivity and continue to move towards paperless environment, via secure online reporting, and remit payment portal.
- Improve online claim verifications and process payments electronically.
- Address aging claims support systems.
- Uniform Unclaimed Property Act revisions may impact current State laws.
- New property types such as Health Savings and College Savings Plans create challenges in establishing procedures that will not diminish the property value under Federal Tax laws for early withdrawals and transfers.
- Identity theft and fraud contribute to the challenges of determining and validating entitlement to unclaimed property accounts.

Significant Changes in Results to be Delivered in FY2019

No changes in results delivered.

Statutory and Regulatory Authority

AS 34.45 Alaska's Uniform Unclaimed Property Act

| Contact Information |
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| Unclaimed Property Personal Services Information | | | | |
|---|---|----------------------------------|----------------------------------|----------------|
| Authorized Positions | | | Personal Services Costs | |
| | <u>FY2018</u> <u>Management</u> <u>Plan</u> | <u>FY2019</u> <u>Governor</u> | | |
| Full-time | 4 | 3 | Annual Salaries | 195,047 |
| Part-time | 0 | 0 | Premium Pay | 0 |
| Nonpermanent | 0 | 0 | Annual Benefits | 121,296 |
| | | | <i>Less 0.00% Vacancy Factor</i> | (0) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 4 | 3 | Total Personal Services | 316,343 |

| Position Classification Summary | | | | | |
|---------------------------------|-----------|-----------|----------|----------|----------|
| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
| Accounting Tech II | 0 | 0 | 1 | 0 | 1 |
| Unclaimed Property Agent | 0 | 0 | 1 | 0 | 1 |
| Unclaimed Property Manager | 0 | 0 | 1 | 0 | 1 |
| Totals | 0 | 0 | 3 | 0 | 3 |

Component Detail All Funds
Department of Revenue

Component: Unclaimed Property (2938)
RDU: Taxation and Treasury (510)

Non-Formula Component

| | FY2017 Actuals | FY2018 Conference Committee | FY2018 Authorized | FY2018 Management Plan | FY2019 Governor | FY2018 Management Plan vs FY2019 Governor | |
|-----------------------------------|----------------|-----------------------------|-------------------|------------------------|-----------------|---|---------------|
| 71000 Personal Services | 351.5 | 420.4 | 420.4 | 420.4 | 316.3 | -104.1 | -24.8% |
| 72000 Travel | 0.0 | 7.6 | 7.6 | 7.6 | 7.6 | 0.0 | 0.0% |
| 73000 Services | 118.7 | 148.8 | 148.8 | 148.8 | 183.4 | 34.6 | 23.3% |
| 74000 Commodities | 10.6 | 7.7 | 7.7 | 7.7 | 7.7 | 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 | 480.8 | 584.5 | 584.5 | 584.5 | 515.0 | -69.5 | -11.9% |
| Fund Sources: | | | | | | | |
| 1005GF/Prgm (DGF) | 480.8 | 584.5 | 584.5 | 584.5 | 515.0 | -69.5 | -11.9% |
| Unrestricted General (UGF) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Designated General (DGF) | 480.8 | 584.5 | 584.5 | 584.5 | 515.0 | -69.5 | -11.9% |
| Other Funds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Federal Funds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Positions: | | | | | | | |
| Permanent Full Time | 4 | 4 | 4 | 4 | 3 | -1 | -25.0% |
| 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: Unclaimed Property (2938)
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 FY2018 Conference Committee To FY2018 Authorized ***** | | | | | | | | | | | | |
| FY2018 Conference Committee | ConfCom | 584.5 | 420.4 | 7.6 | 148.8 | 7.7 | 0.0 | 0.0 | 0.0 | 4 | 0 | 0 |
| 1005 GF/Prgm | | 584.5 | | | | | | | | | | |
| Subtotal | | 584.5 | 420.4 | 7.6 | 148.8 | 7.7 | 0.0 | 0.0 | 0.0 | 4 | 0 | 0 |
| ***** Changes From FY2018 Management Plan To FY2019 Governor ***** | | | | | | | | | | | | |
| FY2019 Salary and Health Insurance Increases | SalAdj | 1.5 | 1.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1005 GF/Prgm | | 1.5 | | | | | | | | | | |
| Salary and Health Insurance Increases: \$1.5 | | | | | | | | | | | | |
| Calculate FY2019 increase to GGU Health Insurance from \$1389 to \$1432 per member per month. | | | | | | | | | | | | |
| Delete Accounting Technician I (04-8049) | Dec | -71.0 | -71.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -1 | 0 | 0 |
| 1005 GF/Prgm | | -71.0 | | | | | | | | | | |
| This reduction in personal services authorization will result in the deletion of 1 position. The Unclaimed Property Program (UCP) manages unclaimed property and reunites it with its owners. The department will work with UCP to mitigate any potential negative effects on services provided. | | | | | | | | | | | | |
| Position subject to delete: Full-time Accounting Technician I (04-8049), range 12, located in Juneau | | | | | | | | | | | | |
| Align Authority to Reallocate for Spending Plan | LIT | 0.0 | -34.6 | 0.0 | 34.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| The Unclaimed Property Division is transferring personal services authorization to services in order to bring personal services within vacancy factor guidelines. | | | | | | | | | | | | |
| Totals | | 515.0 | 316.3 | 7.6 | 183.4 | 7.7 | 0.0 | 0.0 | 0.0 | 3 | 0 | 0 |

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2019 Governor (14641)
Component: Unclaimed Property (2938)
RDU: Taxation and Treasury (510)

| PCN | Job Class Title | Time Status | Retire Code | Barg Unit | Location | Salary Sched | Range / Step | Comp Months | Split / Count | Annual Salaries | COLA | Premium Pay | Annual Benefits | Total Costs | UGF Amount |
|---------------------------------|----------------------------|-------------|-------------|-----------|----------|--------------|--------------|-------------|---------------|-----------------|------|-------------|---|-------------|------------|
| 04-3053 | Accounting Tech II | FT | A | GP | Juneau | 205 | 14A / B | 12.0 | | 45,569 | 0 | 0 | 33,163 | 78,732 | 0 |
| 04-3202 | Unclaimed Property Agent | FT | A | GP | Juneau | 205 | 15B / C | 12.0 | | 51,581 | 0 | 0 | 35,254 | 86,835 | 0 |
| 04-3232 | Unclaimed Property Manager | FT | A | SS | Juneau | 99 | 18P / Q | 12.0 | | 97,897 | 0 | 0 | 52,879 | 150,776 | 0 |
| 04-8049 | Accounting Tech I | FT | A | GP | Juneau | 205 | 12A | 12.0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | | | | | | | | | | | | Total Salary Costs: | 195,047 | |
| Positions | | | | | | | | | | | | | Total COLA: | 0 | |
| Full Time Positions: | | | | | | | | | | | | | Total Premium Pay: | 0 | |
| Part Time Positions: | | | | | | | | | | | | | Total Benefits: | 121,296 | |
| Non Permanent Positions: | | | | | | | | | | | | | | | |
| Positions in Component: | | | | | | | | | | | | | Total Pre-Vacancy: | 316,343 | |
| | | | | | | | | | | | | | Minus Vacancy Adjustment of 0.00%: | (0) | |
| | | | | | | | | | | | | | Total Post-Vacancy: | 316,343 | |
| | | | | | | | | | | | | | Plus Lump Sum Premium Pay: | 0 | |
| | | | | | | | | | | | | | Personal Services Line 100: | 316,343 | |

| PCN Funding Sources: | Pre-Vacancy | Post-Vacancy | Percent |
|------------------------------------|----------------|----------------|----------------|
| 1005 General Fund/Program Receipts | 316,343 | 316,343 | 100.00% |
| Total PCN Funding: | 316,343 | 316,343 | 100.00% |

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail (1676)
Department of Revenue
Travel

Component: Unclaimed Property (2938)

| Line Number | Line Name | | FY2017 Actuals | FY2018 Management Plan | FY2019 Governor |
|----------------------------------|--------------------------|---|-----------------------|-------------------------------|------------------------|
| 2000 | Travel | | 0.0 | 7.6 | 7.6 |
| Object Class | Servicing Agency | Explanation | FY2017 Actuals | FY2018 Management Plan | FY2019 Governor |
| 2000 Travel Detail Totals | | | 0.0 | 7.6 | 7.6 |
| 2000 | In-State Employee Travel | Employee instate travel - airfare, lodging, surface transportation, reimbursable travel costs, and meal & incidentals | 0.0 | 7.6 | 7.6 |

Line Item Detail (1676)
Department of Revenue
Services

Component: Unclaimed Property (2938)

| Line Number | Line Name | | FY2017 Actuals | FY2018 Management Plan | FY2019 Governor |
|------------------------------------|--|--|-----------------------|-------------------------------|------------------------|
| 3000 | Services | | 118.7 | 148.8 | 183.4 |
| Object Class | Servicing Agency | Explanation | FY2017 Actuals | FY2018 Management Plan | FY2019 Governor |
| 3000 Services Detail Totals | | | 118.7 | 148.8 | 183.4 |
| 3000 | Education Services | Training, conferences, memberships, and employee tuition | 4.5 | 2.3 | 4.5 |
| 3003 | Information Technology | IT training, consulting, software licensing, software maintenance, and IT equipment leases | 25.3 | 25.1 | 58.8 |
| 3004 | Telecommunications | Local, long distance, cellular and telecommunications equipment charges; data/network; and television | 0.1 | 0.1 | 0.1 |
| 3008 | Utilities | Disposal of records and confidential material | 0.8 | 0.7 | 0.8 |
| 3009 | Structure/Infrastructure/Land | Repairs/maintenance of structures or infrastructure | 0.9 | 0.9 | 0.9 |
| 3010 | Equipment/Machinery | Repairs, maintenance, rentals and/or leases of office furniture and equipment | 2.9 | 2.3 | 2.9 |
| 3011 | Other Services | Professional management and consulting services; printing and copying services; and State Travel Office fees | 1.2 | 0.8 | 1.2 |
| 3017 | Inter-Agency Information Technology Non-Telecommunications | Admin - Department-wide ETS chargeback for computer services (including EPR and MICS charges for mainframe usage) | 1.9 | 2.7 | 2.7 |
| 3018 | Inter-Agency Information Technology Telecommunications | Admin - Department-wide ETS chargeback for telecommunications EPR, phone lines and service requests | 6.5 | 6.1 | 6.5 |

Line Item Detail (1676)
Department of Revenue
Services

Component: Unclaimed Property (2938)

| Object Class | | Servicing Agency | Explanation | FY2017 Actuals | FY2018 Management Plan | FY2019 Governor |
|------------------------------------|------------------------------------|-------------------------------------|--|----------------|---------------------------|-----------------|
| 3000 Services Detail Totals | | | | 118.7 | 148.8 | 183.4 |
| 3021 | Inter-Agency Mail | Admin - Department-wide | Central mailroom services including pickup and delivery of U.S. mail, postage, mailing of state warrants | 6.7 | 6.4 | 6.7 |
| 3022 | Inter-Agency Human Resources | Admin - Department-wide | Human resource and payroll services provided by the Division of Personnel | 2.5 | 2.5 | 2.5 |
| 3023 | Inter-Agency Building Leases | Admin - Department-wide | Cost of space in state-owned facilities | 21.4 | 25.2 | 25.2 |
| 3026 | Inter-Agency Insurance | Admin - Department-wide | Risk Management | 0.1 | 0.1 | 0.1 |
| 3027 | Inter-Agency Financial | Admin - Department-wide | Division of Finance IRIS and AKPAY | 6.5 | 3.4 | 6.5 |
| 3036 | Inter-Agency Safety | Admin - Department-wide | Parking enforcement at State Office Building located in Juneau | 0.2 | 0.3 | 0.3 |
| 3038 | Inter-Agency Management/Consulting | Rev - Administrative Services (125) | Support services provided by the Administrative Services Division, including IT, fiscal, budget, contract management, procurement, and legislative support | 29.7 | 65.3 | 56.2 |
| 3038 | Inter-Agency Management/Consulting | Rev - Commissioner's Office (123) | Support services provided by the Office of the Commissioner | 7.5 | 4.6 | 7.5 |

Line Item Detail (1676)
Department of Revenue
Commodities

Component: Unclaimed Property (2938)

| Line Number | Line Name | | FY2017 Actuals | FY2018 Management Plan | FY2019 Governor |
|---------------------------------------|-------------------------|--|-----------------------|-------------------------------|------------------------|
| 4000 | Commodities | | 10.6 | 7.7 | 7.7 |
| Object Class | Servicing Agency | Explanation | FY2017 Actuals | FY2018 Management Plan | FY2019 Governor |
| 4000 Commodities Detail Totals | | | 10.6 | 7.7 | 7.7 |
| 4000 | Business | Business supplies including book and educational equipment and furniture; office supplies; desktop computers, printers and IT equipment less than \$5,000 per item; and subscriptions including electronic access to information | 10.6 | 7.7 | 7.7 |

Revenue Detail (1681)
Department of Revenue

Component: Unclaimed Property (2938)

| Revenue Type (OMB Fund Code) Revenue Source | Component | Comment | FY2017 Actuals | FY2018 Management Plan | FY2019 Governor |
|--|-----------|--|----------------|---------------------------|-----------------|
| 5005 GF/Prgm (1005 GF/Prgm) | | | 480.8 | 584.5 | 515.0 |
| 5120 Program Receipts - Other Revenue | | Program receipts are received from the Unclaimed Property Trust to support the operation of the Unclaimed Property Program. All funds received as unclaimed property are deposited into the Unclaimed Property Trust account in the general fund. Amounts received from property holders exceed refunds to owners because not all unclaimed property owners are located. A minimum balance is maintained in the trust account and excess funds are periodically transferred to the general fund. This program was transferred to its own component in FY2010 | 480.8 | 584.5 | 515.0 |

Inter-Agency Services (1682)
Department of Revenue

Component: Unclaimed Property (2938)

| | | | | FY2017 Actuals | FY2018 Management Plan | FY2019 Governor |
|-----------------------------------|---|-------------------------------------|--|-----------------------------------|---------------------------|-----------------|
| Component Totals | | | | 83.0 | 116.6 | 114.2 |
| With Department of Administration | | | | 45.8 | 46.7 | 50.5 |
| With Department of Revenue | | | | 37.2 | 69.9 | 63.7 |
| Object Class | Servicing Agency | Explanation | FY2017 Actuals | FY2018 Management Plan | FY2019 Governor | |
| 3017 | Inter-Agency Information Technology Non-Telecommunications | Admin - Department-wide | ETS chargeback for computer services (including EPR and MICS charges for mainframe usage) | 1.9 | 2.7 | 2.7 |
| 3018 | Inter-Agency Information Technology Telecommunications | Admin - Department-wide | ETS chargeback for telecommunications EPR, phone lines and service requests | 6.5 | 6.1 | 6.5 |
| 3021 | Inter-Agency Mail | Admin - Department-wide | Central mailroom services including pickup and delivery of U.S. mail, postage, mailing of state warrants | 6.7 | 6.4 | 6.7 |
| 3022 | Inter-Agency Human Resources | Admin - Department-wide | Human resource and payroll services provided by the Division of Personnel | 2.5 | 2.5 | 2.5 |
| 3023 | Inter-Agency Building Leases | Admin - Department-wide | Cost of space in state-owned facilities | 21.4 | 25.2 | 25.2 |
| 3026 | Inter-Agency Insurance | Admin - Department-wide | Risk Management | 0.1 | 0.1 | 0.1 |
| 3027 | Inter-Agency Financial | Admin - Department-wide | Division of Finance IRIS and AKPAY | 6.5 | 3.4 | 6.5 |
| 3036 | Inter-Agency Safety | Admin - Department-wide | Parking enforcement at State Office Building located in Juneau | 0.2 | 0.3 | 0.3 |
| 3038 | Inter-Agency Management/Consulting | Rev - Administrative Services (125) | Support services provided by the Administrative Services Division, including IT, fiscal, budget, contract management, procurement, and legislative support | 29.7 | 65.3 | 56.2 |
| 3038 | Inter-Agency Management/Consulting | Rev - Commissioner's Office (123) | Support services provided by the Office of the Commissioner | 7.5 | 4.6 | 7.5 |