

State of Alaska
FY2023 Governor's Operating Budget

Department of Revenue
APFC Investment Management Fees
Component Budget Summary

Component: APFC Investment Management Fees

Contribution to Department's Mission

See Alaska Permanent Fund Corporation Component Narrative Report.

Core Services

- See Alaska Permanent Fund Corporation Component Narrative Report.

Major Component Accomplishments in 2021

See Alaska Permanent Fund Corporation Component Narrative Report.

Key Component Challenges

See Alaska Permanent Fund Corporation Component Narrative Report.

Significant Changes in Results to be Delivered in FY2023

See Alaska Permanent Fund Corporation Component Narrative Report.

Statutory and Regulatory Authority

AS 37.13 Alaska Permanent Fund and Corporation

Contact Information

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Component Detail All Funds
Department of Revenue

Component: APFC Investment Management Fees (2310)
RDU: Alaska Permanent Fund Corporation (45)

Non-Formula Component

	FY2021 Actuals	FY2022 Conference Committee	FY2022 Authorized	FY2022 Management Plan	FY2023 Governor	FY2022 Management Plan vs FY2023 Governor	
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	153,365.2	193,039.1	193,039.1	193,039.1	195,868.0	2,828.9	1.5%
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	153,365.2	193,039.1	193,039.1	193,039.1	195,868.0	2,828.9	1.5%
Fund Sources:							
1105 PFund Rcpt (Other)	153,365.2	193,039.1	193,039.1	193,039.1	195,868.0	2,828.9	1.5%
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	153,365.2	193,039.1	193,039.1	193,039.1	195,868.0	2,828.9	1.5%
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: APFC Investment Management Fees (2310)
RDU: Alaska Permanent Fund Corporation (45)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2022 Conference Committee To FY2022 Authorized *****												
FY2022 Conference Committee												
	ConfCom	193,039.1	0.0	0.0	193,039.1	0.0	0.0	0.0	0.0	0	0	0
1105 PFund Rcpt		193,039.1										
	Subtotal	193,039.1	0.0	0.0	193,039.1	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2022 Management Plan To FY2023 Governor *****												
Forecasted Investment Management Fees and Supporting Investment Systems												
	Inc	2,828.9	0.0	0.0	2,828.9	0.0	0.0	0.0	0.0	0	0	0
1105 PFund Rcpt		2,828.9										
	Totals	195,868.0	0.0	0.0	195,868.0	0.0	0.0	0.0	0.0	0	0	0

Over \$2 million of the increase is directly related to external manager fees. The methodology for forecasting the FY2023 fees was modified as a result of FY2021 performance. Base fees were calculated using similar assumptions as in years past, based on Callan's growth assumption by asset class, the Fund's asset allocation, and contractual fee terms. In comparison, incentive fees were based on basis points (BPS) paid by a manager in FY2021 unless the historical average was still an accurate representation.

The remaining increase is associated with investment systems. The Corporation will focus on all data feeds and the platforms necessary to broaden APFC's analytical capabilities for investment decisions and risk management for the next few years. This journey will include creating a data strategy to ensure that all existing and future data sources and platforms are cohesive and efficient while identifying and finding solutions for data gaps.

Line Item Detail (1676)
Department of Revenue
Services

Component: APFC Investment Management Fees (2310)

Line Number	Line Name		FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
3000	Services		153,365.2	193,039.1	195,868.0
Object Class	Servicing Agency	Explanation	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
3000 Services Detail Totals			153,365.2	193,039.1	195,868.0
3001	Financial Services	Investment management fees	147,449.5	183,203.2	185,926.3
3002	Legal and Judicial Services	Investment-specific legal services	618.8	2,105.0	1,500.0
3003	Information Technology	IT training, consulting, software licensing, software maintenance, and IT equipment leases	5,296.9	7,730.9	8,441.7

Revenue Detail (1681)
Department of Revenue

Component: APFC Investment Management Fees (2310)

Revenue Type (OMB Fund Code)				FY2022	
Revenue Source	Component	Comment	FY2021 Actuals	Management Plan	FY2023 Governor
5105 PFund Rcpt (1105 PFund Rcpt)			153,365.2	193,039.1	195,868.0
5414 Alaska Permanent Fund Corporation Receipts		AS 37.13.150 Corporation Budget	153,365.2	193,039.1	195,868.0