

State of Alaska FY2013 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 fulfill its statutory mandate to administer Alaska's Uniform Unclaimed Property Act (AS 34.45).

Core Services

- Receive unclaimed property in the form of cash and securities from businesses (profit and non-profit) and governmental agencies as required by Alaska's Unclaimed Property Act
- Locate owners, heirs or authorized representatives of unclaimed property
- Determine legal validity of property ownership; deny or distribute property including accruals and interest, in order to make payment of allowed claims

Key Component Challenges

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 property owners are located. A minimum balance is maintained in the trust account and excess funds are periodically transferred to the general fund.

Identity theft and fraud are key contributors to the challenges of determining and validating entitlement to unclaimed property accounts. The volume of accounts, software and printing technology, and similar name relationships intensifies those challenges:

- 270,201 property accounts are held in trust, totaling \$35.9 million dollars
- An average of 71,000 new property accounts are received each year

Many types of unclaimed property require specialized accrual transactions and legal ownership transfers which create numerous challenges:

- Pension and profit share plans
- Condemnation awards
- Demutualized insurance policies
- Stocks, bonds, mutual funds, direct registered and dividend reinvestment plan accounts
- Receiverships
- Bankruptcy distributions

Significant Changes in Results to be Delivered in FY2013

No changes in results delivered.

Major Component Accomplishments in 2011

- In FY2011 the number of property items refunded to owners increased by 29% over FY2010.
- A transfer of \$3.5 million was made to the state general fund for FY2011 collections in excess of refunds. Since the inception of the program in 1986, a total of \$80 million has been transferred to the state general fund from the Unclaimed Property Trust account.
- During the past five years (FY2007-FY2011) a total of \$26.2 million has been transferred to the general fund, and \$17.1 million has been paid to 53,556 property owners.

Statutory and Regulatory Authority

Contact Information

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**Unclaimed Property
Component Financial Summary**

All dollars shown in thousands

	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	317.6	336.0	353.8
72000 Travel	4.1	8.2	8.2
73000 Services	55.6	83.9	83.9
74000 Commodities	9.4	7.7	7.7
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	386.7	435.8	453.6
Funding Sources:			
1004 General Fund Receipts	223.8	263.4	272.3
1005 General Fund/Program Receipts	162.9	172.4	181.3
Funding Totals	386.7	435.8	453.6

Estimated Revenue Collections

Description	Master Revenue Account	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
General Fund Program Receipts	51060	162.9	172.4	181.3
Restricted Total		162.9	172.4	181.3
Total Estimated Revenues		162.9	172.4	181.3

**Summary of Component Budget Changes
From FY2012 Management Plan to FY2013 Governor**

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>
FY2012 Management Plan	263.4	172.4	0.0	0.0	435.8
Adjustments which will continue current level of service:					
-FY2013 Salary Increases	7.0	7.0	0.0	0.0	14.0
-FY2013 Health Insurance Increases	1.9	1.9	0.0	0.0	3.8
FY2013 Governor	272.3	181.3	0.0	0.0	453.6

Unclaimed Property Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2012 Management Plan	FY2013 Governor		
Full-time	4	4	Annual Salaries	222,398
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	141,996
			<i>Less 2.91% Vacancy Factor</i>	(10,594)
			Lump Sum Premium Pay	0
Totals	4	4	Total Personal Services	353,800

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk	0	0	2	0	2
Accounting Tech II	0	0	1	0	1
Unclaimed Property Manager	0	0	1	0	1
Totals	0	0	4	0	4

Component Detail All Funds
Department of Revenue

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

	FY2011 Actuals	FY2012 Conference Committee	FY2012 Authorized	FY2012 Management Plan	FY2013 Governor	FY2012 Management Plan vs FY2013 Governor	
71000 Personal Services	317.6	336.0	336.0	336.0	353.8	17.8	5.3%
72000 Travel	4.1	8.2	8.2	8.2	8.2	0.0	0.0%
73000 Services	55.6	33.4	33.9	83.9	83.9	0.0	0.0%
74000 Commodities	9.4	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	386.7	385.3	385.8	435.8	453.6	17.8	4.1%
Fund Sources:							
1004 Gen Fund (UGF)	223.8	212.9	213.4	263.4	272.3	8.9	3.4%
1005 GF/Prgm (DGF)	162.9	172.4	172.4	172.4	181.3	8.9	5.2%
Unrestricted General (UGF)	223.8	212.9	213.4	263.4	272.3	8.9	3.4%
Designated General (DGF)	162.9	172.4	172.4	172.4	181.3	8.9	5.2%
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	4	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: 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 FY2012 Conference Committee To FY2012 Authorized *****												
FY2012 Conference Committee												
	ConfCom	385.3	336.0	8.2	33.4	7.7	0.0	0.0	0.0	4	0	0
1004 Gen Fund		212.9										
1005 GF/Prgm		172.4										
ETS/HR Chargeback Transfer 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 1, Chapter 3, FSSLA 2011, page 2, lines 22 - 25, \$1,328,200 is distributed to state departments and agencies in order to pay service costs charged by the Department of Administration in FY2012, primarily for Personnel and Enterprise Technology Services. The amounts transferred to state agencies are as follows:

- Administration (non-ETS): 94.4
- Administration (internal): 291.2
- Commerce: 30.3
- Corrections: 70.2
- Education: 25.6
- Environmental Conservation: 32.5
- Fish and Game: 82.6
- Office of the Governor: 6.1
- Health and Social Services: 210.4
- Labor: 74.1
- Law: 33.6
- Military and Veterans Affairs: 15.9
- Natural Resources: 60.2
- Public Safety: 59.6
- Revenue: 50.7
- Transportation: 178.6
- Legislature: 11.9
- Court System: .3

Subtotal		385.8	336.0	8.2	33.9	7.7	0.0	0.0	0.0	4	0	0
***** Changes From FY2012 Authorized To FY2012 Management Plan *****												
ADN 0421019 Separate Unclaimed Property from Treasury Cost Allocation Plan												
	Trin	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		50.0										

As part of the ongoing effort to separate the budget and costs of the Unclaimed Property (UCP) unit from the Treasury Division's cost allocation plan, a transfer of \$50.0 general fund is being made from Treasury to cover the amounts owed by UCP for core services chargebacks and the department's administrative cost

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	
allocation plan. In previous years, these costs were allocated to and paid by Treasury, however as the various chargeback methodologies have been updated, UCP has been identified as a separate unit and its costs allocated accordingly.												
	Subtotal	435.8	336.0	8.2	83.9	7.7	0.0	0.0	0.0	4	0	0
***** Changes From FY2012 Management Plan To FY2013 Governor *****												
FY2013 Salary Increases												
	SalAdj	14.0	14.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	7.0										
	1005 GF/Prgm	7.0										
FY2013 Salary Increases: \$14.0												
FY2013 Health Insurance Increases												
	SalAdj	3.8	3.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	1.9										
	1005 GF/Prgm	1.9										
FY2013 Health Insurance Increases: \$3.8												
	Totals	453.6	353.8	8.2	83.9	7.7	0.0	0.0	0.0	4	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2013 Governor (9494)
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	GF Amount
04-3053	Accounting Tech II	FT	A	GP	Juneau	205	14N / O	12.0		64,697	0	0	38,737	103,434	103,434
04-3202	Accounting Clerk	FT	A	GP	Juneau	205	10C / D	12.0		36,840	0	0	29,210	66,050	66,050
04-3232	Unclaimed Property Manager	FT	A	SS	Juneau	205	18M / N	12.0		84,483	0	0	44,997	129,480	129,480
04-8049	Accounting Clerk	FT	A	GP	Juneau	205	10C / D	12.0		36,378	0	0	29,052	65,430	65,430
Total													Total Salary Costs:	222,398	
Positions													Total COLA:	0	
Full Time Positions:													Total Premium Pay:	0	
Part Time Positions:													Total Benefits:	141,996	
Non Permanent Positions:															
Positions in Component:													Total Pre-Vacancy:	364,394	
													Minus Vacancy Adjustment of 2.91%:	(10,594)	
Total Component Months:													Total Post-Vacancy:	353,800	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	353,800	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	182,197	176,900	50.00%
1005 General Fund/Program Receipts	182,197	176,900	50.00%
Total PCN Funding:	364,394	353,800	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
Department of Revenue
Travel

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

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000	Travel		4.1	8.2	8.2
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000 Travel Detail Totals			4.1	8.2	8.2
72110	Employee Travel (Instate)	Instate airfare, surface transportation, lodging, meals & incidentals	0.0	0.9	0.9
72410	Employee Travel (Out of state)	Out of state airfare, surface transportation, lodging, meals & incidentals	4.1	7.3	7.3

Line Item Detail
Department of Revenue
Services

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

Line Number	Line Name			FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000	Services			55.6	83.9	83.9
				FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Expenditure Account	Servicing Agency	Explanation		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000 Services Detail Totals				55.6	83.9	83.9
73025	Education Services	Training, conferences, memberships, and employee tuition		2.3	1.7	1.7
73150	Information Technlgy	Software maintenance for unclaimed property system, WAGERS.		25.7	25.7	25.7
73156	Telecommunication	Local, long distance, cellular and telecommunications equipment charges; data/network charges		0.3	0.1	0.1
73650	Struc/Infstruct/Land	Repairs, maintenance of structures or infrastructure; room or space rental		2.0	2.0	2.0
73675	Equipment/Machinery	Repairs, maintenance, rentals and/or leases of office furniture and equipment		2.2	1.0	1.0
73750	Other Services (Non IA Svcs)	Other services such as program management/consulting, printing/copying		5.1	3.1	3.1
73805	IT-Non-Telecommunication	Admin	ETS chargeback for computer services (including EPR, MICS charges for mainframe usage, and VPN)	2.5	2.3	2.3
73806	IT-Telecommunication	Admin	ETS chargeback for telecommunications EPR, line fees and service requests	6.1	6.4	6.4
73809	Mail	Admin	Central mailroom services including pick up and delivery of U.S. mail, postage, mailing of state warrants	0.1	0.7	0.7
73810	Human Resources	Admin	Human resource and payroll services provided by the Division of Personnel	3.1	3.1	3.1
73811	Building Leases	Admin	State facility rent	4.5	4.5	4.5
73812	Legal	Admin	Legal services	0.1	0.1	0.1
73814	Insurance	Admin	Risk Management	0.0	0.1	0.1
73815	Financial	Admin	Division of Finance AKSAS/AKPAY	1.3	1.2	1.2
73816	ADA Compliance	Labor	ADA compliance	0.1	0.1	0.1
73827	Safety (IA Svcs)	Admin	Building security	0.2	0.2	0.2

Line Item Detail
Department of Revenue
Services

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

Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor	
73000 Services Detail Totals			55.6	83.9	83.9	
73979	Mgmt/Consulting (IA Svcs)	DOR-ASD	Administrative Services Division support including fiscal, budget, IT, contract management, and procurement	0.0	28.9	28.9
73979	Mgmt/Consulting (IA Svcs)	DOR-CO	Commissioner's Office support services	0.0	2.7	2.7

Line Item Detail
Department of Revenue
Commodities

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

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000	Commodities		9.4	7.7	7.7
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000 Commodities Detail Totals			9.4	7.7	7.7
74200	Business	Business supplies including books 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	9.4	7.7	7.7

Restricted Revenue Detail
Department of Revenue

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

Master Account	Revenue Description	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51060	General Fund Program Receipts	162.9	172.4	181.3

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
55500	Other Prog Rec GF		04702150	11100	162.9	172.4	181.3

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.

Inter-Agency Services
Department of Revenue

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

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2012			
				FY2011 Actuals	Management Plan	FY2013 Governor	
73805	IT-Non-Telecommunication	ETS chargeback for computer services (including EPR, MICS charges for mainframe usage, and VPN)	Inter-dept	Admin	2.5	2.3	2.3
73805 IT-Non-Telecommunication subtotal:					2.5	2.3	2.3
73806	IT-Telecommunication	ETS chargeback for telecommunications EPR, line fees and service requests	Inter-dept	Admin	6.1	6.4	6.4
73806 IT-Telecommunication subtotal:					6.1	6.4	6.4
73809	Mail	Central mailroom services including pick up and delivery of U.S. mail, postage, mailing of state warrants	Inter-dept	Admin	0.1	0.7	0.7
73809 Mail subtotal:					0.1	0.7	0.7
73810	Human Resources	Human resource and payroll services provided by the Division of Personnel	Inter-dept	Admin	3.1	3.1	3.1
73810 Human Resources subtotal:					3.1	3.1	3.1
73811	Building Leases	State facility rent	Inter-dept	Admin	4.5	4.5	4.5
73811 Building Leases subtotal:					4.5	4.5	4.5
73812	Legal	Legal services	Inter-dept	Admin	0.1	0.1	0.1
73812 Legal subtotal:					0.1	0.1	0.1
73814	Insurance	Risk Management	Inter-dept	Admin	0.0	0.1	0.1
73814 Insurance subtotal:					0.0	0.1	0.1
73815	Financial	Division of Finance AKSAS/AKPAY	Inter-dept	Admin	1.3	1.2	1.2
73815 Financial subtotal:					1.3	1.2	1.2
73816	ADA Compliance	ADA compliance	Inter-dept	Labor	0.1	0.1	0.1
73816 ADA Compliance subtotal:					0.1	0.1	0.1
73827	Safety (IA Svcs)	Building security	Inter-dept	Admin	0.2	0.2	0.2
73827 Safety (IA Svcs) subtotal:					0.2	0.2	0.2
73979	Mgmt/Consulting (IA Svcs)	Administrative Services Division support including fiscal, budget, IT, contract management, and procurement	Intra-dept	DOR-ASD	0.0	28.9	28.9
73979	Mgmt/Consulting (IA Svcs)	Commissioner's Office support services	Intra-dept	DOR-CO	0.0	2.7	2.7
73979 Mgmt/Consulting (IA Svcs) subtotal:					0.0	31.6	31.6
Unclaimed Property total:					18.0	50.3	50.3
Grand Total:					18.0	50.3	50.3