

State of Alaska FY2012 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:

- 520,015 property accounts are held in trust, totaling \$81.0 million dollars
- The last five years we received an average of 58,000 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 FY2012

No changes in results delivered.

Major Component Accomplishments in 2010

- In FY2010, the number of property items refunded to owners increased by 19% over FY2009.
- A transfer of \$4.0 million was made to the state general fund for FY2010 collections in excess of refunds. Since the inception of the program in 1986, a total of \$76.5 million has been transferred to the state general fund from the Unclaimed Property Trust account.
- During the past five years (FY2006-FY2010) a total of \$32.75 million has been transferred to the general fund, and \$15.2 million has been paid to 41,288 property owners.

Statutory and Regulatory Authority

Contact Information

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**Unclaimed Property
Component Financial Summary**

All dollars shown in thousands

	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	305.0	319.0	336.0
72000 Travel	2.2	8.2	8.2
73000 Services	45.3	33.4	33.4
74000 Commodities	2.6	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	355.1	368.3	385.3
Funding Sources:			
1004 General Fund Receipts	197.8	204.4	212.9
1005 General Fund/Program Receipts	157.3	163.9	172.4
Funding Totals	355.1	368.3	385.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2010 Actuals	FY2011 Management Plan	FY2012 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	157.3	163.9	172.4
Restricted Total		157.3	163.9	172.4
Total Estimated Revenues		157.3	163.9	172.4

**Summary of Component Budget Changes
From FY2011 Management Plan to FY2012 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>
FY2011 Management Plan	204.4	163.9	0.0	0.0	368.3
Adjustments which will continue current level of service:					
-FY 2011 Over/Understated GGU/SU salary adjustments	-1.0	-1.0	0.0	0.0	-2.0
-FY 2012 Personal Services increases	9.5	9.5	0.0	0.0	19.0
FY2012 Governor	212.9	172.4	0.0	0.0	385.3

**Unclaimed Property
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2011 Management Plan</u>	<u>FY2012 Governor</u>		
Full-time	4	4	Annual Salaries	207,759
Part-time	0	0	Premium Pay	2,444
Nonpermanent	0	0	Annual Benefits	133,032
			<i>Less 2.11% Vacancy Factor</i>	(7,235)
			Lump Sum Premium Pay	0
Totals	4	4	Total Personal Services	336,000

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)

	FY2010 Actuals	FY2011 Conference Committee (Final)	FY2011 Authorized	FY2011 Management Plan	FY2012 Governor	FY2011 Management Plan vs FY2012 Governor	
71000 Personal Services	305.0	319.0	319.0	319.0	336.0	17.0	5.3%
72000 Travel	2.2	8.2	8.2	8.2	8.2	0.0	0.0%
73000 Services	45.3	33.4	33.4	33.4	33.4	0.0	0.0%
74000 Commodities	2.6	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	355.1	368.3	368.3	368.3	385.3	17.0	4.6%
Fund Sources:							
1004 Gen Fund	197.8	204.4	204.4	204.4	212.9	8.5	4.2%
1005 GF/Prgm	157.3	163.9	163.9	163.9	172.4	8.5	5.2%
Unrestricted General (UGF)	197.8	204.4	204.4	204.4	212.9	8.5	4.2%
Designated General (DGF)	157.3	163.9	163.9	163.9	172.4	8.5	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 FY2011 Conference Committee (Final) To FY2011 Authorized *****												
FY2011 Conference Committee												
	ConfCom	368.3	319.0	8.2	33.4	7.7	0.0	0.0	0.0	4	0	0
1004 Gen Fund		204.4										
1005 GF/Prgm		163.9										
Subtotal		368.3	319.0	8.2	33.4	7.7	0.0	0.0	0.0	4	0	0
***** Changes From FY2011 Authorized To FY2011 Management Plan *****												
Subtotal		368.3	319.0	8.2	33.4	7.7	0.0	0.0	0.0	4	0	0
***** Changes From FY2011 Management Plan To FY2012 Governor *****												
FY 2011 Over/Understated GGU/SU salary adjustments												
	SalAdj	-2.0	-2.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-1.0										
1005 GF/Prgm		-1.0										
When the SU and GGU salary adjustments were calculated, errors were made that understated some GGU amounts and overstated some SU amounts. This change record identifies the over and under stated amounts associated with these calculations.: \$-2.0												
FY 2012 Personal Services increases												
	SalAdj	19.0	19.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		9.5										
1005 GF/Prgm		9.5										
This change record includes the following personal services increases: : \$19.0												
Alaska State Employees Assn (GGU) FY2012 Health Insurance Increased Costs : \$6.0												
Alaska Public Employees Assn (SU) FY2012 Health Insurance Increased Costs : \$2.0												
Alaska State Employees Association (GGU) FY 12 COLA increases : \$3.4												
Alaska Public Employees Association (SU) FY 12 COLA increases : \$2.0												
Alaska State Employees Association - ASEA Geographic Differential for GGU												

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	
: \$3.6												
Alaska Public Employees Association - APEA Geographic Differential for SU												
: \$2.0												
Totals		385.3	336.0	8.2	33.4	7.7	0.0	0.0	0.0	4	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2012 Governor (8665)
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	202	14M / N	12.0		61,536	0	1,420	36,893	99,849	99,849
04-3202	Accounting Clerk	FT	A	GP	Juneau	202	10B / C	12.0		34,064	0	512	27,303	61,879	61,879
04-3232	Unclaimed Property Manager	FT	A	SS	Juneau	202	18L / M	12.0		78,612	0	0	41,707	120,319	120,319
04-8049	Accounting Clerk	FT	A	GP	Juneau	202	10B / C	12.0		33,547	0	512	27,129	61,188	61,188
Total													Total Salary Costs:	207,759	
Positions													Total COLA:	0	
Full Time Positions:													Total Premium Pay:	2,444	
Part Time Positions:													Total Benefits:	133,032	
Non Permanent Positions:															
Positions in Component:													Total Pre-Vacancy:	343,235	
													Minus Vacancy Adjustment of 2.11%:	(7,235)	
													Total Post-Vacancy:	336,000	
Total Component Months: 48.0													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	336,000	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	171,618	168,000	50.00%
1005 General Fund/Program Receipts	171,618	168,000	50.00%
Total PCN Funding:	343,235	336,000	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		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
72000	Travel		2.2	8.2	8.2
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
72000 Travel Detail Totals			2.2	8.2	8.2
72110	Employee Travel (Instate)	Instate airfare, surface transportation, lodging, meals & incidentals	0.7	0.9	0.9
72410	Employee Travel (Out of state)	Out of state airfare, surface transportation, lodging, meals & incidentals	1.5	7.3	7.3

Line Item Detail
Department of Revenue
Services

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

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000	Services		45.3	33.4	33.4
Expenditure Account			FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000 Services Detail Totals			45.3	33.4	33.4
73025	Education Services		1.8	1.7	1.7
73150	Information Technlgy		25.0	16.8	17.0
73156	Telecommunication		0.1	0.1	0.1
73650	Struc/Infstruct/Land		1.0	0.5	0.5
73675	Equipment/Machinery		1.9	1.0	1.0
73750	Other Services (Non IA Svcs)		2.7	2.5	2.5
73805	IT-Non-Telecommnctns	Admin	2.3	2.4	2.3
73806	IT-Telecommunication	Admin	5.2	3.0	3.0
73809	Mail	Admin	1.3	1.0	1.0
73810	Human Resources	Admin	3.1	3.1	3.0
73814	Insurance	Admin	0.1	0.1	0.1
73815	Financial	Admin	0.8	1.2	1.2

Line Item Detail
Department of Revenue
Commodities

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

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
74000	Commodities		2.6	7.7	7.7
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
74000 Commodities Detail Totals			2.6	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	2.6	7.7	7.7

Restricted Revenue Detail
Department of Revenue

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

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51060	General Fund Program Receipts	157.3	163.9	172.4

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
55500	Other Prog Rec GF		04702150	11100	157.3	163.9	172.4
<p>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.</p>							

Inter-Agency Services
Department of Revenue

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

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2010 Actuals	FY2011		FY2012 Governor
					Management Plan		
73805	IT-Non-Telecommnctns	ETS chargeback for computer services (including EPR, MICS charges for mainframe usage, and VPN)	Inter-dept	Admin	2.3	2.4	2.3
73805 IT-Non-Telecommnctns subtotal:					2.3	2.4	2.3
73806	IT-Telecommunication	ETS chargeback for telecommunications EPR, line fees and service requests	Inter-dept	Admin	5.2	3.0	3.0
73806 IT-Telecommunication subtotal:					5.2	3.0	3.0
73809	Mail	Central mailroom services including pick up and delivery of U.S. mail, postage, mailing of state warrants	Inter-dept	Admin	1.3	1.0	1.0
73809 Mail subtotal:					1.3	1.0	1.0
73810	Human Resources	Human resource and payroll services provided by the Division of Personnel	Inter-dept	Admin	3.1	3.1	3.0
73810 Human Resources subtotal:					3.1	3.1	3.0
73814	Insurance	Risk Management	Inter-dept	Admin	0.1	0.1	0.1
73814 Insurance subtotal:					0.1	0.1	0.1
73815	Financial	Division of Finance AKSAS/AKPAY	Inter-dept	Admin	0.8	1.2	1.2
73815 Financial subtotal:					0.8	1.2	1.2
Unclaimed Property total:					12.8	10.8	10.6
Grand Total:					12.8	10.8	10.6