

Change Record Detail with Description (285)
Department of Revenue

Scenario: FY2015 Supplemental (12199)
Component: Treasury Division (AR 15120) (121)
RDU: Taxation and Treasury (510)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
FY2015 Supplemental												
Investment Management of Retiree Health Insurance Fund - Long Term Care												
1017 Ben Sys	Suppl	9.7	0.0	0.0	9.7	0.0	0.0	0.0	0.0	0	0	0
<p>The investment management costs for the Retiree Health Insurance Fund - Long Term Care under management have increased. Investment assets under management have experienced a continued growth.</p> <p>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.</p> <p>A \$11.3 increase is included in the FY2016 Governor's budget.</p>												
Investment Management of Public School Trust Fund												
1066 Pub School	Suppl	12.3	0.0	0.0	12.3	0.0	0.0	0.0	0.0	0	0	0
<p>The investment management costs for the Public School Trust Fund under management have increased. Investment assets under management have experienced a continued growth.</p> <p>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.</p> <p>A \$13.8 increase is included in the FY2016 Governor's budget.</p>												
Investment Management of Power Cost Equalization Endowment Fund												
1169 PCE Endow	Suppl	24.7	0.0	0.0	24.7	0.0	0.0	0.0	0.0	0	0	0
<p>The investment management costs for the Power Cost Equalization Endowment Fund under management have increased. Investment assets under management have experienced a continued growth.</p> <p>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.</p> <p>A \$28.7 increase is included in the FY2016 Governor's budget.</p>												
Component Totals		46.7	0.0	0.0	46.7	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description
Department of Revenue

Scenario: FY2015 Supplemental (12199)
Component: Alaska Retirement Management Board (AR 15165) (2813)
RDU: Taxation and Treasury (510)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Technical Adjustment to Change Fund Code from Retirement Systems to Benefit Systems												
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1017 Ben Sys		2,671.9										
1029 P/E Retire		-1,934.5										
1034 Teach Ret		-729.7										
1042 Jud Retire		-7.7										
A technical adjustment is required to reduce P/E Retire (1029), Teach Ret (1034), Jud Retire (1042) and increase Ben Sys (1017). This change will allow the Alaska Retirement Management Board to properly allocate costs to the appropriate Alaska Retiree Health Care Trusts.												
A technical adjustment is included in the FY2016 Governor's amended budget.												
Component Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description
Department of Revenue

Scenario: FY2015 Supplemental (12199)
Component: Alaska Retirement Management Board Custody and Management Fees (AR 15175) (2812)
RDU: Taxation and Treasury (510)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Technical Adjustment to Change Fund Code from Retirement Systems to Benefit Systems												
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1017 Ben Sys		4,399.8										
1029 P/E Retire		-3,535.6										
1034 Teach Ret		-853.8										
1042 Jud Retire		-10.4										
A technical adjustment is required to reduce P/E Retire (1029), Teach Ret (1034), Jud Retire (1042) and increase Ben Sys (1017). This change will allow the Alaska Retirement Management Board to properly allocate costs to the appropriate Alaska Retiree Health Care Trusts.												
A technical adjustment is included in the FY2016 Governor's amended budget.												
Technical Adjustment to Change Fund Code from Retirement Systems to Benefit Systems												
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1017 Ben Sys		18,834.2										
1029 P/E Retire		-14,229.6										
1034 Teach Ret		-4,548.6										
1042 Jud Retire		-56.0										
A technical adjustment is required to reduce P/E Retire (1029), Teach Ret (1034), Jud Retire (1042) and increase Ben Sys (1017). This change will allow the Alaska Retirement Management Board to properly allocate costs to the appropriate Alaska Retiree Health Care Trusts.												
A technical adjustment is included in the FY2016 Governor's amended budget.												
Investment and Custody Fees												
	Suppl	10,100.0	0.0	0.0	10,100.0	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire		7,652.9										
1034 Teach Ret		2,365.1										
1042 Jud Retire		65.0										
1045 Nat Guard		17.0										

The cost of investment and custody fees for assets under management has increased. 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. The Treasury Division 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.

Change Record Detail With Description
Department of Revenue

Scenario: FY2015 Supplemental (12199)
Component: Alaska Retirement Management Board Custody and Management Fees (AR 15175) (2812)
RDU: Taxation and Treasury (510)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
<p>The Treasury Division will continually monitor financial market activity for any significant changes affecting these estimates.</p> <p>A \$18,200.0 increase is included in the FY2016 Governor's budget.</p>												
Component Totals		10,100.0	0.0	0.0	10,100.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description
Department of Revenue

Scenario: FY2015 Supplemental (12199)
Component: AMBBA Operations (AR 15540) (108)
RDU: Alaska Municipal Bond Bank Authority (44)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Alaska Municipal Bond Bank Authority Regulatory Environment												
	Suppl	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
1104 MBB Rcpts		50.0										
<p>Alaska Municipal Bond Bank Authority (AMBBA) operating expenses have increased due to new costs associated with regulatory oversight changes in the municipal bond market (Direct cost- Borrowing).</p> <p>There are 2 recent Securities and Exchange Commission (SEC) rules that became effective 7/1/2014.</p> <ol style="list-style-type: none"> 1. the Municipal Advisor Rule requires more AMBBA employees to register with the SEC. 2. the Municipalities Continuing Disclosure Cooperation (MCDC) rule requires ongoing disclosures on debt. The State of Alaska must retroactively fix past errors where a comprehensive annual financial report and other backup documentation was not attached to investment identification numbers (CUSIPS). <p>Due to increased expenses associated with changes in the regulatory oversight environment of the municipal bond market, AMBBA requires \$50.0. As a result of the Dodd-Frank Act there have been new requirements placed on bond counsel, financial advisor, as well as AMBBA staff or new contractors. Municipal advisors are required to provide more broad certifications of bond issue pricing to ensure low cost, but this requirement adds liability and administrative burden that AMBBA expects to be passed through to the issuers. Market disclosure has become a key issue as well with a huge increase in market scrutiny of past filings and emphasis on timely future filings for all aspects of this undertaking no matter how small. Many issuers are hiring contractors to facilitate this work.</p> <p>A \$50.0 increase is included in the FY2016 Governor's budget.</p>												
Component Totals		50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0