

Fund Source Report

1229 AGDC-ISP In-State Natural Gas Pipeline Fund

Year Authorized 2014 Year Repealed Active? Yes Mental Health? No Duplicated? Yes Fund Group Other Designated

Operating and Capital Appropriations



Legal Authority

AS 31.25.100

Source of Revenue

The in-state natural gas pipeline fund consists of money appropriated to it. Interest and other income received on money in the fund shall be separately accounted for and may be appropriated to the fund.

Restrictions on Use

The corporation may use money appropriated to the fund without further appropriation for the cost of managing the fund and for the planning, financing, development, acquisition, maintenance, construction, and operation of an in-state natural gas pipeline.

Description and History

January 2014

Beginning in FY15, the AGDC-ISP code (1229) should be used only to record the operating budget of the Alaska Gasline Development Corporation (AGDC). The source of funding is the in-state pipeline fund within the ADGC. That fund is also the source of money used by AGDC to purchase goods and services from state agencies (see code 1232) and from outside vendors (no appropriation required).

This specific code for AGDC internal appropriations is required because there is a need to set an internal budget for the corporation (code 1229) without limiting purchases of goods and services from outside vendors or state agencies.

The in-state pipeline fund was established with the adoption of HB4 during the 2013 session. The fiscal note to HB4 appropriated \$330 million to the fund. An additional \$25 million was appropriated in the FY14 capital budget, and two outstanding capital projects (for past work on the pipeline project) were reappropriated to the fund.

The in-state natural gas pipeline fund was established within the corporation and consists of money appropriated to it. The corporation shall determine fund management and may contract with the Department of Revenue for fund management. Unless otherwise provided by law, money appropriated to the fund lapses into the general fund on the day AS 31.25.100 is repealed. Interest and other income received on money in the fund shall be separately accounted for and may be appropriated to the fund.

For FY14, the code also reflects the cost of interagency agreements. Code 1232 was added in FY15 in order to meet accounting requirements for differentiating restricted and unrestricted funding. Fund code 1229 was intended to be a restricted fund source that is a subset of inter-agency receipts; agencies other than the corporation itself were to spend code 1229 only as specified in an agreement signed by the corporation.

Fund Source Report

Department of Administration did not set up the code as intended.

Because the in-state pipeline fund may be spent by AGDC without further appropriation, the fund is classified as a capitalization (rather than as a transfer) and all expenditures by state agencies are classified as duplicated.