



27th Alaska State Legislature
House Finance Budget Subcommittee
Department of Administration
FY 12 Operating Budget

Chairman:

Rep. Mark Neuman
Capitol Room 505
465-2679

Members:

Rep. Kurt Olson
Capitol Room 24
465-2693

Rep. Paul Seaton
Capitol Room 102
465-2689

Rep. Bob Lynn
Capitol Room 108
465-4931

Rep. Charisse Millett
Capitol Room 13
465-3879

Rep. Mike Doogan
Capitol Room 416
465-4998

Rep. Chris Tuck
Capitol Room 426
465-2095

Committee Aide:

Morgan Hopson
465-3820

DEPARTMENT OF ADMINISTRATION
FY2012 HOUSE FINANCE BUDGET SUBCOMMITTEE NARRATIVE
REPORT
February 23, 2011

SUBCOMMITTEE MEMBERS:

Rep. Mark Neuman, Chair

Rep. Mike Doogan
Rep. Bob Lynn
Rep. Charisse Millett
Rep. Kurt Olson
Rep. Paul Seaton
Rep. Chris Tuck

RECOMMENDATIONS:

The House Finance Budget Subcommittee for the Department of Administration submits a recommended operating budget for FY2012 to the House Finance Committee as follows:

Unrestricted General Funds (UGF)	\$ 79,541.3
Designated General Funds (DGF)	\$ 25,242.1
Other Funds	\$ 202,890.1
Federal Funds	\$ 4,539.4
TOTAL	\$ 312,212.9

BUDGET ACTION:

The House Finance Budget Subcommittee for the Department of Administration held nine meetings with the Department and analyzed all of the Governor's budget transactions. The following are budget action highlights:

- The Subcommittee recommends authorizing \$ 269.7 less General Funds and no additional full-time positions as the Governor’s Amended FY12 request.
- The Subcommittee recommends a total increase from the FY12 Adjusted Base of \$1,258.2 UGF and \$566.0 DGF for a total General Fund change of \$1,824.2. The change from Adjusted Base in Other Funds is \$2,562.0 and from Federal Funds is \$1,090.2. The total change from the Adjusted Base is \$5,476.4 and 2 permanent full-time positions.
- Salary fund source changes proposed in the Governor’s FY12 Amended Budget were denied, and replaced at 90% of the requested amount in the budget of the Office of the Commissioner. Conditional language was added that states, “Of the funding appropriated to the Office of the Commissioner, \$1,328.2 shall be distributed to state departments and agencies in order to pay service costs charged by the Department of Administration in FY12, primarily for Personnel and Enterprise Technology Services.”
- The Governor’s FY12 Amended budget included a fund change from \$150.0 in GF/PR to UGF for the Alaska Land Mobile Radio (ALMR) to replace unrealizable funds that the Department was unable to collect from participating municipalities. The Subcommittee denied the fund change and included a further decrement to the program of (\$150.0) UGF.

Accepted

1. Alaska Oil and Gas Conservation Commission (AOGCC): \$316.0 AOGCC Receipts (DGF) and 2 PFT Positions.

The Subcommittee recommends granting two new positions, one Petroleum Engineer and one Petroleum Inspector, and funding for those positions, to the Alaska Oil and Gas Conservation Commission (AOGCC). The Commission’s regulatory fees will be used to pay for these Commission activities.

2. Motor Vehicles – Increase in Federal Grant: \$1,000.0 Federal Receipts (Fed).

The Subcommittee recommends authority for the Division of Motor Vehicles (DMV) to receive and expend Federal Funds made available by the Federal Motor Carrier Safety Administration (FMCSA) to enhance DMV’s Commercial Driver’s License (CDL) Improvement Program. These improvements will address the issues of compliance from 2008 FMCSA audit, as well as recommendations from the American Association of Vehicle Administrators, CDL Best Practices manual, and changes outlined in the Federal Register.

3. Office of Public Advocacy Public Guardian Fees: \$110.0 Statutory Designated Program Receipts (SDPR) (Other).

The Subcommittee supports increased authorization for the Office of Public Advocacy (OPA) for expenditure of statutory designated program receipts, for the purpose of aligning authorization with available program receipts. This realignment may reduce the amount of potential FY12 supplemental funding required by OPA, and will allow the expenditure of all anticipated client receipts on program services.

4. Office of Administrative Hearings – Legal Work for Municipalities and Other Government Agencies: \$50.0 GF/Program Receipts (DGF).

The Subcommittee recommends granting the Office of Administrative Hearings (OAH) program receipt authority to allow expenditure of receipts collected for hearing-related services provided to school districts, municipalities and other governmental entities.

5. Finance – Databases Software for Automation of Travel Expenditure Reports: \$112.5 GF/Program Receipts (DGF).

The Subcommittee supports this program receipt authority to allow expenditure of credit card rebates. This additional receipt and expenditure authority will pay for work to automate travel expenditure reports.

6. Office of Public Advocacy – Court Appointed Special Advocate (CASA) Program: \$40.2 Federal Receipts (Fed).

The Subcommittee supports approval of this FY12 increment, which will bring the overall federal receipt authority in this allocation to \$95.0 and will allow OPA to receive and expend the full amount of Federal Funds allocated for the State of Alaska CASA program.

7. Finance – Consolidated Omnibus Budget Reconciliation Act (COBRA) Funding: \$50.0 Federal Stimulus Funds (Fed).

In 2009, the Federal Government extended a subsidy to cover terminations that occurred through May 31, 2010. Given those changes, authority for the receipt of additional Federal Funds is required based on the estimated premium costs for the COBRA premium in FY12.

8. Violent Crimes Compensation Board (VCCB) Decrement: (\$248.1) PFD Criminal Receipts (DGF).

Due to a reduction in the amount of anticipated Permanent Fund Dividend Felon Funds that are available for allocation, the Violent Crimes Compensation Board has submitted a decrement of (\$284.1) DGF.

Modified

1. Salary Fund Source Changes: \$1,328.2 (UGF).

The Governor's budget proposed using General Funds to replace a portion of other funding sources that could be used to pay for contractual health insurance increases, cost of living allowances, and geographic differentials for employees. Thirteen different allocations would be affected for a total of \$1,475.8 UGF. The subcommittee denied this fund source change, and instead included the funding at 90% of the original requested amount in the budget of the Office of the Commissioner. Of the total funding appropriated to the Office of the Commissioner, \$1,328.2 shall be distributed to state departments and agencies in order to pay service costs charged by the Department of Administration in FY12, primarily for Personnel and Enterprise Technology Services.

Denied

1. Enterprise Technology Services - Alaska Land Mobile Radio (ALMR) Fund Source Change from GF/Program Receipts to UGF: \$150.0 (UGF).

The Subcommittee does not support the replacement of program receipt authority with UGF for the Alaska Land Mobile Radio (ALMR) to replace unrealizable program receipts that were not collected from the municipalities.

AMENDMENT ACTION:

The House Finance Budget Subcommittee for the Department of Administration also analyzed the Governor's budget amendments submitted by February 16, 2011, and took the following action:

Accepted Amendments

1. Centralized Administrative Services/Central Mail: \$60.0 I/A Receipts (Other).

Central Mail has projected costs for the year that were not reflected in the FY12 Governor's Operating Budget. This increase provides authority to receive payments from agencies for costs incurred due to increases in mail carrier charges that were unknown at the time of the FY12 Governor's Budget submission.

2. Leases: \$350.0 I/A Receipts (Other).

This amendment is for additional funding for increased leased costs. The FY12 projected total is approximately \$350.0 more than what is currently authorized. This increment will enable the leases program to collect for the increased amounts and to apply these charges for services rendered each year.

3. State Owned Facilities: \$1,788.2 Public Building Fund (Other).

This amendment is for additional authority in the services line from the Public Building Fund to cover basic needs of the facilities owned by the State in Juneau, Anchorage and Fairbanks.

4. State Owned Facilities/Facilities Administration: \$60.0 Public Building Fund (Other).

This amendment increases expenditure authorization to pay for costs related to maintenance and operation of public facilities. These costs will be charged to the personal services line to pay for increased support staff.

5. State Owned Facilities/Non-Public Building Fund Facilities: \$80.0 (UGF).

This amendment grants increased expenditure authority in the services line for basic needs of the facilities/space. These funds will be used to help pay for day-to-day increases in maintenance and operation of the non-public building needs in the Governor's House, 3rd floor of the Capitol, the Archives/Records Center in Juneau and the State Museum.

6. Alaska Oil and Gas Conservation Commission (AOGCC): \$135.6 AOGCC Receipts (DGF).

This amendment grants increased expenditure authority to expand AOGCC office space. At this time, AOGCC is expecting additional staff to come onboard which will increase the space utilization problems. The increase of 5,000 sq. ft. of workspace will provide better working conditions for the general public and employees.

7. Alaska Oil and Gas Conservation Commission (AOGCC): \$200.0 AOGCC Receipts (DGF).

In anticipation of additional space, AOGCC has further requested \$200.0 in program receipt authority to remodel new and existing space to meet their needs.

SUBCOMMITTEE ACTION:

1. Enterprise Technology Services – Alaska Land Mobile Radio (ALMR) Decrement: (\$150.0) UGF.

The Subcommittee submits a further decrement in state funding for the Alaska Land Mobile Radio (ALMR).

ITEMS OF INTEREST:

The Subcommittee is concerned about the ability of the Alaska Land Mobile Radio (ALMR) system to achieve functionality for all participating communities, and asks the Department of Administration to re-evaluate this program's effectiveness, and to explore potential avenues for replacing this system, if necessary.

ATTACHED REPORTS:

The House Finance Budget Subcommittee for the Department of Administration adopts the attached reports:

Subcommittee generated reports

Budget Action Worksheet

Recommendation Letter from Representative Seaton

Legislative Finance Division Reports – House Structure

1. Agency Totals – FY2012 Operating Budget
2. Appropriation/Allocation Summary (All Funds)

3. Appropriation/Allocation Summary (GF)
4. Transaction Comparison between ADJ Base and H Subcomm
5. Transaction Comparison between Gov Amd and H Subcomm
6. Wordage Report – FY2012 Operating Budget



Representative Mark Neuman, Chair
House Finance Budget Subcommittee for the Department of Administration
February 23, 2011

Alaska State Legislature

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REPRESENTATIVE Paul Seaton

District 35

MEMORANDUM

TO: Representative Mark Neuman
Chair, House Finance Subcommittee

FROM: Representative Paul Seaton

DATE: February 17, 2011

RE: Recommendations for Administration Operating Budget

In the Governor's FY2012 amendments for the Department of Administration Operating budget, \$653,700 General Fund is requested to replace interagency receipts for Personnel. This misrepresents the true cost of consolidating human resources administration in the Department of Administration. Commissioner Hultberg has stated that the Department will perform a study on the effectiveness of this centralized organization, and present the findings next year with recommendations on whether or not to decentralize human resources back to the individual departments. I am very interested in the results of that study and fear that by taking unrealizable personnel interagency receipts and replacing it with general fund we will no longer be able to tell the cost of consolidation. Each Department should reflect the increase in general fund this increment represents in their individual budgets.