

ALASKA STATE LEGISLATURE

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SENATE FINANCE SUBCOMMITTEE ON THE DEPARTMENT OF ADMINISTRATION

FISCAL YEAR 2012 SENATE BUDGET SUBCOMMITTEE RECOMMENDATIONS

March 15th, 2011

The Senate Finance Subcommittee on the Department of Administration submits an operating report to the full Senate Finance Committee for Fiscal Year 2012 as follows:

Fund Source:

	FY11 Management Plan	FY12 Governor's Amended	FY 12 Senate Sub	Difference (GovAmnd to Senate Sub)	Difference (GovAmnd to Senate Sub)
Unrestricted General Funds	\$76,608.7	\$79,988.9	\$77,408.9	(\$2,580.0)	(3.2%)
Designated General Funds	\$23,984.0	\$25,064.2	\$23,101.8	(\$1,962.4)	(7.8%)
Other Funds	\$198,387.5	\$201,452.4	\$204,690.1	\$3,237.7	1.6 %
Federal Funds	\$3,935.8	\$4,529.2	\$4,539.4	\$10.2	0.2%
Total	\$302,916.0	\$311,034.7	\$309,740.2	(\$1,294.5)	(0.4%)

Personnel:

The Subcommittee reviewed the authorized position count for the Department. The Governor's amended budget proposal requested two new positions, and the Subcommittee is recommending that those two new positions be accepted. To compensate for these two positions, the Subcommittee has deleted two vacant positions from the Central Administrative Services division.

Position Summary	FY11 Management Plan	FY12 Governor's Amended	FY 12 Senate Subcommittee
Permanent Full Time	1,071	1,073	1,071
Permanent Part Time	18	18	18
Temporary	39	39	39
Total	1,128	1,130	1,128

Budget Action:

The Subcommittee held five meetings with the Department and took the following actions:

1. Adopted the Fiscal Year 2012 Adjusted Base.
2. Reviewed each of the increments, decrements, and fund changes submitted by the Governor. Recommends action on the Governor's proposal including the following¹:
 - a. Adopt Inc \$316.0 AOGCC RCTPS for two new positions in AOGCC
 - b. Adopt Inc \$1,000.0 FED for enhanced CDL improvements at the DMV
 - c. Adopt Inc \$110.0 SDPR for the Office of Public Advocacy
 - d. Adopt Inc \$50.0 GF/PR for the Office of Administrative Hearings
 - e. Adopt Inc \$112.5 GF/PR for Databasics Software for Travel from credit card rebates
 - f. Adopt Inc \$50.0 FED for COBRA Stimulus Funds
 - g. Adopt Inc \$40.2 FED for the CASA program in the Office of Public Advocacy
 - h. Reject Fund Change \$1,475.8 UGF from various funds for uncollectable Salary Costs
 - i. Adopt Dec \$248.1 PFD CRIM for Violent Crimes Compensation Board
 - j. Adopt Fund Change \$150.0 from GF/PR to UGF for Alaska Land Mobile Radio
3. Reviewed each of the operating budget amendments submitted by the Governor. Recommends action on the Governor's proposal including the following:
 - a. Adopt Inc \$60.0 I/A for Central Mail
 - b. Adopt Inc \$350.0 I/A for Leases
 - c. Adopt Inc \$1,788.2 PBF for services in Public Buildings
 - d. Adopt Inc \$60.0 PBF for personal services in Public Buildings
 - e. Reject Inc \$80.0 UGF for costs in Non-Public Buildings
 - f. Reject Inc \$135.6 AOGCC RCPTS for AOGCC office space lease
 - g. Reject Inc \$200.0 AOGCC RCPTS for AOGCC office space renovation
4. Recommends the adoption of the following increments, decrements, and statements of intent proposed by members of the Subcommittee:
 - a. Adopt Inc \$300.0 UGF for Public Broadcasting: Television
 - b. Adopt Dec \$7.7 UGF for travel in Centralized Administrative Services
 - c. Adopt Dec \$9.2 UGF for travel in Enterprise Technology Services
 - d. Adopt Dec \$6.1 UGF for travel in Division of Motor Vehicles
 - e. Adopt Dec \$50.0 UGF in Lease Administration
 - f. Adopt Dec \$750.0 UGF in Centralized Administrative Services (Unallocated) & Delete 2 PFT positions
 - g. Adopt Dec \$400.0 UGF in Enterprise Technology Services
 - h. Adopt Dec \$100.0 UGF in State Owned Facilities (Unallocated)
 - i. Adopt two statements of Legislative Intent:
 - i. "It is the intent of the Legislature that the reductions taken in the Enterprise Technology Services Allocation remain in that allocation and not be spread to

¹ Budget adjustments that are primarily technical in nature or that authorize Mental Health Trust receipts not included.

either the State of Alaska Telecommunications System or the Alaska Land Mobile Radio allocations.”

- ii. “It is the intent of the Legislature that the Commissioner of Administration will deliver a report on the future viability of the Alaska Land Mobile Radio network to the Legislature not later than the 15th day of the second session of the 27th Alaska Legislature. The report should address anticipated operating and capital costs of sustaining the system and the sources that will be used to fund those costs. The report should also review alternatives to the ALMR network.”

Items of Concern:

1. In order for State budgets to accurately reflect the real expense of each State agency, costs related to the activity of an individual State agency should be reflected in that agency’s budget rather than in another. Salary fund source changes to replace interagency receipts with general funds are contrary to that objective. As with any service provider, when the Department of Administration’s costs rise, its billing rates should rise accordingly. The Subcommittee encourages the Office of Management and Budget to develop a practice that anticipates the increased cost of services delivered by the DOA in the budgets of agencies that receive DOA services.
2. All State agencies must deliver optimized results at minimized costs. Nowhere is this truer than in State agencies that serve other State agencies. As expenditures rise in critical program areas across State government, so must expenditures be reduced in others. To that end, Centralized Administrative Services, Enterprise Technology Services, State Owned Facilities, and Lease Administration must become even more efficient at delivering mission-based results at lower cost. Similarly, agencies must take full advantage of modern communication technologies to limit nonessential travel that is not supported by receipts or other funds.
3. The Subcommittee supports the Alaska Oil and Gas Conservation Commission’s efforts to better respond to the needs of Alaska’s oil and gas industry, while also managing Alaska’s petroleum resources for the greatest benefit of all Alaskans. The two positions and requisite funding requested are sufficiently justified. The Subcommittee acknowledges that additional space may be needed, but the Commission has failed to sufficiently demonstrate that the amount of additional space requested in the Governor’s amendments is commensurate with that need.
4. The Subcommittee recognizes the importance of public broadcasting across the State, particularly in rural areas, for connecting and informing the public. State assistance for Public Television has decreased dramatically in recent years. The increment adopted by the Subcommittee supports a notable statewide cooperation between the four primary public television stations—KYUK in Bethel, KTOO in Juneau, KUAC in Fairbanks, and KAKM in Anchorage. The largest portion of these funds will support two-way broadband communications between the four stations which will enhance efficiency by eliminating duplication of effort, ultimately reducing the number of control rooms necessary to manage broadcasting across the State. A smaller portion of these funds will enhance the development of statewide Alaskan content.

5. The Subcommittee supports accepting the recommendation of the Legislative Fiscal Analyst to appropriate \$1,600.0 of budgeted PDF Criminal Funds to the Crime Victims Compensation Fund so that they not lapse (Sec. 18.67.162) and appropriate \$1,800.0 from that fund to the Violent Crimes Compensation Board. This change concurs with action taken by the House.

Documents Attached:

Reports from the Division of Legislative Finance (numbers only):

1. Agency Totals – FY2012 Operating Budget, Senate Structure
2. Appropriation/Allocation Summary – Senate Structure
3. Appropriation/Allocation Summary (GF Only) – Senate Structure
4. Transaction Comparison – Senate Structure (Between Adjusted Base and Senate Subcommittee)
5. Transaction Comparison – Senate Structure (Between Governor’s Amended and Senate Subcommittee)
6. Transaction Comparison – Senate Structure (Between House and Senate Subcommittees)
7. Wordage Report – FY2012 Operating Budget, Senate Structure

Respectfully Submitted,



Sen. Johnny Ellis, Chair



Sen. Linda Menard



Sen. Bill Wielechowski

Senate Finance Subcommittee on the Department of Administration