



30th Alaska State Legislature
House Finance Budget Subcommittee
Department of Administration
FY18 Operating Budget

Chair:

Rep. Jason Grenn
Capitol Room 418
465-3892

Members:

Rep. Chris Birch
Capitol Room 112
465-4931

Rep. DeLena Johnson
Capitol Room 405
465-4958

Rep. Gary Knopp
Capitol Room 424
465-2693

Rep. Jonathan Kreiss-Tomkins
Capitol Room 411
465-3732

Rep. Gabrielle LeDoux
Capitol Room 216
465-4998

Rep. Cathy Tilton
Capitol Room 400
465-2199

Rep. Chris Tuck
Capitol Room 204
465-2095

Rep. Adam Wool
Capitol Room 412
465-4976

Committee Aide:

Brooke Ivy
465-6578

**DEPARTMENT OF ADMINISTRATION
FY2018 HOUSE FINANCE BUDGET SUBCOMMITTEE
NARRATIVE REPORT
February 21, 2017**

SUBCOMMITTEE MEETINGS:

The House Finance Budget Subcommittee for the Department of Administration held six meetings with the Department, including one joint overview with the House State Affairs Committee, during the review of the FY2018 budget request.

RECOMMENDATIONS:

The Chair of the House Finance Budget Subcommittee for the Department of Administration submits a recommended operating budget for FY2018 to the House Finance Committee as follows:

Fund Source: (dollars are in thousands)

Unrestricted General Funds (UGF)	\$68,850.0
Designated General Funds (DGF)	\$30,462.3
Other Funds	\$233,166.8
Federal Funds	\$4,122.9
Total	\$336,602.0

The Unrestricted General Fund (UGF) difference from the FY2015 Management Plan to the FY2018 House Subcommittee budget recommendation is a reduction of \$17,180.2, a 20 percent decrease.

From the FY2017 Management Plan, the Subcommittee recommendation reflects a total decrease in Unrestricted General Funds of \$3,104.7, a 4.3 percent reduction.

Positions:

Permanent Full-time	1,142
Permanent Part-time	14
Temporary	26
Total	1,182

Budget Amendments:

The following budget amendment is submitted by the Subcommittee Chair to the House Finance Committee for consideration:

- 1) **Reduce Available UGF for Training and Educational Conferences, <\$12.5> 1004 UGF.** The Department of Administration historically spends an average of \$37.2 in the Services line item of Labor Agreements Miscellaneous Items. This allocation is identified by the Department as funding "training, educational conferences, agency memberships, and employee tuition." While accommodating provisions in certain bargaining unit agreements, these services are not statutorily required, nor are they integral to the Department's mission or efficiency goals. Reducing the FY18 general fund authorization for Services will encourage the Department to operate more efficiently to meet their mission of providing consistent and efficient support services to state agencies.

Statutory Change Proposals:

The following statutory change recommendations are also submitted to the House Finance Committee for consideration:

For Consideration by House State Affairs Committee:

- 1) **Streamline Alaska Public Offices Commission Reporting Statutes.** Since the FY15 Management Plan, the Commission's budget has seen a 42.2% reduction in UGF, resulting in a reduction of six positions (5 PFT, 1 PPT). It has become apparent that streamlining reporting requirements would better ensure the Commission's ability to fulfill its mission and more efficiently serve the Alaskan public.
 - Revise AS 15.13.374(c) to extend the response time for advisory opinion requests from seven days to ten working days.
 - This change would allow the Commission additional time to increase efficiencies by avoiding pulling staff from one time-sensitive project to another, while still fulfilling requests within a reasonable timeframe.
 - Consider amending AS 15.13.030(7), AS 15.13.040(g) and AS 15.13.090(c) and repealing AS 15.13.040(k) to reduce redundancies, inconsistencies and inefficiencies in reporting and filing requirements.
- 2) **Increase Alaska Public Offices Commission Ability to Collect Fees from User Groups.** While the Commission's GF/Program receipt authority has been increased from \$120,000 to \$245,300 proposed, the additional receipts are uncollectable without increasing statutory authority to increase current, or establish new, fees.
 - Add a new subsection in AS 15.13.400 to formally define the term "entity." Add a new subsection within AS 15.13.050 instituting a registration fee for groups, nongroup entities and "entities."
 - This change would define a new class of persons making independent expenditures intended to influence the outcome of elections that do not technically fall within current definitions of "group" or "nongroup entity."
 - Providing this collection authority would generate revenues from the user groups whose activities take the most significant portion of the Commissioner's staff time to track.

must comply. These appeals consume significant resources in courts--the Supreme Court has hired staff with the sole task of dealing with CINA appeals. They consume roughly half of the budget of the Department of Law's Opinions, Appeals, and Ethics section. They also impact Public Defender agency resources. It may be worth investigating the benefit of instituting a nominal fee to help ensure CINA case appeals that go forward are those that have the greatest chance of success.

OTHER INFORMATION:

The Subcommittee discussed a variety of issues during the meetings. Those not put forward in this report for consideration by the House Finance Committee include, but are not limited to:

- 1) **Modification of Senior Vehicle Registration Exemption.** An amendment proposal was discussed that would have modified the vehicle registration fee exemption for senior citizens 65 years and older, as provided in AS 28.10.411(f). In FY15, this \$100 discount was used for 6,629 vehicles, resulting in lost annual revenues of \$662,900. While a modification to this indirect expenditure may be worth examining, the Subcommittee did not feel it had sufficient information to determine its full impact on Alaska's seniors.

GOVERNOR'S AMENDMENTS:

The subcommittee chair recommends that the House Finance Committee consider approval of the following attached amendments from the Governor:

- 1) Accept Governor's Deletion of Deputy Commissioner (02-1040) No Longer Needed, <\$173.6> 1004 UGF <\$15.5> I/A Receipts
- 2) Accept the Governor's Revised Structure Moving SATS from ETS to Office of Info Tech
- 3) Accept the Governor's Revised Structure Moving ALMR from ETS to Office of Info Tech
- 4) Accept Addition of New Federal Grant to Comply with Commercial Motor Vehicle Safety Act, \$500.0 1002 Federal Receipts

ATTACHED REPORTS:

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

- o Allocation Summary Report (All Funds) – Between FY2018 Governor and House Subcommittee (HSub)
- o Transaction Detail Report – House Structure (HSub Amends), including Governor Amendments

Respectfully submitted,



Representative Jason Grenn, Chair

House Finance Budget Subcommittee for the Department of Administration