

House Finance Budget Subcommittee FY 10 Department of Revenue

Subcommittee Report FY10

February 25, 2009

The House Finance Budget Subcommittee (HFBS) on the Department of Revenue submits an operating budget for FY10 as follows:

GF	\$ 18,164.1	Fed Funds	\$ 39,611.0	Other Funds	\$ 191,562.7	Total	\$ 249,337.8
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Department of Revenue House Finance Budget Subcommittee FY10 Highlights

The HFBS budget authorizes \$ 2,250.7 less general funds and 1 less employee than the Governor's FY10 Department of Revenue request. The FY10 subcommittee budget requests a total increment from 09 Revised Management Plan of \$979.9 general funds.

The Governor requested minimal increases in the original FY10 budget request. The department was required to update the state's Cost Allocation Plan for Federal Compliance which, as a result of the increased state financial assets under management, shifted \$572 to state general funds. The tax division continues to utilize contract auditors; however the subcommittee budget approved half the original request, shifting the responsibility to a newly funded state Master Auditor position.

Several adjustments were made in Other Funds appropriated for the ARM Board, PFD division, Mental Health Trust Authority administration, AHFC operations, and the Alaska Permanent Fund Corporation. The FY 09 budget for investment management fees at the ARM Board was reduced \$8,546.7 and at the Permanent Fund Corporation, \$10,000. These management fees are generally based on the value of investments under management. The reductions reflect market value declines experienced in recent months.

With the concurrence of the agency, the subcommittee did not approve a \$1,900.0 fund source change from FED to GF for the Child Support Services Division. It is now believed that continuing federal funding will be available.

Small general fund increments requested as fund source changes for "unrealizable fund sources" were not approved. The subcommittee removed a special assistant position in the commissioner's office that the agency established contrary to legislative intent in the FY09 budget.

The following Legislative Finance reports are attached:

1. Agency Totals – FY10 Operating Budget – House Structure
2. Appropriation/Allocation Summary (GF) – House Structure
3. Appropriation/Allocation Summary (all funds) – House Structure
4. Transaction Comparison (Adj. Base and House Subcom)
5. Transaction Comparison (Gov. Amd and House Subcom)
6. Wordage Report – FY10 Operating Budget – House Structure

Submitted,

A handwritten signature in black ink, appearing to read "MH" with a stylized flourish underneath.

Representative Mike Hawker
House Finance Subcommittee Chairman
Department of Revenue