

# **House Finance Budget Subcommittee**

## **FY 10 Department of Military and Veterans' Affairs**

Subcommittee Report FY10

February 19, 2009

The House Finance Budget Subcommittee (HFBS) on The Department of Military and Veterans Affairs submits an operating budget for FY10 as follows:

GF \$ 11,276.9 Fed Funds \$ 22,235.3 Other Funds \$ 13,017.9 Total \$ 46,530.1

### **Department of Military and Veterans Affairs**

#### **House Finance Budget Subcommittee FY10 Highlights**

The HFBS budget authorizes \$0 less general funds and 0 less employees than the Governor's FY10 Department of Military and Veterans Affairs request. The FY10 subcommittee budget requests a total decrement from 09 Revised Management Plan of \$51.5 general funds.

#### **Personnel**

There is no change in the number of Department personnel: 283 Perm Full Time, 2 Perm Part Time, and 1 Temporary.

#### **Three Year Look-back**

The Budget Subcommittee did a three year look back to review changes in the Department's budget from the FY07 Final Budget to the FY10 Governor's Request.

The greatest increase in General Funds, \$300.0 was a change in funding source since the Local Planning Committee Grants had been funded with Oil/Haz Funds. There were increments in four other areas: Homeland Security & Emergency Mgt. 9%; Veterans' Services 18%; Office of the Commissioner 3%; and AK Emergency Communications 8%.

The \$143.4 increase in Veterans' Services is to increase grants for the Veterans' Outreach Program. This has been used to increase counselor training and to expand travel into rural areas to contact veterans and help them to identify and qualify for benefits.

The Department budget has been relatively flat for the past three years. Changes in mission and organization have, where possible, been absorbed by reorganization and reassignment of personnel to fill positions where needed.

#### **Governor's Proposed FY 10 Budget**

Total budget growth from the FY 09 Management Plan Revised to the Governor's Request as amended is \$1,141.9 which is an increase of 2.5%. General Fund growth in the budget is \$180.0 (1.6%) above the FY 10 Adj. Base.

There is a \$50.0 General Fund increment to increase grants for the Veterans' Outreach Program in the Veterans' Services component of the budget. This is to increase travel to rural areas of the

state. This is important since Guard personnel who have been deployed to combat zones have returned to their home communities.

The \$130.0 General Fund increment in Alaska National Guard Retirement Benefits reflects the amount approved by the ARM Board. This does not appear to reflect the \$10.0 million that was appropriated last year to reduce the unfunded liability within the retirement account. Typically one would expect to see the actuarial amount decrease when the unfunded liability decreases. Pension fund investments have in all probability been impacted by recent market declines. If the increment is excessive it will be reflected in a reduced rate the next time the State's contribution is adjusted.

Educational Benefits is an area which has been of concern to past Subcommittees. The \$328.5 (80.4%) reduction is only a reduction to the DMVA budget. The Guard tuition funding is included in the Governor's University's budget request. The residual \$80.0 is for vocational and other training programs.

The \$185.2 increase in funding for the Alaska Military Youth Academy is authority to receive this amount in I/A funding from DEED. This is based on an anticipated \$100 increase in the Base Student Allocation.

There is a \$500.0 increment increasing Federal Receipt authority for Army Guard Facilities Maintenance and an adopted Governor's amendment for \$300.0 increasing Federal Receipt authority for Air Guard Facilities Maintenance. This reflects the increased cost of maintenance that has been seen systemically throughout the State. Note: this is not an increase in State General Funds.

Two areas of responsibility are transferred from the Department. One position transfers the Alaska Aviation Safety Project to DOT Aviation. The second position transferred to Alaska State Wide Emergency Communications. In this instance the PCN filling that slot was reassigned to other duties within the Department. An unbudgeted PCN was budgeted which accounts for the net zero change in personnel numbers.

### **Subcommittee action**

After reviewing the proposed budget the Subcommittee adopted the FY 10 Governor's Requested Operating Budget, as amended, for the Department of Military and Veterans' Affairs along with the listed supporting Legislative Finance reports.

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)

Submitted,

Representative Richard Foster  
House Finance Subcommittee Chairman  
Department of Military & Veterans' Affairs