



26th Alaska State Legislature

House Finance Budget Subcommittee

Department of Revenue

FY 11 Operating Budget

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February 24, 2010

Subcommittee Report FY11 Highlights

The House Finance Budget Subcommittee (HFBS) on the Department of Revenue submits an operating budget for FY11 as follows:

DGF \$14,655.9 UGF \$18,789.3 Fed Funds \$40,767.1 Other Funds \$169,725.2

Total \$243,937.5

The HFBS budget authorizes \$116.5 less general funds and 1 less employee than the Governor's Amended FY11 request. The FY11 subcommittee budget requests a total decrement from FY11 Adjusted Base of \$543.8 general funds.

A requested \$300.0 language section increment for information and reporting systems in the Tax Division was not approved and should be considered in the context of a more detailed analysis of the agency's capital budget. Revenue has an unexpended 2009, \$3.9 million appropriation for revenue systems' improvements.

CBR management fees have been changed to General Funds in the Gov's amended language section. The CBR will be fully repaid in FY10 and unnecessary draws from the CBR are not desirable.

Additional information technology training for the PFD Division is approved, recognizing the importance of that function to Alaska citizens and the problems encountered in the past dividend cycle.

The fund source shift transaction for Child Support Enforcement Division was reviewed and by Legislative Finance and Revenue Department personnel and modified for technical reasons with no change in net funding.

Small transactions relating to availability of funds sources for Health Insurance increments are accepted.

\$1,550 was requested by the governor in the language section for continuing in-state gas line work. As this is an issue important to the legislature and perceptions differ on these requests, in the context of overall gas monetization activities, it is not funded in the subcommittee close-out report and will be considered along with all other FY11 gas line appropriation requests in the Standing Committee.

The Mental Health Trust zero based budgeting increment is restored.

At Alaska Housing Finance Corporation, additional federal receipt authority for facility management has been accepted. Approximately \$200.0 in requests for additional software modules and maintenance support have not been approved. The Agency is requested to reprioritize within their \$14 million base appropriation to accommodate these increments within the Corporation's internal resource allocation strategy.

Use of CIP receipts from previously appropriated ARRA funds to fund administration and accountability for those appropriations is approved and consistent with federal intent.

An Alaska Permanent Fund Corporation (APFC) request for an additional travel appropriation was not accepted. Further statewide reductions to travel authorizations will be considered in the Standing Committee.

The APFC request for increased software system maintenance costs was accepted, but requests for expanded systems and services were not approved. A request for increased system security funding was approved.

The APFC request for \$318.2 additional personnel funding via lowering vacancy rates was not approved. This type of request should be supported by a more comprehensive and documented personnel plan as the budget moves through the Senate to provide a basis for the legislature making a more fully informed decision.

The amended APFC custody and management fees decrement is accepted.

Dept. of Revenue Treasury Division aggregate budget amendment transaction requests, with a net decrement to replace an external investment manager with an internal position are accepted.

PFD division requests for additional bandwidth and new mail room equipment for the dividend filing season are approved. The new equipment charge will be an OTI.

A new \$25.0 fee for charge backs from Vital Statistics at DHSS is not approved. New charge backs were generally avoided in the governor's budget submittal and it seems appropriate to do the same here.