

FY11 House Finance Budget Subcommittee Department of Military and Veterans' Affairs

Subcommittee Report for FY2011

February 23, 2010

The House Finance Budget Subcommittee (HFS) for the Department of Military and Veterans' Affairs submits an operating budget for FY11 to the full House Finance Committee as follows:

Operating Budget	UGF¹	DGF²	Other	Federal	Total
FY11 Adjusted Base ³	\$11,269,200	\$28,400	\$13,007,300	\$22,236,900	\$46,541,800
FY11 Gov Amend	\$11,603,500	\$28,400	\$13,340,100	\$23,476,900	\$48,448,900
(HFS) Recommendation	\$11,603,500	\$28,400	\$13,340,100	\$23,476,900	\$48,448,900

The Budget Subcommittee recommends an operating budget that authorizes the same amount of Undesignated General Funds (UGF) and the same number of employees as the FY11 Governor's Amended request. The recommended budget requests a total increment from the FY11 Adjusted Base of \$334,300 in Undesignated General Fund dollars.

Subcommittee Recommendations

The subcommittee held two meetings, analyzed the Department of Military and Veterans' Affairs budget and accepted all of the changes proposed in the Governor's Amended Budget. The major items that were accepted are listed below:

Bethel Armory Lease Costs

- Accepted an Undesignated General Fund (UGF) increment in the amount of \$88,900 for the annual lease costs for land on which a new armory in Bethel will be constructed.

Alaska Military Youth Academy

- Accepted a reduction of \$602,300 in Inter/Agency Receipts for the Youth Academy's education funding due to a decline of students in 2009 as compared

¹ UGF stands for Undesignated General Fund – state revenue with no statutory designation

² DGF stands for Designated General Fund -- state revenue with a use designated by statute

³ The Adjusted Base is the starting point for subcommittee discussion of the Governor's request. It removes one-time appropriations, reappropriations, and carryforward of multi-year appropriations. It incorporates the FY11 contractual salary increases. (Source: *Legislative Fiscal Analyst's Overview of the Governor's Request*, Page 16)

to the number of student enrolled in 2008 and a slight increase in federal dollars.

Note: The Department of Education and Early Development distributes Undesignated General Fund dollars to the Youth Academy as Inter/Agency Receipts.

Air Guard Facilities Maintenance

- Accepted an increase in GF/Match of \$240,000 to maintain the required match ratio of state funds to federal dollars.

Air Guard Recruitment

- Accepted an increase of \$40,000 in federal receipts for the annual lease of a recruiting office.

Veterans' Services

- Accepted an Undesignated General Fund increment in the amount of \$5,000 to award Alaska flags to retiring guardsmen and eligible state employees.

As part of the on-going budget review process, the House Finance Subcommittee discussed the funding formula for the Alaska Military and Youth Academy. The members recommended that the Academy funding be reviewed and changed during this legislative session. The attached memorandum explains the subcommittee's recommendation in greater detail.

It was an honor and a privilege to chair the House Finance Budget Subcommittee for the Department of Military and Veterans' Affairs and I thank everyone who was involved with the process. If you wish a copy of the spreadsheet discussed in subcommittee, please contact my legislative aide, Ms. Sheila Peterson, at 465-4936.

Respectfully Submitted,

The image shows a handwritten signature in cursive that reads "Mike Kelly". Below the signature, the name "Sheila" is written in a smaller, less legible cursive script, likely indicating the signature is being provided by her.

Representative Mike Kelly, Chair
House Finance Budget Subcommittee

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REPRESENTATIVE MIKE KELLY
HOUSE DISTRICT 7

Member
House Finance Committee
Legislative Budget & Audit

MEMORANDUM

TO: Representative Mike Hawker, Co-Chair
House Finance Committee

Representative Bill Stoltze, Co-Chair
House Finance Committee

FROM: Representative Mike Kelly, Chair
House Finance Subcommittee
for the Department of Military & Veterans' Affairs

A handwritten signature in black ink, appearing to be "Mike Kelly", written over the text of the FROM field.

DATE: February 23, 2010

RE: Alaska Military Youth Academy

As part of the on-going budget review process, the House Finance Subcommittee for the Department of Military and Veterans' Affairs discussed the funding formula for the Alaska Military and Youth Academy (AMYA). Members of the subcommittee were in agreement that AMYA has a proven track record of success in serving Alaska's high school at-risk youth. However, the members also acknowledged that it may be time to revisit the academy's funding formula, AS 14.30.740, established in statute in 2002.

During our discussion with General Katkus, Commissioner, DMVA, and Mr. McHugh Pierre, Deputy Commissioner, DMVA, on this issue, they made the following recommendations:

1. Maintain the Department of Education and Early Development as the agency that distributes the education funding for the Alaska Military Youth Academy.

2. Simplify the funding formula by eliminating the .6 multiplier for each nonresidential student and delete the reduction of federal matching grant funds.
3. Average the number of students who enroll and graduate from each of the two sessions offered each year and use this student count number in the funding formula.
4. Establish the Academy's funding amount to equal the public school base student allocation multiplied by five times the student count number.
5. Require the Department of Education and Early Development to distribute the funds for AMYA in the same manner that the Department of Education distributes funds to local school districts (AS 14.17.610).

The dollar amount approved in the Department of Military and Veterans' Affairs operating budget request is sufficient to accommodate the recommendations offered by General Katkus and Mr. Pierre. The House Finance Subcommittee for the Department of Military and Veterans' Affairs recommends that the Alaska Military Youth Academy funding be reviewed and changed during this legislative session.

On another matter, the subcommittee proudly recognized that AMYA is in the top three academies in the nation. The \$100 stipend awarded to AMYA graduates after each monthly meeting with their mentor for one year after graduation provides an on-ramp into society that the subcommittee considers important. Therefore, the House Finance Subcommittee for Department of Military and Veterans' Affairs encourages the department to maintain the monthly bonus to reduce "recidivism," improve follow-up data and generate input for the program to improve.

Cc: Representative Paul Seaton, Chair
House Education Committee