

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE Department of Revenue Operating Budget Sub-Committee



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FY11 OPERATING BUDGET RECOMMENDATIONS

March 19th, 2010

The Senate Finance Budget Subcommittee for the Department of Revenue submits the following FY11 Operating Budget Recommendations to the Senate Finance Committee:

| Fund Source | 11 Adj Base | Gov Amd | Sen Sub | Difference |
|-----------------|-------------|-------------|-------------|-------------|
| Unrestricted GF | \$ 17,995.2 | \$ 18,880.8 | \$ 24,884.8 | \$ 6,004.0 |
| Designated GF | \$ 16,033.8 | \$ 14,680.9 | \$ 8,726.9 | \$(5,954.0) |
| Other Funds | \$173,164.8 | \$170,630.7 | \$170,094.3 | \$ (536.4) |
| Federal Funds | \$ 39,835.8 | \$ 41,064.1 | \$ 41,064.1 | \$ 0 |
| Total | \$246,989.6 | \$245,256.5 | \$244,770.1 | \$ (486.4) |

| Positions | 11 Adj Base | Gov Amd | Sen Sub | Difference |
|-----------|-------------|---------|---------|------------|
| PFT | 864 | 865 | 865 | 0 |
| PPT | 41 | 41 | 41 | 0 |
| Temp | 17 | 17 | 17 | 0 |
| Total | 922 | 923 | 923 | 0 |

The Subcommittee met with the Department and accepted the Governor's amended budget with the following exceptions:

Budget Action

TAX DIVISION

- Deferred to the full Finance Committee a \$300,000 language appropriation request for an Alaska Gasline Inducement Act (AGIA) information reporting system. This item may belong more appropriately in the capital budget. Committee

recommends that if this item is approved, the fund source be changed from Alaska Housing Capital Corp Receipts to GF.

- Deferred to the full Finance Committee an \$800,000 language appropriation request for the addition of 4 new exempt commercial analyst positions. This appropriation should be considered in conjunction with a number of other agency gas and gasline related requests. Committee recommends that if any of this funding is approved, the fund source be changed from Alaska Housing Capital Corp Receipts to GF and that the funding and positions be put into the numbers section of the budget.

TREASURY DIVISION

- Deferred to the full Finance Committee a \$397,000 increment and fund source change for increased Constitutional Budget Reserve management fees. The Committee recommends approving this request and changing the funding source to GF. The CBR is anticipated to be paid off by the beginning of FY11 at which time management fees should be paid out of the General Fund to prevent creating new CBR liabilities.

CHILD SUPPORT SERVICES DIVISION

- Approved a \$7.5 mill fund source change transaction as reworked and approved by the House Finance Committee, to accommodate federal language changes in the American Recovery and Reinvestment Act (ARRA) relating to the utilization of existing federal incentive dollars.

ADMINISTRATIVE & SUPPORT

- Approved a \$50,000 one-time GF increment for costs associated with auditing the Alaska Gasline Inducement Act (AGIA) Fund. The committee agreed to establish a new allocation for Natural Gas Commercialization and recommends this audit transaction be put into the numbers section of that allocation instead of the language section of the budget.
- Deferred to the full Finance Committee a \$1.5 mill language appropriation request for contractual services and consultants to assistance in the negotiations, analysis and establishment of fiscal terms related to natural gas pipeline development and the coming open season. This appropriation should be considered in conjunction with a number of other agency gas and gasline related requests. Committee recommends that if any of this request is approved, the fund source be changed from Alaska Housing Capital Corp Receipts to GF.

LONG TERM CARE OMBUDSMAN'S OFFICE

- Approved a one-time \$91,500 GF/MH increment for an investigator within the Long Term Care Ombudsman's office to address increased workload relating to Alaska's seniors.

ALASKA HOUSING FINANCE OPERATIONS

- Denied two Corporation Receipt increments totaling \$202,700 for sourcing and contract management technology solutions, accepting the House recommendation.

ALASKA PERMANENT FUND CORP OPERATIONS

- Denied a \$15,500 increment in Corporation Receipts for increased Board of Trustee travel, accepting the House recommendation.
- Approved a one-time increment of \$80,000 in Corporation Receipts for auditing and improving network and firewall security. The Governor's request was for a permanent increment.
- Denied a \$318,200 increment in Corporation Receipts to lower the Corporation's vacancy rate, accepting the House recommendation.

ATTACHMENTS:

- Report 1 - Agency Totals - Senate Structure
- Report 2 - Allocation Summary Numbers - Senate Structure
- Report 3 - Allocation Summary Numbers (GF Only) - Senate Structure
- Report 4 - Transaction Compare - Adjusted Base & Senate Subcommittee
- Report 5 - Transaction Compare - Gov Amend+ & Senate Subcommittee
- Report 6 - Transaction Compare - House & Senate Subcommittee
- Report 7 - Wordage
- Report 8 - Senate Subcommittee Worksheet