



27th Alaska State Legislature
House Finance Budget Subcommittee
Department of Military & Veterans Affairs
FY 12 Operating Budget

Chair

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465-4797

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Committee Aide

Julie Morris
465-4838

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY2012 HOUSE FINANCE BUDGET SUBCOMMITTEE
NARRATIVE REPORT February 22, 2011**

RECOMMENDATIONS:

The House Finance Budget Subcommittee for the Department of Military and Veterans Affairs submits a recommended operating budget for FY2012 to the House Finance Committee as follows:

| | |
|----------------------------------|--------------------|
| Unrestricted General Funds (UGF) | \$12,370.3 |
| Designated General Funds (DGF) | \$ 28.4 |
| Other Funds | \$13,920.1 |
| Federal Funds | \$ 24,431.1 |
| TOTAL | \$ 50,749.9 |

BUDGET ACTION:

The House Finance Budget Subcommittee for the Department of Military and Veterans Affairs held **four** meetings with the Department and analyzed all of the Governor's budget transactions. The following are budget action highlights:

- The Subcommittee recommends authorizing a decrease of \$286.1 in general funds and same number of full-time positions as the Governor's Amended FY2012 request.
- The Subcommittee recommends a total increase from the FY2012 Adjusted Base of \$43.2 UGF and no change in DGF for a total General Fund change of \$ 43.2. There is no change in Other Funds and a decrease of \$2.2 in Federal Funds. The total change from the Adjusted Base is \$41.0 and 295 full-time positions.

Accepted

1. **Appropriation: Military and Veterans Affairs, Allocation: Office of the Commissioner - Fund Source change to correct unrealized fund source for personal services increase from interagency receipts to CIP in the amount of \$78.4.**

This is a fund source change from Interagency Receipt authorization to CIP receipts requested to cover personnel costs for administrative and Information technology services associated with projects funded under CIP projects. In previous years, this component has been underfunded in CIP receipts. There is also a decrease in CIP receipts in GGU/SU salary adjustment. This approval will work to align the budget of CIP receipts.

2. **Appropriation: Military and Veterans Affairs, Allocation: Homeland Security and Emergency Management - Fund source change of interagency receipts to CIP to meet personal services actuals in the amount of \$108.2.**

This will change \$108.2 in Interagency (I/A) receipts to capital improvement projects (CIP) to cover an anticipated increase in personal services that will be billed to capital improvement projects.

3. **Appropriation: Military and Veterans Affairs, Allocation: Army Guard Facilities Youth Maintenance - Match funding for position 09-0203 Building Maintenance Specialist II in the amount of \$40.0.**

Position 09-0203 is reclassified from Aircraft Rescue Firefighter Specialist II (Range 12) to a Building Management Specialist (Range 19). This increment of general fund match provides the required funding match for the Building Management Specialist position, with the remainder of personal services costs being federally funded.

4. **Appropriation: Military and Veterans Affairs, Allocation: Veterans' Services - Correct unrealized fund sources for personal services increase in the amount of \$2.2.**

A fund source change from Federal Receipts to General Fund is requested for health insurance and COLA increases. A federal grant covers a portion of personal services and is expected to remain the same or decrease in FY2012. If this fund source change is not approved, the increase in federal authority will be unfunded and there the component will realize unbudgeted cost increases.

5. **Appropriation: Alaska National Guard Benefits, Allocation: Retirement Benefits - Increase funding to approved actuarial recommendation in the amount of \$1.0.**

This is an Actuarial increase as approved by the Alaska Retirement Management Board (ARM) for retirement benefits for the Alaska National Guard.

Denied

- 1. Appropriation: Military and Veteran's Affairs, Allocation: Alaska Military Youth Academy - Decrease in \$181.8 interagency receipts from the Department of Education and Early Development.**

The subcommittee recommends denying the increased formula funding to the Alaska Military Youth Academy (AMYA) totaling \$181.8. This decrease in interagency receipts corresponds to the decrease in general funds in the Department of Education, for the AMYA Challenge program. The amount has been identified as excessive interagency receipts.

AMENDMENT ACTION:

The House Finance Budget Subcommittee for the Department of Military and Veterans Affairs also analyzed the Governor's budget amendments submitted by February 16, 2011, and took the following action:

Denied

- 1. Appropriation: Military and Veteran's Affairs, Allocation: Air Guard Facilities Maintenance - Transfer positions 09-0242 and 09-0243 from Kulis to Veterans' Services.**

Two positions were to be transferred from Kulis Air National Guard Base to a new Veterans' Services office located in downtown Anchorage. These vacant positions were available to transfer due to the Base Realignment and Closure (BRAC) of Kulis Air National Guard Base (February 12, 2011). A need was identified by the department to enhance Veterans capacity to serve the needs of the 77,000 veterans in Alaska, of which approximately 41,000 veterans and 80,000 family members of veterans reside in the Municipality of Anchorage and in the Matanuska Susitna Borough. There was no indication to collaborate with the University of Alaska or other partners as indicated and therefore the subcommittee is recommending denying this transfer of positions.

- 2. Appropriation: Military and Veterans Affairs, Allocation: Military/Veterans Services - Transfer vacant positions from Kulis Air National Guard base to Veterans services to enhance services to Veterans.**

See justification above.

- 3. Appropriation: Military and Veterans Affairs, Allocation Air Guard Facilities Maintenance - Line item transfer from personal services to services to bring personal services into vacancy guidelines.**

With the closure of Kulis Air National Guard Base on February 12, 2011, two vacant positions were being transferred from Kulis to the Veterans Services. The positions cannot take their federal funding with them to Veterans Services. Funding authority was requested to be moved to the services line where the Air National Guard Maintenance can use it for additional contract services. The subcommittee recommends denying this transfer of funds.

- 4. Appropriation: Military and Veterans Affairs, Allocation: Military/Veterans Services, move Veterans Office Base and Fund increase staff from GF of 286.1**

The funding of this request was to cover \$73.0 for downtown office lease; \$51.4 for a one-time office setup to include computers, network equipment, other IT costs such as backup and data storage, general office supplies, basic office furniture, and telephone equipment; and \$161.7 in personal costs for a Project Asst (09-0243, Range 16) and one Administrative Assistant (09-0242, Range 14). Although the positions are available due to BRAC of the Kulis ANG base and were to be transferred as part of the Governor's amendment, the location and expense of the office was considered excessive and there was no indication to work with the University of Alaska or other partners as indicated to help with the increase in veteran-utilized education benefits due to the establishment of the Post 9-11 GI bill. The subcommittee is recommending denying this increment.

ATTACHED REPORTS:


The House Finance Budget Subcommittee for the Department of Military and Veterans Affairs adopts the attached reports:

Subcommittee generated reports

Budget Action Worksheet

Legislative Finance Division Reports – House Structure

1. Agency Totals – FY2012 Operating Budget
2. Appropriation/Allocation Summary (All Funds)
3. Appropriation/Allocation Summary (GF)
4. Transaction Comparison between ADJ Base and H Subcomm
5. Transaction Comparison between Gov Amd and H Subcomm



Representative Tammie Wilson, Chair

House Finance Budget Subcommittee for the Department of Military and Veterans

February 22, 2011