



27th Alaska State Legislature
House Finance Budget Subcommittee
Department of Administration
FY 13 Operating Budget

Chairman:

Rep. Mark Neuman
Capitol Room 505
465-2679

Members:

Rep. Kurt Olson
Capitol Room 24
465-2693

Rep. Paul Seaton
Capitol Room 102
465-2689

Rep. Bob Lynn
Capitol Room 108
465-4931

Rep. Charisse Millett
Capitol Room 13
465-3879

Rep. Mike Doogan
Capitol Room 416
465-4998

Rep. Chris Tuck
Capitol Room 426
465-2095

Committee Aide:

Morgan Hopson
465-3820

DEPARTMENT OF ADMINISTRATION
FY2013 HOUSE FINANCE BUDGET SUBCOMMITTEE

NARRATIVE REPORT

February 29, 2012

SUBCOMMITTEE MEMBERS:

Rep. Mark Neuman, Chair

Rep. Les Gara
Rep. Bob Lynn
Rep. Charisse Millett
Rep. Kurt Olson
Rep. Paul Seaton
Rep. Chris Tuck

RECOMMENDATIONS:

The House Finance Budget Subcommittee for the Department of Administration submits a recommended operating budget for FY2013 to the House Finance Committee as follows:

Unrestricted General Funds (UGF)	\$ 84,392.0
Designated General Funds (DGF)	\$ 23,947.3
Other Funds	\$ 213,290.0
Federal Funds	\$ 4,649.8
TOTAL	\$ 326,279.1

BUDGET ACTION:

The House Finance Budget Subcommittee for the Department of Administration held nine meetings with the Department and analyzed all of the Governor's budget transactions. The following are budget action highlights:

- The Subcommittee recommends full funding of the Governor's FY13 Amended Budget.

- The Subcommittee recommends modifying an increment under Enterprise Technology Services appropriation for the Alaska Land Mobile Radio allocation for equipment, maintenance and training. This modification will reflect that this is a one-time increment.

Accepted

1. Finance – Integrated Resource Information System Positions Authority: \$1.5 million CIP Receipts (Other).

This CIP receipt authority will fund twelve new permanent full-time positions to implement the integration of several state accounting and procurement systems. The Subcommittee recommends that this increment should be reassessed once this task has been completed.

2. Motor Vehicles – Establish State Operated Office in Kotzebue: \$87.5 GF/Program Receipts (DGF) plus one PFT position.

Department of Motor Vehicles previously contracted their services to Kotzebue through the Northwest Arctic Borough, and with the expiration of this contract, the Subcommittee concurs with the Governor's recommendation to use GF/Program Receipts to fund a new office in Kotzebue. This cost is substantially less than the cost of a renegotiated contract with the Northwest Arctic Borough.

3. Alaska Public Offices Commission (APOC) – One-time Personal Services and Travel Increases: \$68.1 UGF.

The Subcommittee agrees to support the Governor's travel increases for the Alaska Public Offices Commission as a one-time item to assist with additional costs associated with election activity in FY13.

4. AOGCC Increased Travel for Onsite Regulatory Oversight: \$36.3 AOGCC Receipts (DGF).

The Subcommittee concurs with the Governor's increment for the Alaska Oil and Gas Conservation Commission in response to increased demand for oversight and on-site inspections created by the addition of two new positions in FY12.

5. Health Plans Administration – Third Party Contract Increases: \$440.5 Group Health and Life Benefits Fund (Other).

The State of Alaska's contract with AlaskaCare through Wells Fargo has increased charges associated with a contractual cost-of-living adjustment for an increased member base population and consumer price index.

6. Motor Vehicles – Cost for Server Hosting: \$74.5 GF/Program Receipts (DGF).

This adjustment compensates for an error in the charges made to the Division of Motor Vehicles, where the division was undercharged for the services provided by the Enterprise Technology Services Anchorage Data Center, where DMV servers are housed.

7. General Services – Interagency Receipts \$3,330.0 Total (Other).

The following increments reflect additional receipt authority required by the Department to provide services and lease space to other agencies.

- **Central Mail – Authority for Postage Increases: \$80.0**
- **Leases – Lease Costs: \$2,500.0**
- **Facilities – Facilities Operation and Maintenance Costs: \$750.0**

8. Office of Public Advocacy – John R. Justice Student Repayment Program: \$150.0 Federal Receipts (Fed).

The Subcommittee authorizes federal receipt authority to support the John R. Justice Student Repayment Program which assists attorneys who are employed full-time with the Department of Administration or Department of Law. The disbursement of this student loan relief will be determined by a Governor-appointed board.

AMENDMENT ACTION:

The House Finance Budget Subcommittee for the Department of Administration also analyzed the Governor's budget amendments submitted by February 15, 2012, and took the following action:

Modified

1. Alaska Land Mobile Radio – Equipment, Maintenance and Training: \$1,500.0 General Fund (UGF).

The Subcommittee approves the Governor's amendment to increase funding for the Alaska Land Mobile Radio for the purpose of equipment, maintenance and training though the Subcommittee modifies this item to reflect a one-time increment, and requests a report on the use of these funds prior to the next legislative session, with evidence that this increment has improved this program's service to Alaskans and increased program efficiency by measurable means.

ITEMS OF INTEREST:

The Subcommittee Chair has submitted a request to the Legislative Budget and Audit Committee for the purpose of monitoring the transition of several Department of Defense Alaska Land Mobile Radio (ALMR) Sites to the State of Alaska, and to assess the current operations and costs of ALMR. A copy of this audit request is included in the attachments.

ATTACHED REPORTS:

The House Finance Budget Subcommittee for the Department of Administration adopts the attached reports:

Subcommittee generated reports

Budget Action Worksheet

Legislative Finance Division Reports – House Structure

1. Agency Totals – FY2013 Operating Budget
2. Appropriation/Allocation Summary (All Funds)
3. Appropriation/Allocation Summary (GF)
4. Transaction Comparison between ADJ Base and H Subcom
5. Transaction Comparison between Gov Amd and H Subcom
6. Wordage Report – FY2013 Operating Budget

Legislative Budget and Audit

Audit Request Regarding the Alaska Land Mobile Radio



**Representative Mark Neuman, Chair
House Finance Budget Subcommittee for the Department of Administration
February 29, 2012**

ALASKA STATE LEGISLATURE

Member:
House Finance Committee
Legislative Budget & Audit Committee



Chair:
House Budget Sub Committees on:
- Department of Administration
- Department of Labor and Workforce
Development

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Representative Mark Neuman

Rep.Mark.Neuman@legis.state.ak.us

DATE: February 22, 2012

TO: Senator Kevin Meyer, Chairman
Representative Mike Hawker, Chairman
Legislative Budget and Audit Committee

FROM: Representative Mark Neuman

SUBJECT: Audit Request for the Alaska Land Mobile Radio

Request

This is a formal request for the Legislative Budget and Audit Committee to conduct an audit of the Department of Administration, Electronic Technology Services Division, Alaska Land Mobile Radio (ALMR) program. With the Federal Department of Defense's recent divestiture of their segment of the system to the State of Alaska, it is our responsibility to conduct a comprehensive evaluation of the system's utility and efficiency as we face significant increases in the cost of maintaining and administering the amassed ALMR system.

Objectives and Scope

It is my intent to establish a broad scope of inquiry while noting some specifics, thus leaving flexibility for Legislative Budget and Audit to guide the process in accordance with their expertise. This audit should:

- Evaluate system-wide interoperability.
- Identify all participating stakeholders; assess their usage in terms of frequency, purpose, and handset range and reception.
- Evaluate usage by actual handset operators in addition to inquiring with agency leadership.
- Review the program expenditures, both capital and operating, to date.

- Provide an assessment of all current ALMR expenditures in the context of their budget.
- Assess which functions of the system are required by Federal or State law.
- Assess the condition of sites divested by the Department of Defense to the State of Alaska to assess deferred maintenance and other associated costs.
- Review the ALMR Feasibility Study prepared for the State by North Slope Telecom, Inc.
- Allow the Division of Legislative Budget and Audit to pursue any other issues that they deem relevant.

Thank you for your consideration of this request.

Sincerely,



Representative Mark Neuman