



30th Alaska State Legislature
House Finance Budget Subcommittee
Legislature
FY18 Operating Budget

Chair:

Rep. Paul Seaton
Capitol Room 505
465-2689

Members:

Speaker Bryce Edgmon
Capitol Room 208
465-4451

Rep. Neal Foster
Capitol Room 410
465-3789

Rep. Gabrielle LeDoux
Capitol Room 216
465-4998

Rep. Chris Tuck
Capitol Room 204
465-2095

Rep. Charisse Millett
Capitol Room 404
465-3879

Rep. Mike Chenault
Capitol Room 434
465-3779

Committee Aide:

Joan Brown
465-6587

February 24, 2017

SUBCOMMITTEE MEETINGS:

The House Finance Budget Subcommittee for the Legislature held four meetings to review the Legislature's FY18 budget request.

RECOMMENDATIONS:

The following **budget amendment proposals** were recommended without objection and are submitted by the subcommittee chair to the House Finance Committee for consideration:

Legislative Audit – Zero out performance review funding and delete associated position; -\$56.0 Unrestricted General Fund (UGF) and -1 permanent part-time position.

Legislative Finance – Technical correction transferring reduction for 5-day furlough from Legislative Operating Budget; -\$72.8 UGF (see the corresponding amendment adding \$72.8 to the Legislative Operating Budget).

Legislative Finance – Reduce funding allocated to the House Finance Committee; -\$240.0 UGF.

Salaries and Allowances – Eliminate regular session per diem for three Juneau legislators; -\$43.1 UGF, and reduce regular session per diem for all other legislators by 75%; -\$819.5, for an overall reduction of \$862.6 UGF. This amendment was originally proposed to eliminate per diem for Juneau legislators, but was amended to reduce per diem for all legislators.

Administrative Services – Personal services reductions; -\$80.3 UGF and -1 permanent full-time position.

Council and Subcommittees – Delete legislative secretary and reduce funding for services and commodities; -\$221.2 UGF and -1 permanent full-time position.

Council and Subcommittees – Reduce funding to the House Special Committee on Arctic Policy, Economic Development and Tourism; -\$17.8 UGF.

Legislature State Facilities Rent – Reduce space in Wrangell and Ketchikan and reduce lease costs in Barrow; -\$58.9 UGF.

Legislative Operating Budget - Technical correction transferring reduction for 5-day furlough from Legislative Operating Budget; \$72.8 UGF (see the corresponding amendment in Legislative Finance).

Legislative Operating Budget – Reduce the House Operating budget; -\$360.0 UGF.

Session Expenses – Reduce expenditures for bill copies and statutes; -\$3.5 (-2.0 General Fund/Program Receipts and -1.5 Inter-agency Receipts).

Session Expenses – Reduce FY18 personal services; -\$120.0 UGF. This amendment was originally submitted to reduce \$200.0, but was amended to reduce \$120.0, as the Senate is anticipated to reduce the \$80.0 difference.

The following two **statutory recommendations** are also submitted to the House Finance Committee for consideration:

Rules Committee - Repeal Chapter 19, SLA 2013, (HB 30 re Performance Reviews). When the legislation was passed in 2013 it was envisioned as a means to verify state agencies' alignment with their mission and services, review agency performance, and aid in identifying potential budget reductions. The results from the first of the scheduled performance reviews were not constructive. Since then, state revenue has fallen dramatically and state agencies' budgets have also been reduced dramatically. The funding for the performance reviews was mostly eliminated from the FY17 budget. A recommended amendment deletes the remaining funding.

Because the performance review statutes still exist, the Legislative Auditor feels that a budget amendment to fund the performance reviews must be submitted annually. The Legislative Auditor did submit an FY18 increment for \$1,030.9 and 3 PFTs, but that increment is not being recommended for consideration by the House Finance Committee.

Rules Committee – Repeal the statutes establishing the Administrative Regulation Review Committee, AS 24.20.400-AS 24.20.460. This committee is no longer funded by the legislature and so the enabling statutes should be repealed.

OTHER INFORMATION:

There was an amendment proposed to eliminate the four permanent part-time staff and \$137.0 of UGF for the legislative lounge. The amendment did not receive an affirmative vote of the subcommittee (2 yea to 5 nay).

AMENDMENTS:

The Governor did not submit any amendments to the Legislature's budget.

ATTACHED REPORTS: (House Structure, Numbers Only)

Transaction Detail – HSub Amends Column

Allocation Summary

Multi-year Agency Totals – Operating Budget

Respectfully submitted,



Representative Paul Seaton, Chair

House Finance Budget Subcommittee for the Office of the Governor

**2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column**

Numbers and Language

Agency: Legislature

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Budget and Audit Committee												
Legislative Audit												
H LEG 1 - Zero out performance review funding and delete associated position Offered by Representative Seaton Performance reviews conducted under HB 130 were funded at a "wind down" level in FY17.	Dec	-56.0	-53.2	0.0	-2.8	0.0	0.0	0.0	0.0	0	-1	0
1004 Gen Fund (UGF)		-56.0										
* Allocation Total *		-56.0	-53.2	0.0	-2.8	0.0	0.0	0.0	0.0	0	-1	0
Legislative Finance												
H LEG 2 - Technical Correction Transferring Reduction for 5-day Furlough from Legislative Operating Budget Linked to H LEG 9 - Technical Correction Transferring Reduction for 5-day Furlough from Legislative Operating Budget TrIn 337675 Offered by Representative Seaton Reductions associated with furloughs were inadvertently allocated to the legislative operating budget rather than to House and Senate Finance committees. This amendment corrects that error.	TrOut	-72.8	-72.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Offsetting amendments--and supplemental transactions--are included in the HFC and SFC budgets.												
Senate Finance's portion is -\$26.0 and House Finance's portion is -\$46.8.												
1004 Gen Fund (UGF)		-72.8										
H LEG 3 - Reduce House Finance Committee budget Offered by Representative Seaton Budget reduction to be managed by the Co-Chairs of the House Finance Committee.	Dec	-240.0	-120.0	0.0	-120.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		-240.0										
* Allocation Total *		-312.8	-192.8	0.0	-120.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Total **		-368.8	-246.0	0.0	-122.8	0.0	0.0	0.0	0.0	0	-1	0

**2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column**

Numbers and Language

Agency: Legislature

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Legislative Council												
Salaries and Allowances												
H LEG 4 - Eliminate regular session per diem for Juneau legislators and for all other legislators by 75%	Dec	-862.6	0.0	-862.6	0.0	0.0	0.0	0.0	0.0	0	0	0
Offered by Representative Seaton This amendment would eliminate regular session per diem expenses for the 3 Juneau legislators who receive 75% of the federal per diem rate for living in Juneau during the session, -\$43.1.												
In addition, the federal per diem rate for all other legislators is reduced by 75% (from \$213/day to \$53.25/day), -\$819.5.												
Regular session per diem is budgeted in this allocation for a 90-day session.												
1004 Gen Fund (UGF)		-862.6										
* Allocation Total *		-862.6	0.0	-862.6	0.0	0.0	0.0	0.0	0.0	0	0	0
Administrative Services												
H LEG 5 - Reduce personal services expenditures	Dec	-80.3	-80.3	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Offered by Representative Seaton Delete \$24.7 from Print Shop Section for 1 PPT 4th Floor copy operator position. Delete \$55.6 for 1 PFT Administrative Assistant position in the Executive Director's office and change to PPT (8 months).												
1004 Gen Fund (UGF)		-80.3										
* Allocation Total *		-80.3	-80.3	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Council and Subcommittees												
H LEG 6 - Delete legislative secretary and reduce funding for services and commodities	Dec	-221.2	-195.7	0.0	-10.0	-15.5	0.0	0.0	0.0	-1	0	0
Offered by Representative Seaton In a memo dated Feb 2, 2017, Legislative Council Chair Representative Kito requested that, under the Legislative Council Chair Account, a legislative												

**2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column**

Numbers and Language

Agency: Legislature

	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
Legislative Council (continued)												
Council and Subcommittees (continued)												
H LEG 6 - Delete legislative secretary and reduce funding for services and commodities (continued)												
secretary position and a temporary position be deleted; services be reduced by \$10.0 (phones); and commodities be reduced by \$15.5 (no specific item targeted).												
No temporary position is budgeted in this allocation.												
1004 Gen Fund (UGF)		-221.2										
H LEG 7 - Reduce funding for the House Special Committee on Arctic Policy, Economic Development and Tourism	Dec	-17.8	0.0	0.0	-17.8	0.0	0.0	0.0	0.0	0.0	0	0
Offered by Representative Seaton												
In recent years funding to standing, special and joint committees has been greatly reduced and in many instances eliminated. This amendment reduces the committee's budget from \$27,850 to \$10,000.												
1004 Gen Fund (UGF)		-17.8										
* Allocation Total *		-239.0	-195.7	0.0	-27.8	-15.5	0.0	0.0	0.0	-1	0	0
Legislature State Facilities Rent												
H LEG 8 - Reduce space in Wrangell and Ketchikan and reduce lease costs in Barrow	Dec	-58.9	0.0	0.0	-58.9	0.0	0.0	0.0	0.0	0.0	0	0
Offered by Representative Seaton												
The Governor's request transfers \$1,499.6 from the "other than Anchorage LIO" facilities rent allocation. After that transfer, an increment of \$153.5 was included in the Governor's request.												
This amendment eliminates office space in Wrangell (\$8.9) and Ketchikan (\$6.7) for a legislator and a legislative staff, respectively. The rest of the reduction is a change in anticipated lease costs in Barrow (\$27.7) and elimination of a small contingency balance (\$15.6).												
1004 Gen Fund (UGF)		-58.9										

**2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column**

Numbers and Language

Agency: Legislature

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Legislative Council (continued)												
Legislature State Facilities Rent (continued)												
* Allocation Total *		-58.9	0.0	0.0	-58.9	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Total **		-1,240.8	-276.0	-862.6	-86.7	-15.5	0.0	0.0	0.0	-2	0	0
Legislative Operating Budget												
Legislative Operating Budget												
H LEG 9 - Technical Correction Transferring	TrIn	72.8	72.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Reduction for 5-day Furlough from Legislative Operating Budget Linked to H LEG 2 - Technical Correction Transferring Reduction for 5-day Furlough from Legislative Operating Budget TrOut 337674 Offered by Representative Seaton Reductions associated with furloughs were inadvertently allocated to the legislative operating budget rather than to House and Senate Finance committees. This amendment corrects that error.												
Offsetting amendments--and supplemental transactions--are included in the HFC and SFC budgets.												
Senate Finance's portion is -\$26.0 and House Finance's portion is -\$46.8.												
1004 Gen Fund (UGF)		72.8										
H LEG 10 - Reduce House operating budget	Dec	-360.0	-110.0	-150.0	-50.0	-50.0	0.0	0.0	0.0	0	0	0
Offered by Representative Seaton Budget reduction to be managed by the Speaker of the House.												
1004 Gen Fund (UGF)		-360.0										
* Allocation Total *		-287.2	-37.2	-150.0	-50.0	-50.0	0.0	0.0	0.0	0	0	0
Session Expenses												
H LEG 11 - Reduce expenditures for bill	Dec	-3.5	0.0	0.0	0.0	-3.5	0.0	0.0	0.0	0	0	0
copies and statutes Offered by Representative Seaton Projected revenue for subscriptions (copies of bills, etc.) was reduced due to the increased availability of those items electronically (\$2.0); and projected												

**2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column**

Numbers and Language

Agency: Legislature

	<u>Trans</u>	<u>Total</u>	<u>Personal</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
	<u>Type</u>	<u>Expenditure</u>	<u>Services</u>				<u>Outlay</u>					
Legislative Operating Budget (continued)												
Session Expenses (continued)												
H LEG 11 - Reduce expenditures for bill copies and statutes (continued)												
revenue for statutes was reduced as it will be a statute supplemental year (\$1.5).												
1005 GF/Prgm (DGF)		-2.0										
1007 I/A Rcpts (Other)		-1.5										
H LEG 12 - Reduce personal services expenditures	Dec	-120.0	-120.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Offered by Representative Seaton This amendment reduces the FY18 personal services budget to more closely align with actual expenditures. It is intended to encourage the legislature to manage its own budget more prudently.												
The amount was determined by taking 60% of an expected \$200.0 total reduction, leaving an anticipated total lapse of approximately \$250.0.												
1004 Gen Fund (UGF)		-120.0										
* Allocation Total *		-123.5	-120.0	0.0	0.0	-3.5	0.0	0.0	0.0	0	0	0
** Appropriation Total **		-410.7	-157.2	-150.0	-50.0	-53.5	0.0	0.0	0.0	0	0	0
*** Agency Total ***		-2,020.3	-679.2	-1,012.6	-259.5	-69.0	0.0	0.0	0.0	-2	-1	0
**** All Agencies Total ****		-2,020.3	-679.2	-1,012.6	-259.5	-69.0	0.0	0.0	0.0	-2	-1	0

Column Definitions

HSub Amends (House Subcom Amendments) - House Finance Subcommittee Amendment Proposals submitted to the House Finance Committee.

**2017 Legislature - Operating Budget
Allocation Summary - House Structure**

Numbers and Language

Agency: Legislature

<u>Allocation</u>	<u>[1] 18Gov</u>	<u>[2] HSub Rec</u>	<u>[2] - [1] 18Gov to HSub Rec</u>	
Budget and Audit Committee				
Legislative Audit	5,384.1	5,328.1	-56.0	-1.0 %
Legislative Finance	7,682.5	7,369.7	-312.8	-4.1 %
Committee Expenses	2,054.7	2,054.7	0.0	
Appropriation Total	15,121.3	14,752.5	-368.8	-2.4 %
Legislative Council				
Salaries and Allowances	7,615.5	6,752.9	-862.6	-11.3 %
Administrative Services	9,575.3	9,495.0	-80.3	-0.8 %
Council and Subcommittees	958.9	719.9	-239.0	-24.9 %
Legal and Research Services	4,166.9	4,166.9	0.0	
Select Committee on Ethics	253.5	253.5	0.0	
Office of Victims Rights	971.6	971.6	0.0	
Ombudsman	1,277.0	1,277.0	0.0	
LEG State Facilities Rent	1,653.1	1,594.2	-58.9	-3.6 %
LEG State Fac Rent Other	0.0	0.0	0.0	
Appropriation Total	26,471.8	25,231.0	-1,240.8	-4.7 %
Information and Teleconference				
Information and Teleconference	3,183.5	3,183.5	0.0	
Appropriation Total	3,183.5	3,183.5	0.0	
Legislative Operating Budget				
Legislative Operating Budget	11,665.2	11,378.0	-287.2	-2.5 %
Session Expenses	9,111.3	8,987.8	-123.5	-1.4 %
Special Session/Contingency	1,076.6	1,076.6	0.0	
Appropriation Total	21,853.1	21,442.4	-410.7	-1.9 %

**2017 Legislature - Operating Budget
Allocation Summary - House Structure**

Numbers and Language

Agency: Legislature

Allocation	[1] 18Gov	[2] HSub Rec	[2] - [1] 18Gov to HSub Rec	
Leg State Fac Rent 716 W 4th				
LEG State Fac Rent 716 W 4th	0.0	0.0	0.0	
Appropriation Total	0.0	0.0	0.0	
 Agency Total	 66,629.7	 64,609.4	 -2,020.3	 -3.0 %
 Funding Summary				
Unrestricted General (UGF)	65,225.0	63,208.2	-2,016.8	-3.1 %
Designated General (DGF)	594.9	592.9	-2.0	-0.3 %
Other State Funds (Other)	809.8	808.3	-1.5	-0.2 %

Column Definitions

18Gov (FY18 Governor Request) - Includes FY18 Adjusted Base plus the Governor's operating budget bill requests for increases (increments), decreases (decrements), fund source changes, and language transactions submitted by the Governor on December 15, 2016.

HSub Rec (Subcommittee Recommendations) - House Finance Subcommittee Recommendations to the House Finance Committee.