

Legislative Fiscal Analyst's Overview of the Governor's FY2019 Request

Office of the Governor				
All Dollars in Thousands				
	(GF Only)	Change	% Change	See Note:
FY18 Conference Committee (GF Only)	\$24,982.8			
FY18 Fiscal Notes	-			
CarryForward	3,340.1			
Misc Adjustments	-			
Multi-Years/Specials	-			
Vetoes	-			
FY18 Management Plan (GF only)	\$28,322.9	\$3,340.1	13.4%	
One-time Items Removed	(5,187.1)			
Fiscal Note One-Time Items	-			
Fund Source Change	-			
Temporary Increments (IncTs)	-			
Maintenance Increments (IncMs) and Increments	-			
FY19 Contractual Salary Increases	-			
FY19 Adjusted Base Budget (GF only)	\$23,135.8	(\$5,187.1)	-18.3%	
Lang/Lang OTIs/MiscAdj/Carryforward/MultiYears/Contingent	1,847.0			
FY19 Governor's GF Increments/Decrements/Fund Changes	-			
FY19 Governor's Agency Request (GF only)	\$24,982.8	\$1,847.0	8.0%	
↓				
FY19 Governor's Increments, Decrements, Fund Changes and Language	FY19 Adjusted Base Budget (GF Only)	FY19 Governor's Request (GF only)	Change from FY19 Adj Base to FY19 Governor's Request	See Note:
Appropriation/Allocation				
Elections/ Elections	3,517.8	5,364.8	1,847.0	1
↓				
Non-General Fund Agency Summary	FY19 Adjusted Base Budget	FY19 Governor's Request	Change from FY19 Adj Base to FY19 Governor's Request	See Note:
Other State Funds (all allocations)	838.3	838.3	-	
Federal Funds (all allocations)	205.0	230.0	25.0	
Total Non-General Funds (all allocations)	\$1,043.3	\$1,068.3	\$25.0	
Position Changes (From FY18 Authorized to Gov)	153	157	4	
PFT	133	137	4	
PPT	-	-	-	
Temp	20	20	-	
↓				
Governor's Capital Request	State Funds (GF + Other)	Federal Funds	Total	See Note:
Planning and Research	-	-	-	
Maintenance and Repairs	-	-	-	
Remodel, Reconstruction and Upgrades	-	-	-	
New Construction and Land Acquisition	-	-	-	
Equipment and Materials	310.0	-	310.0	
Information Systems and Technology	44,029.7	43,262.0	87,291.7	
Other	-	-	-	
TOTAL CAPITAL	\$44,339.7	\$43,262.0	\$87,601.7	

Office of the Governor

The Governor's Office is responsible for the operation of the executive branch of Alaska State government, with fiscal and policy duties conferred by the Alaska Constitution and state statutes. The Governor's Office oversees the Office of Management and Budget and the Division of Elections. The Alaska State Commission for Human Rights and the Redistricting Board are included in the Governor's Office for budgetary purposes.

BUDGET SUMMARY

The FY19 Office of the Governor general fund operating budget is \$1,847.0 (8%) above the FY19 Adjusted Base and \$3.34 million (11.8%) *below* the FY18 Management Plan [all Unrestricted General Funds (UGF)]. Significant issues are highlighted in the notes below and correspond to the numbers in the last column on the preceding spreadsheet.

MAINTENANCE OF SERVICES

- 1. Statewide Primary and General Elections: \$1,847.0 UGF (Multi-year for FY19 and FY20).** Beginning in FY17, the cost of holding elections every two years was divided in half in order to reduce volatility in the final authorized budget of the Office of the Governor while allowing for sufficient funding to conduct biennial elections. Note that section 20 of the Governor's operating bill appropriates money for a two-year period, so money not spent in FY19 will be available in FY20. Similarly, money not spent in FY18 will be available in FY19.

OTHER BUDGET ITEMS

- 2. Multi-Year Funding: \$2,388.7 UGF.** During the FY17 and FY18 budget process, prior year lapsing balances in the Governor's Office were reappropriated for "Costs Associated with State Government Efficiency Efforts and to Pursue Economic Development." In both cases, the reappropriated money was made available through FY19. About \$5.0 was spent for these purposes in FY17.

Any of the \$2.4 million that is not spent during FY18 will be available in FY19, but that amount does not yet appear in the FY19 budget (because the amount will not be known until June of 2018). The legislature may wish to work with the Governor's Office on this issue; the money could be used in place of new requests that meet the purposes of the reappropriated money.

ORGANIZATIONAL CHANGES

There are no significant organizational changes requested.

CAPITAL BUDGET

The Office of the Governor's FY19 capital budget totals \$87.6 million (\$14 million UGF/ \$310,000 DGF/ \$30 million Other State Funds/ \$43.3 million Federal Funds) for Statewide Information Technology Projects as follows:

- Alaska's Resource for Integrated Eligibility Services Enhancement: \$36,786.5 Total [\$8,939.7 UGF/ \$27,846.8 Federal Receipts].
- Health Information Technology Care Management Solution: \$8,160.0 Total [\$960.0 UGF/ \$7,200.0 Federal Receipts].
- Integrated Resource Information System (IRIS) Upgrade: \$4,500.0 UGF.
- Medicaid Management Information System Upgrade: \$4,692.0 Total [\$552.0 UGF/ \$4,140.0 Federal Receipts].
- Retirement Systems Information Technology Modernization Project: \$30 million Total [Various Retirement System Funds (Other)].
- Senior and Disabilities Services System Upgrade: \$4,712.0 Total [\$636.9 UGF/ \$4,075.2 Federal Receipts].
- State Parks Electronic Fee Stations: \$310.0 GF/Prgm (DGF).
- Statewide Information Technology Project Savings: (\$1,558.9) UGF.

The Governor's "Alaska Economic Recovery Plan" includes \$41 million UGF from the proposed Alaska Economic Recovery Act account and \$1 million Federal Receipts for Statewide Deferred Maintenance, Renovation, Repair, and Equipment in FY19. As of 2018, the backlog of deferred maintenance projects statewide is estimated to be \$1.7 billion, an increase of \$50 million from 2017. This funding would be used to reduce the backlog. Funding for the Alaska Economic Recovery Act account requires passage of separate legislation. See the Capital Overview in this publication for more details.