31st Alaska State Legislature
House Finance Budget Subcommittee
Department of Administration
FY21 Operating Budget

Chair:

Rep. Johnston
Capitol Room 501
465-4949

Members:

Rep. Fields
Capitol Room 114
465-2647

Rep. Kreiss-Tomkins
Capitol Room 411
465-3732

Rep. Story
Capitol Room 13
465-3744

Rep. Vance
Capitol Room 424
465-2689

Rep. Thompson
Capitol Room 204
465-3004

Rep. Hopkins
Capitol Room 409
465-4457

Subcommittee Aide:

Robert Ervine
465-6866

**DEPARTMENT OF ADMINISTRATION
FY21 HOUSE FINANCE BUDGET SUBCOMMITTEE
NARRATIVE REPORT
February 13, 2020**

The Legislature has been grappling with the impacts of billion-dollar deficits over the last eight years. In response to the fiscal situation, the Department of Administration's Unrestricted General Fund (UGF) budget has been reduced to funding levels last seen 10 years ago.

Subcommittee Meetings:
The subcommittee held a total of 6 meetings; 1 joint meeting with Legislative Finance and department personnel to overview the department's budget, 4 meetings with department personnel to examine budget components in detail, and 2 meetings to consider amendments and closeout the subcommittee.

During the meetings discussions revolved around future savings to be realized by the consolidation of services, savings related to changes with employee and retiree healthcare, the challenges of recruitment and retention within the Legal and Advocacy Services component, and an update from the Commissioner on public media and rural service issues as well as a response from a public media representative.

Subcommittee Recommendations:
The House Finance Budget Subcommittee for the Department of Administration submits the following recommendations for the FY 2021 operating budget:

	(dollars in thousands)
Unrestricted General Funds (UGF)	$67,400.7
Designated General Funds (DGF)	$26,075.4
Other Funds	$265,003.9
Federal Funds	$1,104.7
Total Budget	**$359,584.7**

UGF in the Subcommittee's recommendation is $5,013,200 above the FY21 Adjusted Base and $1,372,700 above the FY21 Governor's Request. The majority of the UGF increases are the result of the use of PCE funds to fund HB 49 fiscal notes during the 2019 legislative session. This year, UGF will be used to fund the items included in the HB 49 fiscal notes.

Budget Action:
The Governor's FY 21 budget proposed a total of 28 changes from the FY 21 Adjusted Base budget. After learning about each item, the subcommittee adopted all 28 changes with unanimous consent.

Some of the highlights of these items:
- Increases to pay for Attorney's bar dues for recruitment and retention purposes.
- A funding mechanism change for Office of Public and Advocacy and Public Defender budgets to use UGF instead of Power Cost Equalization funds.
- An increase of $1,235,000 and 10 new positions for the Office of Public Advocacy.
- Additional travel resources for the Office of Public Advocacy and Public Defender Agency.
- Reductions across multiple budget components to realize savings as a result of Office of Information Technology and Shared Services of Alaska consolidation.
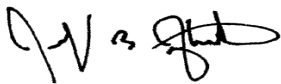
Subcommittee Amendments:
The subcommittee considered three amendments. Due to ongoing conversations between the department and public media officials about the needs of Alaska's public broadcasting community, the subcommittee allocated only $1 million for public broadcasting grants. The subcommittee also added $372,700 to fully fund the request of the Alaska Mental Health Trust Authority and fixed an over appropriation of boat receipts.

Attached Reports:
The House Finance Budget Subcommittee for the Department of Administration adopted the attached reports generated by the Subcommittee and the Division of Legislative Finance:
- DOA Budget Action Worksheet
- DOA-Agency Total- Legislative Finance
- DOA Wordage- Legislative Finance
- DOA Transaction Compare 1- Legislative Finance
- DOA- Transaction Compare 2-Legislative Finance

Respectfully submitted,

Representative Jennifer Johnston, Chair

House Finance Budget Subcommittee for the Department of Administration