



31st Alaska State Legislature
 House Finance Budget Subcommittee
 Department of Administration
 FY20 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. LeDoux
 Capitol Room 403
 465-4998

Rep. Story
 Capitol Room 13
 465-3744

Rep. Vance
 Capitol Room 424
 465-2689

Rep. Shaw
 Capitol Room 112
 465-4945

Rep. Wool
 Capitol Room 412
 465-4976

Subcommittee Aide:

Robert Ervine
 465-6866

**DEPARTMENT OF ADMINISTRATION
 FY20 HOUSE FINANCE BUDGET SUBCOMMITTEE
 NARRATIVE REPORT
 March 21, 2019**

The Legislature has been grappling with the impacts of billion-dollar deficits over the last seven years. In response to the fiscal situation, the Department of Administration’s Unrestricted General Fund (UGF) budget has been reduced by more than 16 percent since fiscal year 2015.

Subcommittee Meetings:

The subcommittee held 1 informational meeting with Legislative Finance, 3 meetings with department personnel, 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 and the importance that public media plays in emergency broadcasting.

Subcommittee Recommendations:

The House Finance Budget Subcommittee for the Department of Administration submits the following recommendations for the FY 2020 operating budget:

	(dollars in
thousands)	
Unrestricted General Funds (UGF)	\$71,573.4
Designated General Funds (DGF)	\$33,117.1
Other Funds	\$269,521.9
Federal Funds	\$4,105.3
Total Budget	\$378,317.7

The UGF difference from the FY20 Adjusted Base is \$6.5 thousand.

Budget Action:

The Governor’s FY 20 budget proposed a total of 36 changes from the FY 20 adjusted base budget. After deliberating and voting on each item, the subcommittee adopted 29 of the changes.

The subcommittee was unable to adopt the following recommendations due to concerns with disruptions to critical state services:

- \$122,400 travel reduction to the Alaska Oil and Gas Conservation Commission
- \$91,900 travel reduction to the Office Public Advocacy
- \$180,100 travel reduction to the Public Defenders.

The affected agencies expressed concerns that travel reductions posed a risk to their ability to perform their statutorily- and constitutionally- required functions.

Additionally, the subcommittee was unable to accept the recommended reductions to Public Broadcasting due to concerns with disrupting communities' ability to receive emergency signals and access to essential information. The subcommittee spent time discussing the importance of the emergency infrastructure and attempting to discern the critical infrastructure from the less critical.

Subcommittee Amendments:

The subcommittee removed language inserted by the department to allow unlimited transfers across appropriations. This language was removed so that the Legislature can maintain its power of appropriation.

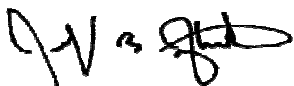
The subcommittee added an amendment with intent language requiring the department to create a report outlining past and present savings from consolidation of shared services and information technology. The report will allow future legislature's the ability to make results-based decisions.

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