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MEMORANDUM

TO: Legislative Council Members

FROM: Representative Mike Hawker
Chairman, Legislative Council

DATE: February 23, 2013

RE: FY14 Proposed Legislature Budget Notes

In accordance with **AS 24.20.132 Legislative Budget and Expenses**: The estimate of operating expenses for the legislature shall be included in the annual budget submitted by the Legislative Council. A detailed budget document shall be submitted to the House and Senate Finance Committees.

The proposed FY14 legislature budget has been prepared by the Legislative Council Chair, in the format utilized by Legislative Finance, and sent electronically to each committee member on February 22, 2013. It will be presented to the Legislative Council for approval at the February 26, 2013 meeting. This budget has been prepared in counsel with legislative leadership, the Legislative Budget and Audit Chair, the Legislative Auditor, and the Legislative Finance Director.

The proposed FY14 budget results in an all funds reduction from FY13 Management Plan of \$1,401.3 and a reduction from the FY14 Governor's Amended Budget of \$537.7.

The Legislative Council Chair denied requests for increases from the Legislative Affairs Agency totaling \$435.2. These include:

Salaries and Allowances	\$52.6
Administrative Services	\$116.5
Ethics Committee	\$5.8
Office of Victims' Rights	\$42.4
Office of the Ombudsman	\$148.3
Legislative Operating Budget	\$69.6

It is believed these requests can be accommodated in the base budgets for FY14, although further reductions in later years may become problematic with necessarily increasing costs for legislative facilities and services expected by legislators.

Travel and Services expenses in Legislative Council and Subcommittees appropriation, totaling \$25.0, for the 100th Year Legislative Anniversary Commission have been removed from the budget in accordance with discussions with that commission that indicate those expenses are not required.

The cost of facilities currently rented or leased for legislative purposes, totaling \$2,236.6, are consolidated into one budget component in the Legislative Council appropriation, consistent with the budgetary practice in other state agencies. This is done to improve budget transparency and accountability. These include:

Administrative Services	\$674.2
Legislative Ethics Committee	\$9.0
Office of Victims' Rights	\$54.3
Ombudsman	\$43.7
Legislative Operating Budget	\$1,218.3
Legislative Affairs	\$65.1
Ombudsman	\$46.4
Legislative Audit	\$125.6

The Session Expenses component of the budget has been relocated from the Legislative Council RDU, to the Legislative Operating Budget RDU, which previously contained only the interim budget appropriation, to give legislative leadership the greatest possible flexibility in managing the costs of regular sessions, special sessions, and interim operations. Based on historic spending totals, it is believed this combination avoids the need for an increase in either interim or session appropriations. It is the intent of the Legislative Council Chair to work with legislative leadership over the coming year to assure the level of funding and the categorization of funding within these appropriations is adequate and appropriately aligned with legislative needs.

A \$100.0 reduction has been taken in the Legislative Budget and Audit Committee Expenses to offset a \$100.0 increment requested by the Legislative Auditor.

Legislative Finance Committee expenses have been reduced \$250.0. Legislative Budget and Audit Committee expenses are reduced \$250.0. The reductions in the Legislative Finance and Legislative Budget and Audit Committee appropriations will not impair those functions in FY14.

One-time items in FY13 Management Plan have been removed from the FY14 proposed budget.

Legislative Council and Subcommittees - Large Mine Development Study (This FY11 budget item was never undertaken)	\$750.0
Legislative Operating Budget – Speakers' Conference (This reduction comes out of the House budget allocation)	\$423.7

If approved by Legislative Council, the FY14 legislature budget, incorporating these changes to initial requests and structure, will be submitted to the House and Senate Finance Committees for further consideration in the context of the greater FY14 budgets for the State of Alaska.

Submitted for consideration to the Legislative Council for consideration this day, February 22-23, 2013.