

**Bill Walker**  
Governor



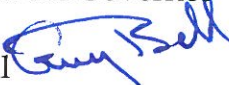
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**STATE OF ALASKA**  
**OFFICE OF THE GOVERNOR**  
**JUNEAU**

**MEMORANDUM**

**TO:** Representative Paul Seaton  
Chairman  
House Finance Subcommittee for  
Office of the Governor

**DATE:** February 8, 2017

**FROM:** Guy Bell   
Administrative Director  
Office of the Governor

**SUBJECT:** Responses to  
Subcommittee

Please see the responses below to Subcommittee questions, in component order.

Executive Office

1. The position deleted in the FY18 Governor's Budget is a vacant Policy and Program Specialist, PCN 01-102X, in Juneau, and duties have been absorbed other staff.
2. A question was raised why there is a reduction of five positions from FY17 Management Plan to FY 18 Governor without an overall reduction in funding. Following is a summary of the change records in the Executive Office.
  - a. The vacant Policy and Program Specialist referenced above is deleted to reduce the Executive Office vacancy factor.
  - b. Four administrative support positions are transferred to the Department of Administration, three to Shared Services and one to the Centralized Office of Information Technology (OOIT). However, 90% of the funding for the three positions transferred to Shared Services and 100% of the funding for the position transferred to the OOIT is retained in the Executive Office to cover the cost of these positions by reimbursable services agreement.
  - c. There is a decrement in the amount of \$27.9 in unrestricted general funds (UGF), reflecting an anticipated FY18 efficiency savings of 10% of the cost of the positions transferred to Shared Services.
  - d. There is an incremental increase of \$141.5 UGF for Alaska Care health insurance rate increases.

- e. A transfer from contractual services to personal services in the amount of \$100.0 UGF reduces the vacancy factor.

The Office of the Governor has required all staff to take two furlough days this fiscal year to reduce cost, and is taking steps to reduce salaries as vacancies occur. A manual count of Executive Office salaries between FY17 Management Plan and FY 18 Governor reveals that nine salaries have increased, primarily because of statutorily required merit increases, two salaries have declined, and 49 salaries remain the same due to a salary freeze that has been in place since July 2015.

### Contingency Fund

- 3. I misspoke when I said the Contingency Fund had been used for oil and gas consulting services. I should have referenced services relating advancement of a fiscal reform plan to include sovereign wealth funds provided by Malan Rietveld.

### Leases

- 4. The house on 524 Main Street (Behrends House) is owned by the state and maintained by the Department of Administration. In 2016, the State of Alaska took ownership of the Behrends House from the Alaska Capitol Fund for \$1. The Alaska Capitol Fund required the state use the house to enhance the Capitol complex in Juneau. The Behrends House is being used by state officials for formal and informal meetings, and to house state employees on travel status. The annual operating cost is estimated to be \$30.0; the cost is covered by an assessment by the Department of Administration, Division of General Services, to each Commissioner's Office in the amount of \$2.0. Ownership of the House will result in an overall savings to state due to reduced hotel and facilities costs.
- 5. The Japan Office referred to last evening was not part of the Governor's Office leasing budget; funding was provided by the Executive Office and services were provided under a professional services contract. That contract was terminated by the Office of the Governor in 2016, saving approximately \$140.0 UGF per fiscal year.
- 6. The Anchorage International Airport has a VIP reception room that is used by state and federal officials. The Airport does not charge any agency for use of the space.

## Elections

7. A question was asked about the state's participation in the Electronic Registration Information Center (ERIC). Senate Bill 9, relating to voter list accuracy and enacted in 2016, allowed the Division of Elections to join 21 other states in the ERIC. The Division's membership dues for FY 17 were \$19,836, paid with Help America Vote Act (HAVA) federal funds. As a member state, the division received support for analyzing state data to identify approximately 90,000 eligible Alaska residents who had not registered to vote, received assistance in maintaining voter lists by removing deceased voters and voters registered in other states. The division intends to continue membership and allocate the \$20.0 cost to HAVA.