

HOUSE FINANCE COMMITTEE  
February 28, 2019  
1:34 p.m.

[1:34:44 PM](#)

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 1:34 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Tammie Wilson, Co-Chair  
Representative Jennifer Johnston, Vice-Chair  
Representative Dan Ortiz, Vice-Chair  
Representative Ben Carpenter  
Representative Andy Josephson  
Representative Gary Knopp  
Representative Bart LeBon  
Representative Kelly Merrick (via teleconference)  
Representative Colleen Sullivan-Leonard  
Representative Cathy Tilton

MEMBERS ABSENT

None

ALSO PRESENT

Lacey Sanders, Budget Director, Office of Management and Budget, Office of the Governor; Cheryl Lowenstein, Administrative Services Director, Department of Administration, Office of Management and Budget, Office of the Governor; Shawn Henderson, Administrative Services Director, Office of the Governor.

PRESENT VIA TELECONFERENCE

Representative Kelly Merrick

SUMMARY

HB 39      APPROP: OPERATING BUDGET/LOANS/FUNDS



increase of \$30,998,700). She referenced a chart on the left showing a funding comparison. Federal funds made up a small portion of the department's budget, totaling just over \$3.9 million in FY 19 and \$4.1 million in FY 20. The \$200,000 (5 percent) increase was for a six-year grant for the Office of Public Advocacy (OPA) to address the opioid crisis.

Ms. Lowenstein moved to the "other" funds category (shown in green) that was comprised of large buckets of funds. The first was interagency (IA) receipts to charge other agencies for DOA's service. She noted the difference between FY 19 and FY 20 was minimal at a reduction of \$140,000.

Ms. Lowenstein reported that the second item included in other funds was the Internal Services Fund used exclusively by the Office of Information Technology, which totaled \$47,491,000 in FY 19 and \$74,169,000 in FY 20. She elaborated that the increase was just under \$20 million and was due to the integration of information technology (IT) services. Some contracts had been consolidated in the Office of Information Technology (OIT); those contracts were paid in OIT and services were provided to agencies, rather than agencies paying the costs directly (DOA charged the cost back to the agencies). She highlighted a \$15 million supplemental in FY 19 for the same reason. She reported the expectation of 86 additional staff transferring into OIT in FY 20 as part of the consolidation. The third large consumer of other funds was the Public Building Fund, which had a minimal difference of \$500 between FY 19 and FY 20. She explained that the department used the funds to charge agencies for space in DOA-owned state buildings.

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Vice-Chair Ortiz asked if Ms. Lowenstein was describing the difference between other funds in the FY 19 management plan and governor's amended budget for FY 20 (\$234,578,000 and \$269,571,900 respectively).

Ms. Lowenstein replied in the affirmative.

Vice-Chair Ortiz asked if it was possible to see the specific line item changes rather than receiving an oral summary.

Ms. Lowenstein responded affirmatively.

LACEY SANDERS, BUDGET DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, noted that the details were included in the subcommittee budget books provided by the Legislative Finance Division. She explained that Ms. Lowenstein was providing a high-level overview of the changes.

Co-Chair Wilson referenced Shared Services and noted the legislature had heard there would be substantial savings. She remarked there were substantial funds moving back and forth via interagency receipts and internal services. She asked how legislators could determine how much money had been spent in all of the different agencies compared to the amount spent on the current consolidated structure. She wondered if the transition was nearly finished.

Ms. Lowenstein responded that DOA had done some baselining of costs for OIT and Shared Services. She highlighted costs in personal services, contractual, travel, and other lines. The department was in the process of bringing staff in and looking at purchases done across agencies independently. She explained there was an Investment Review Board (IRB) where every contract or software purchase was reviewed in order to see what people were using and whether items were used by one or several departments. The idea was to locate areas the department could consolidate prices or services for a cheaper cost. She detailed that the process was currently underway as DOA transferred staff in to DOA to provide the same services they had received. There had been some savings to date, but some savings would need to be reinvested to improve IT services (e.g. in areas like IT security, which needed improvement). In the future she anticipated the savings.

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Co-Chair Wilson understood that aside from Shared Services the administration was doing some other cost effective measures. She believed several years earlier the consolidation only pertained to IT. She asked for a breakdown of all of the measures. She had heard the state had not received the savings it anticipated with Shared Services and that it may have resulted in less efficiency in some agencies. She believed it was separate from other

measures aiming to purchase everything at the same place in volume.

Ms. Lowenstein answered that Shared Services was the travel and payables initiative, which included procurement. She detailed that OIT was the IT consolidation, which was not included under the Shared Services category. The department had brought in most of the travel under Shared Services but had left out confidential travel; once a confidential unit had been established it could consider bringing in confidential travel. The priority had been to bring in regular travel. The department had been given staff that it paid and issued a chargeback for. The department had not been given overhead; it was finding receipts and fees to offset the costs for the initiative.

Ms. Lowenstein continued that DOA had recently made an investment in software to improve tracking of what it was receiving (it had used email in the past). The department was implementing a new process to reduce the time it took to process travel by approximately 40 percent. She elaborated that DOA was starting to gain and find efficiencies to reduce its staff time and hopefully the number of staff needed in the future. The department was also beginning to bring the payables initiative in. She relayed that DOA was still doing significant work to consolidate those components.

[1:45:17 PM](#)

Co-Chair Wilson surmised that the efficiencies were not as basic as the initial project she was recalling. She remarked on the difficulty of following IA receipts. She asked if the employees would eventually become DOA employees, which would eliminate the need for chargebacks [to other agencies]. She thought it would remove the duplication processes related to funding.

Ms. Lowenstein replied that if DOA was 100 percent successful, the only way it could abolish IA receipts would be if it was able to find enough receipts to not charge anything back for the service provided.

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Ms. Lowenstein continued to address the "other" fund category on slide 3. The second to last large item in the

category was the department's retirement and benefit funds. The budget included an increase in the area of approximately \$7.6 million. She detailed the amount included \$3.7 million for the second half of the employer group waiver program that was adding Medicare Part D. She explained the department had pharmaceutical rebates in the past; adding Medicare Part D would increase rebates by \$16 million to \$23 million. Additionally, the change would reduce the state assistance by \$40 million to \$52 million. The department had put a number of contracts in place that would result in savings of as much as \$4 million on the active side; once the contracts were farther along, DOA could look at adding retirees, which would result in more savings. She elaborated that the savings would go to the AlaskaCare Health Trust.

Ms. Lowenstein addressed the last large item included in the "other" funds category representing a change in the chart was an increase of \$851,000 to the Violent Crimes Compensation Board funding (crime victim funds sourced from the Permanent Fund Dividends garnished from felons). She noted that HB 286 passed the legislature the previous year, which increased the board's ability to receive and spend receipts of \$180,000. She expounded that the higher the amount of the increase, the more money there was to distribute across the agencies receiving funding.

Vice-Chair Johnston asked about the Medicare Part D related to pharmaceuticals. She asked whether the savings was due to a decrease in the cost of drugs or from the upfront cashflow.

Ms. Lowenstein replied that the state was receiving more revenues off the pharmaceuticals consumed by the people in the health trust. She added that the state was receiving \$0.30 instead of \$0.10.

Vice-Chair Johnston asked for verification the cash would be received immediately instead of after 120 days as was the current practice.

Ms. Lowenstein replied in the affirmative. She highlighted that the department's projections were low compared to what it was anticipating to collect; the amount was expected to be a bit higher than what she had previously stated.

[1:49:11 PM](#)

Representative Sullivan-Leonard asked if the cost savings would come from the new contract with the pharmacy benefit managers.

Ms. Lowenstein replied the savings would come in the form of federal reimbursement by adding Medicare Part D.

Representative Sullivan-Leonard surmised her previous statement was not part of it.

Ms. Lowenstein agreed.

Ms. Lowenstein continued to address slide 3. The increase in other funds from FY 19 to FY 20 was almost entirely due to the Internal Services Fund for OIT in the amount of \$26.7 million, retirement and benefits at \$7.6 million, and the Violent Crimes Compensation Board at \$800,000. The blue portion of the bar [in the chart on the left] represented the department's undesignated general fund (UGF) and designated general funds (DGF). In FY 19, the total \$105,495,500 was made up of \$72,517,000 UGF and \$32,977,800 DGF. In FY 20, the total \$101,300,000 was made up of \$68,307,100 UGF and \$32,992,900 DGF (a reduction of approximately \$4.2 million). The largest consumers of UGF were OPA and the Public Defender Agency at approximately 73 percent of the funds in FY 20. The largest consumer of DGF was the Division of Motor Vehicles (DMV) at \$16.7 million. She reported that DMV returned \$30 million to \$40 million annually to the General Fund.

Ms. Lowenstein moved to the chart on the right of slide 3 showing DOA's budgeted position comparisons between FY 19 and FY 20. The department had 1,245 positions in FY 19 and 1,263 in FY 20. She noted it was an increase of 18 positions overall. There were 19 positions increased in the full-time category (shown in blue), 15 were due to staff transferring in from the Department of Transportation and Public Facilities to OIT, 6 staff were working for retirement and benefits (with an offset of 3 non-permanent positions), and the administrative services director and one other position were being transferred out of DOA.

Co-Chair Wilson referenced Ms. Lowenstein's testimony that DMV brought in the most revenue. She asked if the [per person] cost selected to obtain a Real ID had hit the mark compared to the cost of a regular driver's license.

Ms. Lowenstein replied that she did not have the information and would follow up on the question.

Co-Chair Wilson was concerned about the scenario when someone did not receive their driver's license [in the mail] and the DMV did not know where it went because there was no tracking system. She shared that her license had not arrived, and she had called a couple of months later but the DMV did not know where it had gone. She reported that the FBI had subsequently found it on a person who had taken licenses from numerous people. She elaborated that the only offer she had received was to get her same driver's license back with the same number on it. She wanted there to be a process when someone else received a person's license. With the Real ID requirement, she believed it was time for the DMV to consider tracking mailed licenses or have individuals pick up their license at the DMV. She did not believe the regular mail kept licenses very secure. She reported it had not made her feel good to know a thief had been carrying her license in his pocket. She added she had recently received a call from a person who had not received their license in the mail and its whereabouts were unknown.

Ms. Lowenstein thanked Co-Chair Wilson for the comment.

[1:53:39 PM](#)

Representative Josephson spoke about the OPA and Public Defender Agency budgets. He thought the Public Defender Agency had been seeking 20 more public defenders. He did not know if it correlated with the anticipated passage of the governor's crime bill package. Instead of the 20 positions, the agency had received money for one-half to one full position. He asked about the impact of passing the governor's crime package on Public Defender Agency's budget.

Ms. Lowenstein answered that she did not know the impact. She was unsure the administration could articulate the impact presently. The Public Defender Agency believed it should be able to provide necessary services in the current year. She reported that the appeals backlog would increase some. She relayed that the DOA commissioner was dedicated to looking at whether the agency's work was conducted most efficiently and planned to act accordingly.

[1:55:08 PM](#)

Ms. Lowenstein moved to slide 4 and spoke to the General Fund changes including the withdraw of the state grant for Alaska Public Broadcasting television, radio, and satellite services totaling \$3,496.1 million GF and \$100,000 IA.

Vice-Chair Ortiz asked what kind of analysis had been done in the decision to make the \$3.5 million reduction to public broadcasting.

Ms. Sanders replied that when the administration had reviewed the departments' budgets, it had prioritized each department's core services. The administration had determined that the grant was not statutorily required and was not a core service.

Vice-Chair Ortiz asked if the presenters were aware of the role public broadcasting played in rural communities including emergency information broadcasting.

Ms. Lowenstein replied in the affirmative.

Vice-Chair Ortiz asked if the department had determined that the emergency contact services were not essential.

Ms. Sanders clarified that the decision had been made by the governor, not Ms. Lowenstein.

Vice-Chair Ortiz understood, but noted that Ms. Lowenstein was the representative of the governor. He asked whether it was deemed that emergency broadcasting services, particularly in rural Alaska, were not essential.

Ms. Sanders replied that the services may be essential for communities. She suggested that entities could look elsewhere for funding if they chose to do so. She stated that the funding had been identified as nonessential for the core functions provided by DOA.

[1:58:21 PM](#)

Representative Sullivan-Leonard noted the particular item had been looked at for reduction for years. She stated that there had been ongoing discussions about other potential funding sources at the local or tribal level. She asked if

other avenues had been explored and whether local entities had been asked if they could help provide support.

Ms. Lowenstein answered that DOA distributed the grants and public broadcasting was responsible for providing the department with a list of recipients and the amount they received. She reported DOA would be glad to help with the transition in any way possible. She confirmed that the idea was for public broadcasting to locate funding from other sources.

Representative Sullivan-Leonard appreciated the response. She was hearing more and more about the impacts at the local level. She supported continuing discussions to assist entities on the receiving end find other funding sources.

Co-Chair Foster asked for a list of all the grantees from the past year.

Ms. Sanders agreed to provide the list.

Vice-Chair Ortiz asked if the funding was associated with any federal matching funds from National Public Radio or other.

Ms. Sanders was uncertain and would follow up on the question.

Ms. Lowenstein believed there was some match funding for public radio in particular. She believed the funding represented 12 percent of the radio's overall funding.

Vice-Chair Ortiz asked for clarification that the money represented some match potential for the radio stations. He surmised that the opportunity cost was greater than \$3.5 million because the federal funding would not come in.

Ms. Lowenstein answered in the affirmative.

Co-Chair Wilson asked if entities filled out paperwork showing other fund sources when they applied for the state grants. She did not believe it was necessarily federal funding that required a match (it may or may not). She relayed it would be helpful to see the overall funding picture [for public broadcasting]. She believed the funds represented a low percentage [of overall funds] for some entities and a high percentage for entities in some rural

areas. She noted that not all federal funding required a match; sometimes funds were received because of what an organization was doing. Additionally, some of the funding could be coming from communities or Native corporations. It would be difficult for legislators to understand the impacts without the entire picture.

Ms. Lowenstein replied that it was accurate. She noted that if an entity was using state funds for a match, they could use donations for a match instead. There were numerous ways to look at the issue.

[2:02:42 PM](#)

Ms. Lowenstein addressed a statewide support executive branch 50 percent travel reduction of \$459,100 GF on slide 4 (\$289,200 UGF and \$169,900 DGF). The total reduction to the department was \$592,700.

Vice-Chair Ortiz asked how the reduction impacted the department's ability to conduct carry out its duties and obligations. He recognized that reducing travel appeared to be a good thing at face value; however, he wondered if it would have a specific impact on DOA's ability to fulfill its duties.

Ms. Lowenstein answered that OPA and the Public Defender Agency did not receive a 50 percent cut because of the work the two agencies did. She could not speak to the calculation, but the agencies had received the same number as the Department of Law and the Department of Public Safety. The department's commissioner was reviewing all travel and denying anything that was not mission critical. The department was looking at increasing videoconferencing to help reduce travel at DOA and in other agencies.

[2:04:48 PM](#)

Vice-Chair Johnston asked if Ms. Lowenstein had identified the Alaska Oil and Gas Conservation Commission (AOGCC) as an agency receiving a [travel] reduction.

Ms. Lowenstein replied that AOGCC had also received a 50 percent travel reduction.

^FY 20 BUDGET OVERVIEW: OFFICE OF THE GOVERNOR

2:05:30 PM

SHAWN HENDERSON, ADMINISTRATIVE SERVICES DIRECTOR, OFFICE OF THE GOVERNOR, provided a brief summary of the operations of the Office of the Governor. He detailed that the office exercised executive power of the State of Alaska as set out in the Alaska Constitution and in statute. The office included the Office of the Lieutenant Governor; the Division of Elections responsible for overseeing statewide elections; the Alaska Human Rights Commission tasked with enforcing Alaska human rights laws; and the Office of Management and Budget (OMB) that oversaw the preparation and presentation of the governor's budget.

Mr. Henderson continued with the presentation above titled "FY2020 Governor's Amended Budget" dated February 28, 2019 (copy on file). He began on slide 6 showing funding and budgeted position comparisons. He pointed to the left portion of the slide and reported that the total budget for the Office of the Governor was increasing slightly from \$28,850,000 to \$28,961,000. He detailed that there was GF reduction from \$27,781,700 to \$24,747,600 (shown in blue). Other funds increased from \$838,300 to \$3,984,700. He reported that details on the increase would be shown on the following slide. Federal funds were reduced by \$1,000 from FY 19 to FY 20.

Mr. Henderson directed attention to the budgeted position comparison on the right side of the slide. There was no change in the 23 nonpermanent positions. The full-time positions would increase from 136 to 154.

2:09:20 PM

Mr. Henderson turned to slide 7 and addressed detailed changes in the budget. The governor's office was proposing to reduce its contingency fund by \$300,000 GF. The fund was originally \$550,000 and the reduction would leave a remaining balance of \$250,000. He noted the item had been discussed the previous year and he believed the reduction represented a move in the right direction. The second bullet highlighted the consolidation of administrative services director (ASD) positions moving from the departments to OMB. The cost was \$2,706,000, which was funded by Interagency (IA) receipts. The last bullet reflected the decrease in executive branch travel by 50 percent totaling \$618,700 GF.

Vice-Chair Johnston asked where the 13 positions had come from [listed in the second bullet point on the slide].

Ms. Sanders replied that the 13 positions represented the ASDs being transferred into OMB from each of the departments.

Co-Chair Wilson noted slide 6 showed a position increase of 18. She asked for detail on the additional 5 positions.

Mr. Henderson explained that 13 of the positions were ASDs, 3 positions were from the Economic Development Council, and 2 positions were from the Department of Fish and Game (DFG).

[2:12:33 PM](#)

Co-Chair Wilson asked why the administration was moving vehicle rental tax to pay for the positions (as opposed to UGF). She asked what the two positions from DFG were and why they were being moved.

Ms. Sanders responded that the governor's budget included a transfer of economic development functions from the Department of Commerce, Community and Economic Development (DCCED), including three positions and the associated funding, to the Office of the Governor. There were other functions that had been included in DCCED's Division of Economic Development, which would be transferred to the Division of Community and Regional Affairs. She explained that the functions of the Division of Economic Development would be transferred from the division. The DFG positions proposed for transfer to the governor's office were two division director positions that were vacant and no longer being utilized in the department. She detailed that the services and work being done by the Division of Habitat and Division of Subsistence would continue, but the positions had been identified as no longer necessary.

Co-Chair Wilson expressed concern about the proposal. She wondered why the administration had not opted to delete the positions from DFG if they were no longer needed and add two new positions to the Office of the Governor. She wondered if the governor was going to be doing something different than before. She asked why the vacancy could not be utilized.

Ms. Sanders replied that there were multiple ways to do budget transactions. She explained that an increment and decrement could have been utilized. Under the given scenario, there were two division director positions and associated funding available. She elaborated that the positions were no longer needed in DFG and there was a need in the Office of the Governor; therefore, a transfer had been proposed.

Co-Chair Wilson was trying to figure out why the two new positions were necessary. Additionally, she asked why \$108,000 had been taken from the vehicle rental tax. She did not believe it was necessarily the right place to take funding from.

[2:15:29 PM](#)

Ms. Sanders answered that the two new positions included a budget director and deputy director within OMB. She elaborated that OMB was consolidating ASDs and creating a new way of functioning. The change required two new positions. She explained that the two positions had been identified as available and were transferred. The vehicle rental taxes were appropriated to the Division of Economic Development to work on tourism related functions within DCCED. The functions were no longer occurring under DCCED and had been moved to the Office of the Governor; the associated funds had been transferred with the positions.

[2:17:00 PM](#)

Co-Chair Wilson believed the \$108,000 had come around when the department had Alaska Travel Industry Association (ATIA) and a substantial amount of the functions. She was uncertain whether all of the functions were still occurring or whether the tourism industry had taken on the work. She stated the \$108,000 may or may not be doing the same function. She was glad the ASDs had been brought together because removed them from silos. She asked for more information about why the change had been made and what the benefits were of the communication between the ASDs.

Ms. Sanders answered that previously the ASDs worked within their own agencies and were very focused on what their agencies were doing and how they operated. The goal of

moving the positions was to bring the knowledge together to determine how business could be done better as a state. There were agencies utilizing systems that could benefit other agencies. She explained that prior to moving the positions to OMB, the discussions had not been taking place. Through some of the proposals on the human resources and procurement consolidations, the ASDs could pool their knowledge to discuss what worked and did not work. The prior consolidations of OIT and Shared Services were taking significant time and were providing learning experiences that could be applied to the human resources and procurement consolidations to increase the speed and success of the process.

[2:19:24 PM](#)

Representative Knopp was concerned about the consolidation of the ASDs. He appreciated trying to find efficiencies. He asked if the current number of ASDs would remain the same over time or be reduced in the future.

Ms. Sanders responded it was too soon to say whether positions would be reduced. The budget included the 13 positions that had been in the agencies. The administration was working with ASDs to identify what duties and functions they would continue. The administration believed it was important that ASDs continued to keep their existing relationships with their departments, which involved participating in conversations within the departments (with commissioners, deputy commissioners, and program directors).

Representative Knopp stated the ASDs had support staff when the positions were under the departments. He asked if the support staff positions remained intact inside the departments.

Ms. Sanders confirmed that the support staff positions, including budget analysts and procurement staff, would stay within the departments. The budget only moved the ASD positions.

[2:21:40 PM](#)

Representative Josephson asked for verification that the 13 positions were now physically embedded in OMB and not in the departments.

Ms. Sanders answered that the positions were physically split between their departments and OMB. The individuals maintained offices within their departments and OMB was working on establishing space within its offices.

Representative Josephson was trying to determine how spending part of their time in their department was any different than it had been. He was aware that every department was run by the executive branch and that commissioners served at the pleasure of the governor. He had heard ASDs referred to as directors of directors. He imagined that if ASDs were embedded outside their own departments, they must be receiving information over the phone or by email. He was trying to get a sense of the cultural change the move represented, particularly if the ASDs had two offices.

Ms. Sanders replied that the administration's intent was for ASDs to act as a conduit between agencies. The directors would determine the best place to focus their time given the circumstances. The idea was for the directors to be a link between agencies and OMB as OMB worked through larger projects, consolidations, and the budget process. The ASDs would determine, to some extent, where they needed to be at what time.

[2:24:33 PM](#)

Representative Josephson was trying to get a sense of the direction the governor was going. For example, each departmental budget included language where the legislature authorized the movement of funds between appropriations. He asked if the consolidation of the ASD positions under OMB signaled a move by the administration to consolidate power.

Ms. Sanders replied in the negative. She stated that the language Representative Josephson was referring to within each agency was a proposal to allow the departments (working with OMB and the ASD positions) to have flexibility to move money between appropriations as the administration was making large reductions throughout departments. She communicated that the change was not intended to be a power shift. The language had been used in prior years, specifically in the Department of Health and Social Services (DHSS) when large reductions had been made. She communicated it had been a proposal to be able to have

flexibility as large reductions were being made throughout the state.

[2:26:12 PM](#)

Vice-Chair Ortiz asked how bringing the ASDs into the governor's office had impacted the role of the different commissioners.

Ms. Sanders answered that she did not believe it had changed the role of the ASDs or commissioners. She elaborated that the commissioners, deputy commissioners, program directors, and ASDs were all participating in the conversations about the budget and the operations of their departments. She stated that nothing had changed.

Vice-Chair Ortiz highlighted the [administration's] decision related to education funding and asked if Ms. Sanders was saying the Department of Education and Early Development (DEED) commissioner had been on board.

Ms. Sanders answered that the commissioner had been a part of the conversation and decisions.

Vice-Chair Ortiz stated that the impact of the decisions had a direct influence on policy and the goal of improving education. He asked if the decision to reduce funding for the Base Student Allocation (BSA) was a decision to improve education. He remarked that the job of the DEED commissioner was ultimately to improve education.

[2:29:04 PM](#)

Ms. Sanders did not know how to answer the question because she believed it may not be appropriate for her to speak to. The job of the DEED commissioner was to support education and find the best outcomes for the department. The decision referenced by Vice-Chair Ortiz was a budget decision to reduce the amount of funding that went out through K-12 education. She reported that the commissioner had been part of the conversation.

Vice-Chair Johnston stated that she had been looking forward to program budgeting from OMB. She asked if "this" was going to provide the avenue to start seeing budgeting through programs.

Ms. Sanders replied that OMB had produced priority program matrixes for each of the departments, which would be provided to committee members. She detailed that when the budget had been developed, OMB had utilized the priority programs and core services.

Vice-Chair Johnston clarified she was looking for a budget based on programs. For example, there were programs for ages zero to five that were in multiple departments. She asked if the approach had started.

Ms. Sanders replied in the negative. The budget was based on individual departments' core services. The administration was looking at how programs were impacted across agencies. She highlighted requested IT projects as an example. She explained that the administration was making sure that capital projects were a coordinated effort if they impacted multiple agencies in any way (in order for the software or system could be utilized across agencies).

[2:31:29 PM](#)

Vice-Chair Johnston asked if the two DFG positions were funded through receipts or DGF.

Ms. Sanders replied the positions were funded with UGF, not receipts.

Co-Chair Foster asked if there was anything further from Mr. Henderson.

Mr. Henderson replied in the negative.

Representative Knopp saw a substantial increase in services in the OMB budget. He asked what services fell under OMB.

Ms. Sanders replied that when the 13 ASD positions had been transferred from their agencies, OMB had also added IA receipt authority to address their services costs related to computers, IT, and travel.

Representative Knopp asked if travel was a separate line item.

Ms. Sanders answered in the affirmative.

[2:33:22 PM](#)

Co-Chair Wilson communicated her desire to have the commissioners online during the budget discussions. She wanted to hear from the individuals who would have to take the numbers and make them a reality. She stated that the public did not get to hear when questions were answered with an email. She believed it would be helpful in understanding what the decreases may or may not do.

Co-Chair Foster stated the preference was to have individuals available in person, but if that was not possible, they could be online.

Representative Josephson shared the request. He reported that the Senate had also made the request.

Representative Knopp considered the budget comparison between the December 15 versus the governor's amended budget and the FY 18 actuals. He remarked that the numbers were somewhat skewed if the goal was to compare the actuals one year ago with the current numbers. He thought it was necessary to look at the far left or right to get the true increase or decrease percentages (when looking at what was proposed instead of actuals). He noted it was substantially different in some cases [note: Representative Knopp was referencing data on the OMB website].

Co-Chair Wilson asked for clarification. She wondered if Representative Knopp was stating that the charts were based on the governor's December 15 budget. She corrected that the charts in the presentation were to the FY 19 management plan.

Representative Knopp spoke about the OMB component detail. He looked at the numbers on the far right and noted the percentages included the governor's proposed budget and amended budget. He wanted to see the actuals from the past year compared to the governor's amended budget instead of including the December 15 budget.

Co-Chair Wilson believed Representative Knopp was referring to the OMB website.

Representative Knopp confirmed he was looking at the component details on the OMB website.

[2:36:54 PM](#)

Ms. Sanders answered that OMB and the Legislative Finance Division could run specific reports with comparisons upon request.

Co-Chair Foster reviewed the schedule for the following day.

Representative LeBon asked about the date of the following meeting.

Co-Chair Foster replied that the following meeting was March 1, 2019.

#  
ADJOURNMENT

[2:38:19 PM](#)

The meeting was adjourned at 2:38 p.m.