



29<sup>th</sup> Alaska State Legislature  
Senate Finance Budget Subcommittee  
Department of Revenue  
FY17 Operating Budget

**Chairman:**

Sen. Anna MacKinnon  
Capitol Room 516  
465-3777

**Members:**

Sen. Lesil McGuire  
Capitol Room 121  
465-2995

Sen. Bert Stedman  
Capitol Room 30  
465-3873

Sen. Bill Wielechowski  
Capitol Room 419  
465-2435

**Committee Aide:**

Laura Pierre  
465-1887

**DEPARTMENT OF REVENUE  
FY2017 SENATE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT  
March 3, 2016**

**RECOMMENDATIONS:**

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The Senate Finance Budget Subcommittee for the Department of Revenue submits a recommended operating budget for FY2017 to the Senate Finance Committee as follows:

Unrestricted General Funds (UGF)	\$ 27,237.1
Designated General Funds (DGF)	11,063.2
Other Funds	279,876.6
Federal Funds	79,630.8
<b>TOTAL</b>	<b>\$397,807.7</b>

**BUDGET ACTION:**

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The Senate Finance Budget Subcommittee for the Department of Revenue held 2 meetings with the Department and analyzed the Governor's amended budget. The following are budget action highlights:

Do not accept the following:

- Natural Gas Commercialization Bond Issuance Contract Services (\$1,700.0) UGF
- Natural Gas Commercialization – Non-Perm Program Manager (\$176.7) UGF

Additional Actions:

- Treasury Division – Staff Retention Funding for Investment Officer Positions \$147.6 Other, and associated transactions in the ARM Board
- Alaska Housing Finance Corporation reduction of Employee Travel (In state) (\$271.9) AHFC Receipts

- Alaska Housing Finance Corporation reduction of Employee Travel (Out of State) (\$237.7) AHFC Receipts
- Alaska Housing Finance Corporation reduction Services for advertising and promos (\$100.0) AHFC Receipts
- Alaska House Finance Corporation Services - Other Services (\$1,020.5) AHFC Receipts
- Alaska House Finance Corporation Commodities – Business (\$41.7) AHFC Receipts

Aside from the changes above, the subcommittee recommends adoption of the Department of Revenue's amended budget as presented – including the spread of anticipated unallocated reductions to particular components.

The subcommittee also recommends that if the Administration provides detailed information and identifies specific areas of advancement and progress in the Alaska Liquefied Natural Gas Project as outlined in Senate Bill 138 (2014) prior to the passage of the FY17 Operating Budget, the requests for additional funding for work to advance this project should first be funded through lapsing funds from the appropriation made to the Department of Revenue in the Third Special Session of 2015 (Sec. 2, Ch. 1, TSSLA 2015, pg. 2, ln. 13).

#### **INTENT LANGUAGE:**

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It is the intent of the Legislature that the Department of Revenue, in consultation with the Alaska Permanent Fund Corporation, evaluate and report to the Finance Committees by October 15, 2016 whether management responsibility over assets currently managed by the Alaska Retirement Management Board under AS 37.10.210, or state funds currently managed by the Commissioner of Revenue under AS 37.10.070, including the constitutional budget reserve fund under AS 37.10.430(a), should be transferred to the Alaska Permanent Fund Corporation.

#### **ATTACHED REPORTS:**

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The Senate Finance Budget Subcommittee for the Department of Revenue adopts the attached reports:

#### **Subcommittee generated reports**

Budget Action Worksheet

#### **Legislative Finance Division Reports – Senate Structure**

1. Multi-year Agency Totals – FY2017 Operating Budget
2. Multi-year Appropriation/Allocation Summary (All Funds)
3. Multi-year Appropriation/Allocation Summary (UGF)

4. Transaction Comparison between ADJ Base and Senate Subcomm
5. Transaction Comparison between Gov Amd and Senate Subcomm
6. Transaction Comparison between House Subcomm and Senate Subcomm
7. Wordage

Anna J. MacKinnon

**Senator Anna MacKinnon, Chair**

**Senate Finance Budget Subcommittee for the Department of Revenue**

**March 3, 2016**