



31st Alaska State Legislature
 House Finance Subcommittee
 Department of Revenue

Chairman:

Rep. Bart LeBon
 Capitol Room 418
 465-3709

Members:

Rep. Zach Fields
 Capitol Room 114
 465-2647

Rep. Sara Hannan
 Capitol Room 432
 465-4766

Rep. Gabrielle LeDoux
 Capitol Room 403
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Rep. Josh Revak
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Rep. Louise Stutes
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Rep. Dave Talerico
 Capitol Room 104
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Rep. Cathy Tilton
 Capitol Room 415
 465-2199

Rep. Adam Wool
 Capitol Room 412
 465-4942

Committee Aide:

Michaela Anderson
 465-2138

Department of Revenue
 FY2020 House Finance Budget Subcommittee Narrative Report
 March 20, 2019

Recommendations:

The House Finance Budget Subcommittee for the Department of Revenue submits a recommended operating budget for FY 2020 to the House Finance Committee as follows:

	(In thousands of dollars)
Unrestricted General Funds (UGF)	\$24,993.5
Designated General Funds (DGF)	\$2,597.3
Other Funds	\$290,662.4
<u>Federal Funds</u>	<u>\$79,816.9</u>
Total	\$398,070.1

Budgeted Positions	FY19 Mgt Plan	FY20 Sub-Com	Difference	Difference
Total Positions	882	877	-5	-0.6%

Historic Sub-Committee Action:

Fund Type	FY2015 <u>Mgt Plan</u>	FY2020 <u>Adjusted Base</u>	<u>Difference</u>	<u>Percent Difference</u>
Unrestricted General Fund	\$33,831.4	\$25,208.7	\$8,622.7	-25.5%
Designated General Fund	\$1,404.6	\$2,597.8	-\$1,193.2	84.9%
Other	\$263,184.5	\$291,077.1	-\$27,892.6	10.6%
<u>Federal</u>	<u>\$77,584.4</u>	<u>\$79,566.0</u>	<u>-\$1,981.6</u>	<u>2.6%</u>
Total	\$374,004.9	\$398,449.6	-\$24,444.7	6.5%

Budget Action:

The House Finance Budget Subcommittee for the Department of Revenue held three meetings with the Department and analyzed all the Governor's budget transactions. The following are the budget action highlights:

- Reduce spending by \$215.2 (0.9%) in Unrestricted General Funds from FY20 Adjusted Base.
- A reduction of \$355.5 (1.4%) in Unrestricted General Funds from the FY20 Governor's Amended budget.
- Subcommittee's recommended budget is \$8,837.9 UGF (26.1%) below FY15 Management Plan

The Subcommittee recommends accepting all of the Governor's FY 2020 request with the following changes:

- Deny the Governor's request for 50% Travel Reduction for
 - Mental Health Trust Operations
 - Long Term Care Ombudsman
- Deny the Governor's requests and recommend they be introduced as fiscal notes to their corresponding legislation
 - Delete Gaming Positions (08-2059 & 08-2064) from Tax Division
 - Replace Power Cost Equalization Funds with General Funds
- Remove department level wordage "At the discretion of the Office of Management and Budget, funding may be transferred between all appropriations in the department."

Additional highlight to the Governor's FY2020 requested budget and amendments are as follows:

- Remove 4 vacant positions throughout the Department
- Reduce travel by 50% (\$48.6) thousand in General Funds
- Efficiencies in Child Support Services and the Permanent Fund Dividend Division

Attached Reports:

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

Subcommittee generated reports

- 1) Budget Action Worksheet

Legislative Finance Division Reports – House Structure

- 1) Multi-year Agency Totals
- 2) Transaction Comparison between 20ADJ Base and House Sub
- 3) Transaction Comparison between GOV AMD and House Sub
- 4) Wordage Report



Representative Bart LeBon, Chair

House Finance Budget Subcommittee for the Department of Revenue

March 20, 2019