

**Department of Military and Veterans' Affairs**  
**FY25 - Summary of Significant Budget Issues**  
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
1	Military and Veterans' Affairs / Office of the Commissioner	Add Program Manager for Alaska State Defense Force Oversight	\$138.1 Gen Fund (UGF) <b>1 PFT Position Inc</b>	n/a	<p>The Alaska State Defense Force (ASDF) is a part of the Organized Militia per AS 26.05.100. The Department has expanded the role of ASDF in responding to emergencies and disasters. Currently, the commander of the ASDF is a volunteer position. The Department requested to have this position be a State employee, who is accountable to the Commissioner. This is similar to the model used by the Air and Army National Guards.</p> <p><b>Fiscal Analyst Comment:</b> In FY24 the Governor proposed the creation of a new ASDF allocation and an associated \$2.1 million UGF increase to bring the force from 200 members up to 500. The legislature denied this request for a new allocation and for the funding increase. It maintained the \$400.2 in funding for the force in the Commissioner's Office base budget.</p> <p><b>Items 1 and 2 are related.</b></p>
2	Military and Veterans' Affairs / Office of the Commissioner	Expanded Operations of Alaska State Defense Force, Naval Militia, and Civil Air Patrol	\$261.7 Gen Fund (UGF) <b>Inc</b>	n/a	<p>The legislature denied the requested FY25 expansion and again maintained the \$400.2 in the Commissioner's Office base budget.</p> <p><b>Items 1 and 2 are related.</b></p>
3	Military and Veterans' Affairs / Office of the Commissioner	Add Systems Programmer 2 for Cybersecurity	<b>Total: \$134.3</b> \$11.8 Fed Rcpts (Fed) \$1.1 GF/Match (UGF) \$50.9 Gen Fund (UGF) \$65.8 I/A Rcpts (Other) \$4.7 CIP Rcpts (Other) <b>1 PFT Position Inc</b>	<b>Total: \$134.3</b> \$11.8 Fed Rcpts (Fed) \$1.1 GF/Match (UGF) \$50.9 Gen Fund (UGF) \$65.8 I/A Rcpts (Other) \$4.7 CIP Rcpts (Other) <b>1 PFT Position Inc</b>	<p>This position is intended to enable the Department to proactively identify vulnerabilities and implement cybersecurity measures. The Department previously had no positions dedicated specifically to cybersecurity.</p> <p><b>Fiscal Analyst Comment:</b> DMVA has historically kept its IT infrastructure and operations outside of the shared services model of the State's Office of Information Technology (OIT) due to its unique federal requirements relating to national security and disaster response role.</p>

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4	Military and Veterans' Affairs / Office of the Commissioner	Address Rising Information Technology (IT) Infrastructure Contact Costs	\$100.0 Gen Fund (UGF) <b>Inc</b>	\$100.0 Gen Fund (UGF) <b>Inc</b>	The Department's existing contract to maintain its data center infrastructure is expiring and costs are anticipated to double with the new contract. The Department requires a data center on-site to facilitate emergency operations.
5	Military and Veterans' Affairs / Office of the Commissioner	GA 3/13 Additional Costs After Transferring IT Services Back From OIT Including Increased Personnel Costs and Licensing	\$405.3 Gen Fund (UGF) <b>Inc</b>	\$405.3 Gen Fund (UGF) <b>Inc</b>	The Office of Information Technology (OIT) transferred seven information technology (IT) positions that served the DMVA back to the Department at the end of FY23. DMVA is migrating from OIT due to the unique needs of the Department and requirements of federal programs. This increment is for IT position costs not offset by the expected reduction in OIT services, the cost to retain State email for employees, and the cost for licenses that are necessary to support the Department's operations.  The legislature also approved a FY24 <b>supplemental</b> for the same amount.
6	Military and Veterans' Affairs / Office of the Commissioner	Alaska Tuition Assistance for Alaska National Guard and Naval Militia Members	\$200.0 Gen Fund (UGF) <b>Inc</b>	\$200.0 Gen Fund (UGF) <b>Inc</b>	Tuition assistance is available to Air Guard, Army Guard, and Naval Militia members. The semester credit cap was previously set at 12 credits per service member but has been increased to 18 credits to be in line with the federal standard. This assistance is applicable toward the University of Alaska (UA) and other educational opportunities such as trade programs within Alaska.  <b>Fiscal Analyst Comment:</b> There has previously been a similar \$408.0 appropriation in the University of Alaska (UA) base budget for this purpose. The Governor proposed a corresponding reduction of \$200.0 UGF in the UA budget, lowering the total amount of tuition assistance for service members at the University to \$208.0 UGF. The legislature did not accept this reduction but the Governor subsequently vetoed the \$200.0. The two appropriations in UA and DMVA combine to maintain the total statewide funding for tuition assistance at \$408.0. The DMVA funding is distinct in that it allows assistance for education and training outside of UA.

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7	Military and Veterans' Affairs / Homeland Security and Emergency Management	Add Three Emergency Management Specialists for Disaster Assistance	<b>Total: \$319.2</b> \$223.4 Fed Rcpts (Fed) \$95.8 I/A Rcpts (Other) <b>Inc</b>	<b>Total: \$319.2</b> \$223.4 Fed Rcpts (Fed) \$95.8 I/A Rcpts (Other) <b>Inc</b>	This Increment adds two Emergency Management Specialist 2 positions, and one Emergency Management Specialist 3 position. These new positions will provide support for an increasing number of disasters and replace existing contractors.  <b>Fiscal Analyst Comment:</b> The costs for contractors currently doing disaster assistance are paid for by a combination of State and federal disaster funds out of the Disaster Relief Fund (DRF). Any DRF funds that are freed up with the transition from contractors to employees will be allocated to other disasters, which the Department hopes will over time decrease the amount of UGF funding needed for the DRF.
8	Military and Veterans' Affairs / Alaska Military Youth Academy	Increase General Fund Match for Federally Funded Employee Benefit Costs	\$160.0 GF/Match (UGF) <b>Inc</b>	\$160.0 GF/Match (UGF) <b>Inc</b>	In FY24, Federal authority was increased by \$1.9 million, while UGF was decreased commensurately, for allowable employee benefits that can be federally reimbursed at the Alaska Military Youth Academy (AMYA). The original match amount requested to match the federal funding was not sufficient. This increment brings the total match up to \$635.0 GF/Match.  <b>Fiscal Analyst Comment:</b> The insufficient match funding in AMYA's FY24 budget was offset using a portion of the \$881.9 one-time UGF funding for updates and modernization of the campus which was added by the legislature. No FY24 supplemental appropriation was necessary.
9	Military and Veterans' Affairs / Alaska Military Youth Academy	Operational Cost Increase Due to Inflation, Additional Maintenance, and Technology Costs	\$631.8 Gen Fund (UGF) <b>Inc</b>	\$631.8 Gen Fund (UGF) <b>Inc</b>	AMYA has been able to absorb rising operational costs the last few years due to reduced student counts from the COVID-19 pandemic. Now that classes are returning to pre-pandemic levels that excess funding is no longer available.  Cost increases include food costs, snow removal, parking lot sweeping, and general maintenance required to keep buildings operational. Additional funding is needed for computers and software including server maintenance.  <b>Fiscal Analyst Comment:</b> AMYA was able to reduce its base UGF budget by \$1.4 million in FY24 due to increased Federal funding, but it retained \$881.9 in one-time UGF funding in FY24 for updates and modernization of the campus.

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9	Military and Veterans' Affairs / Alaska Military Youth Academy	Operational Cost Increase Due to Inflation, Additional Maintenance, and Technology Costs	\$631.8 Gen Fund (UGF) <b>Inc</b>	\$631.8 Gen Fund (UGF) <b>Inc</b>	(continued) Items 9 and 10 combine to add \$791.8 back into AMYA's base budget, for a net reduction of \$633.2 from FY23 levels.
10	Military and Veterans' Affairs / Veterans' Services	Increase Funding for Veterans Service Officers and Add One New Officer	n/a	\$186.0 Gen Fund (UGF) <b>1 PFT Position Inc</b>	The legislature added funding for a yearly base pay increase of \$7.0 for Veteran Services Officers (VSO), and added funding for one additional officer. This would bring the total statewide number of VSO's up to 18.  <b>Fiscal Analyst Comment:</b> The VSO positions are not actually State employees, so the additional PCN that came with this funding is unnecessary. The VSOs are employed by other veterans' organizations (VFW, American Legion, etc.) and Veterans' Services provides the funding for their salaries to those organizations. So the additional VSO position will be established within one of those organizations and Veterans' Services will provide the funding for the salary to that organization.