

State of Alaska

Office of Management and Budget

Senate Finance Committee FY2020 Supplemental Budget Overview

February 6, 2020

Neil Steininger, Director

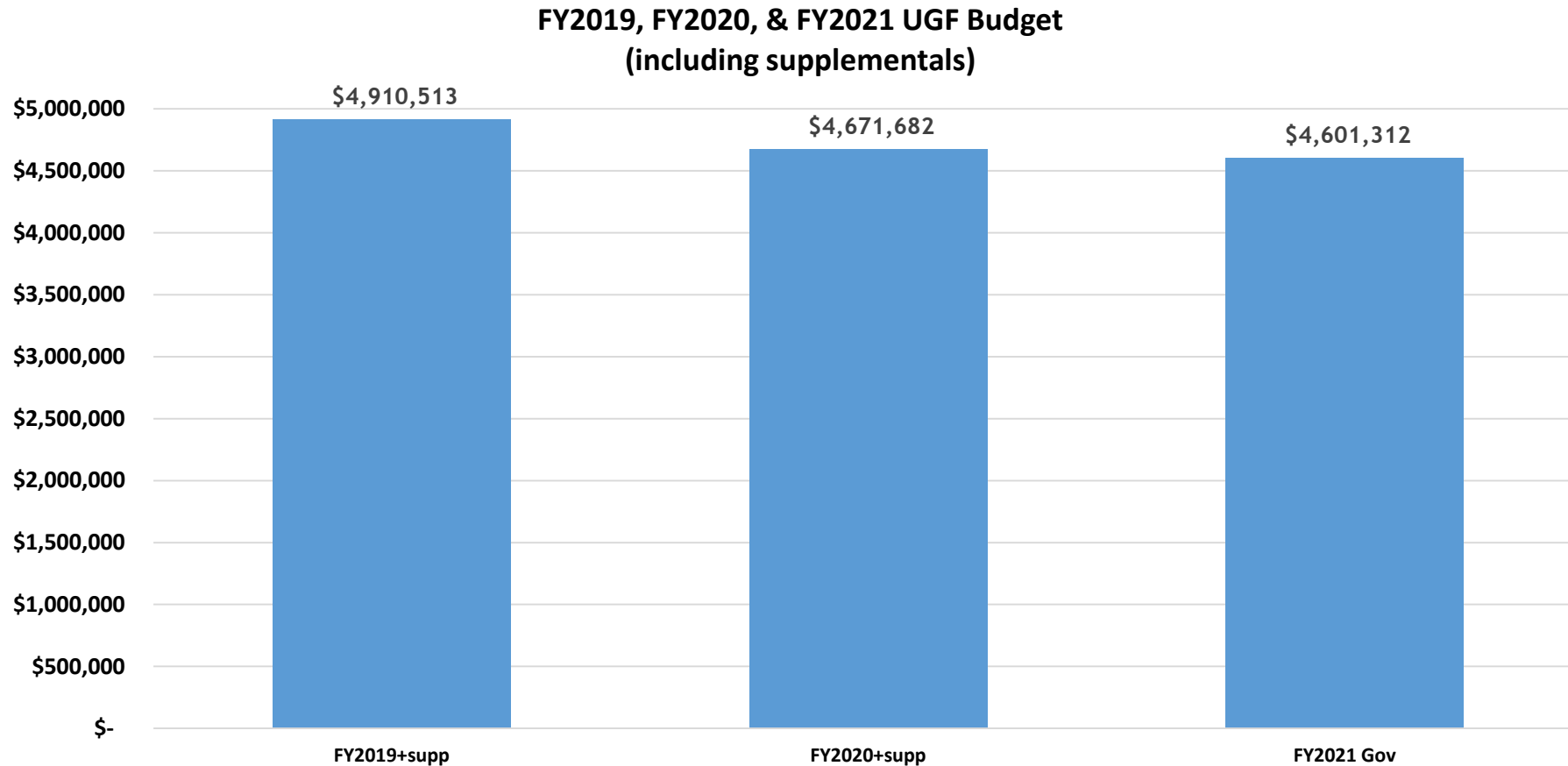


Office of Governor
MIKE DUNLEAVY

Supplemental Bill

- Supplemental bill comprised of two parts:
 - Urgent/emergency response: \$241,931.7 UGF
 - Regular supplement: \$20,615.0 UGF
- Total: \$262,546.7 UGF, \$507,910.4 All Funds

UGF Operating & Capital Budgets with Supplementals - FY2019 - FY2021



UGF budget reduction inclusive of supplementals:

FY2019 to FY2020 = \$238,831.0

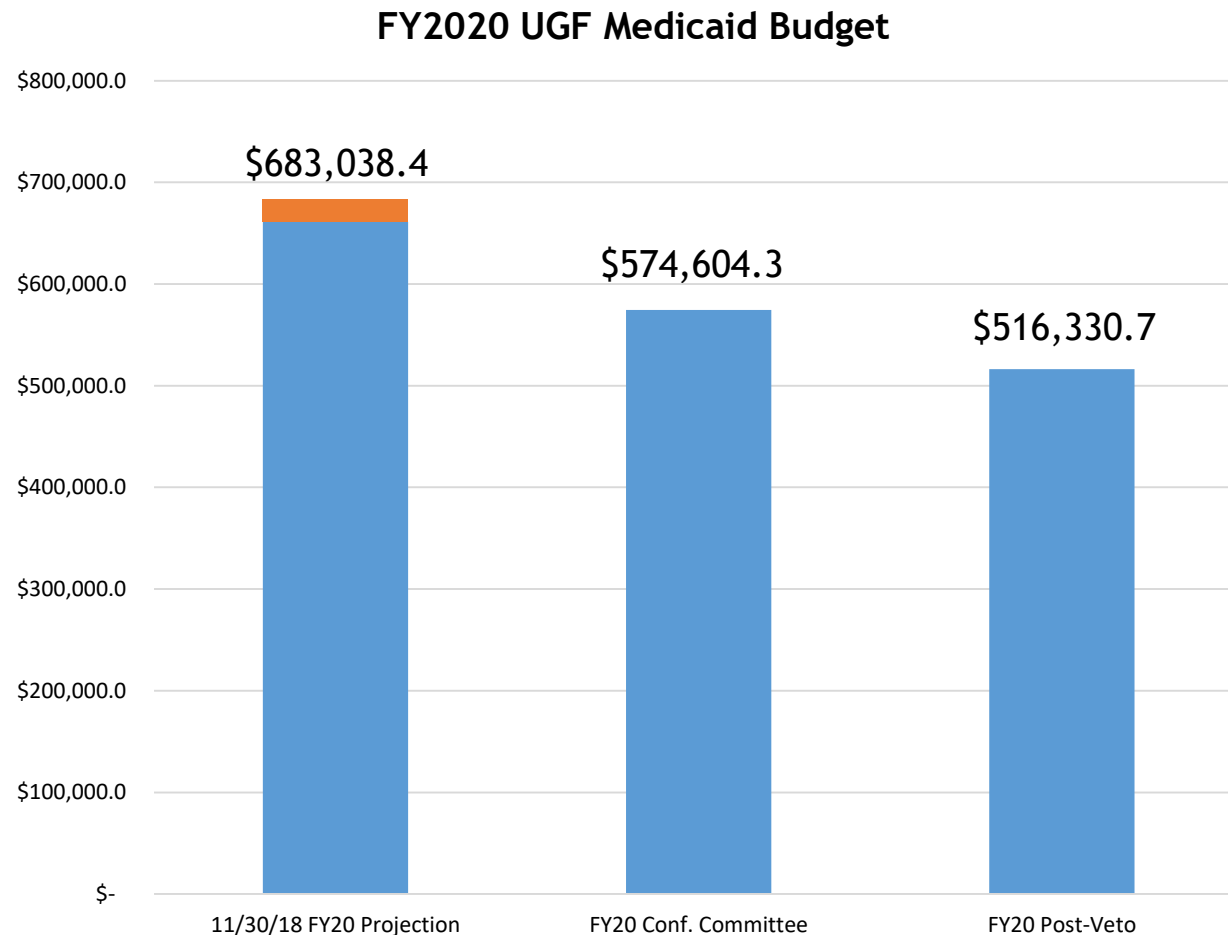
FY2020 to FY2021 = \$70,370.0

Supplemental Bill - Urgent/Emergency Response Items

- Dept. of Natural Resources
 - Fire, Land, and Water Resources; Fire Suppression: \$110,500.0 UGF
 - Dept. of Transportation and Public Facilities
 - Operating: Highway, Aviation and Facilities; Northern Highways Dalton Highway/Atigun Pass: \$158.1 UGF
 - Capital: Knik-Goose Bay Road: \$2,000.0 UGF Reappropriation
 - Capital: Earthquake Relief - Federally Ineligible: \$3,000.0 UGF
 - Dept. of Military and Veterans Affairs
 - Capital Mass Notification: \$900.0 UGF Reappropriation
 - Dept. of Health and Social Services
 - Medicaid Services; Medicaid: \$128,273.6 UGF, \$162,130.9 Fed
- **TOTAL: \$241,931.7 UGF, \$162,130.9 Fed**



Medicaid: Ambitious Goals



Governor's FY20 budget had ambitious savings targets for Medicaid based on changes to several elements

- Reduced provider payments
- Withhold payment inflation adjustments
- Elimination of adult preventative dental benefit
- Timely filing allowance
- Transportation efficiencies
- Tribal claiming
- Other efforts



 = Projected Shortfall

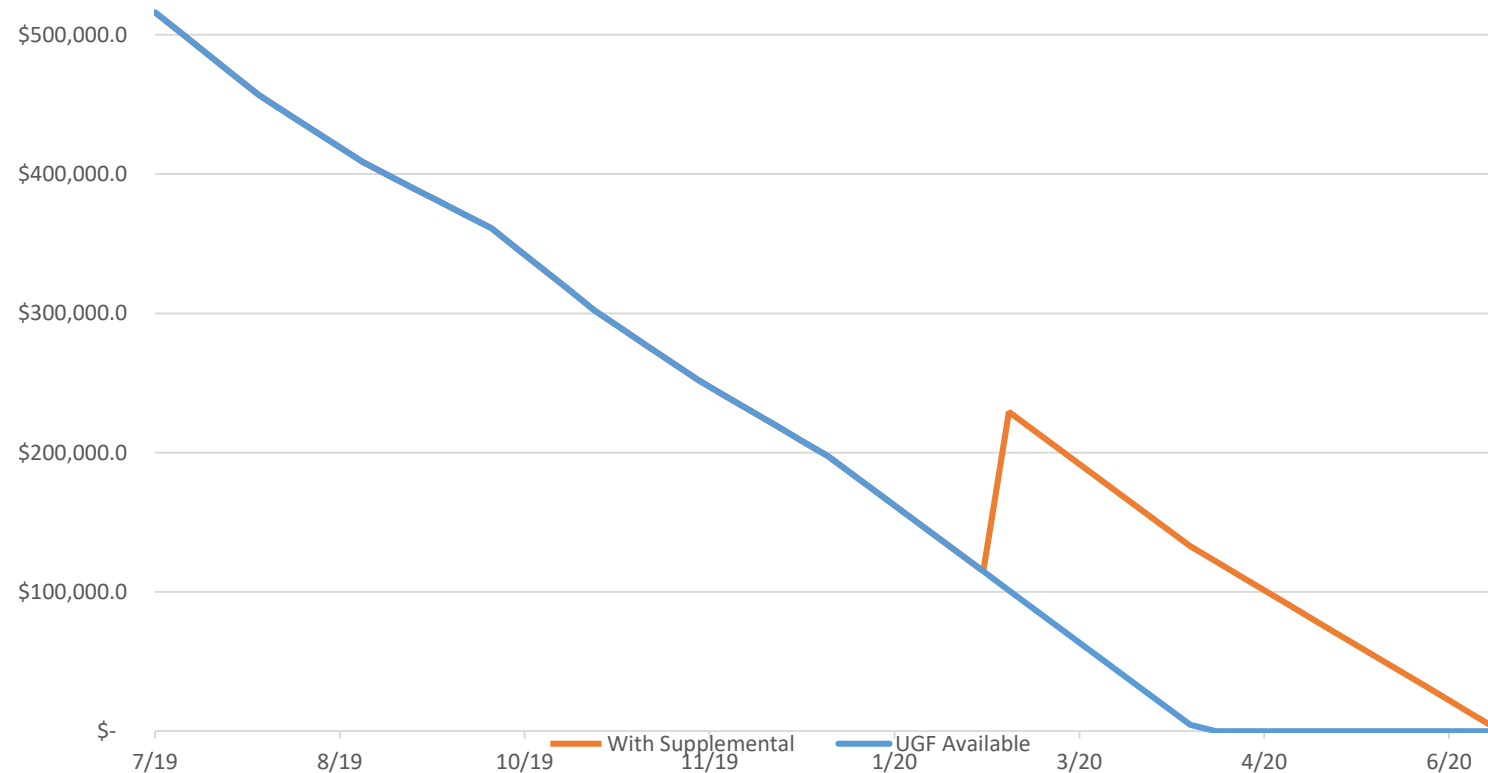
Medicaid: Realized Savings

FY2020 ambitious savings goal of \$166,707.7 UGF was not realized.

Even after supplemental, FY2020 Medicaid spending is still substantially reduced.

| | UGF |
|---|----------------------|
| 11/30/18 FY2020 Projection | \$ 683,038.4 |
| Provider rate reductions | \$ (17,716.9) |
| Savings through tribal claiming | \$ (20,100.0) |
| Savings thru pharmacy and Medicare Part B | \$ (5,538.0) |
| Other utilization changes | \$ 4,919.9 |
| FY2020 Projected Total | \$ 644,603.4 |
| Projected Savings in FY2020 | \$ (38,435.0) |

Medicaid: General Fund Cash Flow

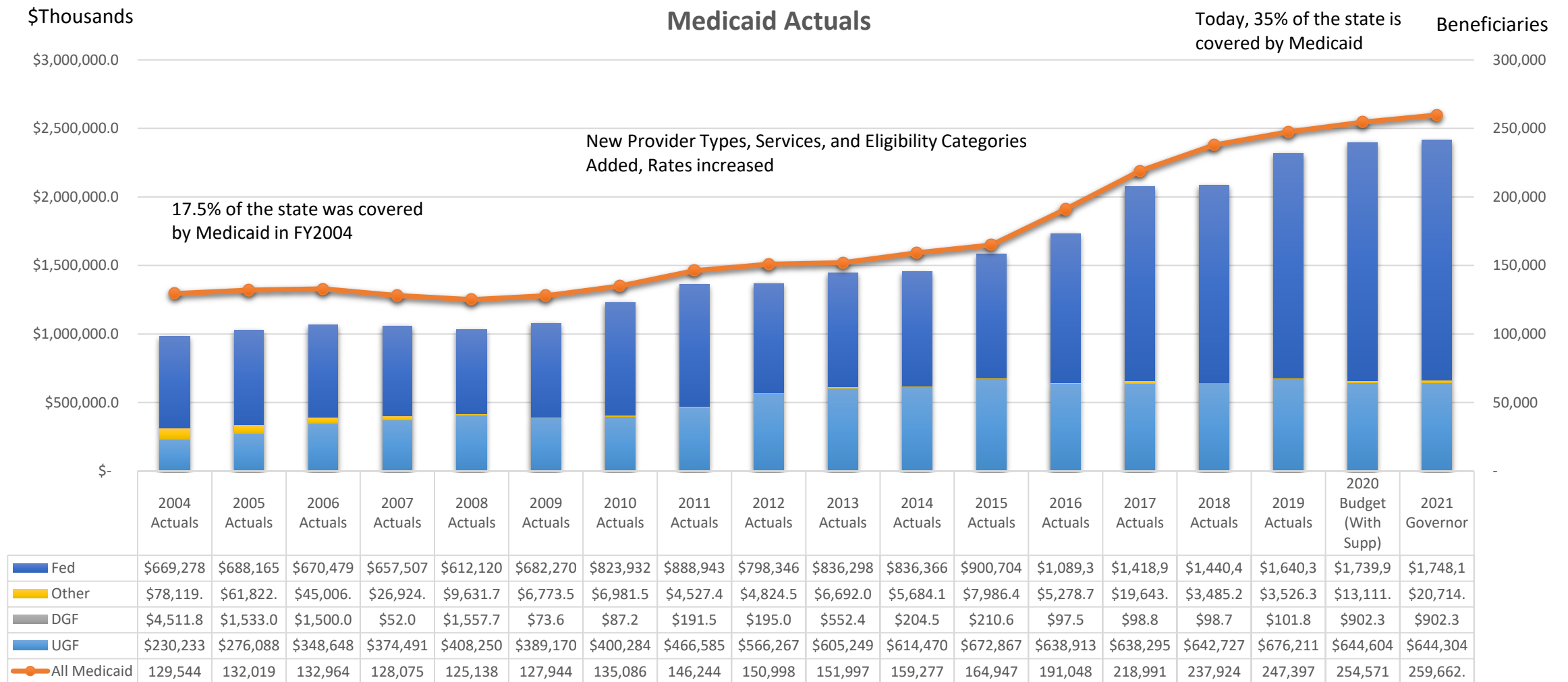


Weekly UGF Medicaid spending = \$13,787.2

21 Weeks remain in FY2020 (starting 2/10)

Insufficient funding to get through last quarter of FY2020 absent supplemental

Medicaid Spending: FY2004 - FY2021



Regular Supplemental Items

Supplemental Bill: Department of Administration

Operating Total: \$1,700.0 UGF, \$550.0 DGF

- Legal and Advocacy Services, Office of Public Advocacy
Caseload growth and operational cost: \$1,700.0 UGF
- Division of Motor Vehicles
Document security and preservation system: \$50.0 DGF
Anchorage office location move: \$500.0 DGF

Supplemental Bill: Dept. of Commerce, Community, and Economic Development

Capital Total: \$45,526.1 Fed

- Housing and Urban Development (HUD) Community Development Block Grant, Disaster Recovery Program: \$38,856.0 Fed
- National Petroleum Reserve-Alaska (NPR-A) Impact Grants: \$6,670.1 Fed

Supplemental Bill: Department of Corrections

Operating Total: \$8,025.7 Fed

- Population Management, Anchorage Correctional Complex
Add carryforward language: \$8,025.7 Fed
- Population Management, Palmer Correctional Center (PCC)
Extend appropriation for PCC efforts (FY20-FY21)

Supplemental Bill: Dept. of Education and Early Development

Operating Total: \$100.0 UGF, \$150.0 DGF, \$10,000.0 Fed

- Education Support and Administrative Services, Student and School Achievement

Additional federal receipts for U.S. Dept. of Education grants: \$10,000.0 Fed

- Mt. Edgecumbe Boarding School, MEHS Facilities Maintenance
Operational and maintenance costs for MEHS Aquatic Center: \$100.0 UGF, \$150.0 DGF

Supplemental Bill: Office of the Governor

Operating Total: \$233.4 UGF
Capital Total:\$3,700.0 Other

Operating

- Executive Operations, Lieutenant Governor
Voter initiative public hearings: \$18.0 UGF
- Elections
Voter initiative review, certification and language translation: \$215.4 UGF

Capital

- Help America Vote Act: \$3,700.0 Other

Supplemental Bill: Department of Health and Social Services

Operating Total: \$15,600.0 UGF

- Alaska Pioneer Homes, APH Payment Assistance

Alaska Pioneer Homes payment assistance: \$1,000.0 UGF

- Alaska Psychiatric Institute

Add authority to achieve full capacity: \$6,000.0 UGF

- Public Assistance, Adult Public Assistance

Restore Adult Public Assistance payment maintenance of effort requirements: \$8,600.0 UGF

Supplemental Bill: Department of Law

Operating Total \$150.0 Other, \$250.0 Fed

- Criminal Division, Second Judicial District
Reopening Utqiagvik District Attorney's Office:
\$150.0 Other
- Criminal Division, Criminal Appeals/Special Litigation
Expand prosecutions in rural Alaska: \$250.0 Fed

Supplemental Bill: Department of Natural Resources

Operating Total: \$76.1 DGF

- Fire Suppression, Land, and Water Resources; Mining, Land and Water

Aquatic farm application processing: \$76.1 DGF

Supplemental Bill: Department of Public Safety

Operating Total: \$6,743.4 UGF

Capital Total: \$605.0 UGF

Operating

- Alaska State Troopers, AST Detachments, Alaska Wildlife Troopers, and Wildlife Troopers Aircraft Section - Meet FY2020 operating needs and law enforcement safety equipment: \$6,743.4 UGF

Capital

- FAA required aircraft equipment: \$105.0 UGF
- Radio replacement: \$500.0 UGF

Supplemental Bill: Department of Revenue

Operating Total: \$854.4 UGF, (\$400.0 Other)

- Taxation and Treasury, Tax Division

Tax Revenue Management System maintenance and support costs: \$400.0 UGF, (\$400.0 Other)

Tax subject matter experts, economic and legal analysis (FY20-FY22): \$350.0 UGF

- Administration and Support, Commissioner's Office

Technology refresh and space utilization and planning: \$104.4 UGF

Supplemental Bill: Dept. of Transportation and Public Facilities

Operating Total: \$7,050.0 DGF

Capital Total: \$5,000.0 DGF, \$3,155.0 Other

Operating

- Administration and Support, Measurement Standards
Replace capital funding with unified carrier registration receipts: fund source change
- Marine Highway System, Marine Vessel Operations
Maintain AMHS vessel operations: \$7,050.0 DGF

Capital

- AMHS vessel overhaul: \$5,000.0 DGF
- DPS patrol vehicles: \$3,155.0 Other

Supplemental Bill: Fund Capitalization and Transfers

Fund Capitalization: Total \$600.0 UGF, \$3,000.0 Fed

Capital

- Election Fund - FY20 capitalization of the Election Fund with federal receipts: \$600.0 UGF, \$3,000.0 Fed

Fund Transfers: Total \$1,100.0 deposit into General Fund

- Undesignated Reserve (UGF out), AHFC Subsidiary Fund
Transfer balance of AHCC account to the General Fund:
\$1,100.0 fund transfer

Supplemental Bill: Special Appropriations and Capital Items

Special Appropriations: Total \$131.7 UGF

- Judgments, Settlements, and Claims

FY2020 judgments, settlements, and claims: \$131.7 UGF

Capital: Total \$4,852.9 deposit into General Fund

- Capital

Repeals: \$4,398.6 UGF

Questions
