

Alaska will receive \$1.02 billion in federal relief to cover COVID-related costs incurred by December 31, 2024 as part of the American Rescue Plan (ARP). Provided below in italics are the guidelines directly from the Act:

- A. *to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;*
- B. *to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the State, territory, or Tribal government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;*
- C. *for the provision of government services to the extent of the reduction in revenue of such State, territory, or Tribal government due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the State, territory, or Tribal government prior to the emergency; or*
- D. *to make necessary investments in water, sewer, or broadband infrastructure.*

Use of these discretionary funds between now and December 2024 should be balanced between relief for impacted individuals, industries, the long-term economic development of Alaska, and utilizing ARP funding to offset UGF expenditures in the operating budget. The chart below outlines allocations in broad categories the Administration is proposing. This funding should be used for non-recurring costs given the guidelines and timing.

The Administration will engage the Legislature to refine these allocations and details within each category as additional guidance is provided by U.S. Treasury. This starting proposal and the amounts listed will change as the Administration and Legislature work together to finalize a plan for the benefit of Alaska.

Category (\$ thousand)	Proposed Allocation %	Proposed Allocation Amounts
Protecting Alaskans Emergency response costs including addressing the Domestic Violence impacts of COVID-19 (\$6 million), portable equipment, and individual security including food security and fishermen COVID-19 coverage.	8%	\$80,000.0
Alaska Tourism Revitalization Industry relief to promote tourism and adapt services for potential loss of cruise ship season.	15%	\$150,000.0
Economic Recovery and Innovation Relief to businesses and organizations impacted by the pandemic and preparing Alaska’s economy for investment as we reach the end of the pandemic and a return to normal life.	32%	\$325,000.0
Build Alaska – Infrastructure Investment Water, sewer and broadband infrastructure investments; leverage local and other funding using matching grant programs.	32%	\$325,000.0
General Fund Offset – Up to \$1,019,259.4 Under section C of the Federal guidance, provision of government services to the extent of COVID related revenue losses with the intent of offsetting existing general fund expenditures.	14%	\$139,259.4
		\$1,019,259.4

* The full amount of ARP funding could be utilized to offset existing UGF spending to retain revenues in the general fund.
* Funding should be directed towards one-time or short duration projects and programs and should not create future financial obligations for the state.